

TABLE OF CONTENTS

	<i>Page</i>
Letter to the Government and the Finance Committee of the Knesset	iii
Table of contents	v
Index of tables	ix
Index of diagrams	xv

PART ONE THE DEVELOPMENT OF THE ECONOMY

CHAPTER I	MAIN ECONOMIC DEVELOPMENTS IN 1958	3
CHAPTER II	RESOURCES, PRODUCT AND NATIONAL INCOME	9
1.	Total Resources: Gross National Product and Imports	9
2.	Output and National Income	12
3.	The Use of Resources	14
4.	The Import Component of the Uses of Resources	18
CHAPTER III	THE BALANCE OF PAYMENTS AND FOREIGN TRADE	20
1.	The Balance of Payments	20
2.	Commodity Exports	26
3.	Exports of Services	32
4.	Commodity Imports	33
5.	Imports of Services	35
6.	Unrequited Receipts	36
7.	Capital Movements and Foreign Liabilities	39
CHAPTER IV	PRIVATE CONSUMPTION	42
1.	The Background to the Changes in Consumption	42
2.	Main Developments in Consumption Patterns	43
3.	Changes in the Main Consumption Groups	46
CHAPTER V	DOMESTIC INVESTMENT	51
1.	Factors Determining the Volume and Distribution of Investments	52
2.	Investment Prices	57
3.	The Financing of Investments	58
4.	Investment in Stocks	59

		<i>Page</i>
CHAPTER VI	PRICES	60
	1. Factors Causing Changes in Prices	60
	2. Private Consumption Prices	63
	3. Domestic Investment Prices	69
CHAPTER VII	WAGES	71
	1. Factors Causing Increases in Wages and Earnings	72
	2. Wages and Earnings by Economic Branches	72
	3. Disposable Income	75
	4. Labour Contracts for Professional Personnel	76
	5. The Law for the Protection of Wage Earners	77
CHAPTER VIII	MANPOWER AND EMPLOYMENT	78
	1. Population and the Labour Force	78
	2. Characteristics of the Labour Force	80
	3. Employment by Economic Branches	81
	4. Fluctuations in the Volume of Unemployment	83
P A R T T W O		
SURVEY OF THE PRINCIPAL ECONOMIC SECTORS		
CHAPTER IX	AGRICULTURE	89
	1. Output	91
	2. Input	103
	3. Income	107
	4. Investments	108
	5. Turnover Capital	112
CHAPTER X	INDUSTRY	115
	1. Output	117
	2. Input	119
	3. Investment	123
	4. Industrial Exports	125
	5. Industrial Credit	127
	6. Industrial Branches	130
	7. Electricity	144
CHAPTER XI	BUILDING	147
	1. Building Activity	147
	2. Building Costs	149
	3. Employment	151
	4. Residential Building Construction	151

	<i>Page</i>
5. Non-Residential Building	154
6. The Financing of Building	155
 CHAPTER XII	
TRANSPORT	157
1. Shipping	158
2. International Civil Aviation	163
3. Inland Civil Aviation	165
4. Israel Railways	166
5. Ports	168
6. Motor Vehicles	170
7. Bus Cooperatives	171

PART THREE
MONETARY DEVELOPMENTS

 CHAPTER XIII	THE MONEY SUPPLY, CREDIT AND THE BANKING SYSTEM	175
1. Major Trends in the Development of the Monetary System	175	
2. The Increase in the Financial Assets of the Public	180	
3. Factors Directly Responsible for the Increase in the Financial Assets of the Public	185	
4. Foreign Exchange Balances	189	
5. Credit to the Government	190	
6. Credit to the Public	192	
 CHAPTER XIV	THE FISCAL POLICY OF THE GOVERNMENT	206
1. Changes during the Year	206	
2. Tax Revenue	212	
 CHAPTER XV	THE FINANCIAL ACTIVITIES OF THE PUBLIC SECTOR	217
1. The Public Sector—Consolidated Account	217	
2. The Government	226	
3. The National Institutions	240	
4. The Local Authorities	246	
 CHAPTER XVI	PERSONAL SAVING	253
1. Factors affecting the Level of Saving	254	
2. Forms of Saving	256	
3. The Effect of Personal Restitution from Germany	258	
4. Institutional Saving	261	

	<i>Page</i>
CHAPTER XVII THE SECURITY MARKET	269
1. The New Issue Market	269
2. The Stock Exchange List	271
3. The Principal Investors	271
4. Short-Dated Securities	273
5. Description of the New Issues	274
6. Dollar <i>versus</i> Index "Link"	277
7. Security Prices	278
PART FOUR	
THE BANK OF ISRAEL	
CHAPTER XVIII THE ACTIVITIES OF THE BANK OF ISRAEL	283
1. Assets and Liabilities	283
2. Foreign Exchange and Gold Holdings	284
3. The Bank of Israel as Banker and Fiscal Agent to the Government	287
4. The Bank of Israel as the Bankers' Banker	289
5. Note and Coin Issue	291
6. The Administration of State Loans	294
7. The Administration of Banking Institutions	297
8. Profit and Loss Account and Distribution of Profits	299
9. Economic Research	299
10. The Advisory Committee and the Advisory Council	300
11. The Bank of Israel as Representative of the Government in International Financial Institutions	301
Statement of Assets and Liabilities as at December 31, 1958	304
Profit and Loss Account for the Year ending December 31, 1958	305
The Governor, Members of the Advisory Committee and of the Advisory Council as at 31.5.59	306