

Association of Chambers
of Commerce of South Africa

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JOHANNESBURG

TELEPHONE: 23-1933

TELEGRAMS: "ASSOCOM"

P. O. BOX 694
JOHANNESBURG



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Vereniging van Kamers
van Koophandel van Suid-Afrika

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TELEFOON: 23-1933

TELEGRAMME: "ASSOCOM"

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ALL CORRESPONDENCE TO BE ADDRESSED TO THE SECRETARY
ALLE KORRESPONDENSIE MOET AAN DIE SEKRETARIS GERIG WORD

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PRIVATE AND CONFIDENTIAL

3rd October, 1962.

To:-

THE MEMBERS OF THE
ECONOMIC AFFAIRS COMMITTEE:

Dear Sirs,

INCOMES AND ECONOMIC GROWTH
IN SOUTH AFRICA

In connection with the recent meetings of the Economic Affairs Committee, held to formulate a document under the above title for submission to the forthcoming Congress of the Association, we enclose for your confidential information a copy of the draft document, as finally prepared by the Drafting Sub-Committee, in the form in which it has been sent to Congress delegates for consideration.

Members are asked kindly to note that, since this draft document has not yet received consideration by or approval from Congress, and thus cannot necessarily be regarded as representing the policy of the Association, the draft should be regarded as confidential and should not be handed to the Press or in any other way given publicity.

Yours faithfully,

H.S. MABIN

EXECUTIVE DIRECTOR

HSM/CD
Encl.

DRAFT FOR CONSIDERATION
(PREPARED BY ECONOMIC AFFAIRS COMMITTEE)

INCOMES AND ECONOMIC GROWTH IN
SOUTH AFRICA

September, 1962.

** ** *

1. INTRODUCTION.

Possessing a very large potential labour supply and an abundance of material resources of many kinds, South Africa has in the last fifty years made great progress towards providing work opportunities and improved living standards for its peoples of all races. From table 1 it will be seen that the real average income per capita at constant prices approximately doubled from 1925 to 1953. However, as indicated in table 2, the rate of growth of real per capita income, having reached a peak of 3.2 per cent per annum in the period 1948 to 1953, declined to 1.5 per cent per annum in the following seven years. In fact, there was some absolute decline in real per capita income about the end of the 1950's, and it appears from the 1962 Economic Report of the South African Reserve Bank that the gain in real average per capita income from 1960/61 to 1961/62 may have been only in the order of 1.1 per cent.

While the improvement in average per capita national income afforded increases in salaries and wages as the years went by, the gap between skilled and unskilled wages remains very high in South Africa, being between 400 and 600 per cent of the latter. As indicated below, unskilled wages leave great scope for improvement.

The reduced rate of growth in recent years has been accompanied by continued and even increased unemployment, as indicated later.

To effect improvements in incomes and also to provide more employment, a more rapid rate of general economic growth is essential. Since only increases in productivity can raise the average real national income per capita, productivity increases must be striven after.

2. WAGE LEVELS:

While skilled wage levels in South Africa afford high living standards, the available evidence indicates that semi-skilled and, in particular, unskilled wages have thus far increased at less than satisfactory rates and have been inadequate in relation to subsistence costs.

Table 3, reproduced from the article "Bantu Wages in South Africa", by W.F.J. Steenkamp (South African Journal of Economics, June, 1962), reflects the average annual earnings of Whites and Bantu in private manufacturing and construction industries from 1936 to 1961.

Table 4 shows movements in median monthly wages of male unskilled workers in commerce in certain urban areas between 1940 and 1961.

These tables disclose a tendency towards stagnation in real unskilled wages in industry and commerce in the post-war years, but marked increases in 1959/60 and 1960/61, due largely to government action in the shape of Wage Board reviews. Wage Board action apparently failed to produce real unskilled wage increases in the post-war years up to about 1958.

In Government employment, there appears to be some evidence that unskilled wage levels have been static in real terms. For example, the average annual real wage among Non-Europeans employed by the South African Railways, expressed at constant 1951 prices, decreased from R260 in 1950/51 to R233 in 1960/61.

While it is difficult to evaluate the significance of housing and other forms of remuneration in kind, the indications appear to be that increases in the incomes of unskilled workers in mining and agriculture in the White areas have been lower than in industry and commerce.

Various surveys made by competent authorities have reflected a gap between the estimated minimum financial requirements of Bantu households for basic necessities, on the one hand, and the actual average amounts spent, on the other hand. Among the most recent surveys was that made by Professor O.P.F. Horwood, in Durban (quoted in the Wage Board Report on the

Commercial/....

Commercial Distributive Trade in Principal Areas, 1961). Prof. Horwood found that the median household income in Durban was R20.80, while the minimum living costs were R33.64, leaving a median shortfall of more than R12.00 per month.

A survey towards the end of 1961 by the University of South Africa in respect of Benoni, finds that the average income of all households in the Daveyton and Wattville Bantu Townships was R52.16 per month, while the monthly average expenditure on all items per household was R57.30 in Benoni.

Workers in lower income groups, including Bantu workers, are benefited by various subsidies. The prices of bread and maize - staple foods of lower income groups - are subsidised from the Consolidated Revenue Fund; the Government of the Republic assists European, Coloured and Bantu housing for various low-income workers in urban areas; services for Bantu townships are financed from the proceeds of the Native Services Levy payable by employers of Native labour; Bantu bus services in certain areas are subsidised from the proceeds of the transport levy paid by employers; and certain railway services to Bantu townships are subsidised from the Consolidated Revenue Fund.

The fact remains, however, that without these subsidies the gap between the minimum requirements of large numbers of unskilled workers and the actual amounts they were able to spend would have been wider.

Non-European workers receive social services, in certain instances, to a lesser degree than do Europeans. In addition, most Bantu workers do not qualify for unemployment insurance (only Bantu workers earning from R546.00 upwards per annum qualify).

It is clear that poverty among many workers is one of the major economic problems with which we have to contend.

3. UNEMPLOYMENT:

There is very substantial unemployment among potential unskilled workers. In a recent article in the South African Journal of Economics, an estimate of 200,000 is quoted as the number of unemployed Native male squatters of working age in rural areas, and the number of unemployed Native adult and juvenile/....

juvenile males in urban areas is given at 160,000 - both figures relating to the year 1958. There is additionally a very large number of unemployed and under-employed Bantu females. The Department of Labour calculates the number of unemployed Europeans in the major centres as 15,089 in July, 1962, and the number of Coloured unemployed persons in those areas as 15,904.

Apart from this unemployment, it has been estimated that the annual number of new male and female Bantu work-seekers, resulting from population growth, is possibly as high as 75,000.

The Tomlinson Commission found that only about half of the population of the Bantu areas - now approximating 4,200,000, excluding roughly 500,000 migrant labourers - could be absorbed into agriculture on a basis yielding some reasonable income, which means that non-farm employment must be found to sustain more than 300,000 families who are likely to have to be removed from the land in these areas.

4. NEED FOR INDUSTRIAL GROWTH IN ORDER TO INCREASE INCOMES:

While there may be scope for increased employment and earnings in mining and agriculture, it is secondary and tertiary activity - manufacturing, commerce and services - which, here as in most countries, offers the greatest field for skilled and semi-skilled employment, including the employment of females. This is demonstrated by the fact that - though still inadequate in unskilled categories - incomes have increased most rapidly in industry, commerce and services, and the number of jobs has risen most rapidly in those sectors.

It is thus clear that South Africa must industrialise rapidly, and thereby rapidly raise its gross national product, if existing incomes are to be improved, particularly incomes in the lowest brackets, and if the necessary new jobs are to be created.

Limiting Factors in Industrialisation:

While there are many factors involved in securing more rapid industrialisation, there are four factors which are likely to limit the pace of growth. These are:-

(a)/....

- (a) The balance of payments;
- (b) Skilled labour;
- (c) Capital; and
- (d) Decentralisation.

These four limitations are now dealt with in turn:-

(a) The Balance of Payments:

The present large current account balance of payments surplus is due largely to the reduced rate of growth currently being experienced (as noted above, the average real national product per capita rose by only 1.1 per cent in the year 1961/62). A substantial real per capita rate of growth, such as the 3.2 per cent per annum recorded from 1948 to 1953, would seriously reduce or even eliminate the current account surplus, and if, in addition, rapid development of the Bantu areas were to be undertaken, we would almost certainly experience a current account deficit.

The extremely close correlation shown in table 5 between gross capital formation and merchandise imports clearly indicates that a more rapid rate of growth would lead to markedly increased imports.

Future current account deficits could be faced with equanimity if substantial net capital inflow from abroad could be relied upon. However, in view of overseas investors' nervousness in regard to investment in Africa generally, the need for capital investment in Europe to finance the development expected in the European Economic Community, and other factors, we probably cannot look to any substantial net capital inflow. We must thus avoid current account deficits. In view of the rising imports which will be associated with more rapid growth, this means that we must obtain substantial expansion in exports, and that we must devote proportionately more of our resources to exports and proportionately less to domestic consumption and to investment for home market production than would have been the case were we able to rely upon large capital inflow.

The effort which will have to be put into export promotion will have to be all the keener by virtue of difficulties we may experience in coming years in export markets, resulting from/....

from E.E.C. developments, possible world market commodity price weaknesses, and the possibility that gold production may decline after some years because the potential of new mines may not compensate for the shrinkage facing the older mining areas.

Export performance may be stimulated if inducements are offered, on a selective basis, to industries of an economic nature with a sound export potential - excluding industries which may be able to export only at the cost of supplying the home market at uneconomically high prices. Tax incentives to stimulate the development of such efficient exporting industries are welcomed, and could be proceeded with further.

No policy of self-sufficiency at any cost should be followed. South Africa must remain part of the world economy, and, in the process, build up efficient and economic industries. We are in no position to isolate ourselves from international trade, because of our dependence upon exports of merchandise and services and sales of gold.

There is scope, however, for the selective encouragement, through tariff protection, of sound industries which in the long run can be definitely developed to produce at costs at least competitive with imports. The development of such industries should afford opportunities for the acquisition of increased skills by workers and for the attainment of enhanced productivity levels, which would ultimately compensate for the interim costs involved in selective and moderate tariff protection.

To ensure that tariff protection is applied only on this basis, there should be periodical review of protective duties, and the following recommendation of the Viljoen Commission of Enquiry into Industrial Protection (paragraph 78) should be implemented:-

"The Chairman of the Board of Trade and Industries, furthermore, gave the assurance that where duties, higher than those ordinarily extended, which in every case would be indicated as such, are for particular reasons recommended, each such a recommendation will be made subject to the condition that those duties be reviewed after a specified period. The Commission welcomes this assurance and recommends that the Minister of Economic Affairs should direct the Board of Trade and Industries to act accordingly."

Import/....

Import control should never be used for the protection of industries. Apart from the fact that such use of quantitative restrictions would be contrary to international economic opinion and to the requirements of G.A.T.T., there is the fact that the import control administration is not in a position to apply scientific study to applications for protection, and effect detailed consultation with national business organisations, or publicly advance logical reasons for its decisions, in the manner followed by the Board of Trade and Industries.

No attempt should be made to replace imports by domestic products which cannot be manufactured at competitive, economic prices. To take such action would worsen the balance of payments because of the misapplication of resources involved, including the diversion of resources from potential economic industries.

(b) Skilled labour:

Even under today's relatively static economy there is a shortage of skilled labour in many categories, and more rapid economic growth will accentuate this scarcity. Immigration is welcome and should be much encouraged; but we are unlikely to be able to obtain by any means all our requirements of skilled labour from that source. It is thus clear that restrictions on the acquisition of new skills will hamper our progress. Furthermore, an increase of productivity will entail the removal of barriers which prevent persons entering certain occupations, such as:-

- (a) the exclusion of some non-Whites, particularly Bantu, from membership of trade unions, thus disqualifying such non-Whites from skilled work in industries where "closed shop" trade union arrangements exist,
- (b) the legal enforcement of work reservation under Section 77 of the Industrial Conciliation Act.

In connection with the removal of barriers against the acquisition of skills by non-Whites, it should be borne in mind that it will in any case be essential to ensure that no such barriers exist in the Bantu areas when industrialisation takes place there. The absence of such barriers in the Bantu/....

Bantu areas and their continued existence in the rest of the Republic would, however, cause serious practical difficulties.

It is vitally important that vastly increased educational facilities, both academic and vocational, should be provided. This is basic to all steps to spread knowledge of skills and techniques and to improve productivity. The London "Economist" dated 8th September, 1962, tracing factors which contributed to the vast economic growth of Japan (which in the last decade has expanded its real income at an average rate of over 9 per cent per year, transforming the whole standard of living of its people), wrote that one of Japan's great advantages has been that even in 1945 90 per cent of Japanese were literate. Since 1945, there has been further massive extension of education. It is essential that educational facilities be extended to cover the entire South African population on a much extended and improved basis. Among other things, the present lack of training facilities for non-Whites in the acquisition of the skills with which the apprenticeship system is concerned, must be remedied.

While the adoption of these recommendations would produce no immediate, spectacular results, they would bear fruit in the not unduly distant future.

(c) Capital:

Extensive industrialisation will much increase the demand for share and loan capital. In a developing country, as noted earlier, it would be desirable to draw substantial resources of capital from abroad. Since, however, this source of capital cannot be relied upon, we must ensure that the rate of savings is as high as possible. Corporate savings are an important source of finance for industrial and commercial investment, and since these savings are dependent upon an adequate rate of return on capital, such an adequate rate of return should be sought after and welcomed in South Africa. Public policy should avoid imposts upon costs likely to reduce profit rates or forms of taxation which discourage the reinvestment of earned profits.

(d)/....

(d) Decentralisation:

The Association has previously recommended that the Republic should be developed as a single economic entity, and in order to avoid wasteful use of scarce resources it is essential that this principle should be applied as far as possible.

In most countries, however, socio-economic considerations necessitate steps to encourage the location of some industry in backward areas. In South Africa, such considerations have led most sections of opinion to accept that the Bantu areas should be developed both industrially and agriculturally. However, the development of Bantu areas while surplus capacity exists in other parts of the Republic may result in a slower rate of growth. The greatest care should therefore be taken not to duplicate facilities which exist in other parts of the country and are not fully utilised.

Maximum industrial development in the Bantu areas will not be achieved without permitting investment of capital owned by Europeans in those areas, which involves adoption of the Association's earlier recommendation that restrictions preventing members of one race from conducting business operations in any part of the Republic should be progressively relaxed with a view to their ultimate withdrawal.

5. THE RAISING OF LOWER INCOMES:

Since wage increases much in advance of productivity improvement would raise costs, reduce profits and capital formation, and thus retard growth, wage rates should generally increase pari passu with productivity. However, with the adoption of the recommendations above, it should in due course be possible to provide most of the employable people of South Africa with employment at at least living wages.

Any proposal that an all-round increase in cash wages for unskilled labour should be granted, without regard to questions of productivity or nature of employment, has now been discredited. It is clear that the additional money incomes created by such a scheme, apart from being tapped off by way of imports of producer goods and also by way of taxation, would in no sense raise the turnovers of all businesses in full relationship/....

relationship with the wage increase, particularly in capital goods industries, so that either price rises would immediately be necessary or a sharp fall in profits would be threatened and investment plans would be cut back, thus immediately diminishing rather than raising real demand for the national product.

The fundamental problem of raising wages cannot, however, be met by dealing with current wage rates. The fundamental problem is that of productivity, and improvement of productivity is the key to the growth in the gross national product which is essential if wages are to be substantially improved. Enhanced productivity and an increased national product can be obtained only if there is substantial transfer of labour to more skilled occupations; and this can be achieved only if the occupations exist and there are no barriers against entry into them. The removal of those barriers is essential if industrialisation is to proceed apace and the necessary jobs are to be created.

6. METHODS OF MITIGATING HARDSHIPS PENDING THE CREATION OF NEW EMPLOYMENT OPPORTUNITIES THROUGH INDUSTRIALISATION:

Pending the creation of new employment opportunities as a result of industrialisation, it would be necessary to take such steps as are possible to increase unskilled wages.

The Association has previously recommended that, with the effluxion of time and with suitable safeguards, trade unions should become representative of workers of all races, so that workers of all races may participate in collective bargaining, which is an essential ultimate element in the achievement of adequate wage levels.

In the absence of more general collective bargaining, it is necessary that the Wage Board should undertake reviews, as frequently as possible, of unskilled wages in industries covered by wage determinations. Wage Board reviews take account of the economics of individual industries, and are thus free from the objections against national or regional minimum wages. More frequent reviews should be undertaken than presently indicated.

Until such time as all workers may participate in collective bargaining, the machinery of the Natives (Settlement of Disputes) Act should be made full use of in guiding and assisting industrial councils to review and improve unskilled wage rates.

In the/.....

In the actual administration of minimum wages, the fixation of national or regional general minimum wages would be undesirable because it would be difficult to determine the desirable minimum level - if fixed too low, a general minimum wage would fail to cure the problem of poverty, while if fixed too high it might have harmful effects upon various industries.

The Government and other public authorities should set good examples in the employment and payment of unskilled labour. If they have hitherto failed to do so in some respects, they should in future give a positive lead to the private sector in this respect.

Meanwhile, in addition to Wage Board and industrial council reviews, and especially while unskilled wage rates remain so low, attention should also be given to providing enhanced security for unskilled workers. Investigation should be made into the practicability of enabling Bantu workers in industry and commerce at any income level to qualify for unemployment benefit. Investigation should also be made into the practicability of national contributory old age and retirement pension schemes for the middle and lower income groups, as well as national medical aid schemes and national disability insurance schemes for such income groups.

7. CONFIDENCE IN THE FUTURE:

By following the sound economic principles recommended above South Africa will be able to achieve a more satisfactory rate of growth than at present. This would demonstrate to the world the great potentialities for capital investment in South Africa. Foreign investors may then adopt a more beneficent attitude to the economy of the Republic, and with a revived foreign capital inflow a far more rapid rate of growth will then become possible. Within a reasonable time it will then be feasible to ensure living wages for all active workers.

8. SUMMARY OF MAJOR RECOMMENDATIONS:

- (a) The elimination of poverty should be the first aim of the Republic.

(b)/.....

- (b) To achieve this in a measurable time, the rate of economic growth should be much more rapid than at present.
- (c) This can best be secured by avoiding obstacles to the exercise of private initiative and by affording positive stimuli for the development of sound industrial activities with sure prospects of becoming completely competitive and economic within a reasonable period.
- (d) Restrictions which interfere with the proper functioning of the free market economy should be abandoned.
- (e) Increased exports are essential to enable South Africa to achieve more rapid economic growth.
- (f) No attempt should be made to solve our balance of payments problems by endeavouring to attain complete self-sufficiency.
- (g) More frequent reviews of unskilled wages should be undertaken by the Wage Board and industrial councils.
- (h) Investigations should be conducted to determine the practicability of greater social security provision for the middle and lower income groups.

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JOHANNESBURG
13th September, 1962.

TABLE 1

<u>Year Ended 30th June</u>	<u>Total Population</u>	<u>National Geographical Income at Constant 1960 Prices</u> R	<u>National Geographical Income Per Capita at Constant 1960 Prices</u> R
1912	6,103,000	737,700,000	120.9
1925	7,664,000	981,300,000	128.0
1929	8,364,000	1,142,000,000	136.6
1938	9,986,000	1,677,000,000	167.9
1948	11,968,000	2,590,000,000	216.4
1953	13,182,000	3,340,000,000	253.4
1960	15,841,000	4,491,000,000	283.5

TABLE 2

<u>Period</u>	<u>Average Annual Percentage Change in Geographical Per Capita Income at Constant Prices</u>
1912-1925	+0.4
1925-1929	+1.6
1929-1938	+2.3
1938-1948	+2.6
1948-1953	+3.2
1953-1960	+1.5

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TABLE 3

AVERAGE ANNUAL EARNINGS OF WHITES AND BANTU
EMPLOYED IN PRIVATE MANUFACTURING AND CON-
STRUCTION INDUSTRIES. 1935-36 TO 1960-61

(Reproduced from "Bantu Wages in South Africa" by
W.F.J. Steenkamp (South African Journal of
Economics, June, 1962)).

Year	Average annual earnings at current prices		Average annual earnings at 1959-60 prices		Average annual earnings at 1959-60 prices. Increase over previous year	
	Whites	Bantu	Whites	Bantu	Whites	Bantu
	R	R	R	R	%	%
1935-36	452	84	1,074	200		
1936-37	468	88	1,101	207	2.5	3.5
1937-38	486	92	1,097	208	(-)0.4	0.5
1938-39	492	94	1,101	210	0.4	1.0
1939-40	512	96	1,130	212	2.6	1.0
1940-41	538	102	1,140	216	0.9	1.9
1941-42	616	120	1,222	238	7.2	10.2
1942-43	674	140	1,241	258	1.6	8.4
1943-44	714	162	1,255	285	1.1	10.5
1944-45	768	184	1,313	315	4.6	10.5
1945-46	798	192	1,337	322	1.8	2.2
1946-47	850	200	1,393	328	4.2	1.9
1947-48	918	210	1,437	329	3.2	0.3
1948-49	982	220	1,444	324	0.5	(-)1.5
1949-50	1,034	222	1,486	319	2.9	(-)1.5
1950-51	1,106	234	1,499	317	0.9	(-)0.6
1951-52	1,244	252	1,559	316	4.0	(-)0.3
1952-53	1,348	266	1,588	313	1.9	(-)0.9
1953-54	1,422	278	1,634	320	2.9	2.2
1954-55(a)	1,526	288	1,709	323	4.6	0.9
1954-55(a)	1,540	292	1,725	327		
1955-56	1,621	300	1,774	328	2.8	0.3
1956-57	1,692	308	1,817	331	2.4	0.9
1957-58	1,761	316	1,817	326	-	(-)1.5
1958-59	1,819	330	1,836	333	1.0	2.1
1959-60	1,872	348	1,872	348	2.0	4.5
1960-61	1,938	371	1,907	365	1.9	4.9

(a) Certain changes in the coverage of the Industrial Censuses were made in 1955-56. For comparative purposes, therefore, the 1954-55 averages are shown first on the basis of the coverage up to 1954-55, and then on the basis of the coverage for the years 1955-56 onwards. The manufacture of motor vehicle tyres, motor vehicle batteries and the assembly of motor vehicles are included for all years.

NOTES:

(1) Average annual earnings include ordinary, incentive and over-time wages, holiday and other occasional bonuses and payment in kind.

TABLE 3 (CONTD.)

NOTES (Contd.)

as well as the employers' contributions to holiday, pension/provident and medical funds, but exclude the employers' contributions to Unemployment Insurance and Workmen's Compensation Funds.

(2) The figures for the years 1935-36 to 1955-56, 1956-57 (Bantu only), 1957-58 (Bantu only), 1958-59 and 1959-60 are based on the Industrial Censuses of the Bureau of Census and Statistics. (Figures for 1956-57 to 1959-60 are preliminary.) Before calculating the averages, employment figures were adjusted to exclude working proprietors. For the other years the average wages have been estimated by assuming the annual increases to be equal to those shown by the monthly sample survey of the Bureau. (Actual averages based on the Censuses and the sample survey are not strictly comparable.)

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TABLE 4

MOVEMENTS IN MEDIAN MONTHLY WAGES OF ADULT MALE GENERAL WORKERS IN COMMERCE
IN CERTAIN URBAN AREAS, 1940-1961

(Reproduced from "Bantu Wages in South Africa" by W.F.J. Steenkamp
(South African Journal of Economics, June, 1962)).

Area	January, 1940		December, 1953		April, 1960		October, 1961 (b)	Increases in real wages in Oct., 1961, over		
	(a)	(b)	(b)		(c)			January, 1940	December, 1953	April, 1960
	Wage at current prices	Wage at Oct. '61 prices	Wage at current prices	Wage at Oct. '61 prices	Wage at current prices	Wage at Oct. '61 prices		%	%	%
Cape Peninsula.....	R 12.00(e) 9.10(f)	R 26.73	R 27.41	R 32.21	R 32.50	R 32.63	R 35.75	33.7(e) 76.4(f)	11.0	9.6
Johannesburg.....	R 12.00	R 26.73	R 25.24	R 29.66	R 30.33	R 30.45	R 35.75	33.7	20.5	17.4
Benoni, Boksburg and similar Reef towns...	R 9.53	R 21.22	R 24.16	R 28.39	R 28.06	R 28.17	R 33.15	56.2	16.8	17.7
Alberton and similar Reef towns.....	R 9.10	R 20.27	R 24.16	R 28.39	R 26.33	R 26.44	R 33.15	63.5	16.8	25.4
Durban.....	R 8.67	R 19.31	R 22.43	R 26.36	R 26.00	R 26.10	R 33.15	71.7	25.8	27.0
Bloemfontein.....	R 8.67	R 19.31	R 22.43	R 26.36	R 26.00	R 26.10	R 30.55	58.2	15.9	17.0
East London.....	R 9.53	R 21.22	R 22.43	R 26.36	R 26.00	R 26.10	R 30.55	44.0	15.9	17.0
Pietermaritzburg.....	R 7.80	R 17.37	R 22.43	R 26.36	R 22.43	R 22.52	R 29.25	68.4	11.0	29.9

(a) Municipal areas only.

(b) New wage determinations came into operation in January, 1940, December, 1953, and October, 1961. All these wage determinations resulted in considerable increases in wages. In view of the large increases in minimum wages over the actual wages paid immediately before the coming into operation of these determinations, it is assumed that the median wages were the same as the prescribed minima at such dates.

(c) Actual wages at the time of the Wage Board's survey.

(e) Municipality of Cape Town only.

(f) Municipal areas of Bellville, Fish Hoek, Goodwood, Parow and Simonstown.

TABLE 5

MERCHANDISE IMPORTS, NET NATIONAL INCOME
AND GROSS CAPITAL FORMATION.

(R million)

Year	Merchandise Imports	Net National Income (at Factor Cost)	Gross Capital Formation
1950	612	2,149	546
1951	937	2,357	800
1952	839	2,583	676
1953	860	2,956	864
1954	889	3,176	951
1955	975	3,376	979
1956	1,000	3,706	990
1957	1,112	3,898	1,066
1958	1,129	4,000	1,094
1959	995	4,215	939
1960	1,127	4,474	1,140
1961	1,021	4,604	1,092

(Source: Quarterly Bulletin of Statistics,
South African Reserve Bank).

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