THE CAPE MIDLANDS : ITS DEMOGRAPHY (1911-1960) AND REGIONAL INCOME (1954/55 - 1959/60)

by

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CHAPTER 1

THE CAPE MIDLANDS:

AREA AND HISTORICAL AND ECONOMIC BACKGROUND

A. DEFINITION OF THE AREA

"The province of the Cape of Good Hope", more generally referred to as the Cape Province, is by far the largest of the four provinces that comprise the Republic of South Africa. Its total area consists of 277,133 square miles i.e. 58.6 per cent of the total area of the Republic. The Cape Province has been divided into twenty-one economic regions each of which covers large areas and embraces a number of magisterial districts.[1] These economic regions often overlap with geographical regions since the latter depend, to a considerable measure, on geographical or climatic characteristics, while the former depend on the degree of economic development. This division into economic regions has been done on the widest basis possible i.e. that of the wholesale market areas which usually contain a number of retail trade areas due to the fact that the wholesaler covers a larger territory.

In order to establish the wholesale market areas of the Republic, the Bureau of Market Research approached seventy firms with the request that they indicate on a magisterial district map the areas allotted to their agents, branches or representatives. For practical reasons the firms were asked to adapt their subdivisions to the existing magisterial district boundaries as far as possible. The results obtained showed a fairly general and well-defined division of the Cape Province into three major parts - the Western Cape (the hinterland of Cape Town), the Cape Midlands (the hinterland of Port Elizabeth) and the Border area (the hinterland of East London.)[2]

The area covered in this survey of the Cape Midlands is roughly that portion of the Eastern Cape Province which looks to Port Elizabeth as its principal industrial and market centre where the density of the population is the closest. It lies generally within the geographical region described by Professor J.V.L. Rennie as the Eastern Province Midlands Area. "The Midlands area appears to include all that part of the Eastern Province lying west of the Great Fish and Tark rivers and at least as far inland as the Great Escarpment. The term (Cape Midlands) is commonly applied to local organisations in the larger inland centres of Graaff-Reinet and

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1. This division into economic regions has been done by the Bureau of Market Research of the University of South Africa in Research Report No. 2 in collaboration with the Bureau of Statistics.

2. Winklé,F.F., 'Economic Regions of the Republic of South Africa, Bureau of Market Research, Report No. 2, Pretoria, University of South Africa, 1961.

Port Elizabeth interests ....."[1] The Cape Midlands thus consists of 5 economic regions covering 26 magisterial districts; and forms 9 per cent of the total area of the Republic and 15.3 per cent of the total area of the Cape Province. It has a north-south extent of approximately 245 miles and an east-west extent of approximately 175 miles on the average, and covers an area of 42,649 square miles.

A table showing the relevant economic regions and the magisterial districts that they embrace, as well as their area, appears below :-

ECONOMIC REGION NO.	MAGISTERIAL DISTRICTS COMPRISING THE REGION	AREA IN SQUARE MILES District	Region
06	Humansdorp Uniondale	1951 1670	3621
08	Port Elizabeth Uitenhage	665 965	1630
09	Albany Alexandria Bathurst Kirkwood	1701 942 568 878	4089
10	Aberdeen Jansenville Steytlerville Willowmore	2651 1770 1399 3005	8825
11	Albert Aliwal North Colesberg Cradock Graaff-Reinet Hanover Maraisburg Middelburg Murraysburg Pearston Richmond Somerset East Steynsburg Venterstad	1595 773 2055 2293 2620 1993 919 2217 2093 995 2876 2172 1051 832	24,484
5 Regions	Cape Midlands	26 Districts	42,649 sq.miles

Note: Kirkwood became a separate magisterial district as from 1st May, 1960 and, as a result, is now classified under economic region 09. Prior to this date it formed part of the magisterial district of Uitenhage which belongs to economic region 08. In order to render the statistical data for the various economic regions comparable over time, certain calculations have been made to include Kirkwood in region 09 prior to 1960.

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1. Rennie, J.V.L. "The Eastern Province as a Geographical Region". South African Geographical Journal Vol. 27-32. 1945-50. pp. 26-27.

In selecting the magisterial districts and economic regions appropriate for inclusion, use has been made of the wholesale distribution areas shown on Map I of the Bureau of Market Research Report No. 2 of 1961. However, due to the fact that the 1960 population figures are available on an economic region basis and not on a magisterial district basis, and also because it is desirable not break up an economic region if possible, the magisterial districts of Albert and Aliwal North have been included to complete Region 11 while Knysna and Bedford have been excluded so as not to impinge into Region 05 and Region 19 respectively. Consequently, the full definition of the Port Elizabeth hinterland as necessary for this purpose, is as on the map below i.e. excluding Knysna and Bedford and including Albert and Aliwal North.

MAP OF THE CAPE MIDLANDS SHOWING LOCATION OF THE VARIOUS MAGISTERIAL DISTRICTS AND THEIR GROUPING INTO ECONOMIC REGIONS

B. HISTORICAL AND ECONOMIC BACKGROUND.

During the first half of the eighteenth century, European farmers permeated the Cape Midlands in search of suitable pasture for their cattle. They left the western Cape in two directions. The more popular trek was along the coast where water was plentiful, while the less popular trek took the farmers across the Agter Bruintjieshoogte into the Little and Great Karroos.

The Dutch East India Company was in possession of the entire Cape Settlement for some 143 years; from 1652 to 1795 when the British first took over. The Company had neither the incentive nor the means to administer and develop the settlement and attempted by means of successive placaats to confine its subjects within the border of the Western Cape Colony. The farmers were engaged in trading cattle with the natives in the early years of the eighteenth century. The Company was against such trade, in fact it was against any sort of contact with the native peoples. The Company took this view because contact and the cattle trade often led to disagreements, and it was afraid that this might lead to war which it, as a trading company, could ill afford. Consequently the Boers, to whom Cape Town represented the seat of an unsympathetic central government which taxed them, gave them little in return, interfered with their cattle trade with the natives, and even tried to preserve the game on which they relied to a considerable extent for their food, grew dissatisfied and trekked eastward into the interior.

In addition to dissatisfaction with the authorities, economic conditions also favoured such a move. In any new colony there exists usually a particular relationship between land, labour and capital. Conditions are usually such that there exists a scarcity of capital and labour, while land is abundant. This was the case in the Cape Settlement resulting in the use of a high ratio of land in proportion to capital and labour. In other words, agriculture and the pastoral industry were established on the most economical combination and organisation of the factors of production, and full advantage was taken of the abundance of land in order to counteract as far as possible, the disadvantage of the scarcity of labour and capital. It follows therefore that there was a tendency in the direction of extensive rather than intensive farming methods, and so long as new land was available the agricultural and pastoral industries expanded over a wider and wider area as the population increased.

Geographical conditions did not hamper this move from the 'colony of settlement' in the west to the 'colony of dispersion' in the east - the mountains, although steep, had many passes and the descent on the

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far side was short.[1] The Hottentots offered little resistance and economic conditions favoured this move because the trekboere were almost entirely self subsistent family units[2] who depended upon plenty of grazing land and the native cattle trade. Hence the prospect of plenty of free land for all beyond the frontiers of the 'colony of settlement' was encouraging, and the Boers pushed outward primarily with this purpose in mind. Once on the plains of the interior the Boers had little inducement to return and visited Cape Town only when necessary i.e. to get married and to register births, and when essential supplies (mostly powder and clothing, for the womenfolk particularly) were needed. Despite attempts by the Company to keep the Colony within bounds (mainly numerous placaats with which they pursued the Boers and of which the latter took little notice), farmers were already on the west bank of the Gamtoos River by 1745.[3]

By about 1770 some Boer families were between the Gamtoos and Fish Rivers, and by 1775 Boschberg (now called Somerset East) was established by a small community of Boers who had settled there.[4] The frontier was thus extended to the Bushmans and upper Fish Rivers. But these moves by the white farmers were met around 1770 by the Bantu tribes moving southwards, and there were frequent skirmishes between the Xhosa and the white settler farmers. These resulted in attempts to drive the Bantu back and border posts, such as Graaff-Reinet, Grahamstown and Cradock were established along the eastern frontier as military or administrative centres, or both. "The presence of the military and the requirements of the Commissariat, as Cradock had foreseen, were an incentive to trade since they offered both protection and a ready market."[5] Grahamstown was the most important of these frontier posts. "So rapid was the growth of trade, and the corresponding expansion of Grahamstown, that by 1831 the town could claim to be the principal town of the Eastern Province, and, in the Colony as a whole, it was second only to Cape Town in importance."[6] Thus it was to an important degree the establishment of outposts, many of which later grew into sizeable villages and towns, that stimulated economic activities on the frontier. Below is a list of the main towns in each magisterial district (usually having the same name as the major town), their date of establishment in chronological order and the main economic occupations in brief.

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1. Walker, Eric. A. A History of Southern Africa, London: Longmans, 1957, p. 90.
2. For opposing argument see Neumark, S.D. Economic Influences on the South African Frontier 1652-1836. Stanford: University Press, 1957.
3. Walker, Eric. A. op. cit., p. 97.
4. ibid., p. 97.
5. Hunt, Keith S. "The Development of Municipal Government in the Eastern Province of the Cape of Good Hope with Special Reference to Grahamstown 1827-1862." Archives Year Book for S.A. History 1961, p. 148.
6. ibid., p. 149.

CITY, TOWN OR VILLAGE	MAGISTERIAL DISTRICT	YEAR OF ESTABLISHMENT AND MAIN ECONOMIC OCCUPATIONS
Graaff-Reinet	Graaff-Reinet	1786. Was formerly a centre of the ostrich feather industry. To-day wool, fruit and other produce grown under irrigation.
Uitenhage	Uitenhage	1804. Important industrial centre, railway workshops, motor industry, wool washeries, tyre factories, etc. Important farming centre.
Grahamstown	Albany	1812. Little progress made until arrival of 1820 Settlers. District of mixed farming - noted for pineapple plantations.
Cradock	Cradock	1816. Formerly ostriches were important. Wool farming centre.
Port Elizabeth (Fort Frederick 1799)	Port Elizabeth	1820. Principal city and port of the Eastern Cape. Industrial centre - leather and footwear, motor industry and related products, engineering, confectionery and timber, commerce and many other manufactures.
Bathurst	Bathurst	1820. Farming centre specialising in pineapples and citrus.
Somerset East	Somerset East	1825. Wool and farming centre.
Colesberg	Colesberg	1830. Wool and horse breeding centre.
Richmond	Richmond	1844. Wool farming centre.
Humansdorp	Humansdorp	1845. Fruit growing centre.
Burghersdorp	Albert	1848. Wool producing centre.
Aliwal North	Aliwal North	1849. Wool, and sulphur springs.
Alexandria	Alexandria	1850. Chicory, pineapples and dairy farming.
Middelburg	Middelburg	1852. Wool and general farming centre.
Jansenville	Jansenville	1854. Wool producing centre.
Uniondale	Uniondale	1856. Was noted for ostrich feathers and wagon building. To-day general farming operations, including tobacco, wheat and fruit.

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CITY, TOWN OR VILLAGE	MAGISTERIAL DISTRICT	YEAR OF ESTABLISHMENT AND MAIN ECONOMIC OCCUPATIONS
Aberdeen	Aberdeen	1856. Stock breeding and sheep centre.
Murraysburg	Murraysburg	1859. General farming area and horse breeding centre.
Pearston	Pearston	1859. Sheep farming.
Willowmore	Willowmore	1862. Formerly an ostrich feather centre. To-day noted for wool and mohair.
Hofmeyer	Maraisburg	1873. Salt production.
Steynsberg	Steynsberg	1873. Leading wool centre.
Hanover	Hanover	1876. Wool centre.
Steytlerville	Steytlerville	1876. Produces mohair, but this is being replaced by wool.
Venterstad	Venterstad	1882. Wool and cattle production.
Kirkwood (1913) (Bayville 1885)	Kirkwood (1960)	1913. Citrus and other fruits under irrigation.

Source: Rosenthal, Eric. Encyclopaedia of Southern Africa. London: Frederick Warne 1961.

The migration to the east of the Colony loosened the ties between the Trekboer and the Government in Cape Town. Isolation bred in them the frontier tradition. Farmhouses were few and far between the further east one went from Cape Town - indeed many Boers did not live in houses at all, but in their wagons or huts made of wattle and daub. Such was the normal way of life of a people whose economy was founded on cattle and sheep grazing, on the native cattle trade, on the hunting of game and on what few crops they might grow beforo moving their wealth to new grazing grounds. Cattle were their wealth and, since money was scarce on the frontier, almost the currency as well.[1] In short, the early Trekboere who 'settled' in the eastern Cape were nomads who preferred to live in comparative isolation. Consequently the foundations of economic life on the eastern frontier and in the 'colony of dispersion' in general were narrow and weak.

The population of the Cape Midlands then, was at this time small and predominantly Dutch, the majority of whom were rural and content to be left to their own devices and economic life. To some extent thus, it was this political mentality that led to South Africa's first rebellion. "In the Swellendam and Graaff-Reinet districts lived the stock farmers, occupying 6,000 acres or more at a time, trekking on when

1. Walker, Eric A. op. cit., p. 98.

the need arose, far removed from the influences of the Cape, not so much lawless as a law unto themselves, and asking for nothing more than plenty of land and no interference from Government. When the Government did interfere in 1795 they rebelled and formed two short lived republics. Five years later the British Government had to suppress two more rebellions in the same area."[1] These rebellions, and that of 1799, show the great passion for independence and feelings of oppression shared by the Dutch rural populations in the eastern frontier regions at this time. Similar sentiments were to be instrumental in bringing about the Great Trek of 1836.

From the economic point of view, the years up to the close of the eighteenth century can be summed up as being of little importance apart from the fact that there was a population shift from west to east and that new land was 'settled' by white farmers. The economic life of the farmers may be said to have been parallel to that of the Xhosa tribes with whom there was constant friction. Both their economies were subsistence economies based on cattle, on land to graze their herds, on barter (although the whites did have the Rix dollar which was scarce on the frontier), on what crops they could cultivate (some wheat and vegetables) and on the game they could kill for their own families. There was very little market oriented economic activity apart from ivory which was economical because it had a high value relative to weight.

The nineteenth century saw the gradual collapse of the subsistence economy and the slow growth of a market oriented economy. The second British occupation in 1806 actively stimulated the economic life of the eastern border settlements by bringing law and order to the 'lawless' frontier, by altering the land tenure system, and by giving the country a sound currency system which was as valid in England as it was at the Cape.[2] These changes took some years to be effected. They inspired confidence in the eastern settlements among some whites while to others, mainly the Dutch rural farmers, these were factors that interfered with their freedom and infringed on their desire for independence.

Between 1806 and 1824 the number of cattle in the Cape Colony more than trebled, and by 1820 there was a six-fold increase in exports and imports.[3] Although the main area to benefit was the western Cape, the frontier regions also felt the influence of prosperity. This prosperity was in the main the result of British military expenditure upon

1. Marquard, Leo. The Peoples and Policies of South Africa, Oxford: University Press, 1960, p. 7.

2. De Kiewiet, C.W. A History of South Africa, Social and Economic. Oxford: University Press, 1942, pp. 36-42.

3. ibid., p. 36.

which the settlement came to depend to a large extent. The British also brought law and order to the frontier to a greater degree than had been previously enjoyed. Circuit courts were established on the eastern frontier after 1811 in an attempt to restore order to, and to tighten control over, the frontier areas.[1]

The land tenure system, left over from the eighteenth century, was a loan farm system which gave the government the minimum authority and the farmer the maximum freedom. This system pleased the Dutch rural community very well because many frontier farmers had settled on farms without bothering either to register them or to pay the annual quit rent of 24 Rix dollars. This land tenure system was objectionable for a number of reasons. First, it ignored the government's authority to regulate the conditions of settlement. Secondly, since the farmer did not own his land he could not legally sell, subdivide or bequeath it, and, as a result, the system was legally unsound. The government could resume possession of a loan farm at a year's notice, and all that the farmer owned was the 'opstal' or buildings that he might have erected. Herein lies the third objection based on economic grounds. Security of tenure encourages improvements and the practice of good farming methods, and since this security was lacking, the farmers had little desire to undertake expensive improvements or to practice good farming methods. Finally the system could be objected to on financial grounds since all loan farms, regardless of quality, size or location, paid a uniform rental, while all land together contributed precious little to the revenue of the country even though it was its most precious asset.

In 1813, a proclamation was issued by the Governor, Sir John Cradock, permitting loan farms to be converted to permanent quit rent tenure.[2] This was an attempt to obtain a larger contribution from land for the revenues of the Colony and to make land holding more orderly. The quit rent was no longer a fixed 25 Rix dollars per annum and varied with the situation, size and quality of each farm. However the annual quit rent could not exceed 250 Rix dollars. This conversion to permanent quit rent tenure was not compulsory and took place with exceeding slowness in the frontier districts because the farmers were not bothered by the weaknesses of the old system and the resulting uncertainty of boundaries, and further they resented any method of direct taxation. It was the old story of the 'spirit of independence' and the Boers grew more sullen at the efforts of the administration to subject them and their land to stricter control, particularly since this meant that they could not move their cattle about as freely as they had been doing.

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1. Walker, Eric A. op. cit., p. 141.
2. De Kiewiet, C.W. op. cit., p. 40.

Fortunately the establishment of circuit courts in controlled areas throughout the Colony tightened control of the frontier areas and prevented any physical display of dissatisfaction by the Boers.

The establishment of circuit courts was the first step taken by Cradock to restore order to the frontier areas, while the second main step was to clear the Sundays - Fish River areas of natives. By 1811, this area, now called Graaff-Reinet, was occupied by nativo tribes, but the fourth Kaffir war of 1812 resulted in the clearing of some 20,000 Ndhlambis and Gunukwebes beyond the Fish.[1] A line of forts was then established stretching from Uitenhage to the Orange River. One such fort was built in 1812 about 12 miles south of where Cradock lies to-day. This site was later shifted and was officially named Cradock after the Governor. "Behind each wing of the new line at the new villages of Cradock and Grahamstown, the Governor placed a deputy landdrost, and offered quit rent farms of 2,000 morgen, two thirds the usual size of a farm, near each military post. The military garrisons were an incentive to traders and settlers and the new towns were the nuclei of economic development in the Eastern Province."[2] Graaff-Reinet ceased to be the principal centre of the Cape Midlands after the foundation of Grahamstown in 1812 and Cradock in 1816, but the surrounding rural districts were sparsely populated as the result of the repeated raids by cattle thieves from across the Fish River and the difficulties encountered in agricultural farming - not least of which was the shortage of water, especially in the Karroo areas. A further contributory factor to the rapid decline of conditions on the frontier was the withdrawal of troops stationed there. The attempts made by the remaining farmers in the district to retrieve stolen cattle led to the fifth Kaffir war of 1819. The natives were driven away and the area between the Keiskama and Fish Rivers was made a neutral zone - needless to say, without much success.

In 1814 Lord Charles Somerset succeeded Sir John Cradock as Governor and tried desperately to induce settlers to the borders. He wrote glowing reports of the territory between the Sundays and Fish Rivers, now called Somerset East, to the Home Office and the Secretary, Lord Bathurst, and recommended the settlement of a number of British immigrants in that territory.

The British Government was eager to take advantage of the opportunity as for several years after the end of the Napoleonic wars England suffered a general economic depression and emigration was regarded as a convenient outlet for the relief of unemployment. A

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1. Walker, Eric A. <u>op. cit.</u>, p. 153.
2. Hunt, Keith S. <u>op. cit.</u>, p. 137.

sum of £50,000 was voted by Parliament for the encouragement of emigration to the Cape, and although some 90,000 applications were received from would-be emigrants, only 5 or 6 thousand were accepted. These British Settlers landed at Algoa Bay in 1820 and most of them were settled on the eastern frontier of the colony whose population had until then been almost entirely Dutch. The 1820 Settlers were important because they were the first considerable body of European settlers of British stock to arrive in South Africa. They brought with them various skills and many were craftsmen; they infused new blood, new crops (maize being the most important), new farming practices and techniques into the eastern Cape settlement, and were fundamental in changing the face of the economy from that of near subsistence to a market oriented economy.

Since the great majority of the Dutch population was rural and inclined to move about with their herds, the settling of the British settlers between the Fish and Bushmans Rivers gave the frontier population a more permanent and stable nature. They were confronted with many difficulties; "rust" destroyed most of the wheat grown for three years in succession and in 1823 there were heavy floods which caused considerable damage to houses, gardens and livestock. Most of the immigrant settlers were subjected to great privation as a result, but this was, however, not entirely new to them since they had left depression in England only to find depression to greet them at the Cape.

The years 1821-24 were years of general depression in the Eastern Cape, being the result of blights and floods. A further contributory factor to the depression was the depreciation of the Rix dollar - in fact a general feeling of uncertainty about the currency. Since the end of the War of American Independence the Cape Rix dollar had been unstable and the British inherited in 1806 a poorly secured and inflated currency. This policy of cheap money stimulated business activity, particularly in the Western Province where many millions of new vines were planted. But not all products responded easily to the stimulus of cheap money and the opening of the English market. In the Eastern Cape wool, hides, ostrich feathers and grain exports dropped considerably as the Rix dollar inflated further. Fortunately the British government decided to take the Rix dollar out of circulation, and in 1825 a fixed and uniform medium of exchange was introduced.[1] The paper Rix dollar was declared equal to one shilling and sixpence in English money (nominally it was worth four shillings), and in order that it could be maintained at that value it was exchangeable for bills upon the British Treasury, such bills being payable in English currency thereby linking the currency of the Cape to that of England.[2] This gave the Colony a sound system of coinage,

1. De Kiewiet, C.W. op. cit., p. 38.
2. Ibid, p. 38.

wiped out debts, and gave many a fresh start.

As a result of the great privations suffered, and also because the Government stopped supplying rations to the settlers at the end of 1821, a large number of settlers of the working class began to abandon their holdings and drift into other occupations. Those who were handicraftsmen found employment in Grahamstown where skilled labour was in demand, and also in Port Elizabeth. Others made hunting expeditions eastwards along the coast for game and elephant and carried on a contraband trade in cattle and ivory with the native tribes. Many of the settlers started trading with small means, **but** by gradually extending their commercial operations, not only amongst the natives but also amongst their Dutch fellow colonists, they ultimately laid the foundations of large and successful mercantile establishments. "Trade with the trekkers was added to that of the military and the native tribes beyond the frontier. Many trekker parties congregated in Grahamstown before they quit the Colony. From the merchants of the town, thoy purchased their requirements for the journey ahead, and after they had penetrated into the interior the shops of Grahamstown continued to supply the needs of the Trekker and his family."[1] Those settlers that persevered and remained on the land began to enlarge their holdings by either petitioning the Government for an additional grant of land, or by purchasing the adjacent grants of land from those who had left for other occupations in the towns and villages. These larger holdings, although extending the area of risk, made it easier to earn a living by allowing agricultural and pastoral pursuits to be combined. Chief amongst the pastoral pursuits was the wooled sheep industry which was making rapid progress in the Eastern Cape, due in part to the suitability of the area for sheep-farming and partly to the initiative shown by some of the British Settlers, many of whom had been experienced sheep-farmers in their home country. "..... the Settlers who had remained on their allotments exchanged agricultural for pastoral pursuits. Even traders turned to sheep farming ..... Wool farming was a profitable business..... So important was wool farming to the community as a whole that there was no clear demarcation line between the urban and rural population in the Eastern Province at this time."[2]

By the 1830's conditions were once again deteriorating on the eastern frontier. The Dutch farmers had for some time been accumulating grievances and these feelings were aggravated when in 1827 English was declared the official language. The "Fiftieth Ordinance" placed the Hottentots on terms of legal equality with the Europeans, but what was perhaps of most importance was the frontier districts were once again placed at the mercy of marauding native tribes. The Kaffir war of

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1. Hunt, Keith S. op. cit., p. 153.
2. <u>ibid</u>, p. 152.

1834 resulted in driving many farmers to the towns and in destroying confidence in the region. For instance a large number of Settlers came to Cradock and brought about marked growth within the town.[1] The Great Trek movement which started in 1836, further stimulated the development of Cradock and other frontier towns,[2] because they were used by the trekkers as points of assembly prior to departure from the Colony. Thus with the movement of the dissatisfied trekkers northwards, Cradock, and further to the north Colesberg, underwent minor short-run economic booms.

The Great Trek commenced in 1836 and continued through 1837 and 1838. About 7,000 or 8,000 emigrants (mainly Dutch farmers from the border districts) trekked into the interior in north and north-easterly directions having sold their farms and other immovables for whatever prices they could obtain. The aim of British policy had been to attach the farmers more firmly to their land, and not to drive them from it. This they had tried to do by making land more scarce and valuable as this was economically an essential preliminary to a more productive use of the land. Thus the period between 1835 and 1850 was one of great unrest which resulted in a large population shift. Furthermore, after the Great Trek ended those "farmers" that remained in the frontier areas (which is largely a misnomer because of the nomadic habits of these families) were greatly influenced by the Great Trek exodus-sentiment and took few steps to obtain quit rent farms but operated largely as graziers, travelling from one grazing ground to another with their flocks.

By 1830 the wooled sheep industry was making rapid progress in the Eastern Cape. By 1834 Merino sheep had spread over the whole of the Cape Province and the districts of Cradock, Graaff-Reinet, Colesberg, Aliwal North, Albany, Somerset East and others prospered and, as a result, attracted both people and capital to the area in later years. At last the farmers of the Eastern Cape began to realise that the area's true wealth lay in its pastoral potential. Fortunes were made by many, an example of which is illustrated by Frederick Korsten's letter which was reprinted early in 1834 by "The Graham's Town Journal"; the letter being first published in "De Zuid Afrikaan".[3] "Korsten wrote that in 1830 he had bought 750 sheep from Mr. T. White who, in 1828 had come to the Cape with some pure bred merinos and Saxony Rams and Ewes ..... So great was his profit that he claimed that the sale of the young rams and the wool he had sold since 1831 had already made good the amount expended in the purchase of his whole flock and the expenses incurred by him during the last three years, so that by 1834 he considered his flock as clear profit. Wool farming was a profitable business".[4] The

1. 150th Anniversary Brochure of Cradock, p. 67.
2. Vide Footnote 2., p. 10.
3. Hunt, Keith S. op. cit., p. 152.
4. ibid. p. 152.

frontier was being drawn into brisker commercial relations with the outer world as can be illustrated by the wool export figures from Port Elizabeth which now came into the limelight as a wool-exporting harbour. Cape Town shipped in 1835 some 136,000 lbs. of wool worth £11,925, while Port Elizabeth exported some 80,000 lbs. valued at £4,261. By 1842 Port Elizabeth had overtaken Cape Town in wool exports and in 1865 it exported 29 million lbs. as compared with Cape Town's 4 million lbs.[1] Wool now became the most profitable export commodity and, in addition, the Angora goat industry was commenced during 1838. Twelve rams and one ewe of the original pure bred Angora type were imported into the Graaff-Reinet district in 1838, and some years afterwards the Cape colony became the chief rival of Turkey, which at that time held the sole monopoly of the trade. These pure breds were crossed with pure bred white boer goats and this resulted in resistance to diseases and scab. By about 1857 the Angora goat industry spread from the Caledon district throughout the Colony.[2]

In 1841 the Eastern Cape had 2.75 million sheep, compared with a little over a million in the Western Cape.[3] The following clips produced by a few districts of the Eastern Cape in 1875 give an idea of the rapid growth of the wool industry there:[4,5]

Graaff-Reinet	..	..	1,367,408 lbs.
Colesberg	..	..	1,137,985 lbs.
Cradock	..	..	1,137,652 lbs.
Aliwal North	..	..	1,051,121 lbs.
Somerset East	..	..	704,753 lbs.
Uitenhage	..	..	666,729 lbs.

The 1830's saw improvements in stock breeding, both in numbers and quality as new and better breeds of cattle, horses and sheep were introduced. However, until the discovery of diamonds in 1867, there

1. The South African Wool Industry, Pretoria: South African Wool Board (A.J.Hanekom) p. 28.
2. 150th Anniversary Brochure of Graaff-Reinet, p. 33.
3. The South African Wool Industry, op. cit., p. 28.
4. Ibid. p. 29.
5. To-day wool is not only South Africa's main agricultural industry, but, next to gold, it is also its most valuable export article earning each year vast sums of foreign exchange. The future of wool is somewhat uncertain because of the rapid development of synthetic fibres in the rest of the world, but in 1959 the income from South Africa's four chief products was as follows :

Gold	..	over £250 million
Wool	..	" £ 40.3 "
Coal	..	" £ 24.75 "
Diamonds	..	" £ 15.5 "

Source - The South African Wool Industry, op. cit., p. 48.

was no spectacular development in the economy of the region, but the rapid development of sheep farming ensured consolidation and steady growth. Quoting the Cradock district as an example, the figures for 1852 show that in this district alone there were 4 wool-washeries, 15 horse-mills, 43 water-mills and 2 lime kilns. This serves to show that the farmers did everything possible to be self-supporting and at the same time produce for marketing where possible. In 1842 one speculator sent 2,000 oxen and 40,000 sheep from the Cradock district to Cape Town for sale there.[1] Steps were also taken to develop agriculture, trade, banking and to construct roads and bridges. "The first issue of the "Graham's Town Journal" appeared on the 30th December, 1931..... The paper was both an instrument and an index of Grahamstown's dominant role in the affairs of the frontier region..... Advertisements and news articles referred to financial institutions such as a savings bank, commercial banks, insurance agencies, and even a joint stock company for the importation of pure bred sheep from overseas."[2]

As the result of the Great Trek exodus, farms became larger and the production of such crops as maize and wheat, oats and barley, was on the increase. The expansion in agricultural and pastoral production resulted in the expansion of foreign trade in wool, hides, skins and to a lesser extent in grain. Consequently the increased purchasing power permitted greater imports such as agricultural implements, textile manufactures and other articles that were necessary. This increased tempo in the economic activities of the Eastern Cape necessitated more improvements in the means of internal communication. "For more than thirty years after Britain had taken over the Cape in 1806, the internal parts of the Colony were to a great extent cut off from the centre of administration due to bad communications. The guarantee of a good market would undoubtedly have stimulated the initiative of the inland farmers, but the natural geographical barriers did not allow easy access to ports. In the inland areas, remote from even the precarious coastal trade, agriculture was at a subsistence level, and pastoral farming was conservative and of poor techniques..... Various factors combined to bring matters to a head in the 'forties. In the Eastern Province, for example, the expansion of the wool trade,[2] spelt new prosperity for that province. Immigration more than compensated for the loss of population in the period 1836-1838, and introduced new methods, incentive, market towns and shipping ports at Kowie and Port Elizabeth; in the 'thirties various attempts were made to procure less difficult access to the sea. The disturbed state of the Eastern Frontier had also proved to be a blessing in disguise, for the establishment of military posts and the development of

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1. <u>150th Anniversary Brochure of Cradock</u> p. 48.
2. Hunt, Keith S. <u>op. cit</u>., P. 150.
3. Exports <u>1838</u> : £26,627. <u>1839</u> : £30,190. <u>1840</u> : £45,985.

townships/16.....

townships wakened public and official opinion to the necessity of new and good roads, and also established a market for all those prepared to tender for government contracts."[1] The lack of adequate transportation facilities had always been the chief drawback to the development of agriculture and the wool industry, and a good system of roads was therefore essential (there being no railways or canals).

John Montagu, the Colonial Secretary at the Cape during the period 1843-1852, did much to develop and extend the system of roads in the Cape Colony. By 1864 Port Elizabeth was linked by road to Cape Town and all the main centres in the Eastern Cape. There were two routes from the most inland part of the Province (Aliwal North) through Colesberg to Port Elizabeth. The more western route linked Colesberg, Graaff-Reinet, Uitenhage and Port Elizabeth. "Many branch roads were opened, both in the Western and in the Eastern districts of the Colony, to link up with the great trunk line. The Bain's Kloof road moved rapidly towards completion, and the new line of road from Port Elizabeth to the Zuurberg was opened during 1850."[2] The more eastern route ran from Colesberg, Cradock, Grahamstown and thence to Port Elizabeth. "During 1850, the more direct route between Port Elizabeth and Grahamstown was completed. The Central Board reported that 'even in its present state, it affords practical proof of its superior advantage over the circuitous ..... line of road which formerly connected these two most important towns of the Eastern frontier.' The Oliphant's Hoek area was now linked to Port Elizabeth 'by half the former distance', a factor much appreciated by the agricultural interests in the area."[3] A good system of roads was essential not only in order to widen the domestic market, but also in order to extend the foreign one i.e. communications between the interior and the coastal regions in order to take advantage of the foreign demand for wool, hides and skins, grain and other products. As a result of the development in communications, the Eastern Cape now began to play an increasing role in international trade. From £24,439 in 1830, exports through Port Elizabeth increased to £118,860 in 1844 and then more than doubled to £268,241 in 1852. Imports through Port Elizabeth also grew; from £18,455 in 1830 to £135,919 in 1844, increasing to £317,421 in 1852.[4]

Although agricultural and pastoral production in the Eastern Cape had increased, this increase during the fifth and sixth decades of the 19th Century was to a large extent limited to the growth in population and in the local demand. There was, however, a relatively small foreign demand for agricultural products which was in later years greatly enhanced

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1. Breitenbach, J.J. "The Development of the Secretaryship to the Government at the Cape of Good Hope under John Montagu, 1843-1852." <u>Archives Year Book for South African History 1959</u>, Vol.2., p. 231.
2. <u>Ibid.</u>, p. 247.
3. <u>Ibid.</u>, pp. 247-249.
4. <u>Ibid.</u>, Appendix V. p. 278. Appendix VIII. p. 280.

as the quality of South African wool, and overseas confidence in it, improved. Ostrich feathers too began to rise in importance as an export commodity. From the earliest days of settlement by whites ostriches were hunted for their plumes sold in overseas markets. By 1860 their number had been greatly reduced and attempts at domesticating them were made. By 1865 there were some 80 birds in captivity and the exports came to 17,522 lbs., worth £65,736.[1] The industry grew rapidly being centred around the Graaff-Reinet area. Prices rose and profits soared. The first great ostrich boom began in 1880 and lasted until about 1885. The development of this industry was largely responsible for the intensive farming practices that sprang up in this area. Farmers around Graaff-Reinet and Cradock began to domesticate the birds and as a result put up stone and wire fencing which then became general. Lucerne cultivation became a necessity in order to deliver a better quality feather, and as profits soared so more capital was sunk into the land and lucerne was cultivated under irrigation. In general it may be said that the ostrich boom was an important factor in giving impetus to irrigation development.

The discovery of valuable minerals was perhaps the most important economic event in the history of South Africa. Although improved communications stimulated production in the hinterland, the most important stimulus to the various sectors of the economy such as agriculture, trade, transport, etc. was afforded by the foundations of the diamond mining industry after 1867 and the foundation of Johannesburg and the gold mining industry in 1886. Economic forces were set in motion which hastened the development of the various sectors, attracted immigrants and foreign capital and contributed materially to the economic development of Port Elizabeth and its hinterland.

The discovery of diamonds led to a rush of immigrants from Europe and from the rest of South Africa, the importation of large amounts of foreign capital and the development of all the facilities required for the growth of the diamond industry. This gave rise to many "external economies" which the Eastern Cape was not slow to enjoy. "The discovery of diamonds in 1870 wrenched South Africa from her agricultural rut and began the process which was to alter the course of her history. Its economic effects were immediate : agricultural prices soared ..... Money and people poured into the country; from the Cape people walked and rode to make their fortunes on the diggings; Africans came out of their reserves in thousands to earn money, and, more desirable, guns."[2]

Although since about 1840 most of the economic growth in the Cape Midlands was due to wool production in response to the swift growth

1. Rosenthal, Eric. op. cit., p. 376.
2. Marquard, Leo. op. cit., p. 17.

of England's textile industry, it was diamonds (much helped by wool) which gave the country the power to equip itself with the instruments and institutions of modern communities. "It was Kimberley that introduced the Industrial Revolution to South Africa. Diamond mining carried forward what wool had begun but had been unable to carry to completion. It provided a greater incentive and more substantial means for the modernization of the lumbering transport system. It attracted population and capital to the country, diversified the life....."[1] The diamond fields were South Africa's first industrial community and the fact that rapidly growing Kimberley was in the heart of the interior necessitated cheaper and better methods of transportation from the coast to the interior. "Thus the diamond boom led to.....a policy of rapid construction of rail links with the diamond fields by Government itself....."[2] Between 1873 and 1883 railway lines were pushed into the interior from the three principal ports (Cape Town, Port Elizabeth and East London). The railway line from Port Elizabeth to Uitenhage was completed in 1875 and reached Graaff-Reinet four years later. Also in 1879 a branch line reached Grahamstown. By 1880 the railway line from Port Elizabeth northwards had been completed as far as Cookhouse. One year later the line was extended to Cradock, and then still further north to Colesberg in 1883. In 1884 the main lines from Port Elizabeth and Cape Town met at De Aar junction, from where the railway reached Kimberley in 1885.[3] As the result of the improvements in road and rail communications, a new era was opened up in the history of hinterland communications. The economic situation of the Midlands improved considerably as products could now be transported to and from surrounding areas and Port Elizabeth more readily and cheaply. Roads and postal communications improved as a result of the railway facilities which now existed, and although only one train a day passed in each direction this did a great deal to develop the Port Elizabeth hinterland region.

Considerable improvement was also made in harbour and dock facilities, telegraph and telephones, roads and bridges. Port Elizabeth had been growing since the 1820's but by 1841 there was still no constructed harbour. A jetty was built in 1841 but six years later this structure was broken up by a storm. Nevertheless by the 1850's Port Elizabeth had gained importance as a port whose export trade embraced wool, hides, skins and mohair provided by the vast hinterland which it served. Ships were "worked" in the open roadstead with the aid of lighters and it was not until 1934 that the harbour was completed. In the 1870's, after diamonds had given the economy a boost,".....Port Elizabeth and East London became busy as ports of entry of goods for the

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1. De Kiewiet, C.W. op. cit. p. 98.
2. Robertson, H.M. South Africa - Economic and Political Aspects, Durham: Duke University Press, 1957, p. 82.
3. Annual Report of the General Manager of Railways and Harbours, 1951. Taken from the statement showing in chronological order the date of opening, etc. of each section of railway.

diamond district".[1] Exports and imports through Port Elizabeth soared and the city began to develop rapidly.

Port Elizabeth was the nearest port to the diamond fields and as a result diamonds were taken there to be sold at regular auction sales. From the port itself and the surrounding area, the swelling diamond mining population largely drew its needs - stores, materials, machinery and agricultural and pastoral produce.

Agriculture received its stimulus from the diamond industry through the widening of the local market. This was the result of 1) the rapid growth of population, both natural and through immigration; 2) the increase in the purchasing power of the populace; and 3) the rapid improvements in communications and transport.

Since Kimberley had become an important market for local produce, farmers from the Eastern Cape could send their produce by the newly occupied railway to be sold there. Hence as local demand increased so agricultural production did so also. This illustrates that agriculture owes a great debt to the mining industry. Agriculture and the pastoral industry both made rapid progress with more land being cultivated, more scientific farming methods being employed, more meat, butter, milk, etc. being produced. All this was due to the increase in the local demand and the vast improvements in the transportation system.

While still expanding from the impetus of this new prosperity, Port Elizabeth and the hinterland experienced a fresh stimulating impulse. Johannesburg was born in tents and shacks in 1886 and South Africa placed her feet firmly on a new broad highway of stable prosperity. "The effects were felt throughout South Africa like a seismic disturbance....."[2] Once again Port Elizabeth, centrally situated on the eastern seaboard, and also its vast hinterland, enjoyed a generous share of this new prosperity. The economic influence of gold mining does not appear to have affected the Eastern Cape in the same degree as did the diamond mining industry. One reason for this is perhaps that Delagoa Bay, which can be thought of as being Johannesburg's natural port, was joined to it by a railway. The result was that a great deal of traffic that could have come via Port Elizabeth and other ports was diverted through Delagoa Bay by a manipulation of railway rates. Consequently the new market of Johannesburg was connected more with the outside world rather than the potential producing districts of South Africa. Nevertheless agriculture did prosper as a result of the new market that presented itself, especially in stock improvements. What is interesting though is that the immigration figures of the Cape and Natal show that fewer people entered South Africa in the 1890's than the population of Johannesburg which was estimated at 30,000 in 1896, so that an actual drain of population would appear to

1. Goodfellow, D.M. A Modern Economic History of South Africa, London: Routledge, 1931, p.36.

2. Marquard, Leo. op. cit., p. 18.

have been felt by the rest of South Africa. This is emphasized in the Cape Midlands where the population of all the towns increased owing to commercial activity, so that the rural agricultural regions almost certainly did suffer. There must have been a population shift towards the gold mines, but it is difficult to obtain even a satisfactory estimate of its size.

The Jameson Raid of 1895 sparked off the Anglo-Boer War of 1899-1902, and by 1902 all of South Africa was under British rule. Although the war gave rise to a considerable destruction of farm buildings, crops and livestock, the effects were little felt in the Cape Midlands. In fact the large expenditures by the Imperial Government created some degree of prosperity in this area, especially among the farming and trading communities. The war cost Great Britain some £250,000,000 of which much was spent in the Cape and Natal on the purchase of agricultural and pastoral produce for the troops, whose numbers had risen considerably since the commencement of hostilities. This resulted in rising purchasing power and in stimulated production; but the post Boer War boom was short lived. In about 1908 a recovery began to take place, and after Union in 1910, the agricultural, pastoral and manufacturing industries, under the stimulus afforded by the mining industries, began to expand rapidly.

The earliest role of Port Elizabeth was that of an entrepôt serving the newly established British settlements along the eastern frontiers of the Cape Colony. In the natural order of things the export of settlers' products followed i.e. wool, hides, ivory, etc. The opening up of accessible markets in the 1870's and 1880's gave an impetus to Port Elizabeth both as a port and as a manufacturing centre. By the close of the nineteenth century Port Elizabeth had railway workshops, fruit canning factories, tanneries, woolwasheries, footwear factories, engineering shops and food processing, soap and harness manufacturing establishments. In addition there was also candle and biscuit making, matches, explosives, cigarettes and much else. But the real development of Port Elizabeth was yet to come. During and after the Anglo-Boer War, trade boomed and Port Elizabeth became the principal supply port for the British military forces. Port Elizabeth's manufacturing industry was still largely infantile and was unprotected against advanced overseas manufacturers, but the Anglo-Boer War provided industry in this area with a considerable fillip. Nevertheless Port Elizabeth was still little more than a great trade conduit pipe, through which slowly growing exports flowed in an outward direction while voluminous imports flowed in an inward direction.

Not long after the Anglo-Boer War the Cape Government imposed a hesitant protective customs tariff to encourage the manufacturing industry. The years that followed showed signs that the manufacturing industry was growing but expansion was slow because of intense foreign competition. It was the Great War of 1914-1918 however that wrought the industrial miracle and turned Port Elizabeth into a major manufacturing centre. South Africa found herself practically cut off from foreign sources of supply and at the same time unable to export its own produce. It was in this period particularly, and in the immediate post war years, that the foundations of the footwear industry were firmly established. Since Port Elizabeth already possessed the nucleus of the footwear manufacturing and tanning industries, it was to her that South Africa turned. Other industries followed suit, skilled labour was imported and industry in the Eastern Cape began to forge ahead.

The year 1925 saw industry in the Port Elizabeth area forge further ahead as the direct result of more effective selective tariff protection which now became a fundamental policy of the Union Government. Overseas manufacturers, who had for a long time enjoyed highly profitable markets in South Africa, now found that their products could not compete on economic terms with the rapidly developing and protected South African manufacturing industry. As a result goods that had formerly been imported in large quantities began to be produced in South Africa, as many overseas firms decided that the most profitable course was to establish their own plants in the Union. Overseas capital flowed in large quantities resulting in the establishment of motor car assembly plants and tyre factories. Complementary activity soon followed in the shape of establishments manufacturing cement, electrical batteries and glass products. It was in this period too that Port Elizabeth acquired its vitally necessary harbour - the Charl Malan Quay was completed at the close of 1934. Being pre-eminent in the production of footwear and due to its motor industry, Port Elizabeth has sometimes been referred to as "The Northampton of South Africa" and "The Detroit of South Africa".

Port Elizabeth was not haphazardly chosen by overseas industrialists, since it has many advantageous locational factors. Firstly, because of its central position on the eastern South African seaboard, Port Elizabeth possesses outstanding distributive facilities, which are vitally important. The City's transport facilities, air, sea and land, were adequate and improving rapidly - this enhanced its importance as a distributive centre. An important factor was its spacious, well equipped and protected deep water harbour. In addition to these factors land was cheap and municipal conditions encouraging. Water facilities were plentiful, electricity for power was available and, what is more important, there was an abundant European and non-European labour force available.

The above advantages have combined to promote really phenomenal growth of industry in Port Elizabeth. The second world war intensified the need for increased self-sufficiency and industry moved yet further ahead. The attitude of the municipality has been instrumental in the progress that has taken place. Industrial free-hold sites and extensive housing facilities for workers of all degrees were made available, and this helped to bring about a large scale inflow of overseas and other capital. Relatively cheap land and services are not unimportant, nor are the benefits conferred by radiating transport and communications systems embracing all the principal South African markets. Action such as that by the Port Elizabeth municipality, may be thought of as having yielded considerable "external economies" to the City and its hinterland. As a result, Port Elizabeth combined with Uitenhage, constitutes the Republic's fourth largest industrial employer and the industrial picture presented is one of firm foundations, great diversity and confidence in the future which indicates still further growth. The future speaks of an increasing need to increase the country's merchandise exports and, if only for this reason, the industrial importance of the major ports is likely to grow. The location of industry in South Africa, and the implications for Port Elizabeth and its hinterland, are discussed in Chapter III.

CHAPTER II.

THE DEMOGRAPHY OF THE CAPE MIDLANDS

A. INTRODUCTION

Population growth often affords a good measure of general economic progress, but in order to appreciate fully the significance of the demographic characteristics of any one area, it is both useful and important to have similar information about other areas and about the country as a whole. In this study information about the Cape Midlands, the Republic as a whole, and the various economic regions that comprise the Cape Midlands, is presented along parallel lines. Geographically speaking, region 08 (Port Elizabeth and Uitenhage) is by far the smallest of the five component areas of the Cape Midlands, but it will be noticed that the population growth in this region has been much more rapid than elsewhere. This is the direct result of the rapid industrial and commercial growth that has been taking place in region 08, providing both economic opportunity and employment, and illustrating the direct relationship between industrial growth and population change.

The Cape Midlands, which comprise the hinterland of Port Elizabeth, have been defined in the introductory chapter to this analysis. The area referred to as the remainder of the Cape Midlands is made up of economic regions 06, 09, 10 and 11, and is predominantly pastoral and agricultural in its activities. Economic region 08, which is made up of the magisterial districts of Port Elizabeth and Uitenhage, is the fourth most important industrial and commercial area in the Republic and the focal point of this study.

Useful conclusions regarding economic growth can be obtained by relating population increase to the growth of the national income. A study of the per capita income thus obtained is, however, not possible since the regional income statistics for the Cape Midlands prior to 1955 are not available. Hence a broad indication of the long-run economic development of the Cape Midlands and the various regions within it since 1911 can only be obtained in terms of general population growth. Heterogeneity[1] is a feature of the population of the Cape Midlands and within

1. Distinction is made between the four main racial groups:
   (a) <u>Whites</u>: These are light-skinned persons originally of European descent.
   (b) <u>Bantu</u>: These are black skinned persons of the various native tribes of Southern Africa.
   (c) <u>Coloureds</u>: These are persons of mixed racial origin who sprang up mainly as a result of the intermingling of the different races, and who are not of pure European, Bantu or Asiatic descent.
   (d) <u>Asiatics</u>: In the main this group consists of Indians, who were originally imported as labourers on the mines and the sugar plantations, of Chinese and others whose ancestry can be traced to the Asiatic countries.

the general distinction between "Europeans" and "non-Europeans", or "Whites" and "non-Whites", there are a number of sub-groups based on language and culture. Within the White group, the basic linguistic distinction is, of course, between those speaking either, or both, of the official languages, English and Afrikaans. The non-Whites have for their home language the various Bantu and Asiatic tongues as well as English and Afrikaans. The Coloureds, on the other hand, may be said to be mainly Afrikaans speaking. This should serve to illustrate that not only is the population heterogeneous in race, but in language and culture as well.

B. RACIAL COMPOSITION OF THE POPULATION

The numbers and the relative proportions of the main racial groups for the relevant census years since 1911 are given in Table 1.

1. The Republic

The relative proportions of the racial groups have shown little change over the years, but substantial increases in the proportion of the Coloureds and Asiatics are forecast by the Tomlinson Report.[1] The Report's estimates are that by the end of the century Coloureds are likely to number 3.9 million or 12.5 per cent of the population, while Asiatics are likely to total 1.4 million or 4.5 per cent of the population. Whites, on the other hand, while increasing in numbers to 4.6 million, would amount to 14.7 per cent of the population, while Bantu would more than double themselves to reach 21.4 million. This means that 68.6 per cent of the population is expected to consist of Bantu by the year 2,000 A.D. (In 1960 the corresponding figure was 68.3 per cent).

Since 1911 the proportion of Whites in the population has shown a slight downward trend. The non-Whites, on the other hand, all show a slight upward trend comprising, in 1960, 80.7 per cent of the total population. The Bantu have at all times been dominant in numbers, although in terms of economic influence, the Whites are certainly the most dominant.

2. The Cape Midlands

In the Cape Midlands, the racial groups exhibit the same general pattern of change in the composition of the total population as in the Republic between 1911 and 1960. The Whites in the Cape Midlands comprise a much larger section of the total population than they do in the Republic, although their decline in relative numbers has been far more pronounced in the former case.

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1. Summary of the Report of the Commission for the Socio-Economic Development of the Bantu Areas within the Union of South Africa. Government Printer, Pretoria, U.G.61. 1955, p. 29.

Table 1/25.....

TABLE 1

Racial Composition of the Population in the Republic, the Cape Midlands, the remainder of the Cape Midlands and Economic Region 08 for the Relevant Census Years.

REPUBLIC

RACIAL GROUP	NUMBERS						PERCENTAGES				
	1911	1921	1936	1951	1960		1911	1921	1936	1951	1960
Whites	1,276,242	1,519,488	2,003,857	2,641,689	3,088,492		21.4	21.9	20.9	20.8	19.3
Bantu	4,019,006	4,697,813	6,596,689	8,560,083	10,927,922		67.3	67.8	68.8	67.6	68.3
Coloureds	525,943	545,548	769,661	1,103,016	1,509,258		8.8	7.9	8.0	8.7	9.4
Asiatics	152,203	165,731	219,691	366,664	477,125		2.5	2.4	2.3	2.9	3.0
Total:	5,973,394	6,928,580	9,589,898	12,671,452	16,002,797		100.0	100.0	100.0	100.0	100.0

THE CAPE MIDLANDS

Whites	131,033	134,174	162,721	188,802	207,392		39.0	37.6	34.1	29.4	25.0
Bantu	123,522	143,941	199,300	301,295	405,858		36.7	40.4	41.7	46.8	48.9
Coloureds	81,591	76,526	112,372	148,116	211,102		24.3	21.5	23.5	23.0	25.5
Asiatics	* -	1,997	3,096	5,107	5,076		* -	0.5	0.7	0.8	0.6
Total:	336,146	356,638	477,489	643,320	829,428		100.0	100.0	100.0	100.0	100.0

* Included with Coloureds.

TABLE 1 (continued)

THE REMAINDER OF THE CAPE MIDLANDS

RACIAL GROUP	NUMBERS					PERCENTAGES				
	1911	1921	1936	1951	1960	1911	1921	1936	1951	1960
Whites	100,583	95,056	93,064	85,795	81,946	37.9	34.9	29.3	22.9	18.3
Bantu	104,502	121,305	149,399	198,425	241,127	39.4	44.5	47.0	52.9	53.7
Coloureds	60,254	55,466	75,150	90,580	125,382	22.7	20.4	23.6	24.1	27.9
Asiatics	* –	459	362	422	412	* –	0.2	0.1	0.1	0.1
Total:	265,339	272,286	317,975	375,232	448,867	100.0	100.0	100.0	100.0	100.0

ECONOMIC REGION 08

Whites	30,450	39,118	69,657	103,007	125,446	43.0	46.4	43.7	38.4	33.3
Bantu	19,020	22,636	49,901	102,870	164,731	26.9	26.8	31.3	38.4	43.3
Coloureds	21,337	21,060	37,222	57,526	85,720	30.1	25.0	23.3	21.5	22.5
Asiatics	* –	1,538	2,734	4,685	4,664	* –	1.8	1.7	1.7	1.2
Total:	70.807	84,352	159,514	268,088	380,561	100.0	100.0	100.0	100.0	100.0

* Included with Coloureds.

Source : Based on Tables I, II, VIII and IV in the Appendix.

In 1911, 39.0 per cent of the Cape Midlands population was comprised of Whites (as compared with the Republic's 21.4 per cent), while in 1960, the figure was 25.0 per cent (as compared with the Republic's 19.3 per cent). In 1911 Bantu numbered 123,522 persons as compared with 131,033 Whites, which, in terms of percentages, is 36.7 per cent and 39.0 per cent of the total population respectively. Since 1921, however, while the Whites have declined in relative importance numerically, the Bantu and other non-Whites have become more prominent. By 1960 Bantu formed nearly one half of the population of the Cape Midlands, (48.9 per cent) while Coloureds had actually become numerically more important than the Whites, numbering 211,102 persons as compared with 207,392 Whites. In 1960, 25.5 per cent of the population was comprised of Coloureds as compared with 25.0 per cent for Whites. Asiatics have never been numerically significant in the Cape Midlands, numbering only 5.076 persons as at the 1960 census, (0.6 per cent of total population) and therefore little attention will be devoted to them.

3. <u>The remainder of the Cape Midlands</u> (The Cape Midlands excluding Port Elizabeth and Uitenhage)

In 1911 this area showed roughly the same relative proportion of Whites and non-Whites as did the Cape Midlands as a whole. Since then, however, the relative proportion of Whites in the total population of the remainder has been declining at a very steep rate, falling from 37.9 per cent in 1911, to 18.3 per cent in 1960. Bantu and Coloureds, on the other hand, have rapidly become numerically more important, increasing from 39.4 per cent and 22.7 per cent of total population in 1911, to 53.7 and 27.9 per cent in 1960 respectively. Asiatics are numerically insignificant, numbering only 412 persons at the 1960 census (0.1 per cent).

4. <u>Economic Region 08</u> (Port Elizabeth-Uitenhage complex)

This region exhibits the same general tendencies as the other areas discussed above; namely that the number of non-Whites has been increasing relative to the Whites. In 1911 Whites formed 43.0 per cent of total population, Bantu 26.9 per cent, and Coloureds 30.1 per cent. In 1921 the Whites had risen to 46.4 per cent of total population, while Bantu fell to 26.8 per cent. Since then, however, the relative number of Whites in total population has been steadily declining. In 1960, 33.0 per cent of total population consisted of Whites, compared with 43.3 per cent for Bantu, 22.5 per cent for Coloureds and 1.2 per cent for Asiatics. Coloureds have also shown a relative numerical decline since 1921, falling from 25.0 per cent of total population in that year, to 22.5 per cent in 1960. A similar tendency was also revealed in the remainder of the Cape Midlands during the same period. Brought into wider perspective, the relative decline of the Whites in the

Port Elizabeth - Uitenhage complex has not been a rapid one. While almost one-third of the total population of region 08 in 1960 still consisted of Whites, the corresponding percentages for the Republic, the Cape Midlands and the remainder of the Cape Midlands had fallen to 19.3 per cent, 25.0 per cent and 18.3 per cent respectively. The suggestion is, therefore, that region 08 should enjoy a relative advantage in having such a large percentage of its total population comprised of Whites, since they are the economically more productive group. (See section on the working population).

C. AGE AND SEX DISTRIBUTION OF THE MAIN RACIAL GROUPS IN THE CAPE MIDLANDS

The influence of the age composition of a population on its natural rate of increase is almost self-evident. Ceteris paribus, a population that is composed of a high percentage of young adults is likely to have a higher birth rate and a lower death rate than a population that is composed of relatively more children and old people - groups which do not reproduce and which are subject to relatively high risks of mortality. Not only does the sex and age structure influence the mortality and fertility rates of a population, but it has also been considered as a factor influencing the flow of immigration and emigration. On the other hand, however, both the sex and age structure of the population is itself a product of the trends and levels of birth and death rates and of migratory movements in the past. High birth rates tend to produce a population with a large percentage of children, while low birth rates (coupled with low or declining death rates) tend to produce a high percentage of adults, and eventually aged persons in the population. The conditions of mortality determine the proportion of each age group which survives to enter a higher age group, thus determining, together with fertility (and also migration) the age structure of the population in its entirety. The age and sex composition of the population, which results from the long term pattern of natural increase (and also migration), can be modified by short term and cyclical factors such as wars, epidemics, famines, business conditions, etc.

Sundbärg has observed certain empirical relationships between age structure and the rate of population growth.[1] He identifies three types of populations :

(a) Progressive, having a high proportion of children and a high rate of growth;

(b) Stationary, having moderate proportions of children and aged persons with slow growth or stationary numbers;

(c) Regressive, having a high proportion of aged persons and declining numbers.

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1. The Determinants and Consequences of Population Trends. United Nations Population Studies, No. 17, New York, 1953. Chapter VII, p. 141. Refer to footnote 66.

Sundbärg/29.....

Sundbärg established the following modal proportions of the various age groups in his three types of populations:

TABLE 2

Per cent of Population

	Under 15 years	15-49 years	50 years and over
Progressive	40	50	10
Stationary	26.5	50.5	23
Regressive	20	50	30

The analysis of the age composition of the three main racial groups in the Cape Midlands is done in terms of Sundbärg's modes.

TABLE 2.1

Per cent of Population[1]

	Under 15 years	15-49 years	50 years and over
Coloureds	46.3 (45.0)	43.4 (44.9)	10.2 (10.1)
Bantu	44.4 (41.5)	45.3 (48.0)	10.1 (10.5)
Whites	32.3 (32.5)	47.3 (48.3)	20.4 (19.2)

(Figures for the Republic are in brackets)

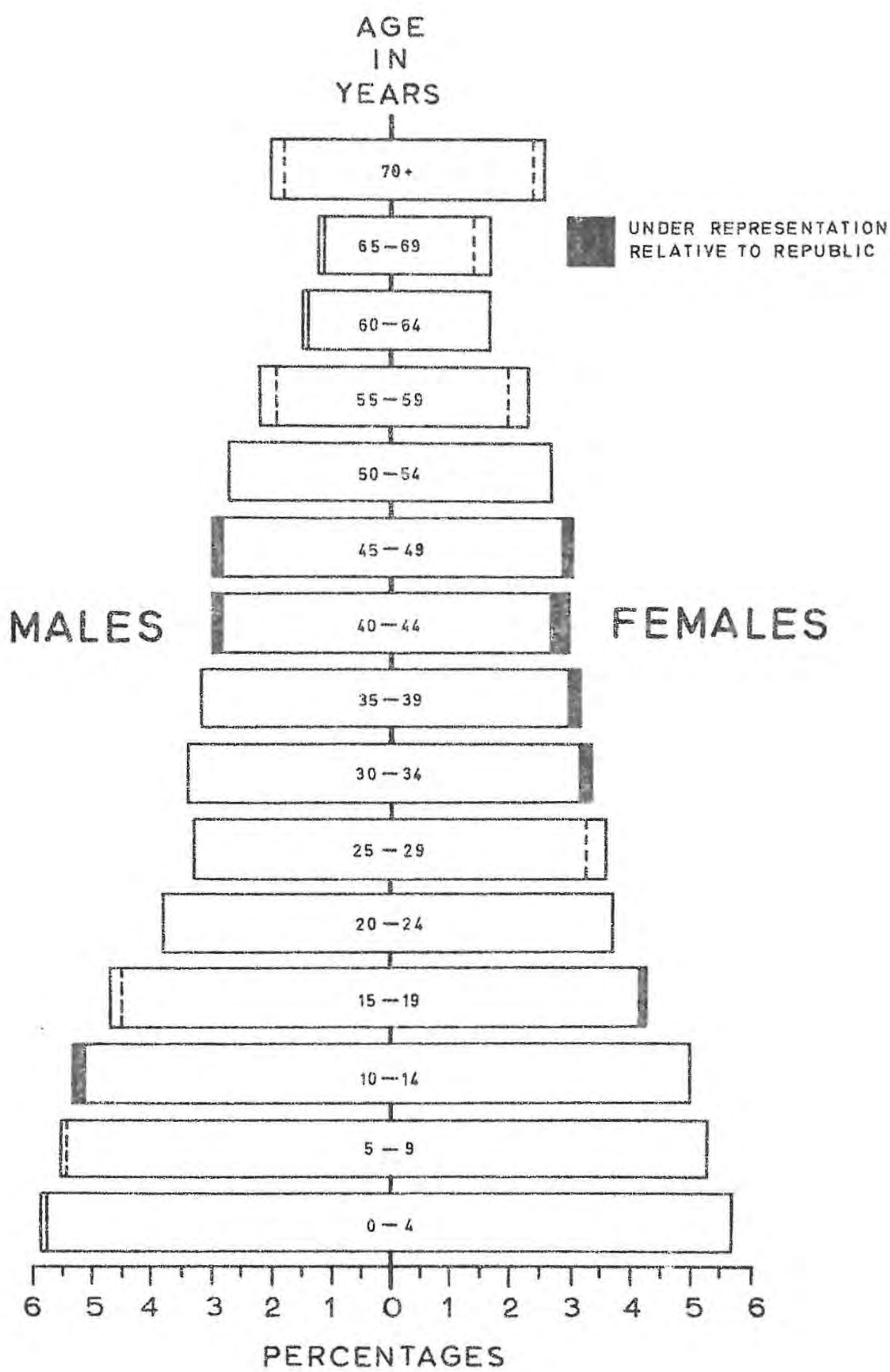
From the above proportions, the Whites in both the Republic and the Cape Midlands appear to fall midway between Sundbärg's stationary and progressive classes, with the Republic being slightly more progressive than the Cape Midlands. The Bantu and Coloureds, on the other hand, are even more progressive than the modes established by Sundbärg for a progressive population. The non-White groups in the Cape Midlands appear to be more progressive than their counterparts in the Republic since, relative to the latter, both Bantu and Coloureds in the Cape Midlands have a higher proportion of their number in the "under 15 years" age-group.

From Tables XIIa and XIId in the appendix, two population pyramids have been prepared and superimposed below. These pyramids refer to the White population of the Cape Midlands and the Republic. The population pyramid is a special type of bar graph, each bar representing successive age-groups, and the length of all the bars together therefore represents the total population in absolute figures. Each bar thus shows the proportion which a given age-group forms of the total. Whether fertility is high or low, therefore, is indicated by the relative length of the lowest bar. The population pyramid is a useful tool since it shows at a glance the sex and age composition of the population at any

1. The detailed age and sex distribution tables for each racial group in the Cape Midlands and the Republic are in the Appendix:- Whites : Tables XIIa and XIId; Bantu : Tables XIIb and XIIe; Coloureds : Tables XIIc and XIIf.

given/31.....

FIG. 1 : AGE AND SEX DISTRIBUTION OF WHITES IN THE CAPE MIDLANDS AND THE REPUBLIC, 1960



given date and the accumulated effect of past fertility, mortality and migration. "The depletion caused by a past famine, epidemic, or war, or by a period of particularly low fertility or large emigration, is represented by an indentation from a smooth pyramid; and, on the contrary, a past period of high fertility or of large immigration is represented by a corresponding protuberance."[1] In order to summarise the effects of the sex and age structure on the rate of population growth, the population is divided into three main age-groups. In this study this division has been done according to the modal proportions established by Sundbärg, in order to classify the population according to the three types identified by him.

In marked contrast to those representing the Coloureds and Bantu, the above pyramids portray an ageing population. Of the total number of Whites in the Cape Midlands and the Republic, 32.3 per cent and 32.5 per cent respectively fall into the "under 15 years" age-group, 47.3 per cent and 48.3 per cent into the "15-49 years" age-group, and 20.4 per cent and 19.2 per cent into the "50 years and over" age-group. The Whites seem to fall, in part, into Sundbärg's stationary class, although the slightly higher percentage of children in the population relative to Sundbärg's figures, suggests a position somewhere between stationary and progressive. The pattern for the Cape Midlands closely follows that for the Republic, and where differences do occur they are not significant. There is a relative under-representation of males in the 40-49 year age-groups relative to the Republic, and a similar under-representation of females in the 30-43 year age-groups.

In general it may be said that the shape of the pyramids is reasonably symmetrical with no major divergencies occurring. The sex distribution of the White population in both the Cape Midlands and the Republic is relatively even, with an almost equal number of males and females in each age-group, except the 60-70 + age-groups in both cases, where females predominate. This is the result of the lower differential mortality generally found among females. This suggests that there has been practically no selective migration either by age or sex into or out of the Cape Midlands. The relatively narrow base to the above pyramid is indicative of a moderate proportion of children and a slow rate of growth, i.e. a trend towards the low birth and death rates.

The population pyramid for the Republic as a whole has been super-imposed onto the pyramid for the Cape Midlands below. These population pyramids refer to the Bantu populations in these two areas in 1960. The Midlands and the Republic, from which the pyramids have been prepared, can be found in Tables XIIb and XIIe in the appendix

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1. Petersen, William, Population, New York: MacMillan, 1961, p.75.

respectively.

These population pyramids portray a relatively young and rapidly growing population in both the Cape Midlands and the Republic. The Bantu population in the Cape Midlands, however, appears to be more progressive than its counterpart in the Republic. This is portrayed by the pyramid for the Cape Midlands showing important deviations away from the pattern for the Republic as a whole, particularly in the younger age-groups where there is a relatively marked over-representation of children of both sexes in the 0-14 years age-groups as compared with the Republic. This can be explained in part by the migration of adults out of the area leading to an increased proportion of children in the population remaining behind. It may also be due in part to parents in other parts of the Republic sending their children to relatives in the rural areas where they prefer them to be raised and educated (the Cape Midlands, with the exception of the Port Elizabeth and Uitenhage region, are mainly rural in character).

Important deviations away from the pattern for the Republic as a whole are present also for the older age-groups. Males between the ages of 15 - 59 are markedly under-represented in the Cape Midlands when compared with the Republic. This under-representation is particularly marked for the younger working group between the ages of 20 and 29, suggesting that males of working age, and particularly those in the younger working groups, are migrating out of the Cape Midlands in search of employment. This state of affairs is also explained by the immigration into South Africa of Bantu males in the working age-groups from other parts of the African continent - most of whom reside in regions other than the Cape Midlands. Other evidence seems to indicate that the migration of young Bantu adult males, in the 20 - 29 age-group, is particularly marked from the rural areas. The same conclusion becomes evident when the Cape Midlands pyramid alone is examined. Although the shape of this pyramid is reasonably symmetrical, some disturbances in the sex ratio do occur. There is an excess of females relative to males in the 15 - 29 years age-groups, suggesting that by 1960 some Bantu males in this younger working group had left the area (presumably for a temporary period as migrants).[1]

This divergence in the sex ratio could theoretically be caused either by males leaving or females entering the area, or both, but it is more reasonable to suppose that young males are leaving the area (particularly the rural areas) to seek employment elsewhere. As is the case of the Whites, the older age-groups 55 - 64, show an excess of females, but apart from this divergence the sex ratio is relatively even thoughout.

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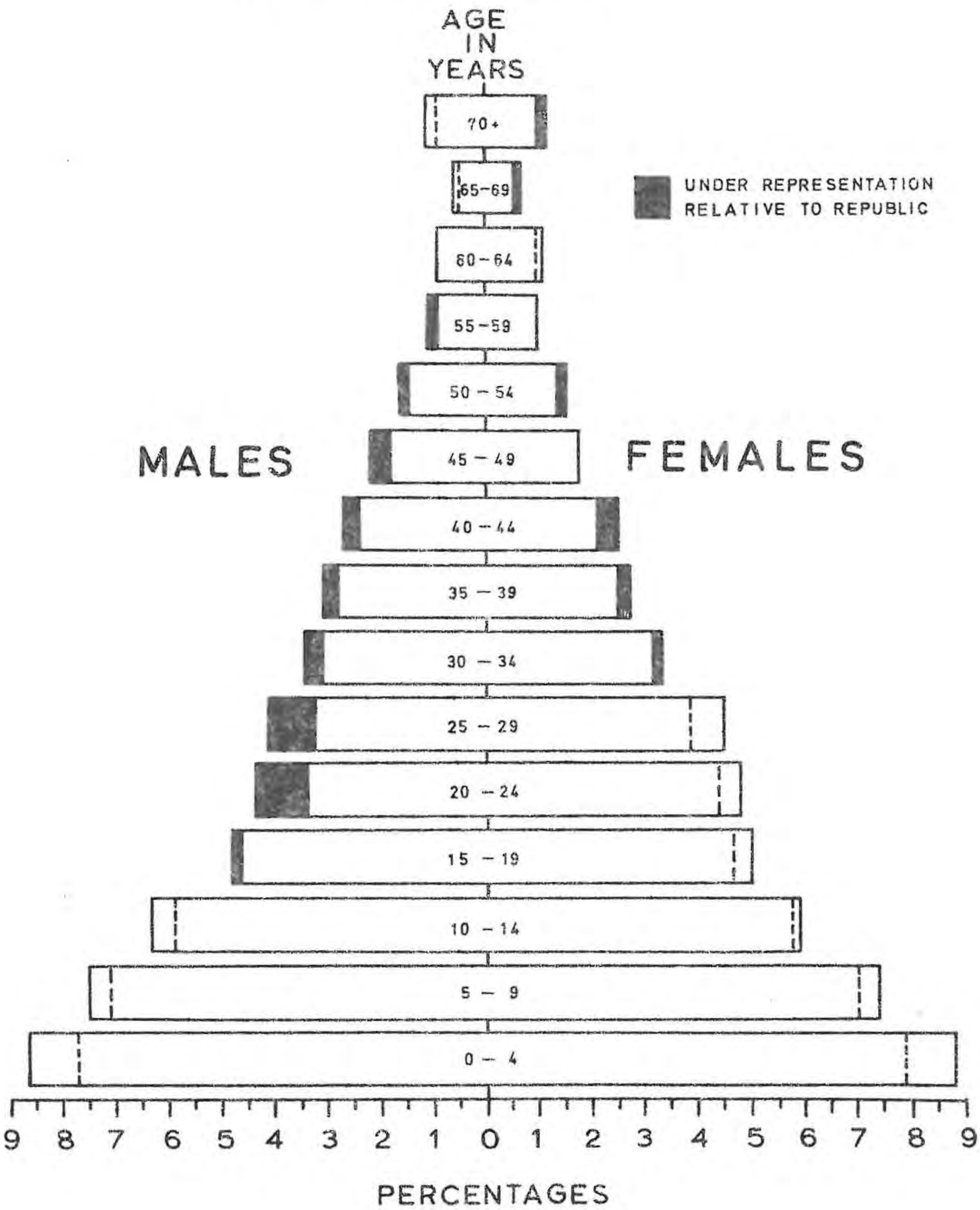
1. It is later shown (Table 8) that if the period between 1911 and 1960 is reviewed, 25,165 Bantu males and females of all ages are estimated to have migrated (net) into the Cape Midlands. The above pyramid reflects the position in 1960, and has been effected by influx control and by structural changes that have occurred in recent decades.

Comparing/34....

FIG. 2 : AGE & SEX DISTRIBUTION IN THE CAPE MIDLANDS & THE REPUBLIC, 1960



Comparing the pyramid for the Cape Midlands with that of the Republic, there is a comparative over-representation of females in the 0 - 29 age-groups in the Midlands. It is possible that males in the older working groups, who are leaving the Cape Midlands, are leaving their wives and children behind them. Between the ages of 30 - 44, however, the reverse is the case with females in this age-group being under-represented in the Cape Midlands relative to the Republic. It would appear, therefore, that females in these age-groups are migrating away from the Cape Midlands in preference for other parts of the Republic.

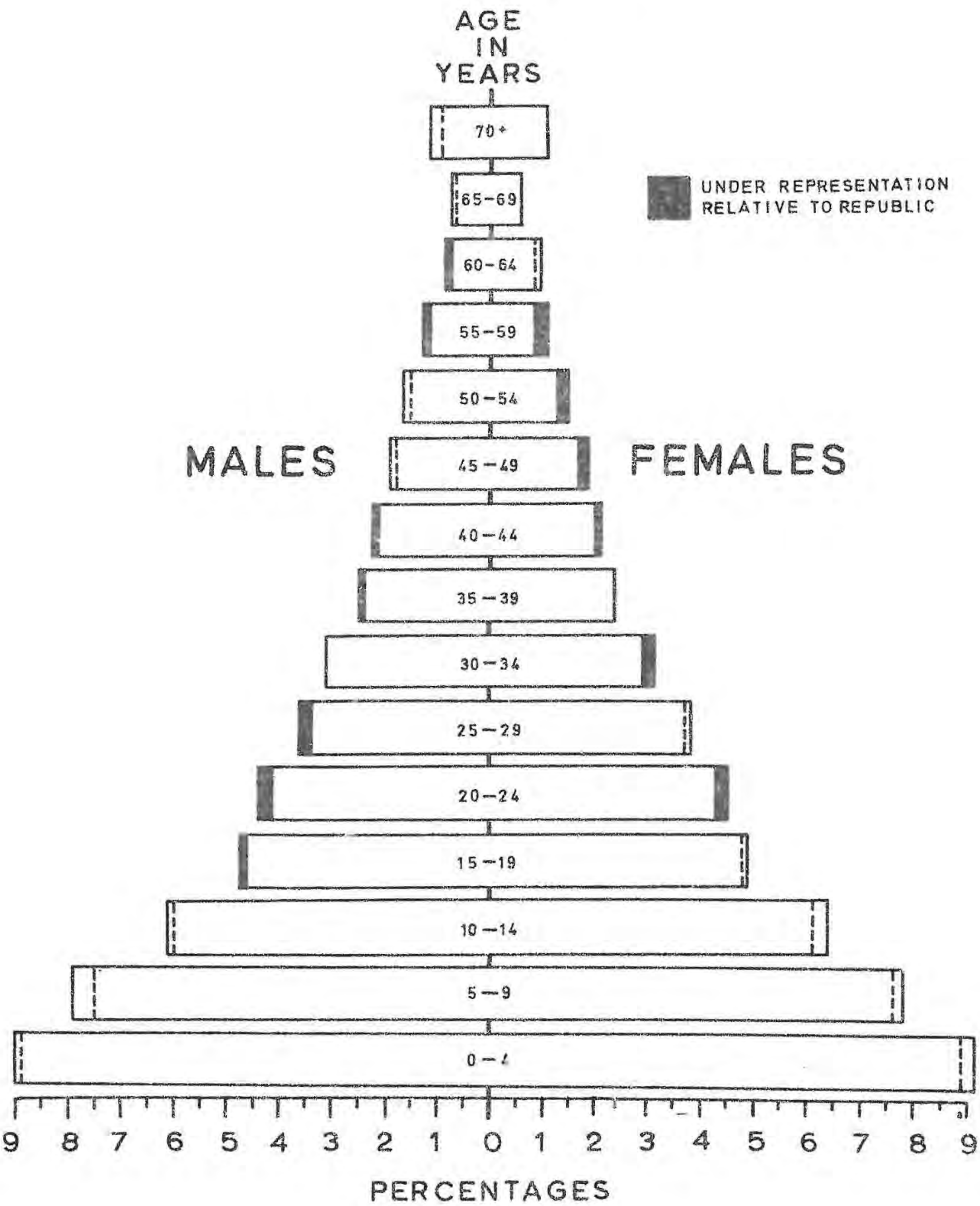
The Bantu population in these areas is younger than the White population and falls into Sundbärg's progressive class. Of the total number of Bantu in the Cape Midlands and the Republic, 44.4 per cent and 41.5 per cent respectively fall into the "under 15 years" age-group, 45.3 per cent and 48.0 per cent into the "15-49 years" age-group, and 10.1 per cent and 10.5 per cent into the "50 years and over" age-group. These figures compare very favourably with those established by Sundbärg for a progressive population and are even more progressive than his established modes. The relatively broad bases to the above pyramids indicate a high proportion of children and a very rapid rate of population growth, i.e. a tendency towards a high birth rate and a high, but declining death rate.

The population pyramids that appear below refer to the Coloured population in the Cape Midlands and the Republic in 1960. The details of the age and sex distribution of the Coloureds in these areas, from which the following pyramids have been prepared, can be found in Tables XIIc and XIIf in the appendix.

As in the case of the Bantu population in the Cape Midlands and the Republic, the above pyramids show a young and progressive population. The bases of the pyramids for Coloureds are relatively more broad than those for the Bantu, indicating an even higher proportion of children and a more rapid rate of growth. It is probable that the death rate among Bantu (especially the infant mortality rate) is higher than for Coloureds, and it is for this reason, and not necessarily because the Coloureds have a higher birth rate, that a larger proportion of Coloureds falls into the "under 15 years" age-group. Of the total number of Coloureds in the Cape Midlands and the Republic 46.3 per cent and 45.0 per cent respectively fall into the "under 15 years" age-group, 43.4 per cent and 44.9 per cent into the "15 - 49 years" age-group, and 10.2 per cent and 10.1 per cent into the "50 years and over" age-group. The Coloureds therefore compare most favourably with the modes established by Sundbärg for a progressive and rapidly growing population, and are the most progressive of all three racial groups discussed. The Coloured population of the Cape Midlands appears to be more progressive than its counterpart

in the/36.....

FIG. 3 : AGE & SEX DISTRIBUTION OF COLOUREDS IN THE CAPE MIDLANDS & THE REPUBLIC, 1960



in the Republic. This is due to the relatively higher percentage of children in the population of the former as compared with the latter.

There is an over-representation of Coloured children of both sexes in the 0 - 14 years age-group in the Cape Midlands relative to the Republic, but this tendency is not as marked as for the Bantu. There is a general tendency for under-representation of both males and females in the working group 15 - 59 in the Cape Midlands, with some exceptions. These divergencies are in part due to migration and possibly to slightly differential infant mortality and birth rates. The outstanding features of the two pyramids above is their near perfect regularity and the large number of children in the population.

In commenting on the three racial groups together, it can be said that the feature common to all is the relative absence of conspicuous irregularities in the form of pronounced gaps or bulges in the structure of their population pyramids. This feature is most marked in the case of Coloureds, followed by Bantu and then Whites.

The pyramids of the three populations groups in the Cape Midlands, correspond fairly closely to their counterparts in the Republic as a whole. This suggests that the Cape Midlands has experienced approximately similar economic conditions to those which obtained in the country as a whole during the period 1911 to 1960. Had there been any marked trends or fluctuations in the economic activity of this area not shared by South Africa in its entirety, this would presumably have been reflected by observable divergencies - in sex and/or age - which would have resulted in differing pyramid shapes for the two areas. Net migratory figures, which have been most noticeable in the case of Bantu, have nevertheless not been of sufficient magnitude to bring about such differences. The overall balance for the Cape Midlands vis-a-vis the Republic conceals, however, major movements of the population from rural to urban areas which have in fact been taking place. These will be discussed under the section on migration.

D. GENERAL POPULATION GROWTH

1. Absolute Growth since 1911.

Since 1911 the total population of the Cape Midlands has increased by 147 per cent, from 336,146 persons to 829,428 persons in 1960. This is not entirely the result of natural increase but is to some extent due to immigration, both from overseas and from other parts of South Africa and the African continent. In-migration from other parts of South Africa is likely to have been of greater importance, since apart from a short period immediately following the Second World War, when South Africa's expanding economy attracted numbers of Western

European Settlers, immigration movements into the country have been small and of little numerical importance during the period under review. Below is Table 3 showing, by race totals, the percentage increase of the population for the Republic and the relevant areas within it between 1911 and 1960.

TABLE 3

The percentage increase in the population of the Republic, the Cape Midlands, Economic Region 08 and the remainder of the Cape Midlands, 1911 to 1960 by Race Totals.

		Republic	Cape Midlands	The Remainder	Region 08
Whites -	1911	1,276,242	131,033	100,583	30,450
	1960	3,088,492	207,392	81,946	125,446
Percentage Increase		142	58	-18	312
Bantu -	1911	4,019,006	123,522	104,502	19,020
	1960	10,927,922	405,858	241,127	164,731
Percentage Increase		172	228	131	766
Coloureds -	*1911	525,943	81,591	60,254	21,337
	1960	1,509,258	211,102	125,382	85,720
Percentage Increase		187	159	108	302
Asiatics -	*1921	165,731	1,999	459	1,538
	1960	477,125	5,076	412	4,664
Percentage Increase		188	154	-10	203
Total Population	1911	5,973,394	336,146	265,339	70,807
	1960	16,002,797	829,428	448,867	380,561
Percentage Increase		168	147	69	437

It will be noticed that the Whites in the Cape Midlands increased by only 58 per cent as compared with the Republic's 142 per cent, while in region 08 (Port Elizabeth and Uitenhage) they increased by 312 per cent. The White population of the remainder actually decreased by 18 per cent over the forty-nine year period since 1911. The fact that the percentage increase of the Whites in region 08 is more than twice that of the Republic, while the remainder has actually declined, indicates the high

* The 1911 figures for Coloureds include Asiatics except for the Republic. The percentage growth of Asiatics is calculated from 1921 since the figures for 1911 are not available except for the Republic as a whole.

Source : Based on Tables I, II, VIII and IV in the appendix.

degree of urbanisation taking place. The much higher figure of region 08 over the Republic and the Cape Midlands is due to the highly urban character of region 08, and the 18 percent decline of the remainder is indicative of its predominantly rural character. (Urbanisation is more fully discussed later).

The Republic's Bantu increased by 172 per cent between the years 1911 and 1960, while the corresponding figure for the Cape Midlands is 228 per cent. If the figure of 172 per cent is assumed to be due to the natural rate of increase[1] then the Bantu in the Cape Midlands have been growing at 1.3 times the Republic's rate. This can probably be accounted for by the in-migration of Bantu from the Transkeian native reserves and other areas in response to the increasing demand for labour in the Port Elizabeth - Uitenhage industrial complex. The premise that there must have been Bantu migration into the Cape Midlands is borne out by a comparison of the percentage increase figures for Whites and Bantu in this area. The Bantu in this area increased almost four times faster than the Whites - the figures being 228 per cent and 58 per cent respectively. Assuming that the Bantu natural increase rate is higher than that of Whites, it is hardly possible that it is almost four times higher[2] - consequently it is realistic to say that there has been a movement of Bantu into the Cape Midlands in general (and into region 08 in particular).

The Coloured population of the Cape Midlands has grown at 2.7 times the White increase rate, from 81,591 persons in 1911, to 211,102 persons in 1960. This increase represents 159 per cent and is only slightly lower than the figure for the Republic (187 per cent) and roughly one half of the 302 per cent increase in the Port Elizabeth - Uitenhage region. In 1911 the White population of the Cape Midlands was 131,033 persons, which is 1.6 times greater than the corresponding figure for Coloureds, which was 81,591 persons. Since 1911, however, the position has reversed itself owing to the much higher rate of growth exhibited by the Coloured population. Over the forty-nine year period since 1911, the Coloureds have grown at an average annual rate of 1.95 per cent while the Whites grew at only 0.93 per cent. The result is that in 1960 the total

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1. In effect the figure due to the natural rate of increase is probably somewhat less than 172 per cent, owing to the foreign-born Bantu that are in employment in South Africa (approximately 700,000 in number) - "South Africa, its economic development and potential"; part of an address by Dr. M.S.Louw to the Swiss-South African Association at Zurich on 1 October 1962, p. 3.

2. Since it will be shown later that Whites have been migrating out of the Cape Midlands as a whole, the migration by Bantu into this area has not been as significant as the above figures suggest.

number of Coloureds was 211,102 persons, which is greater than the nt total number of Whites (207,392).

Although of least importance numerically, numbering in 1960 only 5076 persons in the whole of the Cape Midlands, the Asiatics increased by 154 per cent over the 1911 figure. This rate of increase is almost equal to that of the Coloured population. The vast majority of Asiatics are urban dwellers and are concentrated in the Port Elizabeth and Uitenhage region where 92 per cent of their total numbers live. Here they have shown the smallest increase of all the racial groups.

The total population of the Cape Midlands increased by 147 per cent over the 1911 figure, which is 21 per cent lower than the 168 per cent increase for the Republic. The vast majority of the population growth in the Cape Midlands has occurred in region 08 (Port Elizabeth and Uitenhage), where the total population in 1960 was 437 per cent higher than the 1911 total.

The 1960 population by racial groups, for each economic region in the Cape Midlands, is presented in Figure 4. This figure shows clearly the regions where the density of the population is the closest and the proportion which each racial group forms of the total.

2. Average Annual Percentage Growth Since 1911.

It is interesting to examine the average annual rates at which the population has been growing and during which intercensal period the population grew fastest. Table 4 shows the average annual percentage growth rates for the relevant intercensal periods since 1911 for each racial group both for the Cape Midlands and for the Republic.

TABLE 4

Average Annual Percentage Growth of the Population of the Cape Midlands for all relevant intercensal periods by Race, 1911-1960

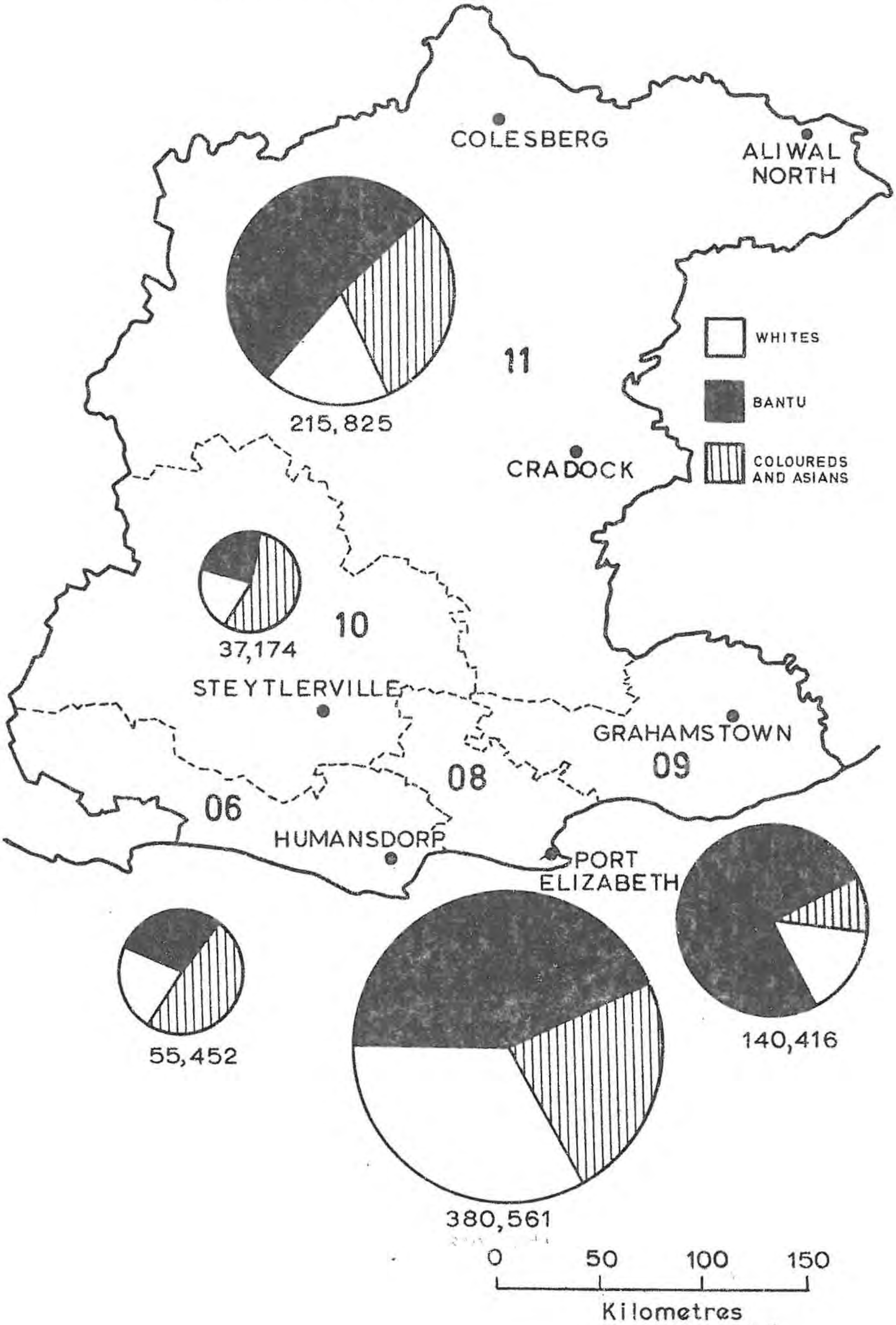
	1911-1921	1921-1936	1936-1946	1946-1951	1951-1960
Whites	0.23(1.76)	1.28(1.86)	0.53(1.69)	1.91(2.16)	1.05(1.74)
Bantu	1.53(1.58)	2.18(2.28)	2.22(1.71)	3.94(1.78)	3.35(2.76)
Coloureds	-0.63(0.37)	2.60(2.30)	1.77(1.88)	2.01(3.51)	4.01(3.54)
Asiatics	- (0.85)	2.94(1.88)	3.09(2.64)	3.96(5.15)	-0.07(2.97)
Total Population	0.58(1.48)	1.95(2.18)	1.58(1.72)	2.87(2.09)	2.85(2.64)

(Corresponding figures for the Republic are in brackets)

Source: Calculated from Tables I and II in the appendix.

It will/40.....

FIG.4 : THE POPULATION OF THE CAPE MIDLANDS, 1960



It will be noticed that the average annual percentage growth rates display a rather irregular tendency for the different periods and that they vary to a marked degree for the different racial groups. This irregular tendency and the differences between the racial groups' rate of growth are due to one or more of the following :-

(a) Differences in the evolving natural increase patterns of the various races;

(b) random factors which can bring about deviations from the trend in (a) above;

(c) changes in the flow of immigrants and emigrants; and

(d) changes in the extent of coverage of the various censuses.

The compounded[1] growth rates for Whites show that at all times the Whites in the Cape Midlands have been growing at a notably lower rate than have the Whites in the Republic as a whole. This suggests that migration away from the Cape Midlands has been taking place over the years.

1911-1921

The recorded average annual growth rates for all racial groups are relatively low for this period when compared with succeeding periods - particularly in the case of the non-Whites; the rate for Whites in the Republic in the periods 1936-1946 and 1951-1960 was in fact lower than the figure for 1911-1921. The factors that have combined to make the growth rates for the period 1911-1921 relatively low are the following:-

(a) In the case of Whites, the first World War of 1914-1918 led to some postponed marriages. This resulted in a decline in fertility for this period.

(b) To some extent the influenza epidemic of 1918 led to a rise in mortality. This factor operated particularly in the case of the non-Whites and led to an absolute decline in population figures in 1918 and 1919.

(c) A special factor in connection with Asiatics was the limitations on immigration instituted in 1913 together with a state subsidised repatriation scheme to India.

1921-1936

This was a period of alternating prosperity and depression which imposed a cyclical pattern on marriage and birth rates - particularly in the case of Whites. For example, in times of prosperity both these rates would rise and would fall again in times of depression.

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1. The growth rates for all races were calculated using the formula below, where P_1 is the population at the start and n is the number of years.

$$P_1 \ (1 + i)^n = P_2$$

After the Great Depression and the abandonment of the Gold Standard by South Africa in 1932, the marriage rate for Whites rose although the birth rate retained its long-run declining trend. Because of deficient data, it cannot be established whether the rates for non-Whites followed the same cyclical pattern. Table 4 shows that for all the non-White racial groups the growth rates for this period were notably higher than for the period 1911-1921, with Coloureds exhibiting almost 2 per cent increases in their average annual growth rates over the 1911-1921 rates for both the Cape Midlands and the Republic.

1936-1946

Except for the rates for Asiatics and the Cape Midlands rate for the Bantu, all growth rates declined during this period, which includes of course, World War II. The reason for this decline is that fertility declined once more owing to postponed marriages, although not to the same extent as during World War I since in some cases marriages were brought forward. In the case of Whites in the Cape Midlands, the decline in this period over that in 1921-1936 is much more pronounced than the decline for the Republic, which would indicate White migration out of the area. This is probably due to the more rapid industrial development on the Witwatersrand.

1946-1951

During the post-war period of economic prosperity all rates increased. In the case of Whites and Bantu, as well as for the total population, the rise in the Cape Midlands rates is significantly larger than the rise in the Republic's rates (although the rate of growth still remained significantly less than the average for the Republic). For Coloureds and Asiatics the opposite applies. In the case of Whites, this increase is a joint result of large scale immigration shortly after World War II and of the postponed marriages that were now taking place. The rapid rise in the case of Coloureds and Asiatics, particularly for the Republic, must be explained by an acute decline in mortality, with fertility approaching its biological maximum. In fact the rate for Asiatics is so high that it cannot be explained by natural increase alone, and although there was some immigration by Asiatics after World War II, it is probable that this group was under-enumerated in 1946. The Bantu exhibit a steady increase which is more pronounced in the case of the Cape Midlands, suggesting some migration into this area.

1951-1960

This period is a continuation of post-war prosperity although at a decreased rate. The factors which brought about a rise in the White growth rate between 1946-1951 were no longer active in this period, and the long term decline in fertility becomes clearly

perceptible/43.....

perceptible. For these reasons the growth rate for Whites, both for the Cape Midlands and the Republic, declined somewhat over the previous period. Although the rate of growth of Bantu in the Cape Midlands is slower when compared with the previous period, the sizeable increase in the Bantu growth rate for the Republic is to some extent the combined result of under-enumeration in 1951 and the influx of foreign migrant labourers.[1] There is also reason to believe that Bantu mortality had begun to decline. Coloureds maintained their very high rate of increase, rising slightly in the case of the Republic since there is still considerable scope for a decline in mortality. In the Cape Midlands, however, the increase in the rate of growth for Coloureds has been considerable - rising from 2.01 per cent for 1946-1951 to 4.01 per cent for 1951-1960. The decrease in the rate of growth for Asiatics in the Cape Midlands to a negative figure is not very significant owing to the small number of Asiatics resident there. For the Republic, however, the decrease in the rate of growth for Asiatics was chiefly brought about by declining fertility which had achieved its maximum in the preceding period.

The total population of the Cape Midlands has not been growing as fast as has the total population of the Republic. This fact is not immediately obvious from the above table, but Table 4.1 makes it quite clear.

TABLE 4.1

Average Annual Percentage Increase of the Population of the Cape Midlands and the Republic for the Forty-nine Year Period 1911-1960, by Race.

Whites	1911 - 1960
Whites	0.93 (1.81)
Bantu	2.45 (2.05)
Coloureds	1.95 (2.16)
Asiatics (1921-1960) ..	2.40 (2.97)
Total Population	1.86 (2.02)

(Corresponding figures for the Republic in brackets)

Source: Calculated from Tables I and II in the appendix.

The Whites in the Cape Midlands have, since 1911, been increasing at about one half the national rate. Like the Whites, the rates of growth for Coloureds and Asiatics for the Cape Midlands are lower than the corresponding rates for the Republic as a whole, although

1. Vide footnote 1, p. 38.

not to/44.....

not to the same extent. The Bantu population of the Cape Midlands, however, has been increasing at a rate faster than the national average, the rates being 2.45 per cent and 2.05 per cent respectively. This suggests that Bantu are the only racial group to have migrated to any significant degree into the Cape Midlands between 1911 and 1960. Table 8 bears this out with an estimated net immigration figure for Bantu of 25,165 persons. The total population of the Republic has been increasing at an average rate of 2.02 per cent per annum between 1911 and 1960, the corresponding figure for the Cape Midlands being 1.86 per cent per annum. This suggests that the Cape Midlands have lost a large portion of their potential total population due to migration between 1911 and 1960, and Table 8 supports this with an estimated figure of 88,380 persons.

Having compared and discussed Table 4.1, that is, the average annual rates of growth for the Cape Midlands and the Republic, it would be interesting to compare economic region 08 (the Port Elizabeth - Uitenhage region) and the remainder of the Cape Midlands (i.e. excluding Port Elizabeth and Uitenhage). However, owing to the highly industrialised and urban nature of region 08, and the pastoral, agricultural and highly rural nature of the remainder of the Cape Midlands, a comparison between the two would in effect result in showing the urbanisation that has been taking place in the Cape Midlands. Urbanisation is, however, discussed under migration, and consequently tables showing the average annual percentage growth rates for the remainder of the Cape Midlands, and for each economic region that forms a part of this area, are presented in the appendix.

E. MIGRATION

Migration, mortality and fertility are the three components of population change, and it is only by variations in any or all of these factors that a nation or community can increase or decrease in terms of its population size. Assuming rates of mortality and fertility for the Cape Midlands for each of the racial groups to be the same as those for the Republic as a whole, any divergence between the expected population and the actual population can most probably be explained by migration.

The field of migration is usually divided into two branches - international migration and internal migration. In this study attention is concentrated upon the latter division of migration which refers for the present purpose chiefly to movements of the population between other parts of South Africa and the Cape Midlands, and to movements within the different areas that constitute the Cape Midlands. Donald J. Bogue writes that migration is, in effect, the crossing of boundaries -

The choice/45.....

"The choice usually must be between one of three levels of boundaries: the large provincial boundaries, the intermediate commune or county boundaries, the minor civil boundaries - like those for cities, townships or municipalities. The major boundaries are too gross for most purposes, and the minor boundaries usually are too detailed. This means that for most practical purposes the commune or county boundary is taken as the migration-defining boundary because it is the only choice between the two extremes."[1]

For the purpose of this analysis the crossing of the outer perimeter of the Cape Midlands as defined, the crossing of the boundaries of the relevant economic regions, and the crossing of urban/rural boundaries all constitute migration. The perimeter of the Cape Midlands is used in order to obtain an idea of migration between this area and the rest of South Africa. Inter-regional migration is the change of residence across a boundary separating two economic regions, while the more detailed urban/rural boundaries are used in order to obtain an idea of the extent of the rural to urban population shift. For the purpose of this study, therefore, migration occurs when any one of the migration-defining boundaries mentioned above are crossed with a permanent or semi-permanent intent to remain.[2]

"Every region and every nation that has undergone extensive industrial development has simultaneously undergone a redistribution of its population."[3] This statement certainly holds true for South Africa where there has been a rural to urban shift by the population for the better part of this century. In this study much attention is given to migration from the rural areas, since the most important reasons behind such moves are economic and have a great deal to do with agriculture which is discussed on its own later in the analysis. Below is Table 5 showing the percentage of the population of the Republic residing in rural areas (1911 to 1960). This table serves to give a general idea of the marked rural to urban shift in the Republic as a whole and opens the discussion on the Cape Midlands in particular.

Table 5/46.....

1. Bogue, Donald J. - "Internal Migration" - The Study of Population, University of Chicago Press, 1969, p. 489.

2. In order to differentiate between migrants and tourists, travellers, and others who cross ~~migration-defining~~ boundaries but who are not migrants.

3. Ibid, p. 486.

TABLE 5

Percentage of the Population of the Republic Residing in Rural Areas (1911-1960)

Year	Percentage White	Percentage Bantu	Percentage Coloureds	Percentage Asiatics	Percentage Total Population
1911	48.2	87.3	54.2	53.5	75.2
1921	44.2	87.5	54.2	69.1	74.9
1936	34.7	82.7	46.1	33.7	68.6
1946	25.5	76.3	39.1	28.7	61.5
1951	21.6	72.8	33.8	22.4	57.4
1960	16.4	68.2	31.7	16.8	53.2

Source: Based on Table I in the Appendix.

Although it cannot be said that everyone residing in rural areas is necessarily engaged in agriculture, it can be said that the large majority are to some extent dependent upon it. For this reason alone Table 5 can be used as a general guide to the importance of agriculture in the economy. Since migration can be said to be primarily the direct result of inadequate economic and social opportunities in the area of out-migration and superior opportunities in the area of in-migration, it can be deduced that the economic opportunities in agriculture, relative to those in other sectors of the economy, are declining. As far as the Whites are concerned, there has been a rapid decline in the rural population. In 1911 nearly one half of the total White population (48.2 per cent) were living in the rural areas, whereas in 1960 the corresponding figure was only 16.4 per cent. A decrease is also evident in the relative numbers of the non-Whites in the rural areas, except that this decrease has not been as rapid as in the case of Whites. The majority of the Bantu are still rural dwellers although the percentage has declined from 87.3 in 1911 to 68.2 in 1960. Coloureds have shown a more rapid movement away from the rural areas, decreasing from 54.2 per cent in 1911 to 31.7 per cent in 1960. Asiatics have moved to the towns at a rate faster than that for Whites, declining from 53.5 per cent in 1911 to 16.8 per cent in 1960. Of the total population of South Africa, 75.2 per cent were resident in the rural areas in 1911, whereas in 1960 the figure had dropped to 53.2 per cent. Although agriculture is still an important economic activity, there has been a rapid decline in numbers in the rural areas, suggesting a decline in the importance of agriculture relative to other sectors of the economy.

The Cape Midlands have also experienced a similar movement of population, which has occurred primarily as the result of inadequate economic and social opportunities on the land. Thus a prolonged drought or famine, a series of unfavourable growing seasons, the exhaustion of agricultural resources and other similar factors, as well as social or political factors, often lead to out-migration from the depressed areas. In the Cape Midlands the first such movement was migration into the area by the Boers who came from the settled Western Colony in the late eighteenth century. A second major migratory movement was the arrival of the 1820 Settlers, who later began to shift from the rural areas on which they were settled. This first rural-to-urban shift in the Cape Midlands (concentrated mainly in the Albany coastal district) was the direct result of unfavourable conditions on the land. The historical introduction indicates how "rust" destroyed most of the wheat grown for three successive years, and how this was accompanied in 1823 by heavy floods that caused considerable damage. As a result of the privations suffered, many of the settlers abandoned their holdings on the land and moved into wage employment in urban centres such as Port Elizabeth and Grahamstown.

The Great Trek was a migratory movement across the outer perimeter of the Cape Midlands by some 7,000 or 8,000 persons. It was due in the main to knowledge of free land beyond the Eastern Cape frontiers and, to a lesser extent perhaps, to dissatisfaction with the local administration.

The discovery of precious minerals - diamonds in 1867 and gold in 1886 - attracted immigrants both from overseas and from other parts of South Africa. Consequently it can be assumed that there were movements towards Kimberley and Johannesburg by persons from the Cape Midlands seeking high wage employment in the boom centres. After the turn of the century South Africa experienced what has been termed as <u>the poor White problem</u>, defined as "The problem of poverty amongst rural Whites or incompletely urbanised Whites, complicated by competition of men of different colours and living standards."[1] The result was a rural-to-urban shift by 'the poor Whites'. The Bantu were also moving to town seeking employment opportunities. This twofold migration led to intense competition in the labour market. The poor Whites "..... were in either case unable to earn enough income to maintain themselves according to "civilised" standards of life and were deprived of the chance of learning to do so on account of the unequal competition of unskilled labour of primitive "uncivilised" habits."[2]

This tendency for the population to shift in an urban direction has continued to the present day. The growth of secondary and tertiary industry, and of the system of communications throughout the Cape Midlands, has increased economic opportunities in the urban centres and

made the prospect/48.....

1. Robertson, H.M. <u>op. cit.</u> p. 139.

2. <u>Ibid</u>, p. 45.

made the prospect of migrating from areas of low opportunity to areas of high opportunity easier and more desirable. An examination of rural/urban relationships since Union gives some idea of the extent of this type of migration in the Cape Midlands. Table 6 shows the percentage increase for the different racial groups in the urban and rural areas since 1911.

It can be seen at a glance that in all the areas shown in the Table, and for all racial groups, the urban population has increased considerably faster than has the rural population. This is the direct result of migration out of rural areas, since "The conclusion drawn..... is that rural females are most definitely more fertile than urban females. According to the latest data, 1,000 rural females give birth to an average of 2,120 female children during their period of fertility (G.I.F. = 2.12), as against only 1,520 female children born to every 1,000 females in the urban areas (G.I.F. = 1.52)"[1] (G.I.F. is gross increase figure).

According to census figures the total urban population of the Republic increased by 406 per cent from 1,477,868 persons in 1911 to 7,481,128 persons in 1960. The corresponding figures for the rural population are 4,490,233 persons in 1911 and 8,521,669 persons in 1960, which is an increase over the 1911 figure of 90 per cent. The urban percentage increase is thus more than four times greater than the rural percentage increase, and this rapid rate of urbanisation has been even more rapid in the other areas shown in the Table. For the Cape Midlands the urban and rural increases have been 338 per cent and 34 per cent respectively for the forty-nine year period since 1911. The main urban area of the Cape Midlands is economic region 08 (Port Elizabeth and Uitenhage) where the corresponding increases are even more marked, being 625 per cent and 36 per cent respectively. Only the remainder of the Cape Midlands exhibit characteristics similar to the Republic's, in that the remainder's total rural population is greater than its total urban population, the rate of increase of the latter being more than four times that of the former i.e. 156 per cent as compared with 34 per cent.

The rural White population of the Republic, the Cape Midlands and the remainder of the Cape Midlands, has shown a decline between 1911 and 1960 of 18 per cent, 52 per cent and 57 per cent respectively, while the corresponding urban figures show increases of 292 per cent, 182 per cent and 51 per cent respectively. The negative percentage rural increases for Whites illustrate a considerable shift away from the rural areas.

This shift/49.....

1. Report of the Commission of Inquiry into European Occupancy of the Rural Areas, (du Toit). The Government Printer, Pretoria, 1959, p. 13, para. 121.

TABLE 6

The percentage increase of the Population of the Republic, the Cape Midlands, Economic Region 08 and the remainder of the Cape Midlands, 1911 to 1960 by Race - Urban and Rural

	Republic		The Cape Midlands		The Remainder		Region 08	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Whites								
1911	658,286	615,028	61,595	69,438	35,645	64,938	25,950	4,500
1960	2,581,731	506,761	173,871	33,521	53,793	28,153	120,078	5,368
% increase	292	-18	182	-52	51	-57	363	19
Bantu								
1911	508,142	3,508,907	25,205	98,317	18,631	85,871	6,574	12,446
1960	3,471,233	7,456,689	234,087	171,771	87,757	153,370	146,330	18,401
% increase	583	112	829	75	371	79	2126	48
Coloureds								
1911	240,854	284,799	37,805	43,786	22,047	38,207	15,758	5,579
1960	1,031,063	478,195	132,674	78,428	53,763	71,619	78,911	6,809
% increase	328	68	251	79	144	87	401	22
Asiatics								
1921	51,209	114,522	1,896	101	416	43	1,480	58
1960	397,101	80,024	5,050	26	407	5	4,643	21
% increase	675	-30	166	-74	-2	-88	214	-64
Total Population								
1911	1,477,868	4,490,233	124,605	211,541	76,323	189,016	48,282	22,525
1960	7,481,128	8,521,669	545,682	283,746	195,720	253,147	349,962	30,599
% increase	406	90	338	34	156	34	625	36

Source : Based on Tables I, II, VIII and IV in the Appendix.

This shift has been most marked in the remainder of the Cape Midlands (which are largely rural), being followed by the Cape Midlands and lastly the Republic as a whole. In Region 08 the White rural population actually increased by 19 per cent over the forty-nine year period, while the urban Whites grew by 363 per cent. This rural increase of 19 per cent is, in the main, due to the concentrated and high demand for agricultural and pastoral products in the Port Elizabeth and Uitenhage areas where the density of the population in the Cape Midlands is the closest. Consequently it can be taken for granted that the rural areas of region 08 have been losing part of their White population to the cities, but that this loss has been less than the natural increase which must have occurred.

The Bantu have moved to the towns at rates much faster than have the Whites. All the areas presented in the Table portray a considerably larger urban increase compared with the rural increase. Region 08 has shown the most marked urban increase, being the extremely high figure of 2126 per cent as compared with the urban Bantu increase for the Cape Midlands as a whole of 829 per cent, which is still appreciably greater than the Republic's 583 per cent and the figure for the remainder of the Cape Midlands of 371 per cent. Although the remainder of the Cape Midlands are in themselves predominantly rural in character, their urban increase figure of 371 per cent (which is the lowest of all the areas shown) is nevertheless still higher than the highest urban increase for Whites and for Coloureds (except for region 08 in the case of Coloureds). This illustrates the high degree of urbanisation (of the Bantu population) that has been taking place in the Cape Midlands. Whereas the rural Whites actually declined between 1911 and 1960 (except in region 08) the rural Bantu have, in all four areas shown in the Table, exhibited increases ranging from 112 per cent for the Republic to 48 per cent for region 08. For the Cape Midlands and the remainder of the Cape Midlands, the rural Bantu have increased by 75 per cent and 79 per cent respectively. Later in this study, after estimates have been made of the number of migrants for each of the three main racial groups, more will be said about the increasing preponderance of Bantu and Coloureds in the rural areas. In the Report of the Commission of Inquiry into European Occupancy of the Rural Areas it was found that it is "The present attitude of farmers towards the non-Whites, particularly the Bantu, that is conducive to an evergrowing Bantu population on farms owned by Whites and even on the platteland as a whole."[1] This growing Bantu population on White-owned farms consists largely of females, children and dependents, as the young Bantu males exhibit a tendency to migrate to the urban centres.

Coloureds/51.....

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1. Ibid, p. 18. para. 159.

Coloureds in the urban areas of the Cape Midlands and the remainder of the Cape Midlands, increased by 251 per cent and 144 per cent respectively between 1911 and 1960, while the Republic's urban Coloured population grew by 328 per cent. These figures suggest that there has been no net migration into the Cape Midlands by Coloureds from the rest of the Republic, but the 401 per cent increase in the urban Coloured population of region 08 indicates a movement into this region from within the Cape Midlands as a whole. Growth by Coloureds in the rural areas of the Cape Midlands and the remainder of the Cape Midlands is relatively high at 79 per cent and 87 per cent respectively, which is 4 per cent and 8 per cent higher than the corresponding figures for Bantu. This may be attributed, however, to the high natural rate of increase of the Coloured peoples, especially in the rural areas.

Asiatics are not very important numerically, numbering only 5050 persons in urban areas and 26 in the rural areas of the Cape Midlands. The decline of 2 per cent and 88 per cent in the urban and rural sections of the remainder of the Cape Midlands suggests a movement by Asiatics towards region 08 into the urban areas of Port Elizabeth and Uitenhage, since rural Asiatics in region 08 also declined (by 64 per cent).

A graphic representation of the distribution of the total population of the Cape Midlands between urban and rural areas in 1911 and 1960 is presented in Figure 5. This diagram illustrates the rapid rate at which the total urban population of the Cape Midlands has grown, relative to the total rural population. In 1911 the total population consisted of 336,146 persons of which 37.1 per cent were resident in urban areas. By 1960, however, with the rapid movement of persons to the urban centres, the position had reversed itself with 65.8 per cent of the 829,428 persons residing in the Cape Midlands being resident in the urban centres (See Table II in the Appendix).

It is interesting to analyse which economic regions have experienced the fastest rate of urban increase, and also which racial groups have been most instrumental in this rural-to-urban shift. Table 7 gives the changes in the urban/rural distribution of the racial groups in each economic region for the relevant census years since 1911, while Figure 6 presents this information for the total population in each economic region for 1911 and 1960 in the form of bar graphs.

Figure 2/52.....

FIG. 5 : GROWTH OF THE TOTAL POPULATION OF THE CAPE MIDLANDS, 1911-1960

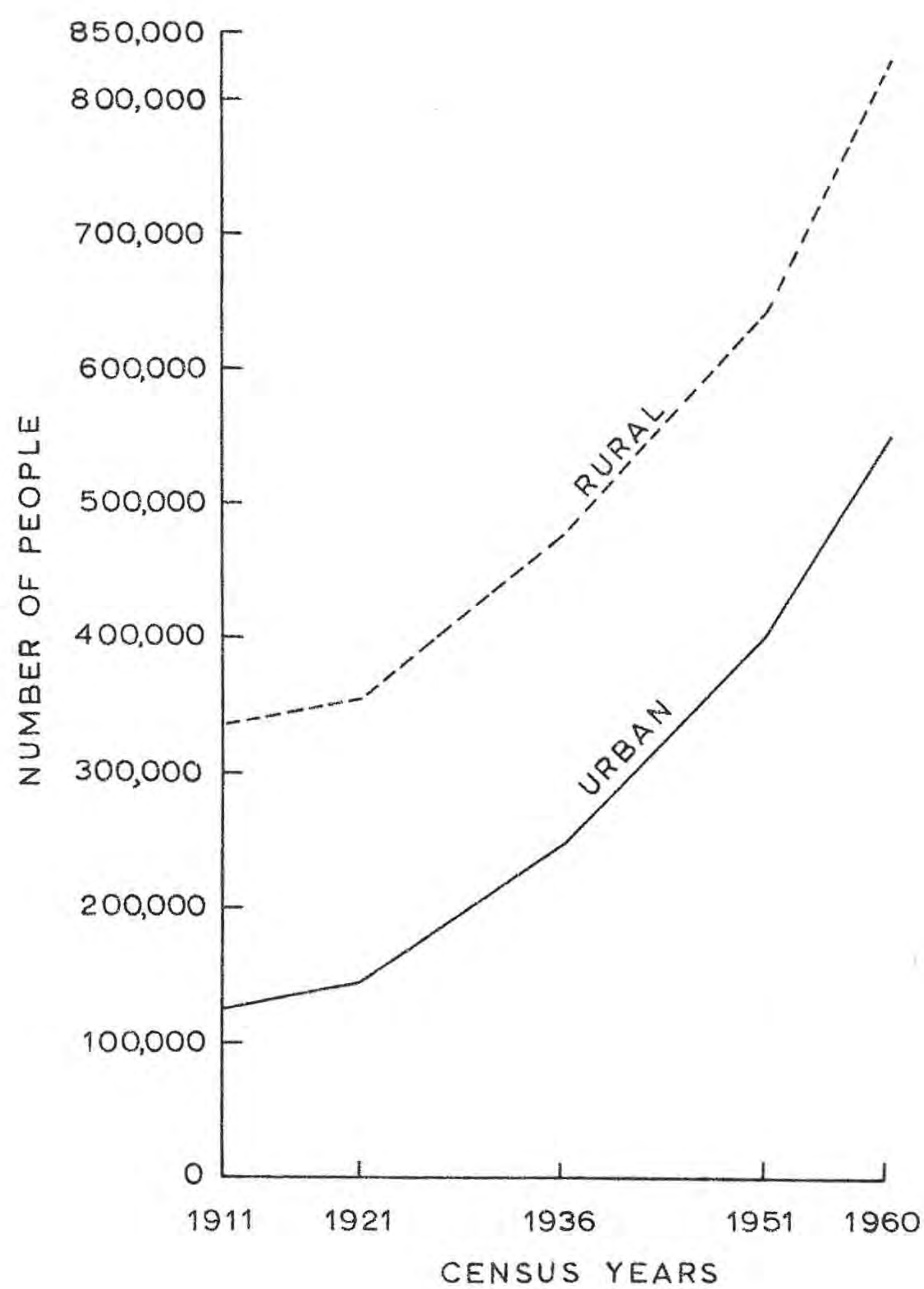


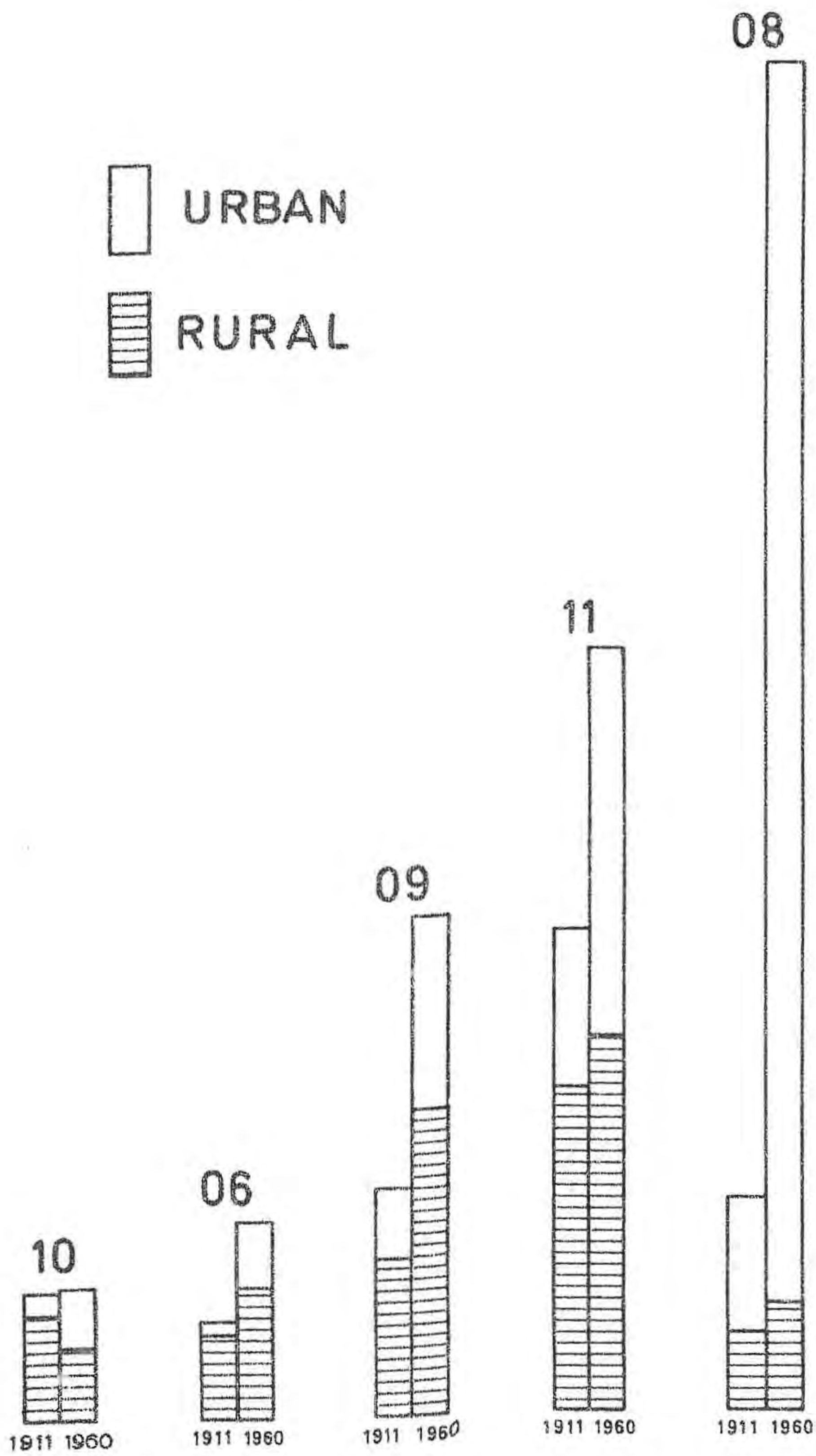
TABLE 7

Changes in the Urban/Rural distribution of the Whites, Bantu and Coloureds by Economic Regions, 1911-1960
Percentage Distribution between Urban and Rural areas

	1911		1921		1936		1946		1951		1960	
Region	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
WHITES												
06	11.4	88.6	17.6	82.4	20.7	79.3	27.0	73.0	32.7	67.3	42.6	57.4
08	85.2	14.8	85.6	14.4	90.8	9.2	93.6	6.4	94.7	5.3	95.7	4.3
09	52.2	47.8	56.1	43.9	58.5	41.5	63.9	36.1	62.5	37.5	69.0	31.0
10	20.4	79.6	29.1	70.9	40.1	59.9	48.4	51.6	53.8	46.2	60.8	39.2
11	40.6	59.4	48.1	51.9	53.0	47.0	66.1	33.9	69.4	30.6	72.0	28.0
Cape Midlands	47.0	53.0	54.6	45.4	65.8	34.2	75.2	24.8	79.2	20.8	83.8	16.2
BANTU												
06	12.3	87.7	9.0	91.0	18.8	81.2	18.7	81.3	21.7	78.3	26.0	74.0
08	34.6	65.4	41.1	58.9	73.3	26.7	83.5	16.5	86.0	14.0	88.8	11.2
09	16.7	83.3	19.6	80.4	23.1	76.9	28.4	71.6	27.4	72.6	29.6	70.4
10	11.7	88.3	13.4	86.6	31.5	68.5	42.3	57.7	44.3	55.7	51.7	48.3
11	20.2	79.8	21.2	78.8	30.7	69.3	36.9	63.1	38.0	62.0	43.1	56.9
Cape Midlands	20.4	79.6	22.8	77.2	38.5	61.5	47.6	52.4	51.0	49.0	57.7	42.3
COLOUREDS												
06	24.7	75.3	23.0	77.0	27.5	72.5	28.8	71.2	30.1	69.9	33.1	66.9
08	73.9	26.1	74.1	25.9	85.6	14.4	88.3	11.7	92.1	7.9	92.1	7.9
09	48.3	51.7	50.5	49.5	47.1	52.9	56.6	43.4	55.4	44.6	48.8	51.2
10	22.9	77.1	21.4	78.6	26.4	73.6	32.0	68.0	31.5	68.5	34.1	65.9
11	42.6	57.4	42.7	57.3	42.3	57.7	48.5	51.5	53.4	46.6	48.6	51.4
Cape Midlands	46.3	53.7	46.2	53.8	53.2	46.8	58.1	41.9	62.8	37.2	62.8	37.2

Source : Based on Tables IXa, IXb and IXc in the Appendix.

FIG. 6 : GROWTH OF THE TOTAL POPULATION IN THE CAPE MIDLANDS ACCORDING TO ECONOMIC REGIONS, 1911 - 1960



In the case of economic region 10 (the mid-western districts) although the size of the total population has remained virtually stagnant between 1911 and 1960, the number of persons resident in urban areas has more than doubled when compared with 1911. The urban Whites in this region exhibit an almost uniform and steady urban percentage increase between the relevant census dates ranging from 20.4 per cent in 1911 to 60.8 per cent in 1960. This represents a net gain to the urban areas of approximately 22 persons per year on the average, which seems rather low and suggests that part of the natural increase have migrated out of this region. A study of Table X in the Appendix bears out the premise that there must have been migration out of this region by Whites. During the period 1936 - 1946 the urban Whites declined by 5.8 per cent, while their rural counterparts fell by 32.6 per cent. The period 1946 - 1951 shows a slight urban increase (1.2 per cent) and an 18.5 per cent rural decline. The last intercensal period indicates that both the urban and rural Whites declined; the former by 2.8 per cent and the latter by 27.1 per cent. Thus because the rural declines have been much larger than the urban declines, the percentage of Whites living in urban areas has continued to increase (Table 7) even though according to the census figures this region lost a total of 5,037 Whites between the years 1936 to 1960. (See Table IXa in the Appendix). The Bantu in the rural areas of this region declined between the years 1921 to 1951 but increased by 4.6 per cent in the period 1951 - 1960. This in part explains the relatively large increase in urban Bantu resident in region 10 from 11.7 per cent in 1911 to 51.7 per cent in 1960. The percentage of Coloureds resident in urban areas of region 10 display a relatively slight percentage increase, from 22.9 per cent in 1911 to 34.1 per cent in 1960.

Urbanisation in economic region 06 (the Humansdorp - Uniondale districts) has taken place at roughly twice the rate in economic region 10. Here the total population has almost doubled in number between 1911 and 1960, while the urban population exhibits an almost fourfold increase over the same period. Until the intercensal period 1936 - 1946, both the urban and rural White population of region 06 increased, but the subsequent intercensal periods show that only the urban Whites have been increasing. The percentage of Whites resident in urban centres in this region has arisen from 11.4 per cent in 1911 to 42.6 per cent in 1960. The Bantu in this region have exhibited positive increases in both urban and rural areas, apart from the period 1911 - 1921 when urban Bantu declined by 4.0 per cent (see Table X in the Appendix). The largest Bantu urban increase in this region occurred during the intercensal period 1921 - 1936 (an increase of 156.8 per cent). The Coloureds resident in urban areas in region 06 exhibit a relatively slight increase, from 24.7 per cent of all Coloureds in this region in 1911 to 33.1 per cent in 1960. The largest increase occurred during the intercensal period 1921 - 1936 when the number of urban Coloured residents increased by 60.8 per cent.

The growth of the urban population of the Albany coastal region (economic region 09) has kept more or less in pace with the growth of the rural population. The percentage of the total population resident in urban areas grew from 29.7 per cent in 1911 to 37.7 per cent in 1960, indicating that while the percentage of persons residing in urban areas has increased somewhat over the fortynine year period, the rural-to-urban shift in this region has not been as pronounced as in regions 10 and 06. The Whites in region 09 exhibit a slight but steady movement away from the rural areas, increasing from 52.2 per cent of all Whites being resident in urban areas in 1911 to 69.0 per cent in 1960. The position is similar for the Bantu, 16.7 per cent of whom were urban residents in 1911, increasing to 29.6 per cent in 1960. Once again the intercensal period 1921 - 1936 saw the largest urban Bantu increase (75.4 per cent) (See Table X in the Appendix). The percentage of Coloureds in this region has remained more or less evenly distributed between urban and rural areas throughout the fortynine year period since 1911. Their urban/rural percentual preponderance varies from one period to another with no definite trend discernable.

In the northern districts (economic region 11) the total urban population has grown considerably faster than has the rural population. Although the total population has not doubled in size between 1911 and 1960, the urban population in this region has more than doubled itself over the same period. Table 7 shows that the number of White urban residents in this region has increased considerably from 40.6 per cent resident in urban areas in 1911, to 72.0 per cent in 1960. It can be seen from Table X in the Appendix that the urban Whites in region 11 grew by 14.7 per cent while their rural counterparts declined by 33.5 per cent during the intercensal period 1936 - 1946. This tendency was repeated on a smaller scale between 1946 - 1951. In actual numbers this represents an urban increase of 5254 Whites and a decline of 8455 Whites on the land between 1936 and 1951. (See Table IXa in the Appendix). This leaves a deficit of 3201 Whites who must have migrated out of region 11 between the years 1936 and 1951. During the following intercensal period 1951 - 1960, the urban and the rural White population declined in this region by 2.8 per cent and 14.4 per cent respectively. The percentage of Bantu resident in urban areas in this region has more than doubled over the fortynine year period since 1911, increasing from 20.2 per cent in that year to 43.1 per cent in 1960. The Bantu in this region increased in both urban and rural areas, except during the intercensal period 1921 - 1936 when the rural Bantu population declined by 2.6 per cent (see Table X in the Appendix). Urbanisation in this region was almost uniform between 1911 and 1936, with approximately 42.6 per cent of the Coloureds resident in this region living in its urban areas. After 1936, however, the percentage of Coloureds resident in urban areas increased to 53.4 per cent in 1951 and then declined to 48.6 per cent in 1960.

In the Port Elizabeth and Uitenhage districts the growth of both the total and the urban populations has been phenomenal. Since 1911 the total population in these districts (economic region 08) has increased to more than five times the 1911 figure, and practically the entire increase has occurred in the regions urban population. In 1911 68.2 per cent of the total population in region 08 was resident in urban areas, whereas in 1960 this figure had increased to 92.0 per cent. This growth is indicative of the region's high economic opportunity relative to the rest of the Cape Midlands. It is interesting to note that according to the 1960 census figures of the 545,682 urban residents in the Cape Midlands, 349,962 or 64.1 per cent were resident in the Port Elizabeth and Uitenhage districts. The vast majority of Whites in this region have always been resident in its urban centres. In 1911 85.2 per cent of all Whites in this region were urban dwellers, whereas by 1960 this figure had risen to 95.7 per cent. The largest urban increase in this region as regards the White population occurred during the intercensal period 1921 - 1936 with an increase of 88.8 per cent (See Table X in the Appendix). Bantu have moved into the urban centres in this region at a rate much in excess of the Whites. In 1960 88.8 per cent of the total Bantu population of region 08 was resident in urban areas as compared with 34.6 per cent in 1911. This illustrates that the rate at which Bantu have been migrating into the urban areas has been extremely high over the fortynine year period, their estimated number since 1911 being 101,579 persons (See Table 8). During the intercensal period 1921 - 1936 the Bantu urban population in this region increased by 293.5 per cent. As have the Whites, the vast majority of Coloureds in this region have been urban dwellers since 1911. In that year 73.9 per cent of the total Coloured population in region 08 were urban dwellers and the figure had risen to 92.1 per cent in 1960. As with the Bantu and Whites, the largest urban growth in this region as regards Coloureds occurred during the intercensal period 1921 - 1936 with an increase of 104.2 per cent.

A close study of Table X in the Appendix reveals that the general tendency in all regions is for the Bantu to increase in both urban and rural areas - with some exceptions. Bantu have moved to the towns at greater rates than have the Coloureds and Whites, although Table 7 reveals that the degree of urbanisation attained by Bantu in the Cape Midlands as a whole is the lowest for all racial groups. In 1960 83.8 per cent of all Whites resident in the Cape Midlands were urban dwellers. The corresponding figures for Coloureds and Bantu are 62.8 per cent and 57.7 per cent respectively.

Table X reveals one common but interesting tendency. This tendency is that the intercensal period 1921 - 1936 saw the fastest rate of urbanisation occurring in all regions in the Cape Midlands - with some exceptions. This tendency can be most clearly seen if the figures for the Cape Midlands as a whole are examined, when it becomes apparent that not only did the percentage of Bantu living in towns soar in 1921 - 1936, but that the rate of urbanisation for Whites and Coloureds is also the highest during this intercensal period. 1921 seems to be the year after which rapid and more or less steady urbanisation took place in the Cape Midlands. The explanation of this tendency lies in the Great Depression which spread to South Africa during the years 1930/33.

The depression that followed the South African War first focused public attention on the poor White problem, but before very long agriculture prospered as the demand for agricultural products exceeded the supply. The coming of World War I boosted the agricultural industry still further and South Africa began to export many of her agricultural products. The clip and quality of wool, the production of beef, dairy products, citrus and deciduous fruits all increased, and even vegetable farming became important. In general it may be said that in nearly all branches of the agricultural industry the production of crops increased. However, during the 1930's South Africa, like the rest of the world, was suffering from the Great Depression. Although the price of gold did not fall, diamonds, wool and other minor agricultural products such as citrus, maize, meat, dairy products, etc., all fell in price and became generally unprofitable. Each of these minor agricultural products might well be a major product for a particular area. Consequently in the Cape Midlands, mainly wool and citrus farmers, while in the rest of South Africa farmers producing other agricultural products, all shared the hardships that resulted when the local demand fell below production and prices fell to very low levels. "The agricultural community was faced with a burden of mortgage indebtedness with which it was quite unable to cope,"[1] and many farmers were caused to quit their farms as a result.

It was during this time that the poor White problem became most intense and poverty spread over the country. "The stream of those leaving the farms to find other employment, but mostly without the

requisite/59.....

1. Robertson, H.M. op. cit., p. 44.

requisite training, has in the course of time become so large that they could not be absorbed."[1] But not only were the Whites moving to the towns and cities; the Bantu and Coloureds were also converging on the urban centres. Many of these were displaced farm labourers, migrants from the reserves with the intention of working in the urban areas, and others simply in transit between the reserves and the cities. The Native Economic Commission (Holloway) of 1930 - 1932 stressed that the influx from the reserves was mostly the result of a "push" rather than a "pull", since the reserves were ill-farmed, overstocked and eroded, and their capacity for carrying men, beasts and crops was dropping alarmingly. In explanation of the trend noticed from an examination of Table X in the Appendix, the above seems to hold true, since it was low agricultural prices, and a low agrarian level of living experienced by Whites and non-Whites, as well as various "pull" factors, that resulted in the marked rural to urban shift by all races in the Cape Midlands (as in South Africa as a whole) during the interoensal period 1921 - 1936. Later in this study a fuller discussion of "push" and "pull" factors can be found.

F. MIGRATION ESTIMATES, 1911 - 1960

In this section the gross annual increase figures for the Republic as a whole have been applied in order to obtain some idea of migratory trends and the number of migrants who have crossed the perimeter of the Cape Midlands and the urban/rural boundaries. In South Africa there is a pronounced distinction between the urban and the rural population. Prior to the 1960 census, towns with some form of urban local government are classified as Urban, but for the 1960 census this rule has been modified to make a population of 500 (all races) the dividing line between Urban and Rural, with certain exceptions.[2]

The causes of rural to urban migration are rooted in comparatively lower rural income levels and the lack of opportunity in agriculture coupled with a desire to earn higher wages. This holds true for both Whites and non-Whites, the latter presenting a rather more complex problem since it is difficult to distinguish between those fully urbanised and those who are temporary residents in the urban centres. Rural-urban migration, as well as other types of internal migration, are mainly the result of economic factors.

These economic/60.....

1. Grosskopf, Dr. J.F.W. Rural Impoverishment and Rural Exodus. Stellenbosch: Pro Ecclesia Drukkery, 1932. p. xxii.

2. Rep. of S.A. Bureau of Statistics; Population Census 6th September, 1960, Vol. 1, p. vi.

These economic factors may be split into :

(a) "Push" factors - those that relate to conditions in agriculture.
(b) "Pull" factors - those that relate to conditions in urban centres.
(c) More general economic factors.

(a) Conditions in Agriculture

Factors such as prolonged drought or famine, a series of unfavourable growing seasons, the exhaustion of agricultural resources, the system of land tenure, the modernisation of agriculture, a low agrarian level of living etc. are all examples of "push" factors. In 1930 - 1932 the Native Economic Commission (Holloway)[1] came to the conclusion that the influx of Bantu from the Reserves into urban areas was mostly the result of a "push" rather than a "pull". The reasons behind this "push" were that erosion, overstocking and primitive farming methods had resulted in an alarming drop in the carrying capacity of the Reserves for men, beasts and crops which virtually compelled many Bantu to seek opportunities in the urban areas. A system of land tenure, (such as is found in the Cape Midlands where much of the land is in large farms on which the agricultural labourers are, on the whole, poorly paid), often provides a strong motive for the labourer to migrate to the urban centres where higher cash wages can be earned. This in effect is what has been happening, not only in the Cape Midlands but in South Africa as a whole. Young adult Bantu males are migrating to the urban centres and are leaving behind them their wives, children and dependants. It is not uncommon in the Cape Midlands to find that out of a total Bantu population on a White-owned farm, only about one fifth are adult male labourers and employees. In addition, improved agricultural techniques and the use of modern farm machinery often displaces farm labour now no longer required. However, often it is not only low wages, but the realisation of the improvement in the standard of living that could be achieved through migration, that leads to a shift towards urban centres.

(b) Conditions in urban centres

A rural-urban movement by the population is only to be expected even if there were no differences in earnings and standards of living between urban and rural areas. The reason for this is that as the per capita income rises so the demand for manufactured goods and services increases faster than the demand for agricultural products. The result is that employment opportunities in urban areas grow faster than those in rural areas. "Migration streams tend to avoid areas of high unemployment and to flow with greater velocity towards areas of low unemployment."[1]

/61....

1. U.G. 22, 1932.

unemployment,"[1] and the fact that substantially higher earnings are usually found in non-agricultural industries than in agriculture, stimulates this tendency. Furthermore, the fact that the urban centres generally provide more stable and continuing employment than do the agricultural pursuits of a rural community, is often a positive factor in the decision to migrate.

(c) General economic conditions

During periods of boom and industrial expansion (as prevailed in the Port Elizabeth and Uitenhage districts in the late 1930's) the demand for labour is greatly increased. The ensuing result is that higher wages are offered in the industrial field and this results in an increased inflow of migrants from rural areas. Consequently the flow of migration can be related to fluctuations in the trade cycle. In addition, the availability and cost of transportation facilities are factors that affect both the "push" and the "pull" of internal migration - as does the state of the trade cycle.

Demographic and cultural factors also have an important bearing on internal migration, but their influence is not nearly as great as that exerted by economic factors.[2]

Having discussed the causes behind rural-urban migration, an estimate of the volume of rural to urban migration is presented by major racial groups for each economic region. "In view of the fact that the rural areas are more prolific than the urban, and that rural mortality is either on the same level or lower than that of city dwellers, the slow increase in the rural population at the time of the establishment of Union, as well as the subsequent decrease, can be attributed solely to emigration. The difference between the actual increase and the natural increase represents the net emigration."[3] The method used in this study is similar to that employed in the Report of the Commission of Enquiry into European Occupancy of the Rural Areas. The average annual percentage increase for the fortynine year period 1911 - 1960 was calculated for Whites, Bantu and Coloureds for South Africa as a whole - both for urban and rural areas. These average annual percentages were then applied to the 1911 population totals, in urban and rural areas separately, for the

three/62.....

1. Bogue, Donald J. op. cit., p. 502.

2. For a more detailed and full discussion on economic, demographic and cultural factors affecting internal migration see:
(a) The Determinants and Consequences of Population Trends. United Nations Population Studies No. 17, Chapter VI.
(b) Bogue, Donald J. "Internal Migration" The Study of Population, Chicago: University Press, 1959, Chapter 21.

3. Report of the Commission of Enquiry into European Occupancy of the Rural Areas, the Government Printer, Pretoria, p. 14, para. 127.

three major racial groups for each economic region in the Cape Midlands. In this way the 1960 urban/rural populations by race were obtained on the assumption that they grew at the same rate as the urban/rural populations in the whole of South Africa. In this way, any differences between the 1960 population total calculated at the Republic's rural and urban rates of growth, and the total according to the 1960 population census, were put down to migration.

A study of the estimated net migration figures presented in Table 8 shows that only regions 06 and 08 received a net inflow of persons between the years 1911 - 1960.

1. Region 06 (the Humansdorp and Uniondale districts)

This region is the second smallest in area, comprising 3621 square miles, which is only 8.5 per cent of the total area of the Cape Midlands. In 1960 the density of the population was 15.3 persons per square mile. The largest part of region 06 is comprised of coastal areas falling into the transition area between the summer and winter rainfall areas, while the more inland part of this region, comprising the majority of the magisterial district of Uniondale, falls into the so-called irrigation areas where water plays a decisive role. This region lost a total of 1427 White persons between 1911 and 1960, some 100 persons leaving the urban areas and 1300 persons emigrating from the rural areas. Rural poverty during the time of the Great Depression could have resulted in many Whites leaving this area, in all probability towards Port Elizabeth and Uitenhage. Bantu, however, show a net immigration figure of 754 persons, made up of 564 persons leaving the urban areas and 1318 persons settling on the land. Coloureds display the same tendency as the Bantu, except that they have migrated into the region in much greater numbers. Some 2160 Coloureds left the urban areas while 4758 Coloured persons migrated into the rural regions - this gives a net immigration figure for Coloureds of 2598 persons. The estimated total of persons of all races that migrated into region 06 was 6076, all of whom settled in rural areas. At the same time, however, 4151 persons left the urban centres making a net total of 1925 immigrants between the years 1911 - 1960. It would appear, therefore, that the opportunities for non-Whites in agriculture and other rural occupations in this region have increased in relation to most of the other regions in the Cape Midlands.

2. Region 08 (Port Elizabeth and Uitenhage districts)

Region 08 is the smallest in area, comprising 1630 square miles, which is only 3.8 per cent of the total area of the Cape Midlands. The density of the population in this region is the closest, being 233.5 persons per square mile in 1960. Very similar in climate to region 06,

this region/63.....

TABLE 8

URBAN AND RURAL MIGRATION - WHITES, BANTU AND COLOUREDS, 1911-1960[1]

	1911 Urban	1911 Rural	1960* Urban	1960* Rural	1960+ Urban	1960+ Rural	Migration Out Urban	Migration Out Rural	Migration In Urban	Migration In Rural			Net Migration
Region 06													
Whites	1,387	10,766	5,445	8,504	5,329	7,193	116	1,311					-1427
Bantu	693	4,934	4,717	10,495	4,153	11,813	564			1,318			+754
Coloured	2,590	7,889	11,076	13,287	8,916	18,045	2,160			4,758			+2598
Total:	4,670	23,589	21,238	32,286	18,398	37,051	2,840	1,311		6,076			+1925
Region 08													
Whites	25,950	4,500	101,860	3,555	120,078	5,368			18,218	1,813			+20,031
Bantu	6,574	12,446	44,751	26,474	146,330	18,401		8,073	101,579				+93,506
Coloured	15,758	5,579	67,390	9,395	78,911	6,809		2,586	11,521				+8,935
Total:	48,282	22,525	214,001	39,424	345,319	30,578		10,659	131,318	1,813			+122,472
Region 09													
Whites	9,172	8,405	36,000	6,640	15,002	6,725	20,998			85			-20,913
Bantu	6,546	32,604	44,556	69,351	30,911	73,613	13,645			4,262			-9,383
Coloured	3,057	3,270	13,073	5,507	6,817	7,146	6,256			1,639			-4,613
Total:	18,775	44,279	93,629	81,498	52,730	87,484	40,899			5,986			-34,913
Region 10													
Whites	3,732	14,522	14,648	11,472	4,812	3,099	9,836	8,373					-18,209
Bantu	939	7,066	6,391	15,030	4,384	4,101	2,007	10,929					-12,936
Coloured	2,457	8,292	10,507	13,966	7,082	13,691	3,425	275					-3,700
Total:	7,128	29,880	31,546	40,468	16,278	20,891	15,268	19,577					-34,845
Region 11													
Whites	21,354	31,245	83,815	24,683	28,650	11,136	55,165	13,547					-68,712
Bantu	10,453	41,267	71,150	87,778	48,309	63,843	22,841	23,935					-46,776
Coloured	13,943	18,756	59,626	31,590	30,948	32,737	28,678			1,147			-27,531
Total:	45,750	91,268	214,591	144,051	107,907	107,716	106,684	37,482		1,147			-143,019
Cape Midlands											Urban	Rural	
Whites	61,595	69,438	241,768	54,854	173,871	33,521	86,115	23,231	18,218	1,898	-67,897	-21,333	-89,230
Bantu	25,205	98,317	171,565	209,128	234,087	171,771	39,057	42,937	101,579	5,580	+62,522	-37,357	+25,165
Coloured	37,805	43,786	161,672	73,745	132,674	78,428	40,519	2,861	11,521	7,544	-28,998	+4,683	-24,315
Total:	124,605	211,541	575,005	337,727	540,632	283,720	165,691	69,029	131,318	15,022	-34,373	-54,007	-88,380

* Calculated at the Republic's Rural and Urban rate of growth. + 1960 Census figures.

1. The average annual growth rates for the Republic's rural and urban areas, which were used in preparing the above table are as follows:

Urban: Whites ... 2.83%. Bantu ... 3.99%. Coloured ... 3.01%.
Rural: " ...-0.39%. " ... 1.55%. " ... 1.07%.

Migration Out -
Migration In +

this region is also comprised of coastal areas lying between the summer and winter rainfall areas. Port Elizabeth and Uitenhage magisterial districts comprise region 08 which is the fourth largest industrial complex in South Africa. As is to be expected, the vast majority of the population of this region are resident in the urban centres where they are employed. As has been pointed out in the historical introduction, this region has undergone vast industrial and commercial expansion, especially after the depression years of the 1930's, and the resulting employment opportunities have attracted many migrants from the rest of the Cape Midlands as well as from all over South Africa.

The White migrants who have settled in this region number 20,031 persons, the vast majority of whom, namely 18,218, have settled in the urban centres. Although 1813 White persons actually settled on the land, the non-Whites have been shifting from the rural areas in this region to the cities, in response to the increasing demand for labour. The number of Bantu that migrated out of the region's rural areas is 8073, while 101,579 Bantu persons have migrated into the region's urban centres. The net migration figure for Bantu, 93,506 persons, is probably made up by migrants from the other economic regions of the Cape Midlands and from the Transkei and Ciskei native reserves. Coloureds in region 08 have shown the same tendency as have the Bantu; 2586 left the rural areas while 11,521 moved into the urban centres. Hence a net total of 8935 Coloureds migrated into the cities. In terms of total figures for all races (excluding Asiatics) 8846 persons migrated out of the rural parts of region 08, while 131,318 persons migrated into the cities. This means a net total of 122,472 persons of all races migrated into region 08 between 1911 and 1960.

3. <u>Region 09</u> (the Albany coastal region)

Part of this region is coastal area having a relatively high summer rainfall which diminishes in an inland direction away from the sea, falling to 20 inches in the Sourveld, which is actually not Karoo, with a carrying capacity of 132.6 sheep per 100 morgen.[1] This region consists of 4,089 square miles and comprises 9.6 per cent of the total area of the Cape Midlands, which means that it is the third smallest economic region in terms of area. In 1960 the density of the population in this region was 34.3 persons per square miles. This region has (as has region 06 in the case of non-Whites and region 08 in the case of Whites) experienced migration into the rural areas in the case of all races. What is really interesting is what appears to have been an <u>urban to rural shift</u> by the population in this region. Migration out of the urban centres

of region 09/65.....

1. <u>ibid</u>, p. 33, para. 295.

of region 09 was undertaken by all races, Whites heading the exodus with 20,998 persons, Bantu with 13,645 and Coloureds last with 6,256 persons. This presents a total for all races leaving urban areas in region 09 of 40,899 persons. The rural areas, on the other hand, experienced a small influx of persons, Bantu numbering 4,262, Coloureds 1,639 and Whites 85 persons. This gives a total of 5,986 persons migrating into rural parts of region 09. The net figure for migration out of this region as a whole therefore is 34,913 persons. Both the pineapple farming boom[1] which took place in the 1950's and the chicory industry around Alexandria (both of which are relatively labour intensive) were strong factors in attracting people into agricultural pursuits on the land. In 1955/56 Albany, Alexandria and Bathurst cultivated 54.1 per cent of the total area planted to pineapples in the Republic.[2] "..... South African production increased sevenfold in the ten years after the war. Not only did this occur through the expansion of existing plantations, but many acres never before touched by the plough were brought into production and people from all walks of life came to seek their fortune in the Eastern Cape."[3]

4. Region 10 (the mid-western districts)

This region is the second largest comprising 20.7 per cent of the total areas of the Cape Midlands and consists of 8,825 square miles. In 1960 the density of the population was only 4.2 persons per square mile. It is situated inland and forms part of the Great Karoo - it forms part of the vast sheep grazing area of South Africa. Farms in this area have a carrying capacity so low that an economic unit may be anything from 4,600 to 10,500 morgen.[4] Of the sheep grazing areas in general it has been said: "According to present indications, however, it can be expected that a number of farmers will still be forced from their farms by economic circumstances."[5] This is indeed what has been happening according to the estimate in Table 8. Persons of all races migrated out of region 10, both from its urban and from its rural areas, giving a net out-migration total of 34,845 persons. Of this Whites comprise the largest portion, numbering 18,207 persons. Bantu and Coloureds number 12,936 and 3,700 persons respectively. Compared with region 09, this region is generally

lacking/66...

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1. See: Roberts, M. Labour in the Farm Economy, Johannesburg: South African Institute of Race Relations, 1959, and Strauss, C.B. Pineapples in the Eastern Cape, Institute of Social and Economic Research, Rhodes University, Occasional Paper No. 5, 1960.

2. ibid, Table I, p.1.

3. ibid, p.2.

4. Report of the Commission of Enquiry into European Occupancy of the Rural Areas, p. 34, para. 298.

5. ibid, p. 34, para. 299.

lacking in economic opportunity and virtually stagnant in terms of population growth.

5. Region 11 (the northern districts)

This region forms the greater part of the Cape Midlands and is often termedthe Mountain Karoo. It is the largest economic region comprising 24,484 square miles which is 57.4 per cent of the Cape Midlands. In 1960 the density of the population in this region was 8.8 persons per square mile. As is to be expected due to its large size, this region has experienced the largest exodus of population since 1911. Once again, as in region 10, Whites form the majority of out-migrants numbering 68,712 persons, 55,165 of whom left urban areas and 13,547 of whom left rural areas. Bantu migrants number 46,776 persons, the majority of whom, 23,935, left rural areas whilst the remainder, 22,841, left urban areas. The number of Coloureds that left urban areas number 28,678, whilst 1,147 persons actually migrated on to the land. This phenomenon is difficult to explain in terms of the fact that Bantu have not been following suit. The total number of out-migrants from region 11 is 143,019 persons, which is by far the largest number of emigrants from any one region in the Cape Midlands.

6. The Cape Midlands as a whole

The Cape Midlands experienced an estimated loss of 88,380 persons after 1911, of whom 34,373 left the urban areas and 54,007 left the rural areas. This total of 88,380 persons is considerably less than the net loss of region 11 alone which was 143,019 persons, but the migrations into regions 08 and 06 explain this. The Whites form the largest group leaving the Cape Midlands, numbering 89,230 persons, of whom 67,897 came from urban and 21,333 from rural areas. This is significant since the growth and movement of the White population can present some a priori indication of the presence or lack of economic opportunity in any area because the Whites have always been the economically leading and initiating group. This would therefore seem to indicate a relative lack of economic opportunity in the Cape Midlands, vis-à-vis the rest of the Republic during the period under review. Bantu, on the other hand, actually show a net immigration figure of 25,165 (all of whom entered regions 08 and 06) made up of a gain of 62,522 persons to the towns and a loss of 37,357 persons to the land. Coloureds show a directly opposite tendency. The net emigration of Coloureds from the Cape Midlands is 24,315 persons, being made up of a gain of 4,683 persons to the rural areas and a loss of 28,998 persons to the urban areas. It should be noted, however, that these net migration figures are fractional when compared with the 1960 population totals for the Cape Midlands by race.

Taking/67.....

Taking the net immigration figure for Bantu between 1911 and 1960 (25,165 persons) as an example, it is found that on the average only 514 Bantu migrated into the area every year. As a percentage of the total Bantu population in 1960, the average annual net immigration into the Cape Midlands is fractional, being only 0.27 per cent of the 1960 total population.

Of the five economic regions, region 10 appears to be the most lacking in economic opportunity since it is virtually stagnant in terms of population. Region 09, whilst showing roughly the same total number of emigrants as region 10, has been growing in terms of population from 63,054 persons in 1911 to 140,416 persons in 1960. The number of emigrants from region 09 since 1911 was 34,913 persons, which is practically the same as the corresponding figure for region 10, being 34,845 persons. However, region 10 has not shown any significant population growth at all, increasing from 37,008 persons in 1911 to 37,174 persons in 1960. Regions 06, 08 and 09, the three coastal belt regions, are more vigorous in terms of population growth than are the Karoo regions further inland. Regions 06 and 08 both received a net inflow of persons between 1911 and 1960, while region 09, although losing 34,913 persons, grew considorably in terms of population. Region 10, as has been shown above, has remained stagnant whilst 143,019 persons migrated out of region 11. The population of region 11 grew from 137,018 persons in 1911 to 215,825 persons in 1960, which is not as fast as region 09 whose population more than doubled.

G. THE WORKING POPULATION

The figures and data presented in the following tables relate to the racial composition, the size, and the occupations of the working population in accordance with the industry divisions and definitions of the Bureau of Statistics in the 1960 Population census.[1] Figures relating to the working Asiatics in the Cape Midlands could not be extracted from the Sample Tabulation, and were estimated in accordance with the ratio that prevailed in Region 08, where roughly 92 per cent of all Asiatics in the Cape Midlands were resident in 1960.

The racial composition of the economically active population for 1960, both for the Cape Midlands and the Republic, is presented in Table 9.

Table 9/68.....

1. Sample Tabulation Nos. 1, 2 and 5.

TABLE 9

Percentage Composition by Race and Sex of the Economically Active Population of the Cape Midlands and the Republic, 1960.

Race	Male	Female	Total
Whites	27.5 (19.3)	21.9 (22.4)	25.8 (20.0)
Bantu	47.3 (69.7)	51.4 (62.8)	48.6 (68.1)
Coloureds	24.5 (8.4)	26.1 (13.7)	25.0 (9.6)
Asiatics	0.7 (2.6)	0.6 (1.1)	0.6 (2.3)

(Figures for the Republic are in brackets)

Source: Compiled from Table 10 and Sample Tabulations No. 2.

Comparison of the above figures shows that the general racial pattern is similar in that Bantu form the greatest part of the labour force of both the Cape Midlands and the Republic, being followed by Whites and then Coloureds. This is the pattern to be expected since numerically Bantu are the dominant group, although in terms of productivity they fall lowest on the scale as will be shown below. In contrast with the Republic, the Cape Midlands have a significantly greater concentration of Whites and Coloureds, and this is true for both sexes. In the Cape Midlands Whites and Coloureds together form 50.8 per cent of the total economically active population, while the corresponding figure for the Republic is considerably lower at 29.6 per cent.

This characteristic of the labour force of the Cape Midlands by a preponderance of Whites and Coloureds and the consequent under-representation of Bantu relative to the Republic, is economically significant. In the present economic structure of the Republic, in terms of earnings, the Whites (and to a lesser extent the Coloureds) make a larger per capita contribution to the national product than do the Bantu. The following productivity ratio, in terms of earnings, is adapted from A.J. Retief's[1] estimated per capita income figures for 1956/57. This ratio can be taken as a rough indication of the economic productivity of the respective population groups and is as follows:- White : 100; Bantu : 8.0; Coloureds : 14.9; and Asiatics : 19.6. This ratio indicates that Whites are by far the economically most productive group, followed by Asiatics, while Coloureds are almost twice as productive as the Bantu.[2]

It appears/69.....

1. Retief, A.J. Die Verdeling van die Volksinkome van die Unie volgens Ras 1956-57. pp. 114 and 115. Unpublished M.Comm. Thesis, University of Stellenbosch.

2. Other estimates of the distribution of income between the racial groups in South Africa have been made. Stephen Enke has taken average non-White earnings in 1960 at one-fifth of White earnings. He writes, "After a consideration of the available published statistics relating to labour and wage income in manufacturing, mining and transport, it appeared that a ratio of five to one could reasonably be assumed..." Enke, S. 'South African Growth: A Macro-Economic Analysis'. South African Journal of Economics. March, 1962, p. 37.

It appears on the surface therefore that the Cape Midlands enjoy a specially advantageous position in the future economic development of the Republic because of the large proportion of the area's economically active population that is comprised of Whites and Coloureds relative to that of the Republic. On the other hand, the presence of natural resources, with which the Cape Midlands have not been well endowed, is of vital importance and cannot be ignored. Nevertheless "THE ECONOMIC DEVELOPMENT of South Africa has in the past depended not solely on natural resources but to a very large degree on the rate at which the country's resources of under-employed manpower, especially non-European manpower, have been provided with more productive employment. Progress in primary industries, such as agriculture and mining, and in secondary manufacturing industries has been very largely determined by the extent to which non-European labour could be recruited for unskilled, and, more recently, semi-skilled and skilled work. Future progress will be governed by the rate at which non-Europeans can be absorbed economically in industry. This in turn depends on how rapidly non-Europeans can obtain a basic education and be culturally assimilated in a modern industrial society."[1]

The fact that Coloureds, who form one quarter of the total economically-active population of the Cape Midlands fall between the Whites and the Bantu in terms of skill and productivity, is a very real advantage for this area. "Many of the Cape Coloured people have a long tradition of skilled artisan work and have a cultural background which is very largely that of modern Western communities. Although the present standards of education of many Coloured people fall seriously below those of their White fellow citizens, they are very far in advance of the Bantu, many of whom have not yet been fully freed from primitive tribal cultures. The Coloured people, even where they are lacking formal education, do have a predominantly Western outlook and, taken as a whole, can very much more contribute to the modern industrial economy of South Africa than can the Bantu, who still have their roots in the primitive pastoral economy and culture of their tribal areas."[2] Thus, on the basis of labour alone, it appears that the Cape Midlands are in a favourable position for future economic expansion.

The spread of the economically active population between the sectors of the economy is illustrated in Tables 10(a) and 10(b). These tables present absolute and percentage figures of employment in all sectors for 1960, both for the Republic and the Cape Midlands.

Table 10(b) has/70.....

1. Hampton, J.D. 'The Role of the Coloured and Bantu in the Economic Pattern of the Cape Province.' South African Journal of Economics. December, 1962, p. 253.
2. ibid, p. 253.

TABLE 10(a) and 10(b)

Industrial Distribution of Economically Active Whites, Bantu and Coloureds, 1960

Republic of South Africa

Actual Numbers	Whites			Bantu			Coloureds			Total[3]		
ustry	M	F	T	M	F	T	M	F	T	M	F	T
iculture	114,065	3,534	117,599	1,301,846	149,291	1,451,137	113,950	5,253	119,203	1,529,861	158,078	1,687,9
ing	59,457	2,714	62,171	537,836	1,350	539,186	4,103	50	4,153	601,396	4,114	605,5
ufacturing	183,477	45,629	229,106	303,652	16,483	320,135	62,177	34,650	96,827	549,306	96,762	646,0
struction	69,737	2,366	72,103	164,477	238	164,715	39,527	60	39,587	273,741	2,664	276,4
ctricity	9,887	518	10,405	25,293	40	25,333	2,615	20	2,635	37,795	578	38,3
merce	131,425	102,471	233,896	149,452	8,452	157,904	32,916	5,701	38,617	313,793	116,624	430,4
nsport	106,127	15,604	121,731	71,274	398	71,672	16,555	159	16,714	193,956	16,161	210,1
vices	147,081	105,065	252,146	303,543	509,032	812,575	41,122	99,861	140,983	491,746	713,958	1,205,7
mployed	27,549	13,763	41,312	201,774	132,768	334,542	56,325	33,238	89,563	285,648	179,769	465,4
nomically ive Total	848,805	291,664	1,140,469	3,059,147[1]	818,052[1]	3,877,199[1]	369,290	178,992	548,282	4,277,242	1,288,708	5,565,9
sewife, olar, etc.	690,298	1,257,725	1,948,023	2,444,265[2]	4,586,325[2]	7,030,590[2]	381,542	579,434	960,976	3,516,105	6,423,484	9,939,5
al Population	1,539,103	1,549,389	3,088,492	5,503,412	5,404,377	10,907,789	750,832	758,426	1,509,258	7,793,347	7,712,192	15,505,5

1. Including under 15 years. 2. Including industry not specified.

Percentage Distribution of the Economically Active Population

	Whites M	Whites F	Whites T	Bantu M	Bantu F	Bantu T	Coloureds M	Coloureds F	Coloureds T	Total M	Total F	Total T
iculture	13.4	1.2	10.3	42.6	18.3	37.4	30.9	2.9	21.7	35.8	12.4	30.3
ing	7.0	0.9	5.5	17.6	0.3	13.9	1.1	0.0	0.8	14.1	0.3	10.9
ufacturing	21.6	15.6	20.1	9.9	2.1	8.3	16.8	19.4	17.7	12.8	7.5	11.6
struction	8.2	0.8	6.3	5.4	0.0	4.2	10.7	0.0	7.2	6.4	0.2	5.0
ctricity	1.2	0.2	0.9	0.8	0.0	0.7	0.7	0.0	0.5	0.9	0.0	0.7
merce	15.5	35.1	20.5	4.9	0.5	4.1	8.9	3.2	7.0	7.3	8.8	7.6
nsport	12.5	5.4	10.7	2.3	0.1	1.8	4.5	0.1	3.1	4.5	1.3	3.8
vices	17.3	36.0	22.1	9.9	62.3	21.0	11.1	55.8	25.7	11.5	55.4	21.7
nployed	3.3	4.8	3.6	6.6	16.3	8.6	15.3	18.6	16.3	6.7	14.0	8.4
nomically ive Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

3. Asiatics have not been included in the total figures.

Computed from 1960 Population Census : Sample Tabulations ; Whites No.1 Table 1.3 ;

Cape Midlands

Whites			Bantu			Coloureds			Total[3]		
M	F	T	M	F	T	M	F	T	M	F	T
8,728	287	9,015	32,434	3,151	35,585	17,198	321	17,519	58,360	3,759	62,119
154	-	154	734	80	814	10	-	10	898	80	978
14,388	4,164	18,552	14,747	759	15,506	8,880	2,905	11,785	38,015	7,828	45,843
4,044	108	4,152	10,529	-	10,529	5,836	10	5,846	20,409	118	20,527
524	20	544	1,584	-	1,584	220	-	220	2,328	20	2,348
8,393	6,527	14,920	9,004	439	9,443	3,264	659	3,923	20,661	7,625	28,286
9,485	1,138	10,623	5,037	59	5,096	2,560	20	2,580	17,082	1,217	18,299
8,513	6,570	15,083	.0,729	30,445	41,174	4,524	14,634	19,158	23,766	51,649	75,415
2,226	1,054	3,280	.2,382	11,618	24,000	7,698	5,121	12,819	22,306	17,793	40,099
56,455	19,868	76,323	7,180	46,551	143,731	50,190	23,670	73,860	203,825	90.089	293,914
46,600	84,469	131,069	0,936	161,191	262,127	54,945	82,297	137,242	202,481	327,957	530,438
103,055	104,337	207,392	9,116	207,742	405,858	105,135	105,967	211,102	406,306	418,046	824,352
15.5	1.4	11.8	3.4	6.8	24.8	34.4	1.4	23.7	28.6	4.2	21.2
0.3	-	0.2	0.8	0.2	0.6	0.0	-	0.0	0.4	0.1	0.3
25.5	21.0	24.3	5.2	1.6	10.8	17.7	12.3	16.0	18.7	8.7	15.6
7.2	0.5	5.4	.0.8	-	7.3	11.6	0.0	7.9	10.0	0.1	7.0
0.9	0.1	0.7	1.6	-	1.1	0.4	-	0.3	1.1	0.0	0.8
14.8	32.9	19.6	9.3	0.9	6.6	6.5	2.8	5.3	10.1	8.5	9.6
16.8	5.7	13.9	5.2	0.1	3.5	5.1	0.1	3.5	8.4	1.4	6.2
15.1	33.1	19.8	.1.0	65.4	28.6	9.0	61.8	25.9	11.7	57.3	25.7
3.9	5.3	4.3	2.7	25.0	16.7	15.3	21.6	17.4	11.0	19.7	13.6
100.0	100.0	100.0	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Bantu No. 5 Table 1.3 ; Co'eds No. 2 Table 1.3.

Table 10(b) has been compressed into Table 11 where the employment sectors have been summarised into the following main groups :-

TABLE 11

Main Grouping of Economic Sectors by Race, 1960

Cape Midlands

Bantu			Coloureds			Total[3]		
M	F	T	M	F	T	M	F	T
32,434	3,151	35,585	17,198	321	17,519	58,360	3,759	62,119
734	80	814	10	–	10	898	80	978
14,747	759	15,506	8,880	2,905	11,785	38,015	7,828	45,843
10,529	–	10,529	5,836	10	5,846	20,409	118	20,527
1,584	–	1,584	220	–	220	2,328	20	2,348
9,004	439	9,443	3,264	659	3,923	20,661	7,625	28,286
5,037	59	5,096	2,560	20	2,580	17,082	1,217	18,299
0,729	30,445	41,174	4,524	14,634	19,158	23,766	51,649	75,415
2,382	11,618	24,000	7,698	5,121	12,819	22,306	17,793	40,099
7,180	46,551	143,731	50,190	23,670	73,860	203,825	90.089	293,914
0,936	161,191	262,127	54,945	82,297	137,242	202,481	327,957	530,438
9,116	207,742	405,858	105,135	105,967	211,102	406,306	418,046	824,352
3.4	6.8	24.8	34.4	1.4	23.7	28.6	4.2	21.2
0.8	0.2	0.6	0.0	–	0.0	0.4	0.1	0.3
5.2	1.6	10.8	17.7	12.3	16.0	18.7	8.7	15.6
0.8	–	7.3	11.6	0.0	7.9	10.0	0.1	7.0
1.6	–	1.1	0.4	–	0.3	1.1	0.0	0.8
9.3	0.9	6.6	6.5	2.8	5.3	10.1	8.5	9.6
5.2	0.1	3.5	5.1	0.1	3.5	8.4	1.4	6.2
1.0	65.4	28.6	9.0	61.8	25.9	11.7	57.3	25.7
2.7	25.0	16.7	15.3	21.6	17.4	11.0	19.7	13.6
0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

eds No. 2 Table 1.3.

small and formed only 4.3 per cent of those economically active in the Cape Midlands in 1960. The corresponding figure for the Republic was still lower at 3.6 per cent.

The spread/72.....

1. This classification obscures the fact that the "services" performed by Whites are in general of a rather more specialised or skilled nature than those performed by Coloureds and Bantu.

The spread of employment between the main groups varies for Bantu and Coloureds. In the case of Bantu, tertiary production is the main employer with 55,713 persons in the Cape Midlands which 38.7 per cent of the economically active Bantu. The corresponding figures for the Republic are 1,042,151 persons, or 26.9 per cent of the economically active Bantu. This makes tertiary production second in importance as an employer in the Republic's case, the most important main group being Primary Production, employing 1,990,323 persons or 51.3 per cent of the economically active Bantu. (Agriculture 37.4 per cent and Mining 13.9 per cent). Primary Production (overwhelmingly Agriculture) is only of secondary importance in the Cape Midlands as an employer of Bantu accounting for 25.4 per cent of those economically active or 36,399 persons. The third main employer in both the Cape Midlands and the Republic is secondary industry. This main group employs 27,619 persons or 19.2 per cent of the economically active Bantu in the Cape Midlands - the corresponding figures for the Republic being 510,183 persons or 13.2 per cent. Unemployment was high for the Bantu in the Cape Midlands, accounting for 16.7 per cent of those economically active and being in proportion almost double the Republic's corresponding figure of 8.6 per cent.

The spread of the economically active Coloureds between the main employment groups in the Cape Midlands is similar to that of the Republic. Tertiary production is the most important employer of Coloureds, being followed by secondary and then Primary production. The tertiary sector employs 25,661 persons or 34.7 per cent and 196,314 persons or 35.8 per cent in the Cape Midlands and the Republic respectively. Secondary production employs 17,851 persons or 24.2 per cent in the Cape Midlands and 139,049 or 25.4 per cent in the Republic. Primary production employs 23.7 per cent of the economically active Coloureds in the Cape Midlands (17,529 persons) and 22.5 per cent in the Republic (123,356 persons). The unemployment figures for Coloureds in both the Cape Midlands and the Republic are higher than for any other racial group. Unemployed Coloureds in the Cape Midlands were high at 12,819 persons or 17.4 per cent of those economically active - the corresponding figures for the Republic being 89,563 persons or 16.3 per cent.

Regarding the total for all races (excluding Asiatics) the spread of employment between the main groups in the Cape Midlands differs from that for the Republic. In the Republic, Primary production (Agriculture 30.3 per cent and Mining 10.9 per cent) was the largest employer accounting for 41.2 per cent of the economically active total population, or 2,293,449 persons. The tertiary sector

was second/73.....

was second with 1,846,238 persons or 33.1 per cent, while secondary production was last with 960,846 persons or 17.3 per cent of the total economically active population in the Republic. In the Cape Midlands, on the other hand, tertiary production was the main employment sector with 122,000 persons or 41.5 per cent of the total economically active population. The corresponding figures for secondary production, the next largest employer in the Cape Midlands, are 68,718 persons or 23.4 per cent. Primary production (Agriculture 21.2 per cent and Mining 0.3 per cent) was the smallest main employment group in the Cape Midlands, accounting for 63,097 persons or 21.5 per cent of the total economically active population in 1960. The number of unemployed persons in the Cape Midlands, relative to those in the Republic, was high at 13.6 per cent as compared with 8.4 per cent for 1960. The total number of unemployed persons of all races in the Cape Midlands was 40,099, of which 59.8 per cent were Bantu, 32.0 per cent Coloureds and 8.2 per cent Whites. In the Republic the figures were proportionately lower at 465,417 persons of all races of whom 71.9 per cent were Bantu, 19.2 per cent were Coloureds and 8.9 per cent were Whites.

The percentage industrial distribution for 1960 of the economically active population by race, between the five economic regions that comprise the Cape Midlands, is presented in Table 12.

As is to be expected, since the Port Elizabeth and Uitenhage area is highly developed industrially, this region is the largest employer of all racial groups and, by and large, in all economic sectors except Agriculture. Next in importance as an employer comes region 11 followed by region 09, region 06 and region 10.

Tables 13(a) and (b) show the percentage industrial distribution of the economically active population by race in each of the five economic regions that comprise the Cape Midlands for 1960.

Table 13(b) shows that the importance of the main economic groups to the economy of each region varies between the regions.

1. Region 06 (the Humansdorp and Uniondale districts)

This region accounts for only 5.0 per cent, 4.3 per cent and 11.7 per cent, respectively, of the total number of economically active Whites, Bantu and Coloureds in the Cape Midlands. This region is predominantly agricultural in economy and 49.9 per cent of its Whites, 46.8 per cent of its Bantu and 49.3 per cent of its Coloureds are engaged in primary production, of which Mining is an insignificant portion. The tertiary sector accounts for 34.1 per cent of all Whites, 28.3 per cent of all Bantu, and 30.4 per cent of all Coloureds that are economically active in this region. Secondary industry is

not very/74....

not very important relative to the other main economic groups. The interesting point to note is that each main economic group employs the various racial groups in roughly the same proportions.

2. Region 08 (Port Elizabeth and Uitenhage districts)

Owing to its large industrial build up, the economy of this region is centred around Commerce and Manufacturing, and Agriculture is insignificant as an employer relative to the other regions. Of all the Manufacturing carried out in the Cape Midlands, by far the largest concentration is in this region. This is confirmed by the fact that in 1960, 91.9 per cent of all Whites, 85.6 per cent of all Bantu and 89.9 per cent of all Coloureds that were economically active in manufacturing in the Cape Midlands, were engaged in manufacturing in this region (see Table 12). The groups construction and electricity, which together with manufacturing comprise secondary production, were also very important as employers in this region. Of the main economic groups in this region tertiary production is the most important as an employer except for Coloureds, the majority of whom are employed in the secondary production sector. Unemployed Whites form only 4.8 per cent of the White working population of this region (which accounts for 73.2 per cent of all unemployed Whites in the Cape Midlands). Bantu and Coloureds, on the other hand, both have a high proportion of their working population unemployed, the figure being 20.9 per cent for each (forming 54.6 per cent and 53.1 per cent of all unemployed Bantu and Coloureds in the Cape Midlands respectively).

3. Region 09 (the Albany coastal region)

This region employs 9.0 per cent, 23.2 per cent and 5.9 per cent of all the economically active Whites, Bantu and Coloureds in the Cape Midlands, respectively. A high proportion of all Whites (20.2 per cent) and all Bantu (45.2 per cent) in the Cape Midlands that are engaged in agriculture, are employed in agriculture in this region (Table 12). As may be expected, in terms of employment Agriculture is the most important single economic employment group with services next in importance. Unlike in region 06, the tertiary sector as a whole is the most important employer of Whites and Coloureds in this region, whilst the majority of Bantu find employment in the primary production sector. Primary production (almost entirely agriculture) employed 26.5 per cent of all Whites, 48.7 per cent of all Bantu and 29.9 per cent of all Coloureds that were economically active in this region in 1960. Non-White unemployment is high, being 16.0 per cent and 26.0 per cent for Bantu and Coloureds respectively, but unemployed Whites form only 3.2 per cent of the working White population.

Table 12/75.....

TABLE 12

Cape Midlands : Percentage Industrial Distribution of Economically Active Whites, Bantu and Coloured Populations, 1960, between the Five Economic Regions.

Industry	Region 06			Region 08			Region 09			Region 10			Region 11			Cape Midlands
	W	B	C	W	B	C	W	B	C	W	B	C	W	B	C	
Agriculture	21.1	8.1	24.3	9.0	9.7	8.8	20.2	45.2	7.5	11.1	2.7	18.5	38.6	34.3	40.9	100.0
Mining	6.5	-	-	51.9	58.6	-	-	21.9	-	7.2	-	-	34.4	19.5	100.0	100.0
Manufacturing	1.2	3.9	2.6	91.9	85.6	89.9	2.0	3.4	1.6	0.6	0.1	1.1	4.3	7.0	4.8	100.0
Construction	5.9	5.2	11.9	58.6	34.6	38.2	9.8	12.5	4.9	4.1	6.8	11.8	21.6	40.9	33.2	100.0
Electricity	1.8	2.6	27.3	71.5	67.0	18.2	9.3	12.7	4.5	1.8	-	8.6	15.6	17.7	41.4	100.0
Commerce	3.7	3.0	5.8	70.9	71.7	63.6	8.4	12.9	10.4	2.2	1.2	3.5	14.8	11.2	16.7	100.0
Transport	2.1	2.0	8.7	67.4	58.6	58.8	6.3	10.6	9.3	3.9	2.3	6.0	20.3	26.5	17.2	100.0
Services	3.5	3.3	11.4	63.0	43.6	38.7	13.6	19.4	4.2	1.8	2.1	9.4	18.1	31.6	36.3	100.0
Unemployed	4.6	1.4	5.5	73.2	54.6	53.1	6.7	22.2	8.9	4.5	0.8	6.1	11.0	21.0	26.4	100.0
Total Economically Active Population	5.0	4.3	11.7	66.0	43.6	44.2	9.0	23.2	5.9	3.3	2.1	9.4	16.7	26.8	28.8	100.0

Source : Population Census 1960 Sample Tabulations. Whites No. 1, Table 1.3.
Bantu No. 5, Table 1.3.
Coloureds No. 2, Table 1.3.

4. Region 10 (the mid-western districts)

Although the second largest in area, this region employs only 3.3 per cent of all economically active Whites in the Cape Midlands. The corresponding figures for Bantu and Coloureds are 2.1 per cent and 9.4 per cent respectively. The majority of the Whites and Bantu are engaged in the tertiary sector (41.3 per cent and 36.3 per cent respectively), whilst Coloureds are concentrated mainly in primary production i.e. entirely in Agriculture. 30.0 per cent of the Coloured working population in this region is engaged in the tertiary sector. Whites and Bantu employed in primary production form 40.9 per cent and 32.8 per cent of the working population of this region respectively. Secondary industry is of least importance in this region, employing in the main Bantu (24.4 per cent), followed by Coloureds and Whites at 12.0 per cent and 11.9 per cent respectively. Unemployment is heaviest among the non-Whites, unemployed Coloureds and Bantu forming 11.3 per cent and 6.5 per cent of their respective working populations. Unemployed Whites were 5.9 per cent of the economically active Whites in this region.

5. Region 11 (the northern districts)

Geographically this is by far the largest region. In spite of this only 16.7 per cent of all economically active Whites in the Cape Midlands are employed in this region; the corresponding figures for Bantu and Coloureds being 26.8 per cent and 28.8 per cent respectively. Agriculture in this region employs 38.6 per cent of all Whites, 34.3 per cent of all Bantu and 40.9 per cent of all Coloureds that are economically active and engaged in agriculture in the Cape Midlands respectively (See Table 12). In the region itself, however, the main employer of all races is the tertiary sector, the figures being 55.6 per cent, 40.1 per cent and 38.1 per cent of all economically active Whites, Bantu and Coloureds respectively.

Primary production, i.e. Agriculture, being mainly sheep farming, employs 27.7 per cent, 32.1 per cent and 33.7 per cent of all economically active Whites, Bantu and Coloureds in this region respectively. Secondary industry is unimportant relative to other main economic groups in this region, employing only 13.9 per cent, 14.7 per cent and 12.3 per cent of the total Whites, Bantu and Coloureds that are economically active respectively. Non-White unemployment is high at 13.1 per cent and 15.9 per cent of all economically active Bantu and Coloureds respectively, while only 2.8 per cent of the Whites are unemployed.

H. GENERAL

In general it may be said of the Cape Midlands that most of the skilled labour in all groups of occupations is supplied by the Whites.

Table 13a & b/77.....

TABLE 13(a) and (b)

Cape Midlands : Percentage Distribution of Economically Active Whites, Bantu and Coloureds in the 5 Economic Regions, 1960

(a) Percentages

Economic Regions

Industry	Region 06			Region 08			Region 09			Region 10			Region 11		
	W	B	C	W	B	C	W	B	C	W	B	C	W	B	C
Agriculture	49.6	46.8	49.3	1.6	5.5	4.7	26.5	48.2	29.9	40.5	32.8	46.7	27.3	31.7	33.7
Mining	0.3	-	-	0.1	0.8	-	-	0.5	-	0.4	-	-	0.4	0.4	-
Manufacturing	5.3	9.9	3.5	33.8	21.2	32.5	5.6	1.6	4.3	4.7	0.6	1.8	6.3	2.8	2.7
Construction	6.4	9.0	8.0	4.8	5.8	6.8	6.0	3.9	6.6	6.8	23.8	9.9	7.0	11.2	9.2
Electricity	0.3	0.7	0.7	0.8	1.7	0.1	0.7	0.6	0.2	0.4	-	0.3	0.6	0.7	0.4
Commerce	14.5	4.6	2.6	21.0	10.8	7.6	18.3	3.6	9.3	13.5	3.6	2.0	17.3	2.8	3.1
Transport	5.8	1.6	2.6	14.2	4.7	4.7	9.9	1.6	5.5	16.7	3.9	2.2	16.9	3.5	2.1
Services	13.8	22.1	25.2	18.9	28.6	22.7	29.8	24.0	18.2	11.1	28.8	25.8	21.4	33.8	32.9
Unemployed	4.0	5.3	8.1	4.8	20.9	20.9	3.2	16.0	26.0	5.9	6.5	11.3	2.8	13.1	15.9
Total:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 1960 Sample Tabulations-Whites No.1 Table 1.3; Bantu No.5 Table 1.3; Coloureds No.2 Table 1.3.

(b) Summary of Main Groups

Industry	Region 06 W	Region 06 B	Region 06 C	Region 08 W	Region 08 B	Region 08 C	Region 09 W	Region 09 B	Region 09 C	Region 10 W	Region 10 B	Region 10 C	Region 11 W	Region 11 B	Region 11 C
Primary Production	49.9	46.8	49.3	1.7	6.3	4.7	26.5	48.7	29.9	40.9	32.8	46.7	27.7	32.1	33.7
Secondary "	12.0	19.6	12.2	39.4	28.7	39.4	12.3	6.1	11.1	11.9	24.4	12.0	13.9	14.7	12.3
Tertiary "	34.1	28.3	30.4	54.1	44.1	35.0	58.0	29.2	33.0	41.3	36.3	30.0	55.6	40.1	38.1
Unemployed	4.0	5.3	8.1	4.8	20.9	20.9	3.2	16.0	26.0	5.9	6.5	11.3	2.8	13.1	15.9
Total:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The Bantu are the unskilled workers in all occupations, but are specially engaged in agriculture as labourers on White farms, and in the tertiary services group. The Coloureds are mainly farm labourers, but they also perform a good deal of semi-skilled work in the manufacturing and building industries. Compared with the Bantu, there were relatively fewer Coloureds engaged in agriculture (24.8 per cent as compared with 23.7 per cent) of those economically active in the Cape Midlands. The Coloureds occupy an intermediary position between the Whites, who by and large hold the better paid positions, and the Bantu who do the poorly-paid unskilled work. Because the Whites and Coloureds are the most productive racial groups, since they perform the skilled and semi-skilled tasks, and because they comprise such a large section of the total population of the Cape Midlands relative to the Republic, this area is in a very advantageous position as regards the future economic development of the Republic as a whole.

CHAPTER III.

THE ECONOMY OF THE CAPE MIDLANDS

A. INTRODUCTION

Since it is generally accepted that regional income analysis can be valuable for policy formulation and for economic planning, the broad object of the present study is to use regional income data to provide a quantitative background of the Cape Midlands economy. It is thought that such an analysis will highlight the basic structure of the economy and assist in a fuller understanding of the functioning of the system. A comparison of the regional statistics with their national counterparts reveals regional advantages and deficiencies and, when viewed in the broader context of economic development, can assist in formulating and applying remedial economic action on the basis of planning. In this manner calculated measures can be taken to bring about a more efficient allocation of production factors in the country as a whole.

Apart from the aid which regional economic analysis can provide for policy formulation and planning, regional data with respect to income composition, growth, the size, structure and movements of population etc. are also valuable in reducing the uncertainty facing capitalistic entrepreneurs in their decision making. Thus regional documentation in terms of economic values can assist entrepreneurs in making more informed and objective decisions which will be reflected in a more rapid rate of overall economic growth and, in all probability, in rising standard of living levels. Attention is accordingly concentrated on analysing the broad structure and growth of the Midlands economy as well as on its constituent areas. While the volume and welfare aspects of economic development depend generally upon the same set of forces, growth in output value does not necessarily produce a corresponding increase in per capita incomes. In so far as the welfare aspects are concerned, however, some rough indications are obtained from demographic characteristics such as racial composition (skills), age, sex and migratory movements, as well as per capita gross domestic product figures for the period 1954/55 to 1959/60.

Perhaps the major weakness of the whole analysis lies in the inadequacy of the time period concerned. The period 1954/55 to 1959/60 is too short to discern with any certainty major trends in the regional income statistics and this weakness underlies the whole analysis. This is one reason why an attempt has been made to examine, in some detail, the economic history of the Cape Midlands and the demography since 1911. The foregoing two chapters, however, together with the information obtained from regional income statistics for the six years ended 1959/60, make possible some generalisation about the Cape Midlands in terms of economic growth theories. This is followed by an analysis of the regional economy whilst subsequent chapters are devoted to a study in depth of the major economic sectors. The two appendices present background statistics used for the study as well as information on the methods employed in calculating regional income figures.

B. THEORIES OF ECONOMIC DEVELOPMENT

The theory of regional development is basically an extension of the economics of the development and growth of countries. Many regional theories thus find it useful to indicate a set sequence of stages through which most countries or regions may pass over time, and these have been summarised[1] as follows:-

"(1) a stage of self-sufficient subsistence economy; (2) growth through production specialization in primary activities and interregional trade - which can be expected to accompany improvements in transport; (3) the introduction of "secondary" industries (mining and manufacturing) - which are called for because of the increased pressures from growing population and diminishing returns in the primary activities - as well as of the necessary social overhead facilities and services to support them; (4) a shift from a concentration on processing of farm and forest products and the simpler branches of textile, leather, and clothing industries, as well as on mining and mineral-reduction (usually based on outside capital and enterprise) to more diversified industrialization based on internal industrial linkages and rising incomes; and, finally, (5) at an advanced stage of economic development, specialization in certain tertiary industries for export, including the export of capital, specialized personnel, and services to less advanced regions".

The theory of development stages as outlined above is really an extension of the sector theory as developed by Colin Clark[2]

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1. Perloff, H.S., Dunn, Jr. E.S., Lampart, E.E., Muth, R.F.: Regions, Resources and Economic Growth. Baltimore: John Hopkins Press, 1961, p. 59.

2. As quoted in Perloff, H.S., *et al.*, *ibid.* p. 58.

Allan G. B. Fisher[1] and W. W. Rostow.[2] The contention is that an internal evolution of specialization produces shifts in the relative importance of the different sectors - owing to differing income elasticities of demand for the products of the sectors and varying advances in labour productivity - and that it is the sectoral shifts themselves that are the main initiators of cumulative growth. Another extension of the sector theory attributes regional development to: "industries which have experienced a greater than (national) average increase in employment or in value of product or in earnings per worker over, say, the past decade or two.[3]" Such industries are termed growth industries and their encouragement within the region is a means of improving the rate of overall growth.

The sector theory and its extensions thus focus on internal stimuli to development, although this does not exclude exogenous impetus through interregional or international trade. The export base theory, on the other hand, links the economic development of a country or region to the rate at which the export base expands. Thus regional growth depends primarily upon the growth of demand outside the region for its exportable commodities, and cumulative development is initiated through an income stimulating multiplier process. This theory is particularly useful for the fact that it shows that regional development can depend materially upon events outside the region.

C. DEVELOPMENT OF THE CAPE MIDLANDS

"To be examined comprehensively, economic growth in any significant area of the nation must be viewed in terms of the total complex of trade and other relationships, including interregional relationships and nodal-center to hinterland relationships, as well as in terms of ties to the national economy as a whole.[4]" A brief look at the development of the Cape Midlands in terms of the growth theories described above reveals to some extent the relationships referred to, and is helpful for the light that it sheds on the growth sequence in the region. Furthermore, though not very comprehensive, such information is nevertheless useful as a frame of reference for the aggregated economic data which follows.

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1. As quoted in Perloff, H.S., et al., ibid. p. 58.
2. Rostow, W.W., The Stages of Economic Growth (A Non-Communist Manifesto), Cambridge University Press, 1961.
3. Perloff, H.S., et al. op. cit., p. 60.
4. ibid., p. 61.

Professor Houghton[1] assesses South Africa's economic progress in terms of Rostow's[2] stages of growth which, broadly speaking, correspond to those quoted above. Houghton's tentative demarcation of the periods for the country as a whole is adhered to since it seems to fit in fairly well with the important events that have influenced development in the Cape Midlands. For a more detailed exposition of the background to the following analysis reference should be made to Chapters I and V of this study.

Professor Houghton writes that, until 1820, South Africa was a traditional society - the first category distinguished by Rostow. As far as the Cape Midlands is concerned, this was a period during which the regional economy was indistinguishable from the rest of the country, except that forces were at work around the turn of the century that were to make the Cape Town and Grahamstown areas the principal centres of White population and activity by the early 1830's. It was only towards the first half of the eighteenth century that European Trekboere permeated the 'Midlands' region and the small, predominantly Dutch, rural population was scattered, nomadic and almost entirely engaged with subsistence activities - the raising and barter of cattle, the hunting of game and limited cultivation of wheat and vegetables.

Although the society was traditional and the region did not possess an economic identity, activity was not entirely static in that some increase in agricultural output resulted in response to military expenditures after the second British occupation in 1806. There was, however, resistance to change by the rural population and, as in any traditional society, "the level of productivity was limited by the inaccessibility of modern science, its applications, and its frame of mind.[3]" The rebellions that were suppressed by the British Government in the Swellendam and Graaff-Reinet districts between 1795 and 1800 are perhaps illustrative of the political and economic mentality of the near-subsistence farmers and their dislike of the changes which the Government was seeking to implement. In summary,

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1. Houghton, D.H., The South African Economy. Cape Town: Oxford University Press, 1967, pp. 6-18.

2. Rostow, W.W., op. cit. Rostow's stages correspond to those outlined above and are: the traditional society; the pre-conditions for take-off; the take-off; the drive to maturity and the age of high mass consumption.

3. ibid., p. 5.

it may be said/...

it may be said that this period was of little importance from the economic point of view apart from the fact that there was a population shift into the region and that new land was 'settled' by White farmers.

The second stage of development - the emergence of the preconditions for a take-off into sustained growth - is dated by Professor Houghton as being from 1820 to 1933.(1) In the Cape Midlands, the coming of the nineteenth century certainly saw the gradual emergence of a market oriented economy based upon specialization in agriculture and trade. The second British occupation perhaps marks the beginnings of the crumbling of traditionalism, but the first really significant event was the arrival of some 5,000 British settlers in the region of 1820. In this way new blood, new crops (maize being the most important), new ideas, methods and skills were infused into the region. Many people resented the changes that were taking place and a large population shift towards the north took place in the years after 1835. This migration comprised mainly the Dutch farmers that had 'settled'

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1. There is, however, some disagreement as to the beginning of the second stage of developments. C. de Jongh summarises these divergent views when he writes: "Professor Houghton suggests reasons for discontinuance of the first, traditional stage in South Africa in 1803 because the Batavian intermediate government of the Cape Colony drew up a comprehensive development plan for this undeveloped, stagnating country. But because this plan was not realised, owing to the quickly following British occupation of the Colony in 1806, he terminates the traditional stage and opens the following transitional stage later, with the arrival of the British settlers in 1820."

"On p. 12 and p. 198 he admits, however, that the discovery of precious minerals was much more important for the development of South Africa than this arrival. Therefore most historians and economists date the start of the second stage - called modern capitalism (Sombart) or transitional stage (Rostow) - at 1870-1886, the mineral revolution. Thus they shorten the duration of the second stage - fixed by Houghton at 1820-1933 - to a more convenient length, namely, from 1870-1886 to 1914, 1925 or even 1933".

de Jongh, C. "Stages in Economic History III. The Application of Rostow's Stage Theory to South Africa". Mercurius No. 7 Journal of the Department of Economics, University of South Africa, Pretoria, June, 1967, p. 27.

There can be little doubt that the discovery of precious minerals between 1870 and 1886 was much more important for South Africa's economic development than was the arrival of the 1820 settlers. The arrival of some 5,000 British settlers, however, was of the greatest significance to the Cape Midlands economy since, as is pointed out, this injection of new ideas, methods and activities gave the Midlands region an economic identity with its first really significant sector - the production and export of wool and wool-hides.

in the region and numbered some 7,000 to 8,000 persons.

The more significant economic events during the first few decades of this second stage were the consolidation of land holdings, the rapid growth of the wooled sheep industry, an expansion of trades and crafts and the growth of commerce. Agricultural improvements made for expanded production and the foreign trade in wool, hides, skins, ivory and ostrich feathers increased. It was during this period that the region developed its first major industry - specialization in the production of wool. The rapid growth of this export base was highly important in stimulating further development and, between about 1840 and 1870, most of the development that occurred in the Midlands can be traced to rapidly expanding wool exports in response to the demands of England's textile industry. The export base theory is thus particularly useful in explaining this stage of the region's development which was undoubtedly, and in large measure, dependent upon an exogenous expansion of demand for the region's primary products.

The developments which followed the stimulus afforded by wool and other animal based exports, although limited, nevertheless necessitated improvements in transport and, by 1863, Port Elizabeth was linked to Cape Town and all the main centres in the Midlands region. The presence of improved communications opened up the hinterland and had the effect of expanding both the internal and external market. International trade, with wool as the chief export item, grew rapidly and merchandise exports through Port Elizabeth increased 998 per cent in value between 1830 and 1852 (from £24,439 to £268,241). Imports through Port Elizabeth increased even more rapidly - from £18,455 in 1830 to £317,421 in 1852, an increase of 1,620 per cent. This two-way trade consisted chiefly of agricultural exports and the import of manufactured goods such as agricultural implements, textile goods and other manufactures.

The next major stimulus to the region's economy came with the discovery of diamonds. The resulting inflow of capital and population into the Kimberley area not only stimulated agriculture in the Midlands, but induced further improvements to the transport system. By 1885 the railway network in the Midlands was much enlarged and had reached the diamond fields. Interregional trade received a boost and, being the nearest port, Port Elizabeth's trade in commodities expanded significantly. The Cape Midlands now became the chief supply area for the diamond fields, providing agricultural produce and linking the Kimberley region with the outside world.

Hence/...

Hence events outside the Midlands were again important in preparing the economy for later cumulative growth.

The discovery of gold on the Witwatersrand did not immediately effect the Midlands to the same extent as had diamond mining as the new market was linked more closely for its supplies and exports with Delagoa Bay. Later, however, the spread effects of rapidly rising income levels on the Witwatersrand were to have markedly beneficial effects on the Cape Midlands economy. In summary, the years to the end of the Great Depression were of great importance to the region. The significant events were the emergence of a rapidly growing export base, improvements in transport and communications, the appearance of banking institutions and a fast expansion of interregional and international trade. The regional economy remained agriculturally based with an expanding trade sector as the next important activity. Manufacturing activities were still in their infancy and centered around the manufacture of semi-durable consumer products, mainly textiles, footwear, clothing and on the assembly of motor cars in Port Elizabeth since the early 1920's.

Concerning the pre-conditions for take-off stage, the following quotation(1) amply summarises the type of events that were taking place in South Africa and in the Cape Midlands during this period.

"However they arise, the pre-conditions for take-off include some weakening of the traditional society to give scope for the advent of men of enterprise; the spread of education; the widening of trade and commerce; the development of an infrastructure of transport, communications, banking and financial institutions; and in the political field the emergency of a centralized national government and efficient administration; above all there must be a growing general feeling that economic growth is both possible and to be desired."

The take-off into self-sustained growth - the third stage distinguished by Rostow - is dated by Professor Houghton as 1933 to 1945. This was a period of rapid industrial development in the Port Elizabeth district. The expansionary effects of the devaluation of the South African pound in 1933 were directly beneficial to the gold mining and manufacturing industries on the Witwatersrand but the rapid growth of incomes, urban population and in demand also had considerable effect on the Cape Midlands region. Other stimulating forces include the tariff protection afforded manufacturing after 1925, the modernization of Port Elizabeth harbour and

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1. Houghton, D.H., <u>op. cit.</u>, p.7.

continuing/...

continuing influx of persons into the district. The nucleus of industries that had been established in the Port Elizabeth region during the early decades of the twentieth century expanded rapidly with the growth of markets. Capital flowed in to enlarge and further develop the motor car assembly and tyre industries and the textiles, clothing, footwear and food processing industries also recorded rapid growth.

The expansion of markets for the products of the region modernized and expanded agricultural activity and, together with the rapid growth of manufacturing in the Port Elizabeth area, resulted in an expansion of the necessary social overhead facilities and of the services to support them. In fact, the main activities of the region (wool, fruit, cattle and animal products, the primary product processing industries, the motor car and allied industries, and the trading and distribution activities) gave the Cape Midlands a definite economic identity. In this period also, the major expansionary forces were exogenous and took the form of growing demand for the region's main products. The Second World War isolated the country from her traditional suppliers of manufactured goods and necessitated successful attempts at diversification. "The end of the war left South African manufacturing industry larger, more diversified and with enhanced technical skill and confidence.[1]" The Port Elizabeth area, as the focus of industrial and economic activity in the Midlands, and as the fourth largest industrial producer in the country, entered the post-war period with an increased number of individual firms and a greater variety of manufactures.

According to Professor Houghton, the drive to maturity in South Africa began in 1945[2] and is likely to continue until about 1993. Some further tentative evidence to support the contention that

1. ibid., p. 16.

2. de Jongh, C., op. cit., p. 29 has a different opinion as to the close of the third stage. He writes: "The separation between the third and fourth stage, i.e. between the take-off stage and the drive to maturity, is drawn by Professor Houghton as the date of 1945, the beginning of the period of peace for South Africa. This separation is for all countries vague, however, and can generally only be discerned several decades after reaching maturity. Other people feel that industrialization and generally self-sustained development in South Africa gained momentum not before 1950. Therefore it would be better to let the take-off period finish between 1950 and 1960, perhaps even later, also with a view to the dualistic nature of the South African economy, to which I shall return soon."

the drive to maturity in the Cape Midlands began around 1945 is obtained by an examination of Table 4 in Chapter II. This table shows a marked increase in the average rates of growth in all population groups after 1946 and, although several factors have contributed towards this and (see page 39), the direct relationship between industrial growth and migration cannot be ignored. Certainly the period of peace after the war has been one of expansion and growth under the stimulus of foreign capital inflows, immigration, the 1949 devaluation and the discovery and exploitation of the Orange Free State and West Rand goldfields. The period has been particularly significant for secondary industry as both capital widening and deepening took place. The Cape Midlands received injections of capital and skills and the demand for its manufactures and pastoral products grew strongly. As agriculture became more and more commercialized, so also the quality of stock, wool and other products improved.

Attempts were made to encourage the processing and manufacture of local raw materials and, in the Midlands, textile manufacture and the canning and processing of fruit were amongst the more significant developments. Most development was concentrated on the processing of agricultural products and on the simpler branches of the textile, leather and clothing industries but, at the same time, many new industries were started. The expansion in secondary production took place mainly in the Port Elizabeth and Uitenhage districts and diversification and growth was based upon industrial linkages and rising incomes. In fact, as is borne out in Chapter V, the post-war industrial progress in the Midlands can be traced chiefly to the linkage effects of the nucleus of early established industries. This suggests that the leading sector theory (primarily the motor car and allied industries) is important in explaining much of the economic growth after 1945. The tremendous localisation of this industry made it without doubt the hub of secondary activity in the Port Elizabeth/Uitenhage complex and it is certain that it has 'experienced a greater than (national) average increase in employment or in value of product or in earnings per worker' ever since the mid 1920's. Thus the growth of the motor car and allied industries within the Port Elizabeth/Uitenhage districts has certainly been a strong driving force making for development in the Midlands region (see the section on the motor industry in Chapter V.).

The foregoing analysis suggests that, like South Africa, the Cape Midlands region seems to have experienced four fairly

definite/...

definite stages of development. It seems certain that both the 'export base' and 'growth industry' theories are applicable; the former in the second stage more particularly, and the latter in the third and fourth stages. This view is borne out by Professor Marais[1] who writes: "The South African economy has passed through the three well-known stages of development, namely, the agricultural, agricultural mining and the agricultural/mining/industrial stages. These three stages went hand in hand with the development of an export base, which consisted in the various stages of wine, wool and hides in the agricultural stage, gold, diamonds and agricultural products in the agricultural mining stage and agricultural, mining and industrial products in the last stage of development. This foreign demand for goods which were available in certain regions in the Republic not only stimulated tertiary industry in these areas, but created a demand for products which were available in other parts of the country. According to economic terminology the development of foreign and interregional trade gave rise to autonomous investment[2] and created interaction between autonomous and derived investment, which caused an increase in regional as well as national income. This view, namely that the volume and composition of exports largely determined the growth and pattern of development in South Africa, is an interesting one, although rather one-sided especially in the agricultural/mining/industrial stage in view of the fact that an economy does not at this stage depend only on an increase in exports for its growth, but also develops internal vigour through autonomous investment in internally-directed secondary industry. This internally-oriented power has an equal influence on the size of the growth impulses. In such an economy inter-industry demand for industrial products is already large enough to justify economically the local production of these products." The contention is, therefore, that in the Cape Midlands, growth industries (particularly the motor car and allied industries) have been especially important in inducing cumulative growth based on inter-industry linkage effects during the third and particularly in the fourth stage of development as described. Wool and other animal based exports (and later fruit), though not unimportant in the third and fourth stages, were however particularly significant during the second stage.

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1. Marais, G., 'The relation between Economic Development and the location of Secondary Industry in the Republic of South Africa'. Volkskas Limited: Finance and Trade Review, Pretoria, Vol. V - No. 6. June, 1963, p. 292.

2. Autonomous investment is defined here as investment with the main object of serving the secondary industry sector and also creating the possibility of complimentary investment in the secondary industry sector.

one important/...

One important difference, however, separates the economic development of the Midlands from that of the country as a whole. Whereas the South African economy has experienced three major structural changes with respect to sectoral income contributions, the Cape Midlands economy has passed through only the agricultural and into the industrial/agricultural stage. This difference in the structural pattern of development is, of course, attributed to differences in resource endowment between regions. Mining activity in the Midlands region refers almost exclusively to the production of sand, limestone, stone and clay quarries producing for the construction sector and for the building of national and other roads. Because production is purely for localized demand it is relatively unimportant and, even though particular districts export to outside the Midlands (e.g. Albany which exports clay to other parts of South Africa), mining is the least important of all sectors and has not contributed significantly to the development of the regional economy.

D. THE GROWTH AND STRUCTURE OF THE REGIONAL ECONOMY

In analysing the economic structure of the Cape Midlands the approach is similar to that of Perloff[1] and others where they state: "As we see it, to understand economic growth within a particular region, it is necessary (1) to relate the region's development to developments in the nation as a whole; (2) to "weight" its growth in relative terms - that is, in terms of departure from the national norm; (3) to examine the characteristics of its growth pattern; (4) to evaluate its changing position with regard to its ability to hold and attract persons and industries; and, in general, (5) to study how it reacts to changes in the national "parameters" that influence supply and demand conditions for the major industries."

1. The Midlands share of National Activity

To a certain extent the regional development of the Midlands has already been related to developments in the national economy. This has been done by a general consideration of the various development theories and their applicability to the more important economic events. The analysis has so far revealed that government tariff policy after 1925 was instrumental in the rapid development of the secondary sector in the Port Elizabeth and Uitenhage districts, and

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1. Perloff, H.S., et. al., op. cit. p. 63.

that differences in the endowment of natural resources brought about specialization in wool and animal based products in the Midlands.

Chapter II has concentrated on a consideration of various demographic aspects in the Cape Midlands and on their comparison with the Republic. Some of the broad conclusions emerging from the demographic analysis are that the Cape Midlands and the Republic have experienced roughly similar general economic conditions between 1911 and 1960, with conditions in the Republic being somewhat more favourable over the period as a whole. For example, population growth over this period was 147 per cent in the Midlands and 168 per cent in the Republic, representing average annual rates of 1.86 per cent and 2.02 per cent, respectively. Although there has been net migration out of the Midlands (most noticeable in the case of the Bantu), this movement has not been marked enough to disturb the symmetry of the age and sex distribution pyramids for the main racial groups in the two areas.

Since 1945, however, the population has been increasing more rapidly in the Midlands with the average annual rates between 1946-51 and 1951-60 being 2.87 and 2.85 per cent, respectively (the corresponding rates for the Republic being 2.09 and 2.64 per cent per annum on average). In addition, the rate of urbanisation has been more rapid in the Midlands with 83.8 per cent of Whites and 57.7 per cent of Bantu being town dwellers in 1960 (83.6 per cent of Whites and 31.8 per cent of Bantu in the Republic). Furthermore, despite the net immigrations that took place, the proportion of Whites in the population of South Africa displays a slight downward trend since 1911. In the Cape Midlands, the same general pattern of change in racial composition is noticeable, except that Whites comprise a much larger section of the population than they do in the Republic, and their decline in relative numbers has been more pronounced. The varying fertility of the main racial groups for the two areas, as portrayed by the population pyramids and their classification into Sundbärg's classes, explains this tendency.

As far as the labour force is concerned, the most significant aspect is the considerably higher ratio of Whites to non-Whites in the Midlands than is the case in South Africa. In the Midlands, the Whites and Coloureds together constituted 50.8 per cent of the 1960 working population, whilst in the Republic the figure was only 29.6 per cent. This preponderance in the Midlands labour force of Whites and Coloureds, and the subsequent under-representation of Bantu relative to the Republic, is economically significant for the

future/...

future development of the Midlands since the Whites and Coloureds are the most productive racial groups (see page 68 in Chapter II for a racial productivity ratio).

Some further insight into economic growth in the Midlands may be obtained by examining the relative contributions of the region - and the changes therein - to aggregate economic activity in South Africa over the period 1954/55 to 1959/60. Table 14 presents the percentage shares of each province to national economic activity over the relevant period - the percentages for the Cape Midlands are in brackets.

TABLE 14

Percentage Contribution of the Provinces[1] and the Cape Midlands to the Gross Domestic Product of South Africa, 1954/55 to 1959/60

Year	Transvaal	Cape	(Cape Midlands)[2]	Natal	O.F.S.	S.Africa
1954/55	48.0	31.7	(6.6)	12.8	7.5	100.0
1955/56	48.2	30.8	(6.2)	12.8	8.2	100.0
1956/57	47.9	30.0	(6.2)	12.9	9.2	100.0
1957/58	48.9	29.6	(6.1)	12.6	8.9	100.0
1958/59	49.4	28.7	(5.8)	12.8	9.1	100.0
1959/60	48.9	28.3	(5.7)*	12.6	10.2	100.0

* Estimated - refer footnote 2.

The statistics contained in Table 14 indicate that only the Transvaal and Orange Free State experienced a higher than average rate of economic growth during the review period. Natal, the Cape Province and the Cape Midlands all record a decline in their relative contributions to aggregate economic activity, with the Cape and Cape Midlands exhibiting the most rapid declines. A later examination of sectoral contributions to economic activity in the Midlands, and the

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1. Nel, P.A., "The Use and Application of Regional National Income Figures With Special Reference to the Orange Free State". Volkskas Limited: Finance and Trade Review, Vol.VI. Nos. 7 & 8. Sept/Dec. 1965. p. 295.

2. The percentages for the Cape Midlands were calculated from data supplied by the Office of the Economic Adviser of the Prime Minister and from J.J. Stadler's D.Comm. Thesis. Stadler computed gross domestic product figures for the Republic for the years 1911-1959, both for the years ended 30th June and 31st December. The G.D.P. for the year ended 30th June, 1960 was calculated on the assumption that the growth rate (4.1 per cent) which applied for the six months to the end of December, 1959 applied also to the six months ended 30th June, 1960. In this manner an estimate for the Republic's G.D.P. for 1959/60 of R4,820 million was arrived at and was used to calculate the Midlands contribution for that year. Refer to Stadler, J.J., "The Gross Domestic Product of South Africa, 1911-1959". South African Journal of Economics. September, 1963, Tables 3 and 4.

changes/...

changes therein, will reveal the sectors mostly responsible for the relative decline recorded above. The conclusion at this stage is only that the Cape Midlands region was not as dynamic in the economic growth of South Africa as were certain other regions during the period under review.

To some extent, the persistent decline of the share of the Midlands region in the Republic's aggregate output value would seem to conflict with certain results obtained in the study of population growth in the region namely, the relatively more rapid rate of average population growth in the Midlands vis-à-vis the Republic between 1951 and 1960 (2.85 per cent as compared with 2.64 per cent in the case of South Africa). On the assumption of similar birth and death rates between the Midlands and the Republic, this would suggest a net migration into the region between 1951 and 1960 - a period during most of which economic growth proceeded less rapidly than in South Africa as a whole. The high degree of localization of certain activities in the Midlands (refer to Chapters IV and V), and the much higher proportion relative to the Republic of Whites and Coloureds in the population and in the labour force of the region, presents some explanation. For example, an expansion of industries highly localized in the Midlands would serve to attract relevant personnel - even though industries outside the region, which employ a high proportion of Bantu labour and contribute more significantly to national production, like the gold mines, were expanding at a more rapid rate throughout the period. Furthermore, it appears from Chapter IV that the country as a whole was less affected by the drought and falling prices of some major agricultural products than were the Midlands. The greater part of the Midlands are drought prone areas which concentrate upon the production of wool, the world price for which dropped considerably during certain periods of the decade ended 1960. Thus it may well be that the prices of products localized in the region increased less rapidly than did the general price level, and that this also contributed towards a declining contribution to the aggregate output value of the Republic during the review period.

2. The Structural Composition of Output

The economic structure, insofar as it is revealed by a study of output contribution by each sector, is presented in Tables 15 and 16, for the Republic and the Cape Midlands, respectively. An analysis of this nature is useful in highlighting any structural differences between the two areas and for the light that it sheds on the characteristics of the growth pattern of each sector.

Table 15/...

TABLE 15

The Composition of the Gross Domestic Product of South Africa, 1954/55 to 1958/59 (R'000 and Percentage)

Production Sectors	1954/55	1955/56	1956/57	1957/58	1958/59
Agriculture, Forestry and Fishing	542.7 (14.9)	555.6 (14.3)	634.7 (15.1)	554.2 (12.8)	546.0 (12.3)
Mining and Quarrying	424.4 (11.6)	462.2 (11.9)	504.3 (12.0)	529.6 (12.2)	549.7 (12.3)
The Primary Sector	967.1 (26.5)	1,017.8 (26.2)	1,139.0 (27.1)	1,083.8 (25.0)	1,095.7 (24.6)
Manufacturing, Construction Electricity, Gas and Water	888.2 (24.3)	948.6 (24.4)	1,014.7 (24.1)	1,082.7 (25.0)	1,130.0 (25.4)
Trade	534.7 (14.7)	566.8 (14.6)	596.1 (14.2)	629.3 (14.5)	604.2 (13.6)
Financial Institutions and Real Estate	117.8 (3.2)	131.4 (3.4)	145.8 (3.5)	150.1 (3.5)	158.2 (3.5)
Transportation, Storage and Communications	359.1 (9.8)	378.8 (9.8)	399.5 (9.5)	420.5 (9.7)	440.6 (9.9)
Ownership of Dwellings	119.2 (3.3)	127.8 (3.3)	138.1 (3.3)	147.6 (3.4)	154.9 (3.5)
General Government Services	309.5 (8.5)	332.4 (8.6)	364.1 (8.7)	388.1 (8.9)	414.7 (9.3)
Miscellaneous Private Services	352.5 (9.7)	377.5 (9.7)	405.8 (9.6)	433.8 (10.0)	453.5 (10.2)
The Tertiary Sector	1,792.8 (49.2)	1,914.7 (49.4)	2,049.4 (48.8)	2,169.4 (50.0)	2,226.1 (50.0)
Total Gross Domestic	3,648.1 (100.0)	3,881.1 (100.0)	4,203.1 (100.0)	4,335.9 (100.0)	4,451.8 (100.0)

Source: Stadler, J.J., "The Gross Domestic Product of South Africa, 1911-1959". South African Journal of Economics. September, 1963, p. 194.

Table 16/...

TABLE 16

The Composition of the Gross Domestic Product of the Cape Midlands, 1954/55 to 1959/60 (R'000 and Percentage)

Production Sectors	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
Agriculture, Forestry and Fishing	44,070 (18.3)	35,861 (14.8)	47,186 (18.0)	36,949 (14.1)	35,822 (13.9)	38,530 (14.0)
Mining and Quarrying	914 (0.4)	1,333 (0.6)	1,180 (0.5)	1,168 (0.4)	1,285 (0.5)	1,378 (0.5)
The Primary Sector	44,985 (18.7)	37,194 (15.4)	48,366 (18.5)	38,117 (14.5)	37,107 (14.4)	39,908 (14.5)
Manufacturing, Construction, Electricity, Gas and Water	77,891 (32.4)	78,650 (32.6)	80,354 (30.7)	83,487 (31.8)	76,635 (29.8)	81,823 (29.7)
Trade	31,545 (13.1)	32,853 (13.6)	33,614 (12.8)	36,381 (13.8)	32,151 (12.5)	34,485 (12.5)
Financial Institutions and Real Estate	5,006 (2.1)	5,452 (2.3)	5,814 (2.2)	6,138 (2.3)	6,057 (2.4)	7,006 (2.6)
Transportation, Storage and Communications	30,870 (12.8)	32,606 (13.5)	34,524 (13.2)	36,204 (13.8)	37,898 (14.7)	41,410 (15.0)
Ownership of Dwellings	7,706 (3.2)	8,321 (3.4)	9,176 (3.5)	9,824 (3.7)	10,479 (4.1)	10,833 (3.9)
General Government Services	19,826 (8.2)	21,525 (8.9)	23,582 (9.0)	25,478 (9.7)	27,695 (10.8)	29,598 (10.8)
Miscellaneous Private Services	22,963 (9.5)	24,825 (10.3)	26,307 (10.1)	27,323 (10.4)	29,007 (11.3)	30,178 (11.0)
The Tertiary Sector	117,916 (48.9)	125,582 (52.0)	133,017 (50.8)	141,348 (53.7)	217,501 (55.8)	233,326 (55.8)
Total Gross Domestic Product	240,792 (100.0)	241,426 (100.0)	261,737 (100.0)	262,952 (100.0)	257,029 (100.0)	275,241 (100.0)

On examination/...

An examination of the statistics presented in Tables 15 and 16 shows that at the commencement of the period concerned primary production in the Republic was most important, but that by 1958/59 the secondary production sector has assumed dominance. In the Cape Midlands, on the other hand, the secondary sector is dominant throughout the period but, unlike the Republic - where secondary production displays an almost uninterrupted increasing relative tendency throughout - the corresponding Midlands percentages are more erratic and suggest a declining tendency. These observed tendencies would seem to suggest that industrial expansion and diversification was taking place rapidly in the Republic, whereas in the Midlands secondary activities do not appear to have exercised as dynamic an influence during much of the period under review.

The two sectors which constitute primary production display opposite tendencies in their relative positions in the country as a whole. The share of mining and quarrying has grown steadily from 11.6 to 12.3 per cent of South Africa's gross domestic product in 1954/55 and 1958/59, respectively. The discovery of the Orange Free State and West Rand goldfields in the early 1950's, and their rapid exploitation thereafter, no doubt played an important part in the ever growing relative share of mining in aggregate economic activity. By way of contrast, the agricultural sector records an ever diminishing relative share (apart from the record year 1956/57). In the Cape Midlands, where mining activities are fairly insignificant and maintain a fairly steady position throughout, primary production shows a tendency to decline similar to that in the country as a whole.

Apart from a fairly sharp decline in 1958/59, trading activity in the national economy does not show any significant changes, and the same may be said of this sector in the Cape Midlands. The trading sector is directly linked with economic activity in general, and the state of the trade cycle and the volume of foreign trade are factors that can accentuate this link. Thus the 1958/59 decline in trade's relative contribution is most likely explained by the absolute drop in the value of agricultural production during that year as well as by the lower volume of foreign trade and the slowdown in the rate of overall economic growth at about that time. In the Cape Midlands, additional factors to have exerted a depressing influence on trade in 1958/59 are absolute declines in the production value of manufacturing, agriculture and finance.

As far as the transport sector is concerned, however, a divergency tendency between the Republic and the Cape Midlands is noticeable. In the first place, transport assumes considerably more importance in the Midlands economy than it does in the Republic and, unlike for the latter, displays a fairly dynamic quality by increasing its relative share from 12.8 to 15.0 per cent over the period as a whole. In the Republic the 9.8 per cent contribution made by transport in 1954/55 remains fairly constant throughout, increasing to only 9.9 per cent in 1958/59. The more dominant and dynamic rôle of transport in the Cape Midlands economy is no doubt due to the importance of Port Elizabeth as an entrepôt for the interior and as a distribution point for many of the products of the Midlands.

Of the remaining sectors, finance and dwellings are approximately equal in importance in both the Republic and in the Midlands and display a slight relative increase in their contributions over the period. The same may be said of the general government and private miscellaneous services sectors, except that these seem to have grown relatively more rapidly, particularly in the Cape Midlands regional economy. The relatively more rapid expansion of the services of dwellings in the Cape Midlands may well be linked to the faster rate of population as discussed earlier; the same may be said of the private miscellaneous services section.

E. THE STRUCTURE OF CONSTITUENT REGIONS

The difference in the economic structures of the five economic regions making up the Cape Midlands is highlighted by an examination of the statistics presented in Tables 17.1 to 17.5, which show the absolute and percentage contribution of each sector to the gross domestic product of each region for the 1954/55 to 1959/60 period.

1. Economic Region 06 (The Humansdorp/Uniondale Districts)

TABLE 17.1

REGION 06

Production Structure by Sectors 1954/55 to 1959/60

(R'000 and Percentage)

Production Sectors	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
Agriculture, Forestry and Fishing	4,143 (48.9)	3,789 (44.1)	4,767 (48.2)	5,697 (49.9)	3,894 (39.8)	4,895 (44.7)
Mining and Quarrying	146 (1.7)	180 (2.1)	190 (2.0)	248 (2.2)	243 (2.4)	136 (1.3)
Primary Production	4,289 (50.6)	3,969 (46.2)	4,966 (50.2)	5,945 (52.1)	4,137 (42.2)	5,031 (46.0)
Manufacturing, Construction, Electricity, Gas and Water	328 (3.9)	488 (5.7)	473 (4.8)	496 (4.3)	505 (5.2)	521 (4.8)
Trade	648 (7.7)	661 (7.7)	733 (7.4)	958 (8.4)	888 (9.1)	943 (8.6)
Financial Institutions and Real Estate	211 (2.5)	232 (2.7)	257 (2.6)	279 (2.4)	293 (3.0)	333 (3.0)
Transportation, Storage and Communications	537 (6.3)	566 (6.6)	593 (6.0)	632 (5.5)	662 (6.8)	736 (6.7)
Ownership of Dwellings	381 (4.5)	406 (4.7)	450 (4.6)	476 (4.2)	501 (5.1)	513 (4.7)
General Government Services	1,097 (13.0)	1,167 (13.6)	1,219 (12.3)	1,361 (11.9)	1,464 (14.9)	1,605 (14.7)
Miscellaneous Private Services	973 (11.5)	1,107 (12.8)	1,199 (12.1)	1,277 (11.2)	1,344 (13.7)	1,257 (11.5)
Tertiary Production	3,847 (45.5)	4,139 (48.1)	4,451 (45.0)	4,983 (43.6)	5,152 (52.6)	5,387 (49.2)
Total Gross Domestic Product	8,464 (100.0)	8,596 (100.0)	9,890 (100.0)	11,424 (100.0)	9,794 (100.0)	10,939 (100.0)

The economic/...

The economic structure portrayed in the above table is that of a region which is chiefly dependent upon agricultural activities (see Chapter IV). Even though this is the only region in the Midlands to enjoy winter rainfall, the impact of changing weather conditions and of agricultural prices upon its economy is very noticeable. This is evident from the frequent and sharp fluctuations in the relative share of agriculture in total gross domestic produce for the region. The share in the good agricultural year 1957/58 was 49.9 per cent, whereas in the very next year the share fell sharply to only 39.8 per cent.

Next in importance are the general government and miscellaneous private services sections of tertiary production, and these are followed by trade and then transport. As is to be expected, the tertiary sector as a whole - being the residual production sector - alters its relative contribution inversely with the fortunes of the primary sector and, although no discernable trend may be established from an examination of so short a period, it does appear as if tertiary activities are increasing relatively. Secondary production, though not very important in the region, appears to be following a similar pattern. The dynamic impact of the various sectors upon the regional economy is discussed later in this chapter through the use of weighted average annual percentage changes in production value over the period.

2. Economic Region 08 (The Port Elizabeth/Humansdorp Districts)

The production structure of the Port Elizabeth/Uitenhage region is that of a highly developed and sophisticated economy concentrating upon secondary and service activities. The contribution made by agriculture is not only very minor by comparison, but is highly unstable over the entire period under review. The smallness of agriculture's contribution to total gross domestic product has the beneficial effect of adding to the relative stability of total effect of adding to the relative stability of total production from year to year.

Table 17.2/...

TABLE 17.2

REGION 08.

Production Structure by Sectors 1954/55 to 1959/60

(R'000 and Percentage)

Production Sectors	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
Agriculture, Forestry and Fishing	4,557 (2.8)	3,576 (2.1)	4,325 (2.5)	3,902 (2.1)	5,176 (2.9)	3,615 (1.9)
Minig and Quarrying	216 (0.2)	607 (0.4)	731 (0.4)	761 (0.4)	802 (0.5)	864 (0.5)
Primary Production	4,773 (3.0)	4,183 (2.5)	5,056 (2.9)	4,663 (2.5)	5,978 (3.4)	4,479 (2.4)
Manufacturing, Construction, Electricity, Gas and Water	74,825 (46.3)	75,265 (44.9)	76,692 (44.1)	79,323 (43.4)	72,089 (40.6)	76,868 (41.0)
Trade	24,608 (15.2)	26,088 (15.6)	26,206 (15.0)	28,802 (15.8)	25,374 (14.3)	27,248 (14.5)
Financial Institutions and Real Estate	3,370 (2.1)	3,691 (2.2)	3,884 (2.2)	4,148 (2.3)	4,016 (2.3)	4,668 (2.5)
Transportation, Storage and Communications	22,517 (13.9)	23,939 (14.3)	25,342 (14.5)	26,564 (14.5)	27,748 (15.6)	30,073 (16.0)
Ownership of Dwellings	4,237 (2.6)	4,597 (2.7)	5,096 (2.9)	5,466 (3.0)	5,898 (3.3)	6,160 (3.3)
General Government Services	12,086 (7.5)	13,314 (8.0)	14,757 (8.5)	15,952 (8.7)	17,390 (9.8)	18,773 (10.0)
Miscellaneous Private Services	15,175 (9.4)	16,386 (9.8)	17,226 (9.9)	17,778 (9.8)	18,992 (10.7)	19,432 (10.3)
Tertiary Production	81,993 (50.7)	88,015 (52.6)	92,511 (53.0)	98,710 (54.1)	99,418 (56.0)	106,354 (56.6)
Total Gross Domestic Product	161,594 (100.0)	167,463 (100.0)	174,259 (100.0)	182,696 (100.0)	177,485 (100.0)	187,701 (100.0)

The highly/...

The highly industrial nature of the region is easily noticeable from the statistics which also show that the period under consideration was not one of rapid industrial growth. This is evidenced by the steady decline in the relative value of this sector's contribution to the total gross domestic product for the region. There is, however, the probability that the figures for the secondary sector in this region are underestimated owing to what appears to be a serious under-valuation of the gross value added by the motor industry. This contention is discussed in much more detail in Chapter V.

As far as tertiary industry is concerned, the tendency exhibited is one of steady and fairly rapid increase. Total tertiary production increased fairly rapidly over the period and its relative share grew steadily each year, from 50.7 per cent in 1954/55 to 56.6 per cent in 1959/60. The most important sections of tertiary production are transport and trade, the former being more important at the end of the period and the latter at the commencement of the period. Possible reasons for the much more rapid growth of transport vis-à-vis trade have already been mentioned on page 95

Table 17.3/...

3. Economic Region 09 (The Albany Coastal Region)

TABLE 17.3

REGION 09

Production Structure by Sectors 1954/55 to 1959/60

(R'000 and Percentage)

Production Sectors	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
Agriculture, Forestry and Fishing	9,960 (50.6)	7,407 (42.3)	8,409 (43.7)	7,144 (38.2)	7,627 (38.3)	9,150 (40.4)
Mining and Quarrying	28 (0.1)	37 (0.2)	43 (0.2)	57 (0.3)	83 (0.4)	82 (0.4)
Primary Production	9,988 (50.7)	7,444 (42.5)	8,452 (43.9)	7,201 (38.5)	7,710 (38.7)	9,232 (40.8)
Manufacturing, Construction, Electricity, Gas and Water	689 (3.5)	692 (3.9)	744 (3.9)	862 (4.6)	949 (4.7)	1,026 (4.5)
Trade	1,877 (9.5)	1,799 (10.3)	1,863 (9.7)	1,951 (10.4)	1,913 (9.6)	2,070 (9.2)
Financial Institutions and Real Estate	316 (1.6)	332 (1.9)	355 (1.8)	371 (2.0)	389 (2.0)	444 (2.0)
Transportation, Storage and Communications	1,355 (6.9)	1,438 (8.2)	1,537 (8.0)	1,603 (8.6)	1,675 (8.4)	2,071 (9.1)
Ownership of Dwellings	986 (5.0)	1,082 (6.2)	1,191 (6.2)	1,279 (6.8)	1,357 (6.8)	1,396 (6.2)
General Government Services	2,107 (10.7)	2,195 (12.5)	2,394 (12.4)	2,622 (14.0)	2,784 (14.0)	2,722 (12.0)
Miscellaneous Private Services	2,376 (12.1)	2,551 (14.5)	2,716 (14.1)	2,834 (15.1)	3,159 (15.8)	3,673 (16.2)
Tertiary Production	9,017 (45.8)	9,397 (53.6)	10,056 (52.2)	10,660 (56.9)	11,277 (56.6)	12,376 (54.7)
Total Gross Domestic Product	19,694 (100.0)	17,533 (100.0)	19,252 (100.0)	18,723 (100.0)	19,936 (100.0)	22,634 (100.0)

The production/...

The production structure of the Albany Coastal Region appears to be basically similar to all the constituent regions of the Midlands with the exception of the Port Elizabeth/Uitenhage region. The economy is largely agricultural in character with 50.7 per cent of its 1954/55 gross income being generated by primary activities. As is the case with all the regions, agricultural production fluctuates markedly from year to year and, because of its importance, exerts an unsettling influence upon the growth of total gross domestic product. By the end of the review period, however, the share of primary output had declined sharply to only 40.8 per cent, suggesting a fairly rapid and fluctuating downward trend.

The tertiary sector as a whole displays a rate of relative increase almost as rapid as the decline in the share of primary production. Major contributing sections are miscellaneous private services, general government services and transport in that order. Secondary production value, though not very important in the economy, exhibits a tendency to increase steadily, from 3.5 per cent at the beginning, to 4.5 per cent at the end of the period concerned.

Table 17.4/...

4. Economic Region 10 (The Mid-Western Districts)

TABLE 17.4

REGION 10

Production Structure by Sectors 1954/55 to 1959/60

(R'000 and Percentage)

Production Sectors	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
Agriculture, Forestry and Fishing	5,664 (62.6)	3,849 (52.1)	6,060 (61.3)	3,780 (47.5)	4,706 (51.2)	4,493 (47.7)
Mining and Quarrying	18 (0.2)	14 (0.2)	10 (0.1)	14 (0.2)	10 (0.1)	44 (0.5)
Primary Production	5,682 (62.8)	3,863 (52.3)	6,070 (61.4)	3,794 (47.7)	4,716 (51.3)	4,537 (48.2)
Manufacturing, Construction, Electricity, Gas and Water	78 (0.9)	81 (1.1)	84 (0.8)	254 (3.2)	420 (4.6)	590 (6.3)
Trade	566 (6.3)	536 (7.3)	591 (6.0)	580 (7.3)	547 (5.9)	580 (6.2)
Financial Institutions and Real Estate	167 (1.8)	182 (2.5)	203 (2.1)	207 (2.6)	221 (2.4)	252 (2.7)
Transportation, Storage and Communications	661 (7.3)	696 (9.4)	737 (7.5)	784 (9.9)	837 (9.1)	926 (9.8)
Ownership of Dwellings	348 (3.8)	373 (5.0)	403 (4.1)	429 (5.4)	443 (4.8)	443 (4.7)
General Government Services	837 (9.2)	886 (12.0)	962 (9.7)	1,018 (12.7)	1,080 (11.7)	1,166 (12.2)
Miscellaneous Private	716 (7.9)	769 (10.4)	833 (8.4)	891 (11.2)	935 (10.2)	935 (9.9)
Tertiary Production	3,295 (36.3)	3,442 (46.6)	3,729 (37.8)	3,909 (49.1)	4,063 (44.1)	4,302 (45.5)
Total Gross Domestic Product	9,055 (100.0)	7,386 (100.0)	9,883 (100.0)	7,957 (100.0)	9,199 (100.0)	9,429 (100.0)

The mid-western/...

The mid-western districts are even more heavily dependent upon agricultural production and, unlike any of the other economic regions in the Midlands, primary production outweighs the output value of the tertiary sector. For this reason the growth of gross domestic product in Region 10 is very unstable, especially since primary production seems to fluctuate even more markedly than it does in the other constituent regions. The statistics suggest, however, that a major structural change in production contribution is likely to take place soon after 1960. This is suggested by the very rapid decline in the share of the primary sector, from 62.6 per cent at the beginning to only 47.7 per cent at the end of the period under review. Over the same period, the shares of both tertiary and secondary production increased rapidly. The tertiary sector, although fluctuating in the opposite direction to agriculture from year to year, records an increase in relative terms from 36.3 per cent in 1954/55 to 45.5 per cent in 1959/60. Secondary output value exhibits even faster relative growth, increasing from only 0.9 per cent in 1954/55 to 6.3 per cent at the end of the review period. It is also interesting to note that in this agriculturally highly dependent region, the general government services section of total services is most important, being followed by miscellaneous private services and transport.

Table 17.5/...

5. Economic Region 11 (The Northern Districts)

TABLE 17.5

Production Structure by Sectors 1954/55 to 1959/60

(R'000 and Percentage)

Production Sectors	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
Agriculture, Forestry and Fishing	19,746 (47.0)	17,240 (42.6)	23,625 (48.8)	16,426 (39.0)	14,419 (35.5)	16,377 (36.8)
Mining and Quarrying	507 (1.2)	495 (1.2)	197 (0.4)	88 (0.2)	147 (0.4)	252 (0.5)
Manufacturing, Construction, Electricity, Gas and Water	1,968 (4.7)	2,124 (5.3)	2,361 (4.9)	2,552 (6.0)	2,672 (6.6)	2,818 (6.3)
Trade	3,846 (9.2)	3,769 (9.3)	4,221 (8.7)	4,090 (9.7)	3,429 (8.4)	3,644 (8.2)
Financial Institutions and Real Estate	942 (2.2)	1,015 (2.5)	1,115 (2.3)	1,133 (2.7)	1,138 (2.8)	1,309 (2.9)
Transportation, Storage and Communications	5,800 (13.8)	5,967 (14.8)	6,315 (13.0)	6,621 (15.7)	6,976 (17.1)	7,604 (17.1)
Ownership of Dwellings	1,754 (4.2)	1,863 (4.6)	2,036 (4.2)	2,174 (5.2)	2,280 (5.6)	2,321 (5.2)
General Government Services	3,699 (8.8)	3,963 (9.8)	4,250 (8.8)	4,525 (10.7)	4,977 (12.3)	5,332 (12.0)
Miscellaneous Private Services	3,723 (8.9)	4,012 (9.9)	4,333 (8.9)	4,543 (10.8)	4,577 (11.3)	4,881 (11.0)
Tertiary Production	19,764 (47.1)	20,589 (50.9)	22,270 (45.9)	23,086 (54.8)	23,377 (57.5)	25,091 (56.4)
Total Gross Domestic Product	41,985 (100.0)	40,448 (100.0)	48,453 (100.0)	42,152 (100.0)	40,615 (100.0)	44,538 (100.0)

The production/...

The production structure of Region 11 is basically very similar to that of Region 09. The main broad differences are that the primary sector is of slightly less importance than it is in Region 09, whilst the secondary and tertiary sectors are a little more important. The really interesting difference between the economy of this region and that of the others (with the exception of the Port Elizabeth/Uitenhage region) lies in the importance and rapid growth of the transport section. The large geographical size of the region and its distant situation from the economic heart of the Cape Midlands perhaps offers some explanation (see Chapter VI.).

In general, the regions display production structures heavily dependant upon agricultural production. The exception is the highly industrialised Port Elizabeth/Uitenhage region where primary activities are of very minor importance. The statistics also indicate that the growth of gross domestic product over the period in question was by no means uniform and was subject to considerable fluctuations. These fluctuations may be mainly attributed to the very important position that agriculture occupies in the economic structure of the Cape Midlands. In all the regions however the role of agricultural activities appears to be rapidly diminishing whilst that of the tertiary sector is increasing. At the same time - with the exception of Region 08 where the opposite tendency prevails - secondary activities in the regions are on the increase, but in all regions the tertiary sector particularly seems to be increasing in importance.

One explanation for these broad tendencies may be attempted in terms of differing elasticities of demand for the products of the various sectors. The essence of this argument is that the income elasticities of demand for the products of primary and secondary activities are lower than the corresponding elasticities for tertiary sector services and that therefore, the demand and hence the output value of the tertiary sector may be expected to increase relatively more rapidly as economic development progresses above a certain level. This is the general view taken by Colin Clark and Professor A. G. B. Fisher[1] and they support this view partly with analytical reasoning and partly on statistical evidence. Their broad conclusion is that

1. As quoted by Bauer, P.T., and Yamey, B.S. 'Economic Progress and Occupational Distribution.' The Economic Journal, December, 1951, p. 747.

a "high/...

a "high average real income per head compels a large proportion of producers to engage in tertiary production."(1)

It is tempting to conclude, therefore, that the broad tendencies noticed from an examination of the economic structures of the regions constituting the Cape Midlands are pointers of rapid economic development and high real incomes per head. A conclusion such as this, however, would be defective for several reasons. Firstly, the time period under consideration is so short that the tendencies noticed may not be part of a general trend but may only be a fluctuation within a trend. At the same time, fairly depressed general economic conditions may affect the secondary sector more directly than the services sector and this may be a reason why the growth of secondary activities has proceeded less rapidly than the tertiary sector. In addition, unfavourable weather and agricultural price conditions are the most likely reasons behind the fairly rapidly declining contribution of the primary sector. Secondly, per capita gross domestic product figures computed later in this chapter suggest that high real income levels per capita are not the reason for the relative expansion of the services sector. In all regions except 08, the nominal per capita gross domestic product averages over the entire period are not unduly high and are considerably below the corresponding average for South Africa. The exception is the Port Elizabeth/Uitenhage region where agriculture is unimportant and where per capita incomes are considerably higher. It may be, therefore, that the elasticity argument has more applicability in this region than in the other parts of the Cape Midlands.

Furthermore, as Bauer and Yamey point out, not all the products of the services sector can properly be regarded as luxuries with a high income elasticity of demand, whereas some products of the primary and particularly secondary type are in fact luxuries. "There is no a priori reason to believe that as wealth increases a greater proportion of the luxuries consumed must be products of tertiary activities. The durable consumer goods of the North American economies provide numerous examples on a large-scale of heavy expenditure on the products of secondary activities with growing wealth. Expensive motor cars, jewellery, works of art, mass produced but high-grade textiles and hand made bespoke clothes and shoes are products of secondary activities. - - - Perhaps more fancicully,

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1. Clark, C. The Conditions of Economic Progress, Edition I. pp. 6-7. as quoted in Bauer and Yamey, op. cit., p. 747.

purchases/...

purchases of fur coats, oysters, caviare, lobsters, pheasants and orchids sustain hunting, fishing and farming which are primary activities.[1]

It would seem, therefore, that whilst some attempt may be made to partially explain the tendencies noticed in the regions making up the Cape Midlands in terms of differing income elasticities of demand, the most likely reason for the rapidly declining contribution of agriculture and the simultaneous expansion of the tertiary sector is probably the relatively unfavourable weather and price conditions that prevailed for much of the period under review, and the residual nature of the value of tertiary sector output.

F. THE GEOGRAPHICAL DISTRIBUTION OF PRODUCTION VALUE

1. The Economic Significance of Constituent Regions

The geographic distribution of the gross domestic product of the Cape Midlands is presented by economic region in Table 18.

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1. Bauer, P.T., and Yamey, B.S., *op. cit.*, p. 749.

Table 18./...

TABLE 18

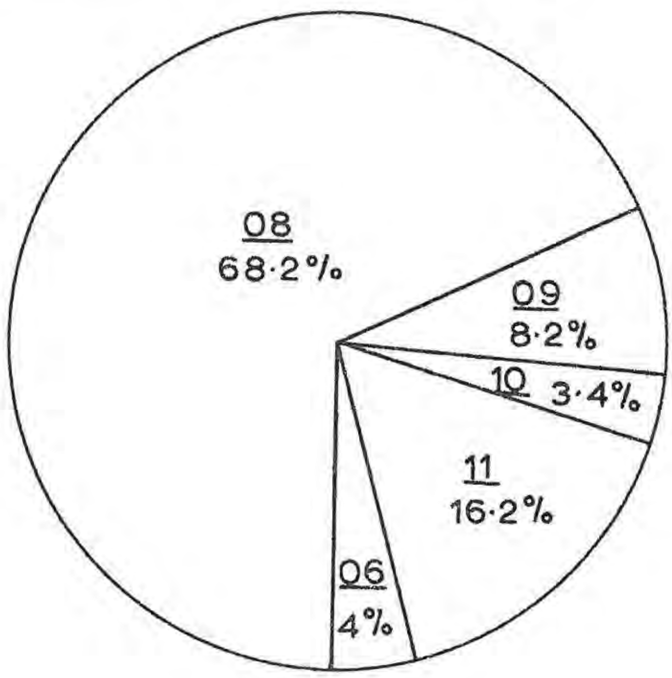
Percentage Geographical Distribution of the Gross Domestic Product of the Cape Midlands by Economic Region, 1954/55 to 1959/60.

	Economic Region	1954/55 %	1955/56 %	1956/57 %	1957/58 %	1958/58 %	1959/60 %
06	The Humansdorp - Uniondale Districts	3.5	3.6	3.8	4.4	3.8	4.0
08	Port Elizabeth and Uitenhage	67.1	69.4	66.6	69.5	69.0	68.2
09	The Albany Coastal Region	8.2	7.3	7.3	7.1	7.8	8.2
10	The Mid-Western Districts	3.8	3.0	3.8	3.0	3.6	3.4
11	The Northern Districts	17.4	16.7	18.5	16.0	15.8	16.2
CAPE MIDLANDS		100.0	100.0	100.0	100.0	100.0	100.0

The table shows that over the entire period in question, economic activity in the Midlands was highly concentrated in the Port Elizabeth/Uitenhage region and that this concentration has increased in relative terms. Thus in 1954/55 67.1 per cent of the Cape Midlands gross domestic product originated in Region 08 and - with the exception of 1956/57 - all years show a relative increase in this concentration. The slight decline to 66.6 per cent of the total gross domestic product in 1956/57 is perhaps explained by the favourable agricultural conditions prevailing during that year. This resulted in exceptionally high values for agricultural output in the remaining, agriculturally important, regions and increased their relative share in the regional economy for that year.

Figure 7.

Regional Distribution of the Gross Domestic Product in the Cape Midlands, 1960.



The economic region next in importance is Region 11 (the northern districts) with 17.4 per cent in 1954/55, 18.5 per cent in the good agricultural year 1956/57 and 16.2 per cent in 1959/60. It would appear that this region is declining in relative importance, and the same may be said of Region 10 (the mid-western districts) where the corresponding percentages recorded are 3.8, 3.8 and 3.4, respectively.

The Albany coastal region 09 comes third in order of importance as a generator of income in the Midlands and appears to be more or less maintaining its relative position with 8.2 per cent at the beginning and end of the period - although the intervening years all show a slight decline.

Regions 10 and 06 are about of equal importance with one major difference. This is that while the former was more important in 1954/55 - 3.8 per cent as compared with 3.5 per cent - the latter region has increased its share to become more important at the end of the period. An explanation for this tendency may well be in the more balanced agricultural activities undertaken in Region 06 when compared with Region 10 (refer to Chapter IV.).

Table 19 presents an overall indication of the centralisation of the various economic activities in the Cape Midlands by economic region.

TABLE 19.

Percentage Geographical Distribution of the Gross Domestic Product of the Cape Midlands by Production Sectors, 1954/55 to 1959/60.

Economic Region		Agriculture	Mining	Primary Production	Secondary Production	Trade	Finance	Transport	Dwellings	General Govt. Services	Miscellaneous Private Services	Tertiary Production	Total Gross Domestic Product
Region 06	1954/55	9.4	15.9	9.6	0.4	2.0	4.3	1.8	4.9	5.5	3.3	3.3	3.5
	1959/60	12.7	9.9	12.6	0.6	2.7	4.8	1.8	4.7	5.5	3.5	3.5	4.0
Region 08	1954/55	10.3	23.6	10.6	96.1	78.0	67.3	72.9	55.0	61.0	69.5	69.5	67.1
	1959/60	9.4	62.7	11.2	93.9	79.0	66.6	72.6	56.9	63.4	69.3	69.3	68.2
Region 09	1954/55	22.6	3.1	22.2	0.9	6.0	6.3	4.4	12.8	10.6	7.6	7.6	8.2
	1959/60	23.7	5.9	23.1	1.3	6.0	6.3	5.0	12.9	9.2	8.1	8.1	8.2
Region 10	1954/55	12.9	2.0	12.6	0.1	1.8	3.3	2.1	4.5	4.2	2.8	2.8	3.8
	1959/60	11.7	3.2	11.4	0.7	1.7	3.6	2.2	4.1	3.9	2.8	2.8	3.4
Region 11	1954/55	44.8	55.4	45.0	2.5	12.2	18.8	18.8	22.8	18.7	16.8	16.8	17.4
	1959/60	42.5	18.3	41.7	3.5	10.6	18.7	18.4	21.4	18.0	16.3	16.3	16.2
Cape Midlands		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

As is to be expected, the statistics in Table show a very high degree of centralisation of all economic activities in the two most significant regions namely, Regions 08 and 11 which together accounted for 84.4 per cent of the Cape Midlands gross domestic product in 1959/60. With the exception of agricultural production, all other economic activities are highly concentrated in the Port Elizabeth/Uitenhage region which, in 1959/60, accounted for 93.9 per cent of total secondary and 69.3 per cent of total tertiary activity in the Cape Midlands. Agricultural activity, on the other hand, is highly concentrated in Region 11 and is followed by Region 09.

2. The Economic Significance of Constituent Magisterial Districts

From Table 20, which presents the geographical distribution of the gross domestic product of the Cape Midlands on a magisterial district basis, it appears that the Port Elizabeth district was responsible for 59.8 per cent both at the beginning and at the end of the period, although the average contribution over the period comes to 60.6 per cent. The district of Uitenhage, with a 7.3 per cent contribution in 1954/55, increased its share steadily each year to 8.4 per cent at the end of the period. Taking 1954/55 and comparing it with 1959/60, the only other districts to increase their share of aggregate output in the Midlands are Alexandria, Albany, Middelburg, Uniondale and Willowmore. All these districts are situated predominantly in Regions 08 and 09, or near the coastline, with the exception of Middelburg which is to be found in the heart of Region 11. Districts to have maintained their relative shares 1954/55 compared with 1959/60 are Albert, Aliwal North, Bathurst, Colesberg, Jansenville, Port Elizabeth and Venterstad. All the other constituent districts exhibit a relative decline in their shares of total economic activity in the Midlands over the review period. Thus, of the 26 magisterial districts, only six show an increase in relative terms, seven have maintained their relative position whilst thirteen have diminished in importance.

Table 20/...

TABLE 20

Percentage Geographic Distribution of the Gross Domestic Product of the Cape Midlands by Magisterial Districts, 1954/55 to 1959/60

Magisterial Districts	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60	1954/55-1959/60 Average
Aberdeen	1.4	1.0	1.2	0.9	1.0	0.9	1.1
Albany	4.0	3.7	3.8	4.0	4.2	4.5	4.0
Albert	1.5	1.4	1.7	1.5	1.4	1.5	1.5
Alexandria	1.4	1.3	1.2	1.2	1.4	1.5	1.3
Aliwal North	1.4	1.4	1.5	1.3	1.2	1.4	1.4
Bathurst	0.9	0.9	0.9	0.8	0.9	0.9	0.9
Colesberg	0.8	0.8	1.2	0.8	0.7	0.8	0.8
Cradock	3.1	3.0	3.3	2.9	3.0	3.0	3.0
Graaff Reinet	2.3	2.3	2.5	2.1	2.3	2.2	2.3
Hanover	1.5	1.4	1.4	1.3	1.4	1.2	1.4
Humansdorp	2.3	2.2	2.3	2.4	2.5	2.2	2.3
Jansenville	0.9	0.8	0.9	0.8	1.3	0.9	0.9
Kirkwood	1.9	1.4	1.5	1.2	1.3	1.3	1.4
Maraisburg	0.6	0.5	0.5	0.2	0.4	0.4	0.4
Middelburg	1.4	1.5	1.6	1.5	1.5	1.5	1.5
Murraysburg	0.7	0.8	0.7	0.5	0.5	0.5	0.6
Pearston	0.5	0.4	0.6	0.4	0.4	0.4	0.4
Port Elizabeth	59.8	62.1	59.2	61.8	60.7	59.8	60.6
Richmond	0.8	0.7	0.9	0.7	0.6	0.7	0.7
Somerset East	2.0	1.9	2.1	1.9	1.9	1.9	1.9
Steynsburg	0.5	0.4	0.3	0.5	0.3	0.4	0.4
Steytlerville	0.7	0.6	0.7	0.6	0.5	0.6	0.6
Uitenhage	7.3	7.3	7.3	7.7	8.3	8.4	7.7
Uniondale	1.2	1.3	1.5	1.9	1.4	1.7	1.5
Venterstad	0.3	0.2	0.3	0.3	0.3	0.3	0.3
Willowmore	0.8	0.7	0.9	0.8	0.7	1.1	0.8
Cape Midlands	100.0	100.0	100.0	100.0	100.0	100.0	100.0

From the table it is also evident that eleven of the twenty-six magistracies contributed less than 1 per cent each to the total gross domestic product of the Cape Midlands in 1959/60. Only four of these districts maintained their relative positions comparing 1959/60 with 1954/55 - Bathurst, Colesberg, Jansenville and Venterstad - whilst all the others (Aberdeen, Maraisburg, Murraysburg, Pearston, Richmond, Steynsburg and Steytlerville) diminished their contributions over the period. Taken in total, these eleven magistracies accounted for only 8.1 per cent of total gross domestic product in the Midlands in 1954/55 and, in 1959/60, this share had diminished to only 6.8 per cent.

Nine districts contributed between 1 and 2 per cent each to total Midlands gross domestic product in 1959/60. Of these nine, only four increased their relative shares in 1959/60 compared with 1954/55 (Alexandria, Middelburg, Uniondale and Willowmore), two maintained their positions (Albert and Aliwal North) while all the rest diminished their relative contributions over the period (Hanover, Kirkwood and Somerset East). Collectively, this group of districts was responsible for 13.1 per cent of the Midlands gross domestic product both in 1954/55 and in 1959/60.

Only a small number of districts - of which only Albany and Uitenhage increased in relative terms - contribute over 2 per cent each to total gross domestic product in the Midlands. In this group Cradock, Graaff Reinet and Humansdorp declined in relative importance 1959/60 compared with 1954/55, while Port Elizabeth maintained its share at 59.8 per cent. Collectively, these six most important contributors accounted for 78.8 per cent of total gross domestic product in 1954/55 and increased their share to 80.1 per cent in 1959/60.

Table 21 presents the sectoral composition of the gross domestic product in each magisterial district at the beginning and at the end of the period under review. The statistics show that, apart from the Port Elizabeth and Uitenhage magistracies, agrarian activities dominate the economies of all districts in the Cape Midlands. In almost all districts, however, the importance of agriculture had diminished markedly over the review period with the exceptions being Port Elizabeth, Maraisburg and Uniondale. If the 1959/60 agricultural output value is compared with that in 1954/55, it is found that 20 out of the total 26 districts show an absolute fall in production. In most of these districts this fall is quite substantial and is the main reason why agriculture

Table 21/...

TABLE 21.

The sectoral Composition of the Gross Domestic Product in each Magisterial District of the Cape Midlands, 1954/55 and 1959/60 (R'000 and Percentage

Districts	Agriculture				Mining				Manufacturing				Trade				Finance			
	1954/55		1959/60		1954/55		1959/60		1954/55		1959/60		1954/55		1959/60		1954/55		1959/60	
Aberdeen	2,032	61.7	888	35.6	-	-	-	-	45	1.4	86	3.5	140	4.2	97	3.9	48	2.1	68	2.7
Albany	2,645	27.6	3,163	25.6	28	0.3	82	0.7	651	6.8	925	7.5	1,231	12.9	1,315	10.7	184	1.9	250	2.0
Albert	1,580	44.2	1,519	37.6	-	-	-	-	61	1.7	93	2.3	291	8.1	276	6.8	65	1.8	87	2.2
Alexandria	2,323	70.1	2,716	65.0	-	-	-	-	6	0.2	55	1.3	203	6.1	279	6.7	60	1.8	90	2.2
Aliwal North	1,027	31.3	1,155	30.4	-	-	-	-	499	15.2	454	12.0	382	11.7	336	8.8	81	2.5	104	2.7
Bathurst	1,421	62.9	1,401	55.0	-	-	-	-	32	1.4	29	1.1	148	6.6	137	5.4	41	1.8	57	2.2
Colesberg	1,165	59.9	985	46.9	-	-	-	-	28	1.4	43	2.0	159	8.2	141	6.7	54	2.8	75	3.6
Cradock	3,098	41.2	2,752	32.9	2	-	-	-	352	4.7	448	5.4	666	8.9	612	7.3	186	2.5	278	3.3
Graaff Reinet	2,042	37.4	1,562	25.9	3	0.1	-	-	296	5.4	601	10.0	693	12.7	705	11.7	121	2.2	160	2.6
Hanover	1,484	40.9	873	26.1	146	4.0	-	-	37	1.0	52	1.6	229	6.3	197	5.9	51	1.4	68	2.0
Humansdorp	2,668	47.8	2,114	34.3	146	2.6	136	2.2	313	5.6	504	8.1	432	7.7	597	9.7	129	2.3	195	3.1
Jansenville	1,382	66.1	1,374	57.0	-	-	-	-	9	0.4	24	1.0	135	6.5	200	8.3	44	2.1	74	3.1
Kirkwood	3,571	78.6	1,870	52.4	-	-	-	-	-	-	17	0.5	295	6.5	339	9.5	31	0.7	47	1.3
Maraisburg	621	45.4	596	48.9	356	26.0	251	20.6	102	7.5	2	0.1	52	3.8	38	3.1	22	1.6	26	2.1
Middelburg	1,224	35.3	1,019	25.0	-	-	1	-	253	7.3	493	12.2	545	15.7	580	14.3	124	3.6	186	4.6
Murraysburg	1,375	78.7	771	60.5	-	-	-	-	24	1.4	20	1.6	67	3.8	41	3.2	33	1.9	45	3.5
Pearston	941	76.9	835	68.6	-	-	-	-	3	0.3	6	0.5	58	4.7	53	4.4	22	1.8	33	2.7
Port Elizabeth	1,347	0.9	1,601	1.0	139	0.1	494	0.3	71,598	49.7	71,094	43.2	23,169	16.1	25,592	15.5	3,025	2.1	4,137	2.5
Richmond	1,399	69.8	1,087	58.6	-	-	-	-	39	1.9	52	2.8	119	5.9	97	5.2	44	2.2	60	3.2
Somerset East	2,517	52.4	2,213	42.0	-	-	-	-	240	5.0	499	9.5	466	9.7	466	8.8	102	2.1	141	2.7
Steynsburg	718	62.8	635	52.0	-	-	-	-	23	2.0	52	4.3	73	6.4	63	5.2	22	1.9	27	2.2
Steytlerville	1,128	69.8	1,040	63.0	18	1.1	2	0.1	5	0.3	13	0.8	100	6.2	94	5.7	27	1.7	41	2.5
Uitenhage	3,210	18.4	2,014	8.7	17	0.4	370	1.6	3,230	18.5	5,774	24.9	1,439	8.2	1,656	7.1	345	2.0	531	2.3
Uniondale	1,475	51.1	2,781	58.3	-	-	-	-	15	0.5	17	0.4	216	7.5	346	7.3	82	2.8	138	2.9
Venterstad	555	67.3	375	52.2	-	-	-	-	11	1.3	3	0.4	46	5.6	39	5.4	15	1.8	19	2.6
Willowmore	1,122	54.7	1,191	41.4	-	-	42	1.5	19	0.9	467	16.2	191	9.3	189	6.6	48	2.3	69	2.4
Cape Midlands	44,070	18.3	38,530	14.0	915	0.4	1,378	0.5	77891	32.4	81,823	29.7	31,545	13.1	34,485	12.5	5,006	2.1	7,006	2.6

Transport				Dwellings				Government Services				Other Services				Total Gross Domestic Product			
1954/55		1959/60		1954/55		1959/60		1954/55		1959/60		1954/55		1959/60		1954/55		1959/60	
456	13.8	597	23.9	113	3.4	143	5.8	295	9.0	382	15.3	166	5.0	232	9.3	3,295	100.0	2,493	100.0
886	9.3	1,148	9.3	663	6.9	925	7.5	1,496	15.6	1,797	14.6	1,791	18.7	2,733	22.1	9,575	100.0	12,338	100.0
925	25.9	1,182	29.2	153	4.3	202	5.0	205	5.7	309	7.6	297	8.3	375	9.3	3,577	100.0	4,043	100.0
140	4.2	197	4.7	109	3.3	144	3.4	254	7.7	388	9.3	219	6.6	307	7.4	3,314	100.0	4,176	100.0
290	8.9	401	10.6	222	6.8	300	7.9	421	12.8	605	15.9	354	10.8	443	11.7	3,276	100.0	3,798	100.0
87	3.9	136	5.3	118	5.2	209	8.2	205	9.1	315	12.4	206	9.1	264	10.4	2,258	100.0	2,548	100.0
90	4.6	146	7.0	96	4.9	141	6.7	198	10.2	299	14.2	156	8.0	270	12.9	1,946	100.0	2,100	100.0
1,666	22.2	2,098	25.1	317	4.2	497	5.9	644	8.6	900	10.8	586	7.7	783	9.3	7,517	100.0	8,368	100.0
501	9.2	698	11.6	275	5.0	342	5.7	708	13.0	1,027	17.0	817	15.0	945	15.5	5,456	100.0	6,040	100.0
1,185	32.6	1,506	45.0	112	3.1	145	4.3	142	3.9	196	5.9	246	6.8	307	9.2	3,632	100.0	3,344	100.0
402	7.2	529	8.6	230	4.1	304	4.9	686	12.3	1,022	16.6	570	10.2	769	12.5	5,576	100.0	6,170	100.0
41	2.0	77	3.2	95	4.5	122	5.1	166	7.9	255	10.6	220	10.5	282	11.7	2,092	100.0	2,408	100.0
242	5.3	590	16.5	96	2.1	118	3.3	152	3.3	222	6.2	160	3.5	369	10.3	4,547	100.0	3,572	100.0
32	2.3	50	4.1	39	2.9	46	3.8	64	4.7	96	7.9	80	5.8	115	9.4	1,368	100.0	1,220	100.0
419	12.1	555	13.6	134	3.9	175	4.3	376	10.8	547	13.4	391	11.3	513	12.6	3,466	100.0	4,069	100.0
18	1.0	39	3.1	40	2.3	56	4.4	109	6.2	185	14.5	82	4.7	118	9.2	1,748	100.0	1,275	100.0
23	1.8	31	2.5	39	3.2	47	3.9	78	6.4	118	9.7	60	4.9	95	7.7	1,224	100.0	1,218	100.0
18,039	12.5	24,126	14.7	3,395	2.4	4,911	3.0	10,410	7.2	16,135	9.8	12,991	9.0	16,441	10.0	144,113	100.0	164,531	100.0
96	4.8	124	6.7	55	2.7	66	3.6	129	6.5	177	9.5	122	6.2	193	10.4	2,003	100.0	1,856	100.0
491	10.2	679	12.9	189	3.9	206	3.9	452	9.5	589	11.2	346	7.2	473	9.0	4,803	100.0	5,266	100.0
50	4.4	72	5.9	50	4.4	60	4.9	103	9.0	165	13.5	105	9.1	148	12.0	1,144	100.0	1,222	100.0
66	4.1	90	5.5	49	3.0	62	3.8	99	6.2	165	10.0	123	7.6	144	8.6	1,615	100.0	1,651	100.0
4,478	25.6	5,947	25.7	842	4.8	1,249	5.4	1,676	9.6	2,638	11.4	2,184	12.5	2,991	12.9	17,481	100.0	23,170	100.0
135	4.7	207	4.3	151	5.2	209	4.4	411	14.2	583	12.2	403	14.0	488	10.2	2,888	100.0	4,769	100.0
14	1.7	23	3.2	33	4.0	38	5.3	70	8.5	119	16.6	81	9.8	103	14.3	825	100.0	719	100.0
98	4.8	162	5.6	91	4.4	116	4.0	277	13.5	364	12.7	207	10.1	277	9.6	2,053	100.0	2,877	100.0
30,870	12.8	41,410	15.0	7,706	3.2	10,833	3.9	19,826	8.2	29,598	10.8	22,963	9.5	30,178	11.0	240,792	100.0	275,241	100.0

declined in relative terms. The 6 districts to show a higher agricultural output in 1959/60 when compared with 1954/55 are Albany, Alexandria, Aliwal North, Port Elizabeth, Uniondale and Willowmore. Of these, only Port Elizabeth and Uniondale were districts in which the agricultural sector increased in relative terms, indicating that in the other districts the growth of agricultural output has lagged behind that of the other contributing sectors. The Maraisburg magistracy, in which the relative importance of agriculture increased although its absolute production value fell, suggests that here the other contributing sectors (particularly mining and manufacturing) declined even more rapidly than did agriculture. As far as mining and quarrying is concerned, the Maraisburg district is the only one in which these activities are important, accounting for 26 per cent of this district's gross domestic product at the beginning of the period and 20.6 per cent in 1959/60.

Except in the case of the Port Elizabeth, Uitenhage, Aliwal North, Graaff Reinet, Middelburg and Willowmore magistracies, the secondary production sector does not as yet play a rôle of any great importance, but its significance is rapidly increasing in the majority of cases. The most significant expansion appears to have occurred in the Willowmore magisterial district, where secondary production rose from being only 0.9 per cent in 1954/55 to 16.2 per cent of the districts gross domestic product in 1959/60. Declines in the relative importance of manufacturing occurred only in the Port Elizabeth, Aliwal North, Bathurst, Maraisburg, Uniondale and Venterstad magistracies.

Trading activities appear to be important only in the Port Elizabeth, Middelburg, Graaff Reinet and Albany districts. In fact, in most of the magisterial districts of the Midlands the trading section of tertiary activity declined in relative importance when 1959/60 is compared with 1954/55. As far as the finance and dwellings sections are concerned, both are similar in that with almost no exceptions, these activities increased their percentage shares of each district's gross domestic product. Another point of similarity is that finance and dwellings are roughly of equal importance in the economies of most magisterial districts.

With only two exceptions, the transport section shows a relative increase in percentage contribution in all districts when 1959/60 is compared with 1954/55. These two exceptions are Albany - where transport maintained its share - and Uniondale,

where/...

where it declined in relative importance. This section of the services sector is highly important in the districts of Albert, Cradock, Graaff Reinet, Middelburg, Port Elizabeth, Somerset East, Uitenhage, Aberdeen and Hanover and, in the case of the last two districts mentioned, increased very strongly in relative terms over the period under review.

Both the government services and the miscellaneous private (other) services sections of the tertiary sector increased their relative shares in the economies of most districts, and both sections were significantly important contributors in the Albany, Graaff Reinet, Jansenville, Middelburg and Venterstad districts.

G. GROWTH OF PRODUCTION

Although the foregoing sections give some indications about the behaviour of economic sectors in the Cape Midlands, and in its constituent regions and districts, Tables 22 and 23 clearly show which districts and what sectors have displayed the most rapid growth in production value over the period concerned.

1. Growth by Magisterial Districts

Table 22 presents the average annual percentage changes in the gross domestic product of each magisterial district over the relevant period. The districts have been grouped in terms of their importance as contributors to the gross domestic product for the Midlands as a whole in 1959/60. Thus Group A consists of districts which in 1959/60 accounted for more than 2 per cent of Cape Midlands gross domestic product; Group B comprises the 1 to 2 per cent contributing districts, while Group C consists of magistracies contributing less than 1 per cent.

Table 22/...

TABLE 22

Average Annual Percentage Change in Gross Domestic Product 1954/55 to 1959/60

GROUP A		GROUP B		GROUP C	
Albany	4.8	Alexandria	4.3	Aberdeen	-4.1
Cradock	1.9	Albert	2.2	Bathurst	2.1
Graaff Reinet	1.8	Aliwal North	2.7	Colesberg	1.3
Humansdorp	1.8	Hanover	-1.3	Jansenville	2.5
Port Elizabeth	2.4	Kirkwood	-3.6	Maraisburg	-1.8
Uitenhage	5.4	Middelburg	2.9	Murraysburg	-4.5
		Somerset East	1.6	Pearston	-0.1
		Uniondale	10.9	Richmond	-1.2
		Willowmore	6.7	Steynsburg	1.1
				Steytlerville	0.4
				Venterstad	-2.1

It is generally held that the relationship between regional economic growth and the existence of growth industries within a region is such that the production sectors or districts with a higher average growth rate than the average for the region as a whole can be regarded as exercising a dynamic influence in that region's economy.(1) On the basis of this - although a longer time period would have been more conclusive - it is interesting to note that 9 districts exhibit growth rates equal to or greater than the 2.4 per cent average annual rate of growth in the gross domestic product of the Cape Midlands for the period 1954/55 to 1959/60. To some extent, therefore, these 9 districts may be regarded as being economic growth forces in the Midlands economy. Furthermore, 3 of these districts (Port Elizabeth, Uitenhage and Albany) are economically very significant districts which fall into Group A, and together these 3 districts accounted for 72.7 per cent of the

1. Perloff, H.S., <u>et. al.</u>, <u>op. cit.</u>, p. 60.

Midlands gross domestic product in 1959/60. The remaining 6 districts (with Jansenville the only exception) fall into Group B and, in 1959/60, were responsible for 8.1 per cent of the gross domestic product of the Cape Midlands. In fact most districts falling into Group B exhibit fairly high rates of growth apart from Kirkwood (-3.6 per cent) and Hanover (-1.3 per cent). The districts which are least important as contributors of the Midlands output value, and which fall into Group C, show negative rates of growth in most cases. It would thus appear that the districts which are economically most significant as contributors to the Cape Midlands gross domestic product are also those that have recorded the highest rates of growth over the six year period under review.

2. Growth by Economic Sectors

Turning now to an examination of the growth tendencies of the different economic sectors Table 23 presents weighted average annual growth rates[1] (or, more precisely, the contributions towards total growth) for each economic region and sector for the period under review.

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1. The formula used for weighting the average percentage changes is as follows:-

$$\frac{\left(Q_{s_6} - Q_{s_1}\right) 100}{n} \times \frac{\overline{Q}_s}{\overline{Q}}$$

where : Q_s = Sectoral gross value added in a region

Q = Sectoral gross value added in the Cape Midlands

6 = 1959/60

1 = 1954/55

n = number of years in period (six)

and $\overline{Q}_s$ $(\overline{Q})$ are average regional (Midlands) values of output in respect of the relevant sector over the six year period.

TABLE 23

Weighted Average Annual Rates of Change of the Gross Domestic Product of the Cape Midlands by Economic Regions and Sectors, 1954/55 to 1959/60.

Economic Regions	06	08	09	10	11
Economic Sectors	%	%	%	%	%
Agriculture, Forestry and Fishing	.342	-.359	-.292	-.419	-1.312
Mining and Quarrying	-.175	18.267	.705	.112	-1.951
Primary Production	.334	.119	-.265	-.397	-1.337
Manufacturing, Construction, Electricity, Gas and Water	.058	.475	.085	.291	.218
Trade	.183	1.418	.097	.007	-.103
Financial Institutions and Real Estate	.434	4.299	.423	.295	1.219
Transportation, Storage and Communications	.108	4.096	.399	.146	.957
Ownership of Dwellings	.281	4.242	.906	.199	1.191
General Government Services	.413	5.747	.492	.266	1.340
Miscellaneous Private Services	.218	3.072	.981	.161	.844
Tertiary Production	.230	3.480	.478	.142	.741
Total Gross Domestic Product	.188	1.844	.191	.024	.168

The weighting of the average annual percentage changes in the total value of sectoral output in each region was done in order that the significance of the regional change for each sector would be related to the importance of that sector in the total sectoral production for the economy of the Midlands as a whole. In this way, for example, a fairly steep average increase in, say, the agricultural output of a particular region - which may account for only a small proportion of total Cape Midlands agricultural output - would be scaled down in importance, whereas the opposite would be the case if that particular region was agriculturally very important. While

the weighting/...

the weighting process as described presents a much better indication of the relative growth of individual sectors in each region of the Midlands, the short duration of the period concerned necessitates a comparison of the 1959/60 figures with those for 1954/55 when calculating the change. Had the period been of longer duration - say, ten years or more - it would have been possible to obtain much more realistic rates of growth by comparing five year or more moving averages when computing the change.

From the data presented in Table 23 it may be seen that agriculture has exercised a dampening influence on the growth of total gross domestic product in the Midlands. This is evident from the negative rates of change in respect of this sector in all economic regions with the exception of Region 06 (the Humansdorp/Uniondale districts) which recorded a 0.342 per cent average growth rate over the period. The Albany coastal region 09, and the Port Elizabeth/ Uitenhage region 08, show negative rates of 0.292 per cent and 0.359 per cent, respectively, whereas the much drier, inland situated mid-western districts (Region 10) and the nothern districts (Region 11) exhibit much more rapid rates of decline of 0.419 per cent and 1.312 per cent, respectively.

The production sector with the highest rate of growth over the period is mining in the Port Elizabeth/Uitenhage region. The 18.267 per cent weighted average annual growth rate for mining reflects a fourfold increase in contribution value from R216,000 in 1954/55 to R864,000 in 1959/60. Economic Regions 09 and 10 also exhibit positive rates of growth in mining activity although these rates are considerably below that for Region 08. The mining sector in Regions 06 and 11, on the other hand, records negative rates of change over the period.

Taking the primary sector as a whole, only regions 06 and 08 have positive growth rates. All the remaining regions display negative weighted average annual percentage changes in primary production over the six year period being reviewed, with the highest rate of decline being 1.337 per cent in respect of economic region 11.

As far as secondary production is concerned, all regions have positive growth rates ranging from only 0.058 per cent in the case of Region 06, to 0.475 per cent in respect of the Port Elizabeth/ Uitenhage region. The total for tertiary production displays the same tendency with the most rapid average growth of 3.480 per cent yearly also taking place in the Port Elizabeth/Uitenhage region.

This is followed by 0.741 per cent for tertiary output in Region 11, 0.478 per cent for Region 09 and 0.230 and 0.142 per cent for Regions 06 and 10, respectively. With the exception of trade in Region 11, all sections of the tertiary sector recorded positive growth rates over the period. It appears that the government services and the dwellings sections display the most rapid increases in most regions with transport not being far behind.

Turning to the growth of total gross domestic product in the Midlands, the most rapid growth rate of 1.844 per cent is recorded by the Port Elizabeth/Uitenhage region. Although the weighted growth rates in respect of the other regions are also all positive, they are but a fraction of the growth experienced in Region 08 and are all under 0.200 per cent.

H. PER CAPUT GROSS DOMESTIC PRODUCT

The analysis has thus far dealt primarily with the volume aspects of economic growth in the Cape Midlands. However, while these two groups of factors are closely linked with one another, growth in the value of total output does not necessarily mean a corresponding increase in the welfare of the people.

"Both the volume and the welfare aspects of economic development, it is true, depend generally on the same set of forces; but the strategic variables that determine them need not be identical. The forces determining the former - the "volume" forces - are those that affect relative costs of production (both costs of material inputs and labour costs[1]) in the various parts of the country, the relative size of different market centres[1] (both final or consumer and intermediate producer markets), and relative transport costs as between different places. The forces determining the level of per capita income, on the other hand - the "welfare" forces - are those that influence the relation between the rate of increase in population and labour force and the rate of increase in non-human factors of production within given regions and those that differentiate one region from another in the characteristics of the population - in their skills, age, sex and racial compositions.[2]"

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1. The differences in average labour costs for the main racial Groups in the main industrial areas of South Africa, as well as the importance of different areas as markets have been discussed in some detail in Chapter V.

2. Perloff, H.S., et. al., op. cit., p. 56.

The regional differences as regards skills, age sex and racial composition of the population have been discussed in the foregoing chapter.

It is generally regarded that the best single indicator of the welfare of persons within an area is their personal disposable per caput (capita) real income. To obtain such figures from statistics of the gross domestic product necessitates certain adjustments,(1) in respect of which data on a regional and sub-regional basis are not readily available. Gross domestic product per capita(2) figures are therefore used as a rough general welfare indicator in the Cape Midlands and in its constituent regions and districts.

Table 24 presents the gross domestic product per capita for the period 1954/55 to 1959/60 in respect of each economic region, for the Cape Midlands, and for South Africa.

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1. "...in order to derive personal income from gross geographical income, the following adjustments have to be made:

   1. Gross geographical product at factor cost

      LESS depreciation

   = 2. Net geographical product at factor cost

      LESS net factor income from "outside" regions

   = 3. National income

      LESS company taxes

      LESS company savings (undistributed profits)

      LESS government income from property and entrepreneurship

      ---

      PLUS transfer payments received from public authorities and business undertakings

      PLUS or LESS current transfer from "outside" regions

   = 4. Personal income

      LESS direct income tax payable by individuals

   = 5. Personal disposable income."

   Nel, P.A., and de Coning, C., "The Regional Distribution of Purchasing Power in the Republic of South Africa". Bureau of Market Research, Report No. 10, Pretoria: University of South Africa, 1965.

2. Total population of each region and district for the inter census years was estimated by applying the average annual growth rates that prevailed between 1951 and 1960 to each region and district. Since no provision has been made for changes in the general level of prices, for the distribution of income between the racial groups, for changes in working conditions, etc., the resulting per capita averages are very crude indications of the welfare of residents in the Cape Midlands.

Table 24/...

TABLE 24

Gross Domestic Product Per Capita 1954/55 to 1959/60 (Rands)

Economic Regions	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60	Period Average
Region 06	171.9	170.5	191.6	216.2	181.1	197.3	188.1
Region 08	516.0	514.4	514.9	519.3	485.2	493.2	507.2
Region 09	157.8	137.2	147.2	139.8	145.4	161.2	148.1
Region 10	262.3	210.9	278.2	220.7	251.5	253.6	246.2
Region 11	212.5	201.2	236.9	202.5	191.7	206.4	208.5
Cape Midlands	334.5	326.1	343.7	335.8	319.1	331.8	331.8
South Africa	259.4	268.9	283.7	285.1	285.2	301.2	280.6(1)

From the above table it is evident that in all years the per capita gross domestic product in the Cape Midlands was higher than it was for South Africa. The average for the whole period worked out at R331.8 as compared with R280.6 in the case of the Republic. Statistically, the very high comparative figures for the Port Elizabeth/Uitenhage region are obviously responsible, but an important economic reason may well be the much higher ratio vis-à-vis the Republic of Whites to non-Whites (as well as the much higher representation of Coloureds) in the Midlands. However, whereas the tendency in South Africa's case is for the per capita figures to increase steadily and without interruption, the same cannot be said of the Cape Midlands where the tendency is a fluctuating one in the opposite direction. Thus, where the Midlands per capita figure in 1954/55 was some R75 above the corresponding South African figure, the discrepancy in 1959/60 was only slightly over R30. If compared with the Midlands, the somewhat lesser relative reliance on the unsteady agricultural sector as well as the considerably greater rôle of mining (especially gold) in the Republic's economy, may well be reasons contributing to the steady upward growth of per capita gross domestic product in the country as a whole.

On the basis of the crude values calculated, residents of the Port Elizabeth/Uitenhage region enjoy by far the highest standard

1. The gross domestic product used to calculate this figure was estimated in the manner described in footnote 2 on page 91.

of living/...

of living in the Midlands with a per capita figure of R493.2 in 1959/60, and an average for the entire period of R507.2. The highly industrial nature of this region, its dominating rôle in the economy of the Midlands and the much higher level of development, are all general reasons for the relatively high per capita incomes there. Region 10 comes next in importance with a R246.2 average for the period and this is followed by an average of R208.5 for the largest economic Region 11.

Economic Regions 06 and 09 are fourth and fifth in terms of per capita gross domestic product, respectively. Although the average figures over the period for these two regions are well below R200 per head, the year by year statistics display a fluctuating but upward movement which is in direct contrast to the general tendency in the three most important economic regions and in the Midlands as a whole.

Table 25 presents the gross domestic product averages for the residents of each magisterial district in the Cape Midlands over the review period.

Table 25/...

TABLE 25

Gross Domestic Product per capita by Magisterial Districts
1954/55 to 1959/60 (Rands)

Districts	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60	Period Average
Aberdeen	391.5	273.8	368.8	280.3	291.2	279.4	314.2
Albany	186.0	170.0	182.6	185.1	188.8	208.2	186.8
Albert	212.2	200.2	253.8	220.0	189.2	212.9	214.7
Alexandria	131.2	117.3	122.1	112.1	124.2	146.0	125.5
Aliwal North	167.4	169.3	188.3	171.1	150.2	183.4	171.6
Bathurst	89.8	86.2	86.4	76.9	88.8	93.2	86.9
Colesberg	184.4	168.8	289.6	196.5	170.3	168.7	199.4
Cradock	238.7	221.5	256.3	226.2	209.2	233.7	230.9
Graaff Reinet	201.7	204.2	232.7	201.9	208.9	211.8	210.2
Hanover	293.9	277.8	287.8	263.9	274.3	252.2	275.0
Humansdorp	155.5	146.5	161.5	165.4	160.0	152.8	156.9
Jansenville	203.8	182.7	227.4	189.9	314.3	216.7	239.1
Kirkwood	198.5	141.0	160.6	134.9	129.8	141.8	151.1
Maraisburg	206.6	188.0	203.9	76.8	151.7	169.7	166.1
Middelburg	193.0	193.6	222.1	198.9	193.1	192.7	198.9
Murraysburg	316.7	326.4	311.4	240.2	220.4	225.8	273.5
Pearston	234.8	191.7	267.1	188.4	200.0	211.8	215.6
Port Elizabeth	576.9	576.0	572.0	575.5	530.6	536.8	561.3
Richmond	274.0	224.1	316.7	242.1	209.6	238.5	250.8
Somerset East	192.2	184.8	219.4	190.9	184.7	201.4	195.6
Steynsburg	152.1	132.7	103.6	166.9	86.7	142.9	130.8
Steytlerville	285.7	263.7	331.4	245.8	224.5	276.6	271.3
Uitenhage	295.2	287.7	304.7	310.2	319.0	334.8	308.6
Uniondale	164.6	178.6	206.8	266.9	175.5	239.5	206.0
Venterstad	181.9	125.4	180.9	176.0	168.5	141.3	162.3
Willowmore	201.0	157.9	224.8	188.6	170.0	257.5	200.0

The interplay between growth in gross domestic product and population within the various districts is reflected in the per capita statistics presented above. As is to be expected, the residents of the Port Elizabeth district enjoy the greatest prosperity with a per capita average over the period of R561.3. This is followed by R314.2 in Aberdeen, R308.6 in Uitenhage and R275.0 in Hanover. The Bathurst district records the lowest average figure of only R86.9 and this is due primarily to the relatively large population which is comprised almost entirely of non-Whites, and the rapid out-migration of Whites that has been taking place. This is shown by the fact that in 1951 2,975 Whites were resident in this district while the corresponding 1960 figure was only 2,578.

To some extent at any rate, differentials in the per capita gross domestic product figures of districts indicate that a re-allocation of resources between districts could raise the level of gross domestic product in the Midlands. Differences in the economic structure of districts is also an important contributing cause for the income differentials portrayed in the above Table. Districts which rely to a relatively greater extent on agricultural activities may also be expected to be districts which possess a lower capital to labour ratio since historical capital investment has occurred chiefly in the manufacturing and services sectors. This in turn has implications for the relative proportions of skilled and unskilled workers employed in different districts which, in the South African context, is reflected by a higher ratio of non-White to White employees in farming. On the side of population, it might also be expected that the birth rate is relatively higher in the lower income farm areas, particularly in districts where the proportion of Bantu is high. In addition, the vagaries of weather conditions and the likelihood of more frequent and larger price fluctuations in agriculture has already been mentioned. All these factors are contributory in explaining, to some extent at least, the per capita gross domestic product differentials that exist between magisterial districts in the Cape Midlands.

In conclusion, however, it should be stressed that the differentials that exist between districts are not necessarily accurate reflectors of differences in welfare between them. Climatic, social and price differences where they exist between districts and regions would mean that a given level of per capita gross domestic product would have different implications for the welfare of persons at different places. Hence, on the premise that not all goods and services affecting the welfare of persons are bought and sold on the market, the actual money cost of living in terms of food, rent and the basic necessities is probably considerably lower in the case of farm engaged personnel in the Bathurst district than it is for city dwellers in Port Elizabeth or Uitenhage for example. Furthermore, it should be remembered that insofar as absolute indications of welfare are concerned, the per capita gross domestic figures used are very crude indicators indeed.

CHAPTER IV

PRIMARY PRODUCTION

A. CLIMATE AND NATURAL VEGETATION

The Department of Agricultural Technical Services has divided the Republic into a number of agro-economic regions. The Cape Midlands embrace part of three such regions. The Karoo region includes economic regions 10 and 11 (excluding Aliwal North) and forms 76.3 per cent of the total area of the Midlands. The Eastern Cape region embraces economic regions 08 and 09 (including Aliwal North) and forms 15.2 per cent of the Midlands total area, while the Winter Rainfall region embraces economic region 06 which forms 8.5 per cent of the Cape Midlands total area. The Cape Midlands as a whole is thus essentially an area of climatic transition.[1]

The transitional character of the climate is particularly noticeable with respect to the rainfall, both its annual amount and its seasonal incidence. In the interior, sharp differences occur within short distances in the annual rainfall, which varies with the relief and the distance from the sea. Thus the most arid areas are the mid-western districts (economic region 10) with less than 10 inches, with the rainfall increasing to less than 15 inches in a broad stretch of country extending from Grahamstown westwards and north westwards to the Sneeubergen north of Graaff-Reinet. In the Sundays, Bushmans and Great Fish River Valleys the total rainfall is even less, while on the other hand the Great Winterberg mountains east of Cradock enjoy more than 30 inches. Thus, in general, the magisterial districts of Graaff-Reinet, Richmond, Colesberg, Middelburg, Maraisburg, Albert and Aliwal North receive between 10 and 20 inches, while Port Elizabeth, Uitenhage, Albany, Alexandria, Bathurst and most of Humansdorp, as well as a portion of the district of Cradock, Somerset East and Middelburg receive between 20 and 30 inches.[2] Generally speaking the rainy season becomes shorter and the rainfall less reliable westwards and towards the interior. In common with the rest of South Africa, the narrow coastal zone is free from the winter frosts which characterise the interior and there is a progressive increase in the annual range of temperature away from the coast. As in most of the Republic, the evaporation rate is high and almost everywhere considerably in excess of precipitation.

The varied climatic and soil conditions in the Cape Midlands result in a variety of grassland, macchia, forest and scrub. East of Algoa Bay/...

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1. op. cit., p. 5.

2. Cole, M.M. South Africa. London: Methuen, 1961. After the map on p. 566.

of Algoa Bay along the coast is found the Alexandria forest type of vegetation; a small area also occurs west of Port Elizabeth. In between is found valley bushveld extending into the interior and giving way on both sides to macchia bush and Karoo scrub. The grester part of the hinterland is dominated by Karoo scrub of varying types, while the mountains in the interior are covered by karoid type mountain veld.[1]

B. THE STRUCTURE OF THE PRIMARY SECTOR IN THE CAPE MIDLANDS

Having virtually nothing in the way of mineral resources and with secondary industry confined largely to Port Elizabeth and Uitenhage, production in the Cape Midlands is to a large extent connected with agriculture. In this study the term agriculture is used to embrace the two main categories of farming, animal husbandry and arable farming, while the customary subdivision of these main categories into more particularized groups is not employed since the ensuing discussion is not sufficiently detailed to warrant such subdivision.

Within the Cape Midlands a broad distinction can be made between the generally arid interior, or the Karoo regions, and the better watered coastal regions. This distinction is based on the two main categories of farming i.e. animal husbandry and arable farming although these two activities often overlap, particularly in the coastal regions. The Karoo regions are suitable for little else except sheep but for this purpose the physical environment is among the most favourable in South Africa. Hence the largest concentration of wooled, and to a lesser extent non-wooled sheep are found in economic regions 10 and 11 (the Karoo regions) although sheep are to be found almost everywhere in the Midlands. In the less arid eastern portion of these regions cattle for dairy and beef purposes are raised in addition to sheep, but with the help of artificial permanent pastures. Thus the Karoo regions, apart from the irrigated upper Sundays River Valley around Graaff-Reinet where cereals, lucerne and deciduous fruit are grown, concentrate mainly upon pastoral production. "In the Midlands production is characteristically the outcome of commercial pastoral farming in the hands of Europeans, with a conspicuous emphasis upon the production of wool, and agriculture tends to be confined to the better watered coastal belt or to the rather limited irrigable lands along the Sundays and Great Fish Rivers."[2]

Agriculture in the coastal regions tends to be more diversified with the more favourable climate permitting arable farming and the growing of fruit. Pastoral activities are by no means unimportant but in this sphere/...

1. Cole, M.M. <u>ibid.</u> After the map on p. 567.

2. Rennie, J.V.L., <u>op. cit.</u>, p. 25.

in this sphere the emphasis is upon dairying and the production of meat. Thus mixed farming activities prevail with citrus fruit being the most important single agricultural product. The fruit is highly sensitive to frost and commercial citri-culture is limited to the frost free river valleys of the Sundays, Fish and Gamtoos rivers where it is grown under irrigation. Citrus growing in these valleys is combined with dairying, poultry raising, vegetable and honey production to supply nearby Port Elizabeth and Uitenhage. Large amounts of lucerne, distributed to the surrounding pastoral areas as a supplementary feed, are also grown.

Being an export product wool is tied closely to the world price for the commodity and as such has suffered frequent short term fluctuations in the past. The interior of the Cape Midlands is thus most vulnerable to the movements of wool prices on world markets which can have a profound influence. Combined with this is the growing importance of synthetic fibres as a substitute for wool in recent years. These factors leave an urgent need for the development of secondary industry in the interior as a stabilizing factor. However, before such industry can develop and be encouraged, it is essential that an adequate infrastructure be laid. With the commencement of the Orange River Development project the two most vital factors viz., water and power will be provided in sufficient quantities, and secondary industries, particularly those connected with the processing of animal products, can be encouraged to provide this vital stabilizing factor.

After agriculture the most important primary activity is mining and quarrying. These refer almost exclusively to the production of sand, limestone, stone and clay quarries producing for the construction sector and for the building of national and other roads. Production is purely for localised needs but particular districts export some of their production to outside the Midlands i.e. Albany, where the clay is of excellent quality and is used by the pulp and paper industry in other parts of South Africa.

Next in importance is commercial forestry, which in the Cape Midlands is confined to the coastal districts. The forests occur near the sea with small scattered patches on the better watered sea facing escarpments further inland. The trees are mainly indigenous and unsuited for commercial purposes because of the considerable length of time required to reach maturity. These forests are under the control of the State Forestry Service which has also undertaken the planting of exotic trees from which comes the majority of timber for commercial purposes. The main types are pines which under favourable conditions can mature in as short a period as thirty years; eucalyptus are only of minor importance. Such private tree planting as has been undertaken has created no more than a few woodlots and cannot contribute

significantly/...

significantly to the primary output of these regions for some years to come. There are only two sawmills in the Cape Midlands and both are situated in the Port Elizabeth district where structural timbers used by the building industry, planks for boxes, fragmented wood and woodpulp used in the manufacture of synthetic building boards of various kinds, and cardboard, paper and newsprint are produced.

Commercial fishing in the Cape Midlands is concentrated on Port Elizabeth with small contributions by the Humansdorp and Bathurst magistracies. The Port Elizabeth fishing industry is small by any standards but is relatively young and flourishing, and adequately serves the city and its hinterland with particular varieties, although the catch of those fish in more popular demand has to be supplemented from the western Cape. A small weekly surplus of the less popular varieties is exported to Johannesburg and Rhodesia. The main fish caught are cob, gurnard, maasbanker, stockfish, geelbeck and a large variety of reds. The main trawling grounds exploited are the Roman Rock Ground situated within Algoa Bay and the nearby Chalk Line Ground. Most of the fish are netted by trawlers but line boats catch those species which the trawlers cannot net and which would otherwise be absent from the market. The fishing industry at Port Elizabeth is never likely to expand to any great size since the more favourable trawling grounds of the south-western Cape would make any development on a scale much beyond that already achieved comparatively uneconomical.

The economic structure of the primary sector in the Cape Midlands is summarised below.[1]

TABLE 26

CAPE MIDLANDS

The Primary Sector - Gross value added (R'000)

	Agriculture	Mining & Quarrying	Forestry	Fishing	Total (% of South Africa's total)
1954/55	43,461(96.6)	915(2.0)	364(0.8)	245(0.6)	44,985(100.0) (4.7)
1955/56	35,264(94.8)	1,333(3.6)	363(1.0)	234(0.6)	37,194(100.0) (3.7)
1956/57	46,591(96.3)	1,180(2.4)	368(0.8)	227(0.5)	48,366(100.0) (4.2)
1957/58	36,343(95.3)	1,168(3.1)	360(1.0)	246(0.6)	38,117(100.0) (3.5)
1958/59	35,178(94.8)	1,285(3.5)	375(1.0)	269(0.7)	37,107(100.0) (3.4)
1959/60	37,657(94.4)	1,378(3.5)	296(0.7)	577(1.4)	39,908(100.0)
% change 1955/60	-13.4	+50.6	-18.7	+135.5	-11.3

Of all primary activities in the Cape Midlands agriculture is of overwhelming importance. In 1954/55 and 1959/60 agriculture comprised

96/6 per cent/..

1. Detailed tables showing the gross value of output, the value of intermediary goods and services and the gross value added in each magisterial district are at the end of this chapter.

96.6 per cent and 94.4 per cent of the gross value added by the primary sector as a whole. The combined contribution of the remaining primary activities for the same years were negligible at 3.4 per cent and 5.6 per cent respectively. The gross value added by agriculture, however, declined by 13.4 per cent comparing 1960 with 1955, but it fluctuated from year to year the peak being in the good season of 1956/57. The remaining primary activities combined increased by 47.7 per cent over the same period. The value of primary output as a whole in the Cape Midlands represents between 3.4 per cent (1958/59) and 4.7 per cent (1954/55) of the South African total for the period 1955 to 1959. In 1960 the primary sector in the Midlands employed 63,097 persons of whom 62,119 or 98.5 per cent were employed by agriculture, forestry and fishing. Only 978 persons were employed by mining and quarrying. The total employed by the primary sector represents 21.5 per cent of the 1960 working population in the Midlands and includes 9,169 Whites, 36,399 Bantu and 17,529 Coloureds, the majority of whom were males in the rural areas. Asiatics are not included in any of the above figures since their distribution between the main industry groups was not available.

The economic structure of the primary sector in the Cape Midlands differs from that for South Africa as summarised in Table 27 below.

TABLE 27

SOUTH AFRICA

The Primary Sector - Gross value added (R'000)

	Agriculture, Forestry and Fishing	Mining and Quarrying.	Total
1954/55	542,700 (56.1)	424,400 (43.9)	967,100 (100.0)
1955/56	555,600 (54.6)	462,200 (45.4)	1,017,800 (100.0)
1956/57	634,700 (55.7)	504,300 (44.3)	1,139,000 (100.0)
1957/58	554,200 (51.1)	529,600 (48.9)	1,083,800 (100.0)
1958/59	546,000 (49.8)	549,700 (50.2)	1,095,700 (100.0)
% change 1955/59	+0.6	+29.5	+13.3

Source: Stadler, J.J. 'The Gross Domestic Product of South Africa, 1911-1959'. S.A.J.E. September, 1963, p. 194.

Comparative figures for South Africa were available only for the five year period 1955 to 1959. These figures show that mining and quarrying has become the most important primary activity in the national economy with a contribution of 50.2 per cent to the gross value added by the primary sector as a whole in 1958/59. The remaining primary activities combined accounted for between 56.1 per cent and 49.8 per cent of the gross value added by the primary sector, compared with agriculture's contribution of about 95 per cent in the Cape Midlands/...

Midlands. Hence, compared with South Africa, the Midlands are reliant to a considerably greater extent upon agriculture; and the remaining primary activities are negligible by comparison.

By 1959/60 agriculture's contribution to the gross domestic product in the Midlands had declined in value by 13.4 per cent on the 1954/55 figure. This decline has been sporadic and due in the main to adverse seasonal conditions and declining prices of the major agricultural products of the Midlands. Severe droughts prevailed over the greater part of the Midlands since 1956/57 with resultant heavy stock losses by farmers, particularly in the Karoo regions. The world price of wool, the major agricultural product of the Midlands, had begun to fall at the same time. The 1958/59 prices dropped by 20 per cent of the 1957/58 prices which had themselves dropped by 25 per cent of the 1956/57 prices. Combined with the drought, this price fall is of particular economic significance since it explains in part the persistent drop in the gross value added by agriculture in the Midlands between the years 1956/57 and 1958/59. In 1959/60 the world price of wool had risen by 24 per cent on the previous year's level and the gross value added by agriculture in the Midlands rose as a result.

The figures for agriculture, forestry and fishing for South Africa (of which agriculture is the largest contributor) display a similar pattern to that for the Midlands. The gross value added declined for the two years following 1956/57 although less steeply than for the Midlands. This decline is probably due to the same reasons. In direct contrast to the positive rate of 0.6 per cent experienced by South Africa over the period 1954/55 to 1958/59, the combined contributions of agriculture, forestry and fishing in the Midlands declined by 18.7 per cent. An explanation of the above trends is that the country as a whole was less affected by the drought and the falling world price of wool after 1956/57 than were the Midlands, the greater part of which are drought prone areas concentrating on the production of wool. Both for South Africa and the Midlands, however, the best year was 1956/57; the year known as the most prosperous in the history of South African agriculture.

By 1958/59 mining and quarrying was contributing more than half of the gross value added by the primary sector as a whole in South Africa. The comparative figure for the Midlands is only 3.5 per cent. Although being of only secondary importance in the structure of primary production in the Midlands, mining and quarrying grew at a rate considerably faster than that for the country as a whole over the period 1954/55 to 1958/59, the rates being 40.4 per cent and 29.5 per cent respectively. (Over the six year period 1955 to 1960 the growth of mining and quarrying in the Midlands was even higher at 50.6 per cent.

In 1960/...

In 1960 the primary sector in South Africa employed 2,293,449 persons of whom 1,687,939 or 73.6 per cent were employed in agriculture, forestry and fishing. The comparative figure for the Midlands was 98.5 per cent. Of all persons employed in primary activities 26.4 per cent were employed in mining and quarrying - in the Midlands this figure was only 1.5 per cent. The total employed by the primary sector as a whole represents 41.2 per cent of South Africa's 1960 working population, (21.5 per cent in the Midlands) and included 179,770 Whites, 1,990,323 Bantu and 123,356 Coloureds. In order to make the above figures comparable with those for the Midlands, Asiatics have not been included.

C. THE REGIONAL STRUCTURE OF THE PRIMARY SECTOR

1. The Karoo Regions

Although wooled and non-wooled sheep are to be found in most parts of the Midlands, the largest concentrations are in the two Karoo regions where the physical environment is among the most favourable for this purpose. Wooled sheep are the centre of primary activity throughout these regions, but the higher rainfall in the eastern portion of region 11 also favours the raising of cattle and the cultivation of artificial permanent pastures. Maize and lucerne are grown in summer and wheat and oats in winter. The cereals are grown for fodder purposes and make this area one of the most important in the Republic for wool, beef and hides. The more arid conditions in the western part of this region and in region 10, make the cultivation of crops possible only under irrigation. The Van Rynevelds Pass dam provides irrigation water for a comparatively small area around Graaff-Reinet in the upper Sundays River Valley and cereals, lucerne and deciduous fruit are grown. Everywhere else pastoral activities predominate, and when the world price of mohair was favourable the angora goat industry was important. More recently the merino sheep is the main concern with non-wooled sheep and goats assuming a subsidiary position. The leading breeds of sheep are thus merino for wool and the Blackhead Persian for mutton. The latter are concentrated mainly around Cradock and Graaff-Reinet. Economic regions 10 and 11 are thus concerned primarily with extensive pastoral activities and contribute largely towards making the Cape Midlands one of the most important wool, meat and hides producing area in the Republic.

The rainfall, and therefore the stock carrying capacity of the natural vegetation, decreases in a westerly and north-westerly direction away from the Great Fish River. Thus the approximate sheep carrying capacity of the land (morgen per sheep unit) decreases from between 1.0 and 1.4 in the vicinity of Albert, Maraisburg, Cradock and

Somerset East, to between 1.8 and 2.2 in the vicinity of Hanover, Richmond, Murraysburg, Aberdeen and Steytlerville.[1] As is to be expected, the incidence of rainfall has contributed towards making the farming units in the better watered eastern portion smaller than in the more arid western parts. The average farm sizes in the magisterial districts of Albert, Venterstad, Steynsburg, Maraisburg, Cradock and Somerset East were 1,000 - 2,000 morgen in 1960, while in the more westerly districts of Colesberg, Hanover, and Aberdeen they were 3,000 - 4,000 morgen. In the even more westerly districts of Richmond and Murraysburg, where the approximate carrying capacity of the veld varies between 1.8 and 2.2 morgen per sheep unit, average farm sizes in 1960 were between 5,000 and 7,000 morgen.[2]

Region 10 (the mid-western districts)

The primary sector's economic structure in this region is summarised in the following table:

TABLE 28

REGION 10

The Primary Sector - Gross value added (R'000)

	Agriculture	Mining & Quarrying	Forestry & Fishing	Total (% of Midlands total)	
1954/55	5,664 (99.7)	18 (0.3)	-	5,682 (100.0)	(12.6)
1955/56	3,849 (99.6)	14 (0.4)	-	3,863 (100.0)	(10.4)
1956/57	6,060 (99.8)	10 (0.2)	-	6,070 (100.0)	(12.5)
1957/58	3,780 (99.6)	14 (0.4)	-	3,794 (100.0)	(10.0)
1958/59	4,706 (99.8)	10 (0.2)	-	4,716 (100.0)	(12.7)
1959/60	4,493 (99.0)	44 (1.0)	-	4,537 (100.0)	(11.4)
% change 1955/60	-20.7	+144.4	-	-20.2	

It is clear from the above table that, of the two primary activities, agriculture is of overwhelming importance. Between 1954/55 and 1959/60 agriculture contributed between 99.8 per cent and 99.0 per cent of the gross value added by the primary sector as a whole, but its contribution has dropped from R5,664,000 to R4,493,000 over the same period. This represents a decline of 20.7 per cent over the 1954/55 figure and, apart from that exhibited by region 08, this is the fastest rate of decline in all the regions in the Cape Midlands. This rapid decline/...

1. Annual Report of the Karoo Region for the year July, 1960 to June, 1961. Department of Agricultural Technical Services, Pretoria. After the map on p. 3.

2. ibid., After the map on p. 34.

decline in the gross value added may be attributed to the falling price of wool and the severe recurring droughts which, particularly in this most arid region, resulted in large stock losses over the greater part of the period under review. Mining and quarrying makes an insignificant contribution when compared with agriculture, but unlike the latter it has increased its contribution with a growth of 144.4 per cent over the period 1955 to 1960. All primary activities together in this region contributed between 12.7 per cent and 10.0 per cent to the total for the Midlands over the same period.

In 1960 the primary sector in this region employed 5,242 persons of whom the overwhelming majority of 5,231 were employed by agriculture. The total employed by the primary sector represents 42.2 per cent of the 1960 working population in the region and included 1,017 Whites, 979 Bantu and 3,246 Coloureds. Asiatics have not been included in the above figures.

Region 11 (the northern districts)

The economic structure of the primary sector in this region is the same as that in region 10 and is summaried in table 29 below:

TABLE 29

REGION 11

The Primary Sector - Gross value added (R'000)

	Agriculture	Mining & Quarrying	Forestry & Fishing	Total (% of Midlands total)
1954/55	19,746 (97.5)	507 (2.5)	-	20,253 (100.0) (45.0)
1955/56	17,240 (97.2)	495 (2.8)	-	17,735 (100.0) (47.7)
1956/57	23,625 (99.2)	197 (0.8)	-	23,822 (100.0) (49.3)
1957/58	16,426 (99.5)	88 (0.5)	-	16,514 (100.0) (43.3)
1958/59	14,419 (99.0)	147 (1.0)	-	14,566 (100.0) (39.3)
1959/60	16,377 (98.5)	252 (1.5)	-	16,629 (100.0) (41.7)
% change 1955/60	-17.1	-50.3	-	-17.9

As in region 10, agriculture is of overwhelming importance to the economy of this region, contributing between 97.2 per cent and 99.5 per cent of the gross value added by the primary sector over the period 1955 to 1960. Due also to the recurring droughts and the declining world price of wool, the gross value added by agriculture declined by 17.1 per cent over the same period. This region nevertheless contributed between 39.3 per cent and 49.3 per cent of the gross value added by the primary sector in the Midlands as a whole during the period under review and is thus the dominant primary producing region in the local economy.

In 1960/...

In 1960 the primary sector in this region employed 23,057 persons of whom the majority of 22,835 or 99.0 per cent were employed in agriculture. Only 222 persons of all races were employed by mining and quarrying. The total employed by the primary sector represents 31.8 per cent of the 1960 working population in this region and included 3,530 Whites, 12,348 Bantu and 7,179 Coloureds. Asiatics have been excluded from the above figures.

Regions 10 and 11 together are almost entirely agricultural in their primary activities and contribute more than half of the total contribution by the primary sector as a whole to the economy of the Cape Midlands. Their contribution, however, has declined rapidly over the period under review and will continue to do so whenever the world price of wool falls to depressed levels.

2. The Coastal Regions

The coastal regions, being better watered, engage in mixed and highly specialised farming activities and average farm sizes are on the whole much smaller than in the interior. In region 09, aside from sheep and angora goats, cattle are kept for beef but mainly for dairy purposes. Extensive dairy farming, with the natural veld being supplemented by hay, silage and fodder crops is practised in order to supply the urban concentrations of Port Elizabeth, Uitenhage and Grahamstown with fresh milk and milk for processing into butter and cheese. Since the growing of pineapples can be readily combined with cattle farming, this is done in the districts of Albany, Alexandria and Bathurst which in 1955/56 cultivated more than 54 per cent of the total areas planted to pineapples in South Africa.[1] The pineapples in such cases are used as a silage feed, particularly for high yielding dairy cattle. In the Uitenhage district the predominant stock type is the angora goat with smaller numbers of merino sheep and Boer goats. A small stretch of land along the Swartkops River is used for vegetable production under irrigation and small quantities of wheat are grown as a cash crop. West of Port Elizabeth, where the rainfall is relatively high, the production of fresh milk and dry land vegetable production predominates. In the Gamtoos River Valley, citrus, tobacco and vegetables are grown with wool also being an important product.

Aside from wool, citrus fruit is the most important export of the Cape Midlands. The fruit is highly sensitive to frost and commercial citriculture is thus limited to the frost free river valleys of the Sundays, Fish and Gamtoos Rivers. The lower Sundays Valley between Kirkwood and Addo is supplied with irrigation water from

Lake Mentz/...

1. Strauss, C.B., op. cit., p.1.

Lake Mentz. The irrigated fertile alluvial soils have made this one of the most important citrus producing areas in the Republic. The land is used intensively and almost the entire output of grapefruit in the Republic is grown here. The citrus groves are about 25 miles long and only 35 miles from the central pack-house at Port Elizabeth from where the fruit is either processed in the canning and jam factories or exported overseas. Citrus growing is combined with dairying, poultry raising, vegetable and honey production to supply nearby Port Elizabeth and Uitenhage. Large amounts of lucerne are also grown and used in the surrounding districts as supplementary feed.

The Great Fish River Valley is supplied with irrigation water from Lake Arthur and the Grassridge dam. Both here and in the Gamtoos River Valley citrus and deciduous fruits are grown. Near the Fish large numbers of deciduous fruit trees have had to be removed due to the siltation of the reservoirs which has reduced their water storage capacity. Large quantities of lucerne and teff hay, which require less water, are grown instead to supply supplementary feed for the extensive stock raising areas in the vicinity. In the lower Sundays Valley the greater part of 18,000 acres of irrigable land is devoted to lucerne.[1] Lucerne and teff hay, apart from being excellent rotation crops, are the mainstay of the dairying industry, providing nutritious grazing as well as hay and silage for high yielding milk cows. Thus the extensive stock raising and dairy areas of the coastal districts are dependent upon these valleys for supplementary feeds and the valleys in turn focus on Port Elizabeth for their supplies and for the export and sale of their produce. Port Elizabeth is thus the dominant metropolis upon which its vast hinterland depends, not only for supplies, but for the export, sale and processing of its output. The city has thus developed industries connected with the agricultural produce of its hinterland i.e. fruit canning, jam making, confectionary, the preparation of hides and skins, the manufacture of leather goods and the export of wool and fruit, and its future growth will depend in no small measure upon the continuous development of agriculture in its hinterland.

Region 06 (the Humansdorp-Uniondale districts)

This is the only economic region to enjoy winter rainfall. Its main products are citrus and deciduous fruit (apples), dairy products, lucerne, timber (indigenous pine) and a relatively small quantity of wool and meat. The economic structure of this region's primary sector is summarised in table 30:

Table 30/...

1. Cole, M.M. op. cit. p. 571.

TABLE 30

REGION 06

The Primary Sector - Gross value added (R'000)

	Agriculture	Mining & Quarrying	Forestry	Fishing	Total (% of Midlands total)
1954/55	3,823 (89.2)	146 (3.4)	315 (7.3)	5 (0.1)	4,289 (100.0) (9.6)
1955/56	3,470 (87.5)	180 (4.5)	314 (7.9)	5 (0.1)	3,969 (100.0) (10.7)
1956/57	4,444 (89.5)	199 (4.0)	319 (6.4)	4 (0.1)	4,966 (100.0) (10.3)
1957/58	5,380 (90.5)	248 (4.2)	312 (5.2)	5 (0.1)	5,945 (100.0) (15.6)
1958/59	3,564 (86.1)	243 (5.9)	325 (7.9)	5 (0.1)	4,137 (100.0) (11.1)
1959/60	4,633 (92.1)	136 (2.7)	256 (5.1)	6 (0.1)	5,031 (100.0) (12.6)
% change 1955/60	+21.2	-6.8	-18.7	+20.0	+17.3

As in all the economic regions that comprise the Cape Midlands, agriculture is the leading form of activity in region 06, accounting for between 86.1 per cent and 92.1 per cent of the gross value added by the primary sector in the period under review. However, apart from this characteristic common to all the constituant regions of the Midlands, the structure of the primary sector in region 06 differs from that for the Midlands and all its other economic regions. Being the only winter rainfall area, forestry in this region is the next most important contributor, accounting for between 5.1 per cent and 7.9 per cent of the gross value added by the primary sector as a whole during the six year period under review. Mining and quarrying is next with between 2.7 per cent and 5.9 per cent, while fishing is negligible with a steady 0.1 per cent for all years under consideration. The fishing that takes place in this region is purely line fishing and as such cannot increase its contribution to any significant degree.

Unlike the Cape Midlands and all the other regions that comprise the Midlands, agriculture's contribution in region 06 has increased over the period 1955 to 1960. This increase has been of the order of 21.2 per cent and is due in the main to the favourable climatic conditions enjoyed by this region relative to the rest of the Cape Midlands (particularly the Karoo regions), and also because the fall in the world wool price did not effect the value of this region's output to the same extent as it did other parts of the Midlands after 1956/57. The region's percentage share of primary contribution is not large but has increased from 9.6 per cent in 1954/55 to 12.6 per cent in 1959/60. Once the Kouga Dam, situated at the confluence of the Kouga and Gamtoos Rivers is completed, this region's agricultural output should increase sharply as more land is brought under irrigation. This dam, started

in 1958/...

in 1958, will bring a constant water supply to the fertile Gamtoos Valley and will increase the area of irrigable land from 5,500 to 10,000 morgen.

In 1960 the primary sector in region 06 employed 9,062 persons of whom 9,052 persons were engaged in agriculture, forestry and fishing. The total employed by the primary sector as a whole represents 48.6 per cent of the 1960 economically active population in this region and included 1,911 Whites, 2,887 Bantu and 4,264 Coloureds. Asiatics have not been included in the above figures.

Region 08 (Port Elizabeth and Uitenhage)

The main primary activities in this region centre around supplying the dense urban population with agricultural produce and processed products for daily consumption i.e. fresh milk, milk for processing into butter and cheese, vegetables, meat and fish and with sand, stone and lime for the construction sector. The output of forestry is negligible by comparison with the other primary activities although all processing of timber grown here and in region 06 (included under the secondary sector) is done in this region.

TABLE 31

REGION 08

The Primary Sector - Gross value added (R'000)

	Agriculture	Mining & Quarrying	Forestry	Fishing	Total (% of Midlands total)
1954/55	4,270 (89.5)	216 (4.5)	49 (1.0)	238 (5.0)	4,773 (100.0) (10.6)
1955/56	3,300 (78.9)	607 (14.5)	49 (1.2)	227 (5.4)	4,183 (100.0) (11.2)
1956/57	4,055 (80.2)	731 (14.5)	49 (0.9)	221 (4.4)	5,056 (100.0) (10.4)
1957/58	3,615 (77.6)	761 (16.3)	48 (1.0)	239 (5.1)	4,663 (100.0) (12.2)
1958/59	4,864 (81.4)	802 (13.4)	50 (0.8)	262 (4.4)	5,978 (100.0) (16.1)
1959/60	3,006 (67.1)	864 (19.3)	40 (0.9)	569 (12.7)	4,479 (100.0) (11.2)
% change 1955/60	-29.6	+300.0	-18.4	+139.1	-6.2

As in all other regions in the Cape Midlands (except region 06) the gross value added by agriculture has declined over the period under review, This decline has been of the order of 29.6 per cent. Mining and quarrying, on the other hand, exhibit consistent growth over the same period, increasing from R216,000 in 1954/55 to R864,000 in 1959/60, a rate of growth of 300 per cent over the six year period. The Port Elizabeth fishing industry is small and not likely to expand much beyond its present size. The contribution of this industry, however, has more than doubled over the period 1955 to 1960. In comparison to the other primary activities, forestry's contribution has remained negligible at

between/ ...

between 0.8 per cent and 1.2 per cent for the period under review.

The region's primary output as a whole is not large, fluctuating between 10.4 per cent and 12.2 per cent of the gross value added by the primary sector as a whole during the period 1955 to 1960. The region is, however, industrial in character and does the bulk of processing of the primary products of its hinterland. It is often thought that town and country pull in opposite directions. In practice this is not the case and further growth in the Midlands will depend to a large extent on the growth of agriculture in the hinterland which will also stimulate further industrial development in Port Elizabeth.

In 1960 the primary sector in this region employed 6,334 persons of whom 5,777 persons or 91.2 per cent were engaged in agriculture, forestry and fishing. Mining and quarrying employed only 577 persons of all races. The total employed by the primary sector as a whole represents only 4.3 per cent of the 1960 economically active population in this region and included 894 Whites, 3,914 Bantu and 1,526 Coloureds. Asiatics have not been included in the above figures.

Region 09 (the Albany coastal region)

The main primary products of this region are citrus fruit, pineapples, chicory, maize, dairying, wool and meat. Primary production is almost entirely confined to agriculture which contributed between 98.9 per cent and 99.7 per cent of this region's primary output between the years 1954/55 to 1959/60.

TABLE 32

REGION 09

The Primary Sector - Gross value added (R'000)

	Agriculture	Mining & Quarrying	Forestry	Fishing	Total	(% of Midlands total)
1954/55	9,958 (99.7)	28 (0.3)	-	2 (-)	9,988 (100.0)	(22.2)
1955/56	7,405 (99.5)	37 (0.5)	-	2 (-)	7,444 (100.0)	(20.0)
1956/57	8,407 (99.5)	43 (0.5)	-	2 (-)	8,452 (100.0)	(17.5)
1957/58	7,142 (99.2)	57 (0.8)	-	2 (-)	7,201 (100.0)	(18.9)
1958/59	7,625 (98.9)	83 (1.1)	-	2 (-)	7,710 (100.0)	(20.8)
1959/60	9,148 (99.1)	82 (0.9)	-	2 (-)	9,232 (100.0)	(23.1)
% change 1955/60	-8.1	+192.9	-	-	-7.6	

The gross value added by agriculture in this region declined by 8.1 per cent over the period under review. In spite of this decline, the region has increased its percentage contribution to the primary sector as a whole in the Cape Midlands from 22.2 per cent in 1954/55 to 23.1 per cent in 1959/60. This region is thus next in importance after region 11 as a contributor of primary products.

In 1960/...

In 1960 the primary sector in this region employed 19,402 persons of whom 19,224 or 99.1 per cent were engaged in agriculture, forestry and fishing. The total employed by the primary sector as a whole forms 43.5 per cent of the economically active population in this region and included 1,817 Whites, 16,271 Bantu and 1,314 Coloureds. Asiatics have been excluded from the above figures.

D. THE FARMERS' PROBLEMS

Agriculture in the Cape Midlands is not without its problems. These problems are inter-related and numerous, the more pressing being associated with the shortage of water, with uneconomic farming units, with the heavy reliance upon the world price of wool, with animal and plant diseases and with injudicious farm management in general.

Recurrent droughts occasioning heavy stock losses necessitate the building of dams for water storage. Regrettably the only existing dams of any importance are in the Sundays and Great Fish River Valleys. Here the heavy siltation of the reservoirs has made these works inadequate and the shortage of water hampers both crop and fruit production and provides little relief in times of drought. In addition to the shortage of water the Karoo regions in particular suffer from uneconomic and sub-economic farming units. An unofficial estimate by a high ranking officer of the Department of Agriculture who wishes to remain anonymous is that approximately 13 - 15 per cent of all farms in the Midlands are uneconomic units. In some districts i.e. Aliwal North, the percentage has been estimated to be as high as 60 per cent.[1] One result of this is that the natural resources on many farms are being fast depleted. In an effort to earn a reasonable rate of return the farmer is often only concerned with the immediate future and pays little regard to scientific methods of farming. Thus those farming on uneconomic units often do not practice rotational grazing and adopt overstocking, veld-burning and other harmful methods. The resulting soil erosion and destruction of pastures is often accelerated when the world price of wool falls to low levels since the farmers often endeavour to counter the fall in their incomes by producing more wool.[2] The result is overstocking with all its harmful effects.

Problems are also encountered with regard to supplementary winter feeding. When frost occurs during the winter months in the Karoo the veld does not grow and has to be supplemented. Cattle are fed mostly on maize, grown as a silage crop, and sheep are fed on lucerne, wheat, oats and rye, grown purely for winter fodder purposes. Many farmers

supplement/ ...

1. These estimates were made on the assumption that the minimum net income from farming should be R1500 per annum.

2. Hobart Houghton, D. op. cit., p. 53 and 54.

supplement the natural veld by feeding their animals on silage and fodder crops over the winter period, but many do not supplement at all, or do not supplement sufficiently. The animals thus lose condition and weight resulting in low quality wool, milk and meat. In addition farms are often unplanned and conducted in accordance with outdated farming principles. "For the success of a present-day farming undertaking, great demands are made on the farmer's managerial ability. The farm must be so planned and conducted that the highest possible production per unit - per morgen, per cow, etc. - is obtained. In short, farming to-day has become a business undertaking with considerable capital investment, and unless the farmer applies business principles, he will lose ground economically and feel the pressure more and more....Present-day requirements, therefore, make it imperative that economic guidance be given to our farmers on a larger scale than ever before. There must be better understanding of modern principles of farm management, particularly in respect of the optimum utilization of natural resources, labour and capital and the combination of the various farming enterprises, adapted to the individual farm."[1] The Department of Agriculture is endeavouring to increase such economic guidance and to solve these problems by providing subsidies, loans, lectures, demonstrations, planning assistance and by the general dissemination of proper methods of farming.

The Government is also providing assistance in respect of other matters such as animal and plant diseases. Animal and plant diseases such as heartwater, redwater, rust, and many others occur particularly in the coastal regions and necessitate continuous and costly precautionary measures. Noctious weeds are also a problem. Jointed cactus (opuntia aurantiaca) introduced from South America some 100 years ago as a decorative plant, causes infection to sheep and other animals and decreases the carrying capacity of the veld. Certain districts in the Midlands i.e. Albany, Cradock, Somerset East, Uitenhage and others are amongst the most heavily infected in South Africa. No other single weed in the country presents a more serious problem and millions of Rand have been spent by the Government on its eradication to date.

The Orange-Fish-Sundays Development project will go a long way towards contributing a solution to many of the above difficulties. The development potential of the Midlands, outside the Port Elizabeth and Uitenhage region, has long been hampered by insufficient water and insufficient power. With adequate water facilities the favourable climatic conditions and rich soils of these river valleys will permit a

large/...

1. Annual Report of the Secretary for Agricultural Economics and Marketing, 1st July, 1959 to 30th June, 1960. U.G. 15/1961, p. 1.

large extension of acreage and thus citrus and other crop production. Further, it should permit the farmers in the interior to turn to activities other than the production of wool at times when the world price for that commodity is at depressed levels and it will provide relief in times of drought. Thus much of the future development of the fertile river valleys, as well as other parts of the Midlands, will depend upon the future of this project.

NOTE: Detailed figures by production sector for each magisterial district for the years 1954/55 to 1959/60 are presented below. These figures were supplied by the Office of the Economic Adviser of the Prime Minister and, except for forestry and fishing, show the gross value of production, the value of intermediary goods and services and the gross value added. The magisterial district of Kirkwood was proclaimed during 1959/60; previous to this it formed part of the district of Uitenhage. The 1959/60 figures were obtained for Kirkwood and Uitenhage separately but a provision had to be made for all years prior to this. This was done on the assumption that the ratio that existed between these two districts in 1959/60 applied to all previous years.

Table 33/...

TABLE 33

The Contribution of Forestry to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55 Gross Value Added	1955/56 Gross Value Added	1956/57 Gross Value Added	1957/58 Gross Value Added	1958/59 Gross Value Added	1959/60 Gross Value Added
06 Humansdorp	314	313	318	311	324	255
Uniondale	1	1	1	1	1	1
Total:	315	314	319	312	325	256
08 Port Elizabeth	49	49	49	48	50	40
Cape Midlands	364	363	368	360	375	296

TABLE 34

The Contribution of Fishing to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55 Gross Value Added	1955/56 Gross Value Added	1956/57 Gross Value Added	1957/58 Gross Value Added	1958/59 Gross Value Added	1959/60 Gross Value Added
06 Humansdorp	5	5	4	5	5	6
08 Port Elizabeth	238	227	221	239	262	569
09 Bathurst	2	2	2	2	2	2
Cape Midlands	245	234	227	246	269	577

Table 35/...

TABLE 35.

The Contribution of Mining and Quarrying to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55 Gross Value of Output	1954/55 Inter-mediary Goods & Services	1954/55 Gross Value Added	1955/56 Gross Value of Output	1955/56 Inter-mediary Goods & Services	1955/56 Gross Value Added	1956/57 Gross Value of Output	1956/57 Inter-mediary Goods & Services	1956/57 Gross Value Added
06 Humansdorp	166	20	146	190	10	180	201	2	199
08 Port Elizabeth	224	85	139	394	83	311	404	81	323
Uitenhage	152	75	77	370	74	296	480	72	408
Total:	376	160	216	764	157	607	884	153	731
09 Albany	30	2	28	39	2	37	45	2	43
10 Steytlerville	18	-	18	14	-	14	10	-	10
Willowmore	-	-	-	-	-	-	-	-	-
Total:	18	-	18	14	-	14	10	-	10
11 Cradock	2	-	2	1	-	1	1	-	1
Graaff-Reinet	11	8	3	12	9	3	10	10	-
Hanover	160	14	146	156	13	143	110	12	98
Maraisburg	414	58	356	406	58	348	156	58	98
Middelburg	-	-	-	-	-	-	-	-	-
Total:	587	80	507	575	80	495	277	80	197
Cape Midlands	1,177	262	915	1,582	249	1,333	1,417	237	1,180

1957/58			1958/59			1959/60		
Gross Value of Output	Inter-mediary Goods & Services	Gross Value Added	Gross Value of Output	Inter-mediary Goods & Services	Gross Value Added	Gross Value of Output	Inter-mediary Goods & Services	Gross Value Added
271	23	248	262	19	243	186	50	136
454	76	378	546	72	474	564	70	494
456	73	383	402	74	328	418	48	370
910	149	761	948	146	802	982	118	864
59	2	57	85	2	83	84	2	82
14	-	14	10	-	10	2	-	2
-	-	-	-	-	-	48	6	42
14	-	14	10	-	10	50	6	44
1	-	1	1	-	1	-	-	-
10	10	-	15	12	3	17	17	-
59	4	55	16	-	16	-	-	-
90	58	32	186	60	126	282	31	251
-	-	-	1	-	1	1	-	1
160	72	88	219	72	147	300	48	252
1,414	246	1,168	1,524	239	1,285	1,602	224	1,378

TABLE 36.

The Contribution of Agriculture to the Gross Domestic Product (R'000)

Economic Regions and Magisterial Districts	1954/55 Gross Value of Production	1954/55 Inter-mediary Goods & Services	1954/55 Gross Value Added	1955/56 Gross Value of Production	1955/56 Inter-mediary Goods & Services	1955/56 Gross Value Added	1956/57 Gross Value of Production	1956/57 Inter-mediary Goods & Services	1956/57 Gross Value Added
06 Humansdorp	2,985	636	2,349	2,444	673	1,771	2,991	683	2,308
Uniondale	2,490	1,016	1,474	2,738	1,039	1,699	3,333	1,197	2,136
Total:	5,475	1,652	3,823	5,182	1,712	3,470	6,324	1,880	4,444
08 Port Elizabeth	1,374	314	1,060	1,431	328	1,103	1,845	333	1,512
Uitenhage	3,436+	226+	3,210+	2,430+	233+	2,197+	2,771+	228+	2,543+
Total:	4,810	540	4,270	3,861	561	3,300	4,616	561	4,055
09 Albany	3,319	674	2,645	2,554	713	1,841	3,019	720	2,299
Alexandria	2,747	424	2,323	2,436	433	2,003	2,601	488	2,113
Bathurst	1,832	413	1,419	1,716	423	1,293	1,715	440	1,275
Kirkwood	4,373+	802+	3,571+	3,094+	826+	2,268+	3,527+	807+	2,720+
Total:	12,271	2,313	9,958	9,800	2,395	7,405	10,862	2,455	8,407
10 Aberdeen	2,526	494	2,032	1,535	511	1,024	2,306	510	1,796
Jansenville	1,688	306	1,382	1,484	331	1,153	1,926	338	1,588
Steytlerville	1,384	256	1,128	1,279	289	990	1,648	289	1,359
Willowmore	1,509	387	1,122	1,064	382	682	1,717	400	1,317
Total:	7,107	1,443	5,664	5,362	1,513	3,849	7,597	1,537	6,060
11 Albert	2,206	626	1,580	2,040	659	1,381	2,900	649	2,251
Aliwal North	1,477	450	1,027	1,469	445	1,024	1,753	464	1,289
Colesberg	1,584	419	1,165	1,457	466	991	2,668	462	2,206
Cradock	3,797	699	3,098	3,462	942	2,520	4,451	946	3,505
Graaff-Reinet	2,722	680	2,042	2,747	731	2,016	3,331	739	2,592
Hanover	1,849	365	1,484	1,665	397	1,268	1,783	394	1,389
Maraisburg	879	258	621	789	275	514	1,137	261	876
Middelburg	1,762	538	1,224	1,759	576	1,183	2,124	561	1,563
Murraysburg	1,712	337	1,375	1,768	355	1,413	1,647	343	1,304
Pearston	1,129	188	941	923	203	720	1,319	194	1,125
Richmond	1,767	368	1,399	1,434	393	1,041	2,083	397	1,686
Somerset East	3,220	703	2,517	3,033	738	2,295	3,637	722	2,915
Steynsburg	1,005	287	718	862	294	568	1,240	877	363
Venterstad	779	224	555	539	233	306	791	230	561
Total:	25,888	6,142	19,746	23,947	6,707	17,240	30,864	7,239	23,625
Cape Midlands	55,551	12,090	43,461	48,152	12,888	35,264	60,263	13,672	46,591

+ figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

1957/58			1958/59			1959/60		
Gross Value of Production	Inter-mediary Goods & Services	Gross Value Added	Gross Value of Production	Inter-mediary Goods & Services	Gross Value Added	Gross Value of Production	Inter-mediary Goods & Services	Gross Value Added
2,965	774	2,191	2,865	874	1,991	2,848	995	1,853
4,492	1,303	3,189	2,983	1,410	1,573	4,260	1,480	2,780
7,457	2,077	5,380	5,848	2,284	3,564	7,108	2,475	4,633
1,862	364	1,498	3,151	367	2,784	1,367	375	992
2,370+	253+	2,117+	2,366+	286+	2,080+	2,320	306	2,014
4,232	617	3,615	5,517	653	4,864	3,687	681	3,006
2,957	753	2,204	3,090	875	2,215	3,809	646	3,163
2,267	466	1,801	2,606	500	2,106	3,476	760	2,716
1,448	431	1,017	1,718	413	1,305	1,652	253	1,399
3,017+	897+	2,120+	3,012+	1,013+	1,999+	2,953	1,083	1,870
9,689	2,547	7,142	10,426	2,801	7,625	11,890	2,742	9,148
1,498	496	1,002	1,702	628	1,074	1,737	849	888
1,474	315	1,159	3,014	560	2,454	1,872	498	1,374
1,123	273	850	1,078	348	730	1,377	337	1,040
1,165	396	769	904	456	448	1,757	566	1,191
5,260	1,480	3,780	6,698	1,992	4,706	6,743	2,250	4,493
2,325	704	1,621	1,975	823	1,152	2,362	843	1,519
1,531	521	1,010	1,086	577	509	1,732	577	1,155
1,672	497	1,175	1,544	640	904	1,639	654	985
3,491	989	2,502	3,219	1,184	2,035	3,928	1,176	2,752
2,316	741	1,575	2,761	910	1,851	2,628	1,066	1,562
1,457	405	1,052	1,774	553	1,221	1,368	495	873
376	271	105	918	349	569	955	359	596
1,723	591	1,132	1,806	717	1,089	1,809	790	1,019
1,248	342	906	1,218	439	779	1,241	470	771
924	211	713	1,036	249	787	1,139	304	835
1,549	416	1,133	1,458	539	919	1,602	515	1,087
2,918	817	2,101	2,876	975	1,901	3,382	1,169	2,213
1,199	330	869	561	369	192	1,009	374	635
777	245	532	829	318	511	800	425	375
23,506	7,080	16,426	23,061	8,642	14,419	25,594	9,217	16,377
50,144	13,801	36,343	51,550	16,372	35,178	55,022	17,365	37,657

CHAPTER V

SECONDARY PRODUCTION

A. INTRODUCTION

Secondary production embraces the activities of private manufacturing (including the motor industry), construction and the generation and distribution of electricity, gas and water by private undertakings. Electricity, gas and water in the Cape Midlands is predominantly supplied by local authorities and the value added by these activities is accordingly included under general government services. The bulk of these activities are thus included in the chapter on tertiary production since separate statistics in respect of the generation and supply of electricity, gas and water for the Cape Midlands were not available. A detailed description of the activities embraced by secondary production and the difficulties encountered, will be found in Appendix B.

All statistics in respect of gross value added, salaries and wages and other incomes, were made available by the Office of the Economic Adviser of the Prime Minister in aggregate form, but with the motor industry shown separately. These detailed statistics are presented for each magisterial district and economic region of the Cape Midlands at the end of the chapter. Most other relevant statistics were extracted from the industrial censuses of 1956/57 and 1959/60, both of which present information on a magisterial district basis.

B. THE DISTRIBUTION OF SECONDARY INDUSTRY IN SOUTH AFRICA

1. Geographical Concentration

The two industrial census reports used to obtain the geographical distribution of industry do not embrace the motor and allied industries which, for this reason, are not represented in the following statistics. The statistics in Table 37 thus understate the industrial importance of the Port Elizabeth/Uitenhage region to an appreciably greater extent than they do the other major industrial areas, because the bulk of activities connected with the automobile industry are carried on in this region. Bearing this fact in mind it is nevertheless informative to compare the relative industrial size and growth of the country's four major manufacturing areas as represented by the official statistics.

Table 37/...

Table 37 illustrates the tendency in South Africa for industry to concentrate in and around the major cities and ports where the largest markets are to be found.[1] The market for manufactured products may roughly be divided into the local market and the foreign or export market, with the ports serving as the point of contact. The local market may also be regarded as consisting of two main parts, namely the Southern Transvaal (which constitutes the principal inland market), and the coastal market comprising the principal seaport cities.

The greatest concentration of industry is to be found in the southern Transvaal which in 1959/60 produced 45.1 per cent of the country's gross value of secondary output and which employed an equal percentage of all persons employed in industry. This concentration is largely due to the historical growth of industries serving the needs of the mining sector and to the fact that the closest concentration of population (and thus the major market for manufactured goods), is to be found there. The remaining major industrial areas are all seaport cities and as such possess advantages related to distribution, relatively cheap coastal transportation between each other and in the use of imported raw and semi-processed materials in the manufacturing process.

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1. The Bureau of Market Research has translated the two basic factors, income and retail sales, into a purchasing power index. This index presents a single measurement of the relative market potentials of different areas for the year 1958/59. The dominant position of a few urban areas is clearly illustrated by the relative shares of the following magisterial districts in the potential market of the country as a whole:

Magisterial District.	Purchasing Power Index (% of S.A. 1958/59)
Johannesburg	15.58
Cape Town	7.98
Durban	7.10
Pretoria	5.83
Port Elizabeth	3.77
Germiston	2.58
Bloemfontein	1.77
East London	1.55

Bureau of Market Research Report No. 10, op. cit., pp. 117/8.

In South Africa/...

In South Africa many factors have combined to produce industrial concentration at the two main local markets.[1] Principal amongst these has been the attraction of industry to the early development areas - the concentration of purchasing power, readily available water, power, transport and housing facilities, the existence of service industries and suitable labour, and the fact that once development in an area is under way, it has a cumulative effect in creating further development. Other factors have been Trade Union pressure for wage equality between town and country, and differential railway tariffs (particularly after World War II) which made it cheaper to transport raw materials than to convey the final product over the same distance.

"Die verstedeliking wat deur die mynbou bedryf van stapel gestuur is, is deur die industrialisasie van Suid-Afrika en die konsentrasie van nywerhede in vier gebiede, naamlik Wes-Kaapland, Port Elizabeth-Uitenhage, Durban-Pinetown en Suid-Transvaal verskerp. Die geografiese konsentrasie van nywerheidsproduksie het sodanige afmetings aangeneem dat byna 80 persent van die bruto nywerheidsproduksie van Suid-Afrika vandag op minder as 3 persent van die Republiek se totale oppervlakte plaasvind".[2]

Table 37 shows that the greatest concentration of industry in South Africa occurs in the southern Transvaal. The western Cape area is next in importance with 15.6 per cent of the country's industrial gross output value and 15 per cent of its industrial labour force in 1959/60. The corresponding figures for Durban/Pinetown are 14.1 and 11.4 per cent respectively. The Port Elizabeth/Uitenhage region is hence the smallest major contributor with only 4.5 per cent of the gross value of industrial output and 4.6 per cent of the country's industrial labour force.

In addition to being the smallest contributor when compared with the other major industrial areas, the Port Elizabeth/Uitenhage region displays the smallest increase in output between 1956/57 and 1959/60.

1. For a fuller discussion of the factors that have produced centralisation in South Africa, reference should be made to the following:
The Report of the Committee on Railway Rating Policy and Industrial Location in South Africa. Schumann: Johannesburg, April, 1964.
Reynders, H.J.J. "The Centralisation and Decentralisation of Secondary Industry in South Africa", Finance and Trade Review, April/May, 1957.
Rautenbach, P.S. "A General Survey of the Influence of Location Factors upon Decentralised Industrial Development in the Union of South Africa", Finance and Trade Review, December, 1958.
Marx, F.W. "The Place of Secondary Industry in the South African Economy", Finance and Trade Review, June, 1961.
Marais, G. "The Relation Between Economic Development and the Location of Secondary Industry in the Republic of South Africa", Finance and Trade Review, June, 1963.
McCrystal, L.P. "Measures to Promote Decentralisation of Industry" The Standard Bank Review, August, 1967.

2. Lombard, J.A. and Stadler, J.J. Die Ekonomiese Stelsel van Suid-Afrika. Haum, Kaapstad, 1967. p. 33.

TABLE 37

Geographical Distribution of Industry, 1956/57 and 1959/60.

Region	1956/57	1959/60	% Change
Southern Transvaal			
Gross value of output (R'000)	1,143,820	1,295,131	+ 13.2
% of S.A.'s total	46.1	45.1	
Industrial employment (all races)	344,162	340,707	- 1.0
% of S.A.'s total	46.4	45.1	
Western Cape			
Gross value of output (R'000)	378,068	448,755	+ 18.7
% of S.A.'s total	15.2	15.6	
Industrial employment (all races)	109,203	113,572	+ 4.0
% of S.A.'s total	14.7	15.0	
Durban/Pinetown			
Gross value of output (R'000)	369,790	405,396	+ 9.6
% of S.A.'s total	14.9	14.1	
Industrial employment (all races)	86,426	86,289	- 2.4
% of S.A.'s total	11.9	11.4	
Port Elizabeth/Uitenhage			
Gross value of output (R'000)	119,896	130,092	+ 8.5
% of S.A.'s total	4.8	4.5	
Industrial employment (all races)	38,622	34,635	- 10.3
% of S.A.'s total	5.2	4.6	
South Africa			
Gross value of output (R'000)	2,481,220	2,871,375	+ 15.7
Industrial employment (all races)	741,214	754,855	+ 1.8

Source: Industrial Census Reports, Nos. 240 and 283 for 1956/57 and 1959/60

The largest percentage increase in the gross value of industrial production over this period, 18.7 per cent, was recorded by the western Cape. The southern Transvaal was next with 13.2 per cent, being followed by Durban/Pinetown with 9.6 per cent. The gross value of secondary output in the Port Elizabeth/Uitenhage region grew by only 8.5 per cent over the same period, and this resulted in this region's contribution to the national total declining from 4.8 per cent in 1956/57 to 4.5 per cent in 1959/60. It is interesting to note, however, that despite the more rapid growth of industrial output in the

southern/...

southern Transvaal and in the Durban/Pinetown region, the relative contributions of these two areas to the national total also declined over the period. In fact, only the western Cape area registered an improvement in its relative position, from 15.2 per cent in 1956/57 to 15.6 per cent in 1959/60.

The above tendencies make it important to enquire whether the rate of industrial centralization is beginning to decrease, since the total for the four major areas also displays a slight decline in contribution to the national total, from 81.1 per cent in 1956/57 to 79.4 per cent in 1959/60. Whilst these tendencies would seem to suggest that industrial development proceeded at a relatively faster pace in the remainder of the country, it is doubtful whether this is to be regarded as the beginning of a long-term trend. In fact, it seems most unlikely that the operation of purely economic factors up to 1960 would have produced any decrease in the rate at which the main industrial areas together attracted new industries (vis-à-vis the rest of the country), particularly since the long-term trend has been in the opposite direction[1] and any official measures aimed at decentralisation only came into effect after 1960.

The slight relative decline of the four areas together to the national total can probably be explained by the fact that the motor and allied industries were not included in the industrial censuses of 1956/57 and 1959/60. Apart from garage workshops scattered throughout the country, almost all industrial activity connected with the motor industry is concentrated in the major industrial areas. The exclusion of this important part of secondary production, therefore, means that the main industrial centres are at a disadvantage vis-à-vis the rest of the country in the presentation of manufacturing statistics over the period in question. Thus, not only is the relative statistical industrial importance of the main centres of industry during the period understated by the use of official statistics, but any developments in the motor industry (which are not likely to have occurred outside the major areas and which are likely to have been concentrated in the Port Elizabeth/Uitenhage region) are not reflected. In addition it should be noted that any relative changes as slight as those displayed in Table 37, and over a period as short as that in question, are not likely to be indicative of any definite trend.

Future Location/...

1. Examining the value of net output and total employment of the four industrial regions as a percentage of the national total between 1916/17 and 1953/54, Professor Houghton finds that the tendency has been for there to be a decline in the relative importance of all areas other than the southern Transvaal, although the total for the four areas has not changed for a long time. He suggests that this tendency is likely to be accelerated as time goes on. D.Hobart Houghton. op. cit., p. 133.

2. Future Location

Although Professor Houghton suggests that the tendency for the southern Transvaal to increase relative to the rest of the country is likely to be accelerated as time goes on, indications are that, in the longer term, location factors may tend to favour establishment at the major seaports and in areas peripheral to Bantu territory. The relatively faster industrial growth of the southern Transvaal is due, of course, to its being the largest and most concentrated market and to all the concomitant advantages, as well as to official import replacement policy. More recently, this policy has encouraged the manufacturers of consumer goods to depend increasingly on locally processed rather than on imported materials, and this has reduced the locational advantages of the ports and increased that of the major inland market. Indications are, however, that the locational advantages of the ports and the border areas will improve in time.

A number of arguments, not all economic, can be advanced in support of the decentralisation of industry. These centre mainly around a more uniform geographical distribution of income, the better utilisation of raw materials, security and social reasons and the socio-economic advancement of the Bantu areas and their inhabitants. The socio-political policy of separate development and the impending decline of gold mining has meant that present State policy is aimed both at encouraging the development of secondary industry as well as the development of border areas. Whilst import replacement has tended to enhance the industrial importance of the southern Transvaal, indications are that this position is not likely to pertain in the long-term. This is due to the fact that as gold sales decline so the volume of manufactured goods exported must increase to fill the commodity trade gap. As the external market for manufactured products grows in importance, an inland location may prove to be a handicap because of the railage to the ports of export. Hence, as export possibilities increase, so the location advantages of the major seaport cities are likely to be enhanced.

"Expectations for the future indicate that the greatest development will take place in the case of basic and intermediary raw material processors. The reason for this is that at present most imports consist of basic and intermediary goods for inter-secondary industry demand. Any replacement of imports will therefore encourage development in this direction."[1]

In support of the above theme, Professor Marais discusses the stimulus behind the further development of basic and intermediary raw material processors. He stresses that, owing to the limited and

differentiated/...

1. Marais, G. op.cit., p.322.

differentiated nature of the local market for intermediary products, the keen overseas competition, and the fact that much capital and technical knowledge is necessary in manufacture (coupled with the relative scarcity of trained personnel in South Africa), the development of these industries will in most cases not be the result of normal growth but of positive aid from the State, for example, by means of tariff protection.

"The main reason why the above-mentioned industries will develop, is in the first place the 'foreign political crisis' in which South Africa is caught up at present, together with the fact that mining houses are frantically searching for investment possibilities outside the gold mining industry, the interest shown by foreign manufacturers in investment in South Africa, the particularly liquid position of the South African economy as a result of the control of capital outflow, the large surpluses on current account, and a cyclical boom in the country."

"The present 'foreign political crisis' against South Africa made politicians aware of the importance of economic growth to provide the growing population with employment and to raise the non-European standard of living; secondly, of the importance of being economically self-sufficient in case of boycotts of exports of strategic raw materials and equipment to South Africa i.e. imports replacement; and, thirdly, of encouraging exports to counter boycotts of South African exports by certain countries."[1] Going on to discuss the location pattern in the next decade, Professor Marais writes that "..it is clear that development in the South African economy will take place mainly in the basic and intermediary raw material processing group which exports and produces for inter-secondary industry demand. State policies aimed at decentralization must apply particularly to these industries. Although they do not contribute as large an amount to total gross value of output of manufacturing industry as those industries manufacturing final consumer products, it is of strategic importance to create decentralized growth points as many of these industries may be economically decentralized by means of suitable State policy."[2]

And finally, "If basic raw material processors such as Iscor and Sasol, are located in the existing industrial complexes of the southern Transvaal, intermediary processors must be encouraged to settle in rural areas and in East London, Port Elizabeth and Cape Town. This is possible if a market exists for intermediary products in these

regions/...

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1. <u>ibid</u>, p. 323.

2. <u>ibid</u>, p. 324.

regions or if the products can be exported. Industries in these cities are now being hampered by the fact that their raw materials which used to be imported, are being manufactured in the southern Transvaal, which also offers the greatest market. Intermediary raw material processors who are particularly suited to locate in coastal cities are those supplying the export market."

"Suitable encouragement and regulation of certain relationships can help the State to make a success of the economic decentralization of industries and especially of border area development when the rapid development of basic and intermediary raw material processors takes place during the next decade."[1]

Apart from the need to decentralize with a view to export and to develop the border areas, there is also the argument that, after an area reaches a certain size, net non-market social costs are incurred. This argument centres around the "optimum size" of a city or area which could be roughly defined as the point when marginal external economies (all the advantages that are associated with large industrial and commercial communities, the wealth of cultural and educational facilities and increased specialisation generally) are just balanced by marginal external diseconomies (disproportionate increases in the cost of providing certain services such as transport, sanitation, water supply, health, recreational facilities and the maintenance of law and order, as well as traffic congestion, long distances to work and the consequent loss of leisure, a tendency towards the disintegration of family life, etc.). The problem that arises in determining the optimum size is in attributing monetary values to these social advantages and disadvantages, since they are external to the firms and industries that produce them and are not included in their supply and demand schedules. The use of this argument in support of a positive State policy to promote industrial dispersion would thus appear to be inconclusive, at any rate until such time as the disadvantages of further concentration in the southern Transvaal become very obvious.

Distribution of industry over a wide area appears warranted not only by economic and (inconclusive) social evidence, but also by military strategy, since the concentration of industrial activities in a few areas could prove catastrophic in times of war. This argument assumes even greater significance in the light of recent international political pressures against Southern Africa and because the production

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1. <u>ibid.</u>, p. 326.

of most strategic products i.e. oil from coal, iron and steel and power supply occurs in the southern Transvaal.

The interaction of economic, social, political and strategic factors that bear upon industrial location and upon state policy relating thereto in South Africa at the present time, does not make it easy to assess the future position of the Cape Midlands and of the Port Elizabeth/Uitenhage region in particular.

"Enough has been said to indicate the complicated and interacting factors affecting industrial location at the present time. The major switch from imported to South African components in manufacture, the great pull of the southern Transvaal, the drive to expand exports of manufactured goods, the move for the greater decentralization of industry, and the policy of establishing industries in the border areas to provide employment for African peasants displaced from the land, are all elements in a very intricate balance of economic and political forces. The outcome will be observed with interest."[1]

3. Labour Costs

Although the issue is clouded by numerous interacting forces, the location of secondary industry in South Africa depends in part upon the cost of labour in different areas, and this may be expected to be an important factor determining future location. This applies particularly to labour intensive industries in cases where wages are not linked to productivity. In such instances, the size of the wages bill as a percentage of total production costs, can exert a decisive influence on the choice of location. In South Africa industrial employment agreements tend to provide for a measure of equality in the wages paid to labour living in town and country. This has been an importznt factor contributing to industrial concentration since it has retarded the industrial development in rural areas by cancelling out the lower cost of living in such areas - often their only important locational advantage.

"...wages for certain branches of industry are determined in terms of the Industrial Conciliation Act by mutual agreement between the employer and the employee, and are applicable to the relative branch of industry in a particular district, area, province or even the Republic as a whole. In cases where such agreement applies to the whole of a province, for example, the same wage is paid for the same type of labour in all the factories in question, irrespective of the skill, productivity or cost of labour supply."[2]

It must be/...

1. Houghton, D.H. op. cit., p. 137.
2. Rautenbach, P.S. op. cit., p. 164.

It must be stressed, however, that industrial conciliation agreements seldom apply to the country as a whole and not very often to an entire province. Thus, whilst wage equalities in areas within a province have certainly hampered industrial development in the rural parts of such areas, large wage differentials can and do exist between different parts of the country and between the four major industrial areas.

Table 38 is particularly informative since it provides a comparison between the average per capita earnings of industrial labour in each racial group in the four major industrial areas of South Africa. The statistics suggest that the Port Elizabeth/Uitenhage region is in a competitive position for future industrial development on the grounds of labour costs alone. The table also shows the existence of a wide gap between the average earnings of Whites and non-Whites. This has long been a characteristic feature of the South African economy and, to some extent, reflects the difference in skills between the races. Although the absolute earnings of Whites, as shown in the table, rose more steeply between 1956/57 and 1959/60, the earnings of Bantu in all cases represented a higher percentage of White earnings in 1959/60 than they did in 1956/57. The relatively more rapid percentage increases in the case of Bantu earnings suggest that the existing skill and wage differentials (often partly artificial) between White and Bantu industrial labour are slowly being reduced. The earnings of other workers exhibit erratic changes, declining in the southern Transvaal and western Cape and increasing in the remaining two areas.

Of the four major industrial areas shown in the table, the average earnings of Whites are highest in the southern Transvaal with R1,982 in 1959/60. The average for Durban/Pinetown is next with R1,914 and is followed by R1,751 for the western Cape. The lowest figure occurs in the Port Elizabeth/Uitenhage region with R1,546 in respect of Whites in 1959/60. Taken on a percentage basis, average White earnings in Port Elizabeth/Uitenhage were 19.8 per cent lower than in the southern Transvaal in 1956/57 and 22 per cent lower in 1959/60.

TABLE 38

Per Caput Earnings by Racial Groups in the Main Industrial Areas, 1956/57 and 1959/60.[1]

Region	Whites (R)	Bantu (R)	Other (R)	All Workers (R)
Southern Transvaal				
1956/57	1,763	341	593	791
% of White earnings	100.0	19.3	33.6	44.9
1959/60	1,982	393	414	890
% of White earnings	100.0	19.8	20.9	44.9
Western Cape				
1956/57	1,560	330	541	727
% of White earnings	100.0	21.2	34.7	46.6
1959/60	1,751	393	603	817
% of White earnings	100.0	22.4	34.4	46.7
Durban/Pinetown				
1956/57	1,752	318	543	671
% of White earnings	100.0	18.2	31.0	38.3
1959/60	1,914	362	612	762
% of White earnings	100.0	18.9	32.0	39.8
Port Elizabeth/Uitenhage				
1956/57	1,414	324	478	662
% of White earnings	100.0	22.9	33.8	46.8
1959/60	1,546	375	540	749
% of White earnings	100.0	24.3	34.9	48.4

Source: Computed from Industrial Census Reports Nos. 240 and 283, for 1956/57 and 1959/60.

Average Bantu earnings are highest in the southern Transvaal and in the western Cape (R393 in 1959/60), and are lowest in the Durban/Pinetown region with R362. Port Elizabeth/Uitenhage industrial Bantu earnings fall in between the above two figures, with an average of R375 in 1959/60. On a percentage basis, average Bantu earnings in the Port Elizabeth/Uitenhage region were 5 per cent lower than for the southern Transvaal in 1956/57, and 4.6 per cent lower in 1959/60.

The figures for other workers present a curious anomaly. In 1959/60 this group's highest average earnings of R612 were in the Durban/Pinetown region. This may be expected because of the relatively high proportion that the generally more productive Asiatics

form/...

1. Excluding the motor industry.

form of this region's industrial labour force. This figure is followed by R603 in the western Cape and R540 in the Port Elizabeth/Uitenhage region. In each case the 1959/60 figures show an absolute increase over 1956/57, except in the southern Transvaal where the 1959/60 average earnings of other workers, at R414, reflect a considerable decline from the figure of R593 for 1956/57. The anomaly, that the average earnings of other workers in the southern Transvaal should decline so considerably between 1956/57 and 1959/60 when corresponding figures for the other areas have risen, seems inexplicable and must cast some doubt on the validity of the official statistics.

As far as all industrial workers are concerned, average earnings in 1959/60 were highest in the southern Transvaal at R890, being followed by the western Cape at R817 and by Durban/Pinetown with R762. The corresponding figures for the Port Elizabeth/Uitenhage region were lowest at R749. Taken on a percentage basis, the average earnings of all industrial workers in the Port Elizabeth/Uitenhage region were 16.3 per cent lower than in the southern Transvaal in 1956/57 and 15.8 per cent lower in 1959/60. Thus, on average, labour in the Port Elizabeth/Uitenhage industrial region costs less when compared with the southern Transvaal and the other major industrial areas, and, whilst wage differentials between the racial groups may be taken as being some indication of differences in productivity between the races, it is doubtful whether lower money wages in the Port Elizabeth/Uitenhage region in respect of each racial group reflect lower levels of labour productivity there. A partial explanation for the lower average labour costs in the Port Elizabeth/Uitenhage region lies in the fact that, relative to the southern Transvaal for example, areas such as the Port Elizabeth/Uitenhage region have always been relatively depressed with a higher degree of unemployment and consequent lesser employee bargaining strength. In addition, differences in the cost of living between the major industrial areas would also have influenced the level of money wages paid in the different areas. Consequently, provided that the productivity of labour is not correspondingly less in the Port Elizabeth/Uitenhage region (and there is little reason to suspect this) lower average industrial labour costs may well prove to be an important factor enhancing this region's future development.

Comparing the results of Table 38 with Table 37, it appears that the area in which average industrial earnings were lowest suffered the largest decline in employment. Between 1956/57 and 1959/60 industrial employment in the Port Elizabeth/Uitenhage region declined by some 4,000 persons or 10.3 per cent on the 1956/57 figure. In Durban/Pinetown, the area of next lowest average earnings, the decline was

some/...

some 2,000 persons or 2.4 per cent over the same period. In the case of the other two industrial areas the figures from the two tables do not correlate, possibly due to more rigid influx controls and other artificial restrictions on the movement of labour. It does appear, however, that production per head in all the industrial areas increased over the period, because, in all cases, the value of output increased while employment declined (except in the western Cape where both output and employment increased). If the four areas are taken together the gross value of output (excluding the motor industry) increased by 13.3 per cent over the period and, although price increases are partially responsible, improved labour productivity and the use of more capital intensive techniques in some branches of production are probably the major factors responsible.

Concerning the conclusion to be drawn about the future location of industry in South Africa, it does seem reasonable to expect that further concentration will continue in the short term but that a combination of pressures in favour of decentralization away from the southern Transvaal may assume greater importance in the long term. On this assumption, the increasing industrial importance of the Port Elizabeth/Uitenhage region, which already possesses many of the advantages associated with a large market as well as being advantageously placed as regards distribution, labour costs and labour productivity, seems assured - in the longer term at any rate.

C. THE STRUCTURE OF SECONDARY INDUSTRY IN THE PORT ELIZABETH/UITENHAGE REGION.

1. The Development of Industry

The importance of secondary industry in the Cape Midlands' economy is indicated by that sector's contribution to the gross domestic product. In 1959/60 this contribution was almost 30 per cent as compared with 25.4 per cent for the country as a whole in 1958/59. But, while secondary industry is relatively more important in the Cape Midlands than it is in South Africa, industrial production in the Cape Midlands accounted for only 6.8 per cent of the national gross value added by this sector in 1958/59. The location pattern within the Midlands, however, closely reflects that of the country in that there is a very high concentration of industry in the Port Elizabeth/Uitenhage region. Whereas almost 80 per cent of the nation's industrial output in 1960 was concentrated in about 3 per cent of its total area, the corresponding figure for the Cape Midlands was nearly 94 per cent in 3.8 per cent of the total area. This further

illustrates/...

illustrates the tendency for industry to locate in and around the larger cities and towns, which has long been a feature of the South African economy.

Broadly speaking, the concentration of secondary production activity within the Cape Midlands is due to much the same factors that have produced concentration elsewhere. Prior to the discovery of precious minerals, agricultural activities dominated the economy. The coming of the 1820 settlers initiated great changes, not only in the close proximity of Port Elizabeth, but also deeper in the hinterland where many of them settled. It was not long before the products of the hinterland were being channeled through Port Elizabeth, and it was the growing exports of wool, hides and skins, as well as the imports of consumer goods, which contributed initially to the area's development. The city first developed as a commercial centre, handling the products of the hinterland and supplying its needs.

"Most wholesalers established themselves in these harbour cities and in most cases they were also the entrepreneurs who initiated the manufacture of final consumer goods - a type of industry which is largely market-oriented. The obvious place to locate was therefore in the harbour cities where the greatest number of consumers were to be found and which had in addition a large agricultural hinterland i.e. harbour cities were excellent distribution centres for the interior."[1]

It was the development of agriculture and the stimulus of foreign trade that established the initial base for later industrial concentration in the Port Elizabeth/Uitenhage region and the first industries to be established embraced, naturally enough, varied leather products, tanneries, wool and ostrich feathers.

The next major stimulus to the area's economy came from the discovery of diamonds and gold and the resulting inflow of capital and immigrants and the consequent high internal prices for agricultural products. Communications with the interior improved vastly and the widening of the local market stimulated both internal and external trade. The exploitation of minerals in the interior was thus also important in the development of the Port Elizabeth region, although to a much lesser extent than in the southern Transvaal.

But it was during and after the Great War, when South Africa was obliged for the first time to meet her own industrial needs, that the foundations for industrial development were firmly laid in the Port Elizabeth area. Within a few years the manufacture of semi-durable final consumer products, principally textiles, footwear and

clothing/...

1. Marais, G. op. cit., p. 301.

clothing, was firmly entrenched and the siting of the first motor assembly plants in the early 1920's provided a fresh and important impetus to industry in the area. The import of raw materials for use in the manufacturing process - helped by a more positive policy of selective industrial protection after 1925 - appears to have exercised an important influence on location at the harbour cities. For example, the motor industry in Port Elizabeth was importing more than 90 per cent of its raw materials during 1937/38.

The position prior to World War II was that the bulk of secondary industry was concerned with final consumer products and, as such, was largely market-oriented. Furthermore, many of the market-oriented industries, encouraged by selective tariff protection, relied on the assembling and on the mixing of imported materials in the manufacturing process. This favoured a coastal location, particularly when local wholesalers (initially established at the ports) were the initiating entrepreneurs and because the influence of differential railway tariffs on factory location was little felt before the war. The modernisation of the Port Elizabeth harbour and the completion of the Charl Malan Quay in 1934 were factors which further enhanced the spread of manufacturing activities in the region. All these factors, and the further need for self-sufficiency arising from World War II, stimulated the development of secondary industry in the area, attracted investment and population, and resulted in a widening of the local market for factory goods.

Table 6 in Chapter II indicates the rapid movement of population into the Port Elizabeth/Uitenhage region. Between 1911 and 1960 the urban Whites in this region increased by 363 per cent as compared with 292 per cent for Whites in all urban areas in South Africa. The migration estimates made in Chapter II indicate that a large part of this increase was due to the movement of persons from other parts of the country. These estimates suggest that a net total of approximately 122,500 persons moved into the Port Elizabeth/Uitenhage region between 1911 and 1960, and that over 20,000 of this number were Whites. In the early stages, particularly in the decade following the end of the Great War in 1919, this movement embraced large numbers of poor Whites moving to the cities, often in advance of employment opportunities there. Forces behind this rural to urban shift have been ascribed to the fact that available agricultural land was reasonably fully occupied and also to low and unstable prices of agricultural products. The customs tariff protection policy introduced by the Government in 1925 was thus largely a measure to place the poor Whites in industrial employment. The important effect of this policy and the other stimulating factors referred to, was that the industrial population of the major industrial areas increased considerably during the 1930's and earlier.* This factor contributed to the rapid expansion of the domestic market for factory produce and, as a result, the continuation of the rural to urban population shift, particularly after World War II, was more the outcome of buoyant economic conditions in cities like Port Elizabeth, than of unfavourable conditions in the agricultural areas.

TABLE 39

The Secondary Sector[1] - Gross Value Added

Year	Port Elizabeth/ Uitenhage			Rest of Cape Midlands		Cape Midlands		South Africa[2]
	R'000	% of C.M.	% of S.A.	R'000	% of C.M.	R'000	% of S.A.	R'000
1954/55	74,828	96.1	8.4	3,063	3.9	77,891	8.8	888,232
1955/56	75,265	95.7	7.9	3,385	4.3	78,650	8.3	948,659
1956/57	76,692	95.4	7.6	3,662	4.6	80,354	7.9	1,014,597
1957/58	79,323	95.0	7.3	4,164	5.0	83,487	7.7	1,082,760
1958/59	72,089	94.1	6.4	4,546	5.9	76,635	6.8	1,129,959
1959/60	76,868	93.9		4,955	6.1	81,823		
% change	+2.7			+61.8		+5.0		

The proximity of an expanding local market has thus been a vital factor in the location of industry and, as a major harbour, Port Elizabeth enjoys the added advantage of being centrally situated along the eastern South African seaboard, providing relatively easy access to markets outside the area and facilitating the assembly of imported materials used in the production process. The region is also well supplied with water, power, land and labour resources necessary for industrial growth. The remainder of the Cape Midlands, not having such locational advantages and little natural resources outside the agricultural field to compensate, has concentrated on agricultural activities and contributes relatively little in the sphere of secondary production.

Table 39 indicates, however, that over the period 1954/55 to 1959/60, the gross value added by the secondary sector in the remainder of the Cape Midlands increased by 61.8 per cent as compared with only

2.7 per cent/...

1. The Statistics in Table 39 include the motor industry.
2. Stadler, J.J. Die Bruto Binnelandse Produk van Suid-Afrika, 1911-1959. Unpublished D.Com. Thesis, University of Pretoria, Tables IX, X and XI on pp. 262, 289 and 291.

* see page 58, Chapter II.

2.7 per cent for Port Elizabeth/Uitenhage. This more rapid growth in the remainder of the Cape Midlands resulted in its share of total secondary output rising rapidly, from 3.9 per cent in 1954/55 to 6.1 per cent in 1959/60. In respect of the Cape Midlands as a whole, the statistics exhibit a decline in the relative contribution made to aggregate industrial gross value added in South Africa. This suggests that the Cape Midlands were expanding less rapidly in the industrial sphere than was the country as a whole during the period under review. The Midlands' contribution to the gross value added by industry in South Africa declined from 8.8 per cent in 1954/55 to 6.8 per cent in 1958/59. The same applies to the Port Elizabeth/Uitenhage region whose contribution declined from 8.4 to 6.4 per cent of the country's industrial gross value added in 1954/55 and 1958/59 respectively.

2. The Economic Structure

Table 40 attempts an analysis of the economic structure of the secondary sector in the Port Elizabeth/Uitenhage region. The relevant statistics were computed from the 1956/57 and 1959/60 industrial censuses which contain information on a magisterial district basis. These census reports divide private manufacturing into twenty-three major industry groups of which two are of the non-manufacturing type i.e. construction and services (laundries, dry-cleaners, etc.). Statistics relating to the motor and allied industries are not included and this omission presents serious limitations which will be discussed later. The following analysis is carried out on the basis of the major industry classes and further sub-division into minor industry groups is not attempted because data relating to less than four establishments in any magisterial district are not published and thus any analysis of this nature would necessarily be very incomplete.

Table 40 shows the net value of output for the main classes of industry, the relative importance of each class, and the changes that have taken place in the Port Elizabeth/Uitenhage region (excluding the motor industry, services and electricity, gas and water).

TABLE 40.

Net Output of the Main Classes of Industry as Percentage of Total Net Output in the Port Elizabeth/Uitenhage Region-R'000

	1956/57	1959/60	% Change
Textiles and Clothing (Footwear)	12,066 (25.4)	13,159 (25.1)	+ 9.1
Food and Beverages	9,314 (19.6)	8,335 (15.9)	-10.5
Metals and Metal Products	7,884 (16.6)	9,135 (17.4)	+15.9
Construction	4,568 (9.7)	5,264 (10.0)	+15.2
Non-metallic Mineral Products	3,500 (7.4)	4,776 (9.1)	+36.5
Other	2,476 (5.2)	2,442 (4.6)	- 1.4
Wood and Furniture	2,436 (5.1)	2,123 (4.0)	-12.8
Paper and Paper Products	1,860 (3.9)	3,020 (5.8)	+62.4
Printing and Publishing	1,784 (3.8)	2,074 (3.9)	+16.3
Chemicals and Rubber	1,582 (3.3)	2,194 (4.2)	+38.7
TOTAL:	47,470(100.0)	52,522(100.0)	+10.6

From the above table it is apparent that of the main industrial classes listed, the textiles and clothing class is the most important in both years. Industries falling into this class were amongst the first to be established and have developed to the extent that they contribute more than one-quarter of the total industrial output of the region (excluding the motor industry). In 1956/57 food and beverages were next in importance, but this class had given way to metals and metal products by 1959/60. The classes, construction and non-metallic mineral products were fourth and fifth in net output contribution in both years respectively. Both classes increased their respective shares slightly over the period. In 1956/57 the five main classes of industry mentioned above comprised almost 79 per cent of total industrial net output value, but this figure had declined to 77.5 per cent in 1959/60. The remaining main classes are thus of relatively minor importance and collectively contribute little more than one-fifth of the region's net industrial output. Of these remaining main classes the class 'other' is the most important. This class includes leather and leather products (excluding footwear) which were also amongst the first activities of the region.

Turning to the growth of the separate main classes of industry, the pattern that emerges is that, apart from non-metallic mineral products, the most rapidly growing classes fall into the group responsible for a little over 20 per cent of total industrial output in the Port Elizabeth/Uitenhage region. The classes exhibiting the most rapid

growth/...

growth between 1956/57 and 1959/60 are: paper and paper products with a 62.4 per cent increase; chemicals and rubber with 38.7 per cent; non-metallic mineral products with 36.5 per cent and printing and publishing with 16.3 per cent. The output of the four most important classes in the region increased at a much slower pace as follows: textiles and clothing (footwear) with 9.1 per cent; metals and metal products with 15.9 per cent and construction with 15.2 per cent. Main classes showing a decline in output over the period are: food and beverages with a 10.5 per cent reduction; wood and furniture with 12.8 per cent and the class 'other' with 1.4 per cent.

There are many factors that may make for differences in the growth of these main classes of industry and which cannot all be considered for each class separately e.g. the availability of raw materials, the introduction of modern equipment and techniques, changes in the pattern of prices and in demand, changes in labour resources and in wage levels, in protection and in conditions affecting competition in other countries, to mention the more important.

Generalisation in terms of income elasticities perhaps deserves special mention, since this goes a good part of the way in suggesting reasons behind the different pattern of growth displayed by the main industry classes in Table 40.

"The income elasticity of demand for manufactures exceeds unity, and the income elasticity of demand for food is less than unity. The income elasticity of demand for services is higher even than for manufactures. Hence economic growth is associated with services growing most rapidly, and with total manufacturing output growing more rapidly than total output of agriculture."[1]

Generally speaking, the industrial classes that mainly consume basic raw materials originating in the primary sector, would tend to expand their output less rapidly than would those classes whose ties with the primary sector are less direct and who depend largely upon processed or intermediary raw materials.[2] Hence the industrial classes who might be expected to expand their output relatively slowly, are food and beverages (mainly concerned with further processing of primary raw materials), the class 'other' (which includes leather and leather products, but not footwear), wood and (furniture) and textiles and (clothing). Industrial classes such as printing and publishing,

on the other hand/...

1. Lewis, W. Arthur. The Theory of Economic Growth, London: Allen & Unwin, 1961, p. 278.

2. Perloff, et. al. op. cit., pp. 390/391.

on the other hand, whose ties with the primary sector are less direct, might be expected to grow relatively more rapidly. The most rapidly growing classes that do have close links with the primary sector (paper and paper products, chemicals and rubber) are, however, classes who are most likely to enjoy a high income elasticity of demand for their products because they supply important intermediate inputs for industries which are either growing rapidly, such as printing and publishing, and/or for significantly important industries such as the motor industry. It would seem, therefore, that varying income elasticities for the different products of the main industrial classes present some explanation for the pattern of growth displayed in the Port Elizabeth/Uitenhage region. The many other factors that may influence the growth of individual industries have, however, not been considered since this would constitute a major study in its own right. Moreover, the time period under consideration is too short to discern any definite trends. Whilst this weakness underlies the analysis, it does seem as if the relatively minor contributors to net industrial output in the Port Elizabeth/Uitenhage region are also the most rapidly expanding classes.

As far as employment in industry is concerned, the following statistics were extracted from the 1960 Population Census Sample Tabulations and, although they include employment in general garages with workshops, they do not include employment in the motor industry. In 1960 the secondary production sector of the Cape Midlands employed 68,718 persons of whom 50,719 or 73.8 per cent were in the Port Elizabeth/Uitenhage industrial region. A break-down into racial groups shows that of the 50,719 persons, 19,875 or 39.2 per cent were Whites, 17,981 or 35.5 per cent were Bantu and 12,863 or 25.3 per cent were Coloureds. The total of 68,718 persons engaged in secondary production in the Midlands represents 23.4 per cent of the 1960 working population (excluding the motor industry) and embraces 23,248 Whites (33.8 per cent), 27,619 Bantu (40.2 per cent), and 17,851 Coloureds (26 per cent). Asiatics are not included in any of the above figures since their distribution between the economic sectors was not available.

3. The Motor Industry

The motor industry is without doubt the hub of the Port Elizabeth/Uitenhage industrial complex and its exclusion from the industrial census reports relevant to the period under review distorts the industrial structure of the Cape Midlands considerably. It is necessary, therefore, to indicate the importance of this industry to the economy of the area. The industry commenced with the

establishment/...

establishment of assembly plants in Port Elizabeth as early as 1924 and by 1961 there were four such plants in the region.[1] The industry is a natural outgrowth of the earlier cart and wagon industry situated mainly at the ports, which are the starting point for traffic to the interior. It was therefore logical for the motor vehicle assembly industry, which initially imported all its components, to locate at or near the coast.

Port Elizabeth's convenient situation mid-way along the eastern South African seaboard which enhanced the distribution of completed vehicles, together with its adequate harbour, labour and market facilities, made the city the natural choice for motor vehicle assembly. The industry grew and developed behind high tariff protection and in due course attracted a number of secondary manufacturing industries of a related nature. In the wake of the initial assembly plants came the manufacturers of ancilliary equipment embracing tyres, safety glass, batteries, wheels, mufflers, gaskets, seat covers, springs and numerous other parts vital to the construction of a motor vehicle. In 1954 employment in the assembly plants was 3,200 persons, rising to 6,100 in 1959 and to over 6,500 in 1961. The industry is by far the largest single employer and is the centre of the industrial structure of the Port Elizabeth/Uitenhage region. The tremendous localisations of this industry in the region is indicated by the fact that, in 1958, the two largest motor vehicle assembly companies in South Africa, both located in Port Elizabeth, together owned 70 per cent of the total assets of the motor industry as a whole.[2] Hence, not only is the industry the centre of the region's industrial structure, but it is also the centre of the motor industry in South Africa.

Table 41 illustrates the extent to which secondary production in the Midlands depends upon the motor vehicle industry and, together with Table 42, also shows how concentrated this industry is in the Port Elizabeth/Uitenhage region.

TABLE 41/...

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1. Other motor vehicle assembly plants in 1961 were located in Durban (2), Cape Town (2), East London (1) and Johannesburg (1).

2. Investigation Into the Motor Industry in South Africa, Board of Trade and Industries, Report No. 613, 1960, p. 13, para. 30.

TABLE 41.

The Motor Vehicle Industry - Gross Value Added (R'000)

Year	Port Elizabeth and Uitenhage	Rest of the Cape Midlands	Cape Midlands	% of Total Secondary Output in Cape Midlands
1954/55	33,392	-	33,392	42.9
1955/56	31,593	-	31,593	40.2
1956/57	34,149	-	34,149	42.5
1957/58	27,539	17	27,556	33.0
1958/59	26,816	24	28,840	35.0
1959/60	28,558	32	28,590	34.7

In 1954/55 the motor industry accounted for almost 43 per cent of the gross value added by the secondary production sector in the Cape Midlands; by 1959/60 the proportion had dropped sharply but was still high at nearly 35 per cent. This illustrates the tremendous importance of the motor industry to Port Elizabeth and Uitenhage and to the Cape Midlands economy, especially since secondary industry accounts for almost 30 per cent of the Midlands gross geographical produce and also because of the considerable backward linkage effects generated. The more important related industries such as tyres, safety glass and batteries, were amongst the first established and themselves attracted other industries, for example, a factory producing carbon-black for the tyre industry. There are also two large factories manufacturing bodies for vehicles; one producing bus bodies and the other various bodies of special design, mainly for commercial vehicles. In fact, a good part of the region's economic growth can be traced back to stimuli from the early established industries, the most important of which is the motor vehicle industry.

From 1957/58 onwards other parts of the Cape Midlands also began contributing to the gross value added by the motor industry. The contribution is as yet relatively small and is made by the magisterial districts of Albany and Somerset East. Motor vehicle lamps are produced in the former while the latter manufactures exhaust systems (silencers). There is scope for further development in these centres, and in Somerset East, for example, exhaust systems only were manufactured initially but this has been extended to petrol tanks and grilles. These hinterland industries deliver their components mainly to nearby Port Elizabeth and Uitenhage.

Table 42 shows, in terms of unit sales, the region's dominating role in motor vehicle production.

TABLE 42.

Sales of Motor Vehicles by Port Elizabeth and Uitenhage

Year	Passenger Vehicles		Commercial Vehicles	
	Units	% of S.A.	Units	% of S.A.
1954	18,289	51.3	7,881	61.8
1955	27,794	54.3	12,338	57.9
1956	29,351	56.3	12,025	59.3
1957	47,089	56.7	14,801	63.4
1958	52,225	58.4	14,666	67.9
1959	49,431	56.7	12,612	66.5
1960	59,428	61.6	14,722	64.8

Source: National Association of Automobile Manufacturers of South Africa.

The statistics presented in Table 42 are in respect of calendar years and show that considerably more than one-half of all motor vehicles sold in South Africa originate from the Port Elizabeth/Uitenhage region. Furthermore, this region has increased its supply contribution to total sales relative to the rest of South Africa over the period 1954 to 1960, particularly in the case of commercial vehicles. With the emphasis after 1960 changing from assembly to manufacturing (initially more than 55 per cent local raw materials content by weight) the locational advantages of the harbour areas are likely to diminish relative to the main inland market. The present concentration of the industry in the Port Elizabeth/Uitenhage region however means that its future in this region is assured and it will continue to act as a powerful magnet in attracting related manufacturers to the region.

A comparison of the gross value added figures for the Port Elizabeth/Uitenhage region (and for the Cape Midlands) as presented in Table 43, with sales of motor vehicles by the region as set out in Table 44 above, suggests a conflict in the statistics. The figures indicate a rapid decline in the gross value added by the motor industry during a time when sales of motor vehicles by the region were increasing rapidly. Since it is comparatively simple to compile statistics of unit vehicle sales made by a region, the obvious suggestion is that the value added figures supplied are grossly understated, particularly for the local region.

In response/...

In response to the writer's query regarding this difficulty, the Department of Planning replied that Terblanche in an unpublished thesis entitled: "Die berekening van die Bruto geografiese produk van groter Wes-Kaapland volgens streke 1954/55 tot 1959/60" - in which he calculated the motor industry gross value added figures for the period in question - comments on page 48 as follows:-

"Dit moet gemeld word dat byna R33 miljoen uit die nasionale totaal van R42 miljoen vir die motornywerheid in 1957 aan Port Elizabeth toedeelbaar was en dat die ooreenstemmende syfer in 1960 R26 miljoen uit 'n totaal van net oor die R40 miljoen was".

These figures indicate that while the motor industry gross value added for the Republic declined between 1956/57 and 1959/60, the corresponding decline in the Port Elizabeth area was much more pronounced.

A study of Tables IV and VI in the Board of Trade and Industries Report No. 613 - Investigation into the Motor Industry in South Africa - also reveals a trend of declining value added in so far as it shows greater imports and lower direct labour costs during the period 1956 to 1958. The conclusion must be that there is evidence in support of a declining trend in motor industry gross value added in the Port Elizabeth/Uitenhage region over the period under review but that the sharp decline is contrary to what could normally be expected. The greater imports and lower direct labour costs for eight assembly plants 1956 to 1958 do not appear to resolve the apparent conflict entirely and more detailed further research may be required.

4. Textiles and Clothing (Footwear)

After the motor industry, the textiles and clothing class is most important as a contributor to the net value of secondary output in the Port Elizabeth/Uitenhage region. This main class of industry is made up of two groups: textiles; and of footwear, clothing and other made-up textile goods. Of the latter group, the footwear section is the most important accounting for about 78 per cent of employment and 71 per cent of the group's net output in 1959/60. The high contribution of this section is due to the importance of sheep and cattle in the hinterland, which supplies Port Elizabeth/Uitenhage with the raw materials necessary for the manufacture of footwear, textiles and clothing. The making of footwear is favoured by the variety of hides and skins obtained nearby and has long been a major

industry/...

industry in this region. Between 1955 and 1960, however, Port Elizabeth's footwear industry suffered a decline while in Natal the industry grew significantly.

Table 43 illustrates Port Elizabeth's decline as the premier footwear manufacturing centre in South Africa, but shows that the industry is still highly important there.

TABLE 43.

Footwear Manufacture - 1954 and 1959

	1954		1959	
EMPLOYMENT	Number	%	Number	%
Port Elizabeth	4,512	25.5	3,194	19.5
Natal	4,154	23.5	5,448	33.5
South Africa	17,654	100.0	16,377	100.0
OUTPUT (thousands of pairs)				
Port Elizabeth	4,439	27.9	3,460	19.8
Natal	3,253	20.4	6,715	38.4
South Africa	15,906	100.0	17,486	100.0

Source: Townsend, A.C. South African Footwear Facts and Figures, 1917 - 1960. Leather Industries Research Institute, Grahamstown, 1961, Tables 19 and 23.

Port Elizabeth figures: Unpublished data from the Leather Industries Research Institute, Port Elizabeth, 1961.

Like the motor industry, footwear manufacture has attracted several subsidiary industries such as those producing toe puffs and stiffeners, insole strips, clicking knives and plastic lasts, which no longer have to be imported and present an important development in view of the rapidly changing shoe fashions. The manufacture of clothing and other made-up textile goods (mainly canvas products) are much less important than footwear and, because the location of the clothing industry is influenced primarily by proximity to the consuming market, the bulk of manufacturing takes place in the southern Transvaal.

As far as the textiles group is concerned, industries in the Port Elizabeth/Uitenhage region are primarily of the type that use wool as the principal raw material. The concentration of woollen textile factories in the region is due to Port Elizabeth's historic function as a market and main port of export for South Africa's wool clip, to the nearness of the raw materials and because local climatic conditions were favourable for the industry. All five of the basic

1. One of the main reasons behind the decline of Port Elizabeth as South Africa's premier footwear manufacturing centre has been the relatively higher skills and efficiency of Indian labour in Natal vis-à-vis Coloured labour in the Cape Midlands.

major processes (i.e. scouring, combing, spinning, weaving and finishing) are carried on, but the greater part of wool processing is concerned with the early stages of manufacture. This is because of the significant weight loss involved which favours processing near the source of the raw wool - the average weight of scoured wool is almost one-half that of grease wool. The bulk of the lighter semi-processed product is either exported or sent to be finished and sold in the major market of the southern Transvaal. In addition to the wool textile industry, the region is prominent in the field of cotton textiles. This industry developed in order to meet the needs of the local market in lining fabric for the rubber tyre industry, cotton and jute bags for the packing of wool and hesian pockets for the packing of citrus fruit.

5. Food and Beverages

The largest number of firms in this class produce for the local and regional market and include processed meat factories, bakeries, tea blending and coffee roasting. Of the specialised food industries, the canning and processing of citrus and deciduous fruit is the most important. In the early 1950's the area was also important for the canning of pineapples but, by 1960, East London was the leading pineapple centre in South Africa. The location of food processing industries is influenced by the weight and bulkiness of the raw materials and of the processed foodstuffs, and upon suitable storage and refrigeration facilities. Fruit canning factories are accordingly located as near as possible to the growing areas, particularly since the use of fresh produce is important. The Port Elizabeth/Uitenhage region was thus the logical choice for processors dependent upon produce from the Sundays, Fish and Gamtoos River valleys, and this class of industry may be expected to increase once the Orange-Fish-Sundays River project permits an expansion of agricultural output in the hinterland. This will be important not only because of the increased output and activity, but from the point of view of earning foreign exchange. Apart from the canning and processing of fruit, the production of sweets and chocolates, biscuits, the milling of grain and the production of salt are also important.

6. More Recent Developments[1]

Since 1960 some major developments and extensions in many branches of industry have taken place in the Port Elizabeth/Uitenhage region/...

1. The figures presented in this respect were taken from The Eastern Cape Report, July 1963, October 1963, January 1964, January/March 1964 and April/June 1964.

region. In the period between January 1960 and mid-1963 there were 57 announcements of extensions to existing industries amounting to a capital investment of almost R18 million. The actual total of capital expenditure is probably considerably in excess of the published figure since not all industrial concerns disclosed their intended investment and many installed new equipment without any specific announcement. Most of the new investments over this period consisted of extensions to existing industries, illustrating that the old, well-established base industries are still the main stimulus to development of the region.

In 1963 the two largest motor vehicle establishments announced investment expenditures in Port Elizabeth totalling R32 million. These plans have since been put into effect and mainly concern motor vehicle engine production. This development has been in harmony with State policy to increase the local content of manufactured products in South Africa and has resulted in additional employment for about 1,100 persons, bringing the employment figure for these two largest concerns to 7,800 persons. In the same year plans to the value of R3 million were announced by a Uitenhage tyre factory which could not cope with the high level of demand. Other major developments in the region are connected with the manufacture of motor vehicle component parts, with textiles, footwear, confectionary and with the paint industry. Most of these have centred on Port Elizabeth but the development of Uitenhage has been by no means unimportant. This is illustrated by the fact that the Uitenhage Town Council had sold more industrial land in 1962 than in the previous 15 years collectively.

Despite the rapid growth of secondary industry in the Port Elizabeth/Uitenhage region since 1960, the region continues to labour under the burden of having to transport its heavy iron and steel some 700 rail miles from the southern Transvaal. The lack of this hard core of heavy industry is an important disadvantage and will prove more serious in the future. Nevertheless, it seems relatively certain that manufacturing will play an ever increasing role in the economic activity of the Cape Midlands in the years to come. The Port Elizabeth/Uitenhage region, as the industrial hub of the Midlands, is well placed to supply the expanding domestic market and to produce increasingly for export. The growing agricultural (and tourist) potential of the Cape Midlands, which must result from the Orange-Fish-Sundays Rivers scheme, will provide the region with an even richer agricultural hinterland and, together with the region's other advantages already discussed, the continued growth of secondary industry can be regarded as an economic certainty.

Table 44/...

TABLE 44.

The Contribution of Manufacturing, Construction, Electricity, Gas and Water to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55 Salaries and Wages	1954/55 Other Incomes	1954/55 Gross Value Added	1955/56 Salaries and Wages	1955/56 Other Incomes	1955/56 Gross Value Added	1956/57 Salaries and Wages	1956/57 Other Incomes	1956/57 Gross Value Added
06 Humansdorp	163	150	313	215	258	473	274	183	457
Uniondale	10	5	15	11	4	15	12	4	16
Total:	173	155	328	226	262	488	286	187	473
08 Port Elizabeth	24,105	15,088	39,193	24,579	16,736	41,315	26,077	13,914	39,991
Uitenhage	1,431	812	2,243	1,490	867	2,357	1,613	939	2,552
Total:	25,536	15,900	41,436	26,069	17,603	43,672	27,690	14,853	42,543
09 Albany	527	124	651	527	126	653	555	148	703
Alexandria	5	1	6	5	1	6	5	2	7
Bathurst	17	15	32	17	16	33	19	15	34
Kirkwood	-	-	-	-	-	-	-	-	-
Total:	549	140	689	549	143	692	579	165	744
10 Aberdeen	22	23	45	22	24	46	24	23	47
Jansenville	6	3	9	8	2	10	8	2	10
Steytlerville	3	2	5	3	2	5	3	2	5
Willowmore	16	3	19	16	4	20	18	4	22
Total:	47	31	78	49	32	81	53	31	84
11 Albert	32	29	61	36	31	67	41	34	75
Aliwal North	239	260	499	243	256	499	259	244	503
Colesberg	13	15	28	14	18	32	17	25	42
Cradock	182	170	352	205	173	378	248	174	422
Graaff Reinet	219	77	296	225	73	298	242	62	304
Hanover	20	17	37	23	16	39	27	16	43
Maraisburg	37	65	102	42	60	102	44	58	102
Middelburg	85	168	253	99	210	309	110	288	398
Murraysburg	9	15	24	11	14	25	12	14	26
Pearston	1	2	3	1	2	3	1	2	3
Richmond	21	18	39	21	18	39	23	18	41
Somerset East	177	63	240	181	108	289	193	171	364
Steynsburg	11	12	23	12	20	32	13	12	25
Venterstad	7	4	11	8	4	12	8	5	13
Total:	1,053	915	1,968	1,121	1,003	2,124	1,238	1,123	2,361
Cape Midlands	27,358	17,141	44,499	28,014	19,043	47,057	29,846	16,359	46,205

1957/58 Salaries and Wages	1957/58 Other Incomes	1957/58 Gross Value Added	1958/59 Salaries and Wages	1958/59 Other Incomes	1958/59 Gross Value Added	1959/60 Salaries and Wages	1959/60 Other Incomes	1959/60 Gross Value Added
298	182	480	299	191	490	308	196	504
12	4	16	11	4	15	11	6	17
310	186	496	310	195	505	319	202	521
27,473	21,512	48,985	26,912	15,188	42,100	27,010	17,752	44,762
1,771	1,028	2,799	1,805	1,368	3,173	1,884	1,664	3,548
29,244	22,540	51,784	28,717	16,556	45,273	28,894	19,416	48,310
612	178	790	620	232	852	642	261	903
16	7	23	27	12	39	38	17	55
20	13	33	17	14	31	16	13	29
2	2	4	3	7	10	5	12	17
650	200	850	667	265	932	701	303	1,004
29	32	61	31	42	73	35	51	86
11	4	15	13	6	19	16	8	24
3	4	7	4	7	11	5	8	13
73	98	171	123	194	317	177	290	467
116	138	254	171	249	420	233	357	590
41	41	82	38	49	87	35	58	93
269	226	495	261	212	473	259	195	454
18	24	42	18	25	43	18	25	43
267	171	438	268	172	440	275	173	448
303	106	409	345	158	503	394	207	601
29	17	46	27	22	49	27	25	52
31	40	71	21	14	35	1	1	2
115	321	436	114	348	462	115	378	493
12	12	24	12	10	22	12	8	20
3	1	4	4	1	5	5	1	6
26	19	45	28	21	49	30	22	52
199	212	411	191	258	449	188	301	489
16	18	34	19	23	42	23	29	52
3	7	10	3	3	6	2	1	3
1,332	1,215	2,547	1,349	1,316	2,665	1,384	1,424	2,808
31,652	24,279	55,931	31,214	18,581	49,795	31,531	21,702	53,233

TABLE 45.

The Contribution of the Motor Industry to the
Gross Domestic Product (R'000)

Economic Regions and Magisterial Districts	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
08 Port Elizabeth	32,405	30,470	32,869	25,830	24,805	26,332
Uitenhage	987	1,123	1,280	1,709	2,011	2,226
Total:	33,392	31,593	34,149	27,539	26,816	28,558
09 Albany	-	-	-	12	17	22
11 Somerset East	-	-	-	5	7	10
Cape Midlands	33,392	31,593	34,149	27,556	26,840	28,590

CHAPTER VI

TERTIARY PRODUCTION

A. INTRODUCTION

Tertiary production is taken as being synonymous with the services sector and is usually defined as the residual between aggregate economic activity and primary plus secondary production.

"Tertiary production is defined by difference as consisting of all other economic activities, the principal of which are distribution, transport, public administration, domestic services and all other activities producing a non-material output."[1]

Tertiary industry, therefore, embraces a number of heterogeneous activities whose only common feature is the non-material nature of the output. Hence, since the sector comprises an aggregation of many dissimilar activities, movements in the individual items are more meaningful as a tool of analysis in the study of economic development than movements in the category as a whole. This is because there is little or no reason to suppose that demand in the individual dissimilar items should follow any common trend or move in any common fashion.[2]

B. THE STRUCTURE OF THE TERTIARY SECTOR IN THE CAPE MIDLANDS

The relative importance and growth of the main service activities that constitute tertiary production in the Cape Midlands[3] for the period 1954/55 to 1959/60 is shown in Table 46

Table 46/...

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1. Clark Colin: as quoted in Bauer & Yamey, op. cit., p. 741.

2. vide:
   Bauer, P.T. and Yamey, B.S.: "Economic Progress and Occupational Distribution." The Economic Journal, Dec. 1951.

   Minkes, A.L.: "Statistical Evidence and the Concept of Tertiary Industry." Economic Development and Cultural Change. Vol. 3, 1954/55.

3. Detailed tables in respect of each magisterial district showing the gross value added and, whenever possible, its division into the income type, are at the end of this Chapter.

TABLE 46.

CAPE MIDLANDS

The Tertiary Sector - Gross Value Added R'000

Year	Trade	Finance	Trans-port	Dwell-ings	Govern-ment Services	Other Services	Total S.A's	% of Total
1954/55	31,545 (26.7)	5,006 (4.2)	30,870 (26.2)	7,706 (6.6)	19,826 (16.8)	22,963 (19.5)	117,916 (100.0)	(6.6)
1955/56	32,853 (26.2)	5,452 (4.3)	32,606 (26.0)	8,321 (6.6)	21,525 (17.1)	24,825 (19.8)	125,582 (100.0)	(6.6)
1956/57	33,614 (25.3)	5,814 (4.4)	34,524 (26.0)	9,176 (6.9)	23,582 (17.7)	26,307 (19.7)	133,017 (100.0)	(6.5)
1957/58	36,381 (25.7)	6,138 (4.4)	36,204 (25.6)	9,824 (7.0)	25,478 (18.0)	27,323 (19.3)	141,348 (100.0)	(6.4)
1958/59	32,151 (22.4)	6,057 (4.3)	37,898 (26.4)	10,479 (7.3)	27,695 (19.3)	29,007 (20.3)	143,287 (100.0)	(6.4)
1959/60	34,485 (22.5)	7,006 (4.6)	41,410 (27.0)	10,833 (7.0)	29,598 (19.3)	30,178 (19.6)	153,510 (100.0)	
% change 1955/60	+9.3	+40.0	+34.1	+40.6	+49.3	+31.4	+30.2	

Table 46 indicates that the most important tertiary activities in the Cape Midlands are the services of transport, storage and communications and the services of retail and wholesale trade. During the period under review a structural change took place within the tertiary sector, with the transport group overtaking trade as the major contributor to aggregate tertiary output (gross value added). From 26.7 per cent in 1954/55 the contribution of commerce to total gross value added declined to 22.5 per cent in 1959/60, whilst the corresponding contribution of the transport group rose from 26.2 to 27 per cent respectively. Hence, from 1956/57 onwards the transport group assumed prime position in the tertiary activity of the area.

This change in the structure of the tertiary sector in the Cape Midlands can be attributed to the considerably faster growth experienced by the transport group as compared with trade over the period under review (34.1 per cent growth as compared with only 9.3 per cent). The slower growth rate in respect of trade can be linked to a relative slowdown in the general economic activity of the area during the period 1955 to 1960. The negative growth of 11.3 per cent in the gross value added by agriculture in the Midlands during this period would react strongly upon commerce, both because commerce is a production sector in large measure dependent upon overall economic growth and because of the importance that agricultural activity assumes in the economy of the Cape Midlands. At the same time, developments in the facilities of the Port Elizabeth harbour would bolster up the activity of the transport group. Thus the decline

in agricultural/...

in agricultural production and any harbour developments would go a long way towards explaining the structural change referred to.

The other services group is third in importance in the tertiary activity of the area. This group comprises community, business, recreational and personal services of all kinds (the contribution of radio services is included here). This group of service activities grew at roughly the same rate as aggregate tertiary gross value added and maintained its relative share at approximately 19 to 20 per cent over the period.

General government services, comprising the activities of the central government, provincial administration and the trading and administrative functions of local authorities, display the most rapid growth of all the component items that go to make up tertiary production as shown in the table. The 49.3 per cent increase between 1955 and 1960 resulted in the group's relative share rising from 16.8 to 19.3 per cent of the tertiary sector's gross value added at the beginning and end of the period respectively.

A possible explanation for the fast growth of the government services group is that, in addition to 'normal' annual increases in public sector expenditures, at a time when the local economies of agriculturally intensive districts are relatively depressed (due to drought and/or agricultural price fluctuations) the volume of services at the various levels of government is further increased as a compensatory measure. Thus, during the period under review, much of which was characterised by drought and relatively unfavourable agricultural prices (primarily wool prices) government and provincial road building programmes, bore-hole drilling and water development, as well as other activities designed to aid the agricultural sector may have been increased in tempo. Allied to this is the fact that public expenditures for the maintenance of services originating from the government group (those activities mentioned above as well as educational, hospital, police, municipal and other similar services) will constitute a much higher proportion of total gross geographical product in relatively depressed districts than in their more active counterparts.[1] Hence, due to 'normal' annual increases

1. P. A. Nel writes that "It is further very noticeable that in magisterial districts where agriculture is by far the most important single economic activity, the contribution of government and other services constitute a comparatively high percentage of the G.G.P. (Gross geographical product) of the districts concerned...

"The relatively extensive contribution by the Government to the economic activities of certain districts is due to road construction programmes, educational, hospital, irrigation, police, juridical and other services such as boring-machine services, as well as the activities of local governments. The fixed costs for the maintenance of these services constitute a high percentage of total costs, with the result that they constitute a higher percentage of the G.G.P. of districts with relatively low economic activities than of districts with relatively high economic activities." "The Use and Application of Regional National Income Figures with Special Reference to the Orange Free State." Volkskas Limited, Finance and Trade Review, Sept./Dec. 1954, p. 303.

and possibly to further increases in public expenditures of a compensatory nature, and also because by far the greater part of the Cape Midlands consists of magisterial districts engaged primarily in agriculture, most of which were at the time relatively depressed, the proportion that the government services group formed of total tertiary production in the area could be expected to increase.

The remaining tertiary groups, ownership of dwellings and finance and real estate, also grew very rapidly over the period, the former increasing by 40.6 per cent and the latter by 40 per cent. As a consequence, both these groups increased their relative shares in aggregate tertiary activity, from 6.6 per cent in 1954/55 to 7 per cent in 1959/60 in the case of dwellings, and from 4.2 to 4.6 per cent, respectively, in the case of finance.

Gross value added by the tertiary sector as a whole in the Cape Midlands represents between 6.6 and 6.4 per cent of the national total in 1954/55 and 1958/59, respectively, suggesting a relatively slower rate of increase than that of the country's tertiary sector.

In 1960 the tertiary sector in the Midlands employed 122,000 persons of whom 18,299 or 15 per cent were employed in transport. Commerce, which is second to transport in terms of output contribution, employed 28,286 persons or 23.2 per cent of the total employed in the services sector. This is, of course, an indication of the relatively more capital intensive nature of the transport sector as well as of the higher ratio of Whites to non-Whites employed. The remaining tertiary activities together accounted for 75,415 persons or 61.8 per cent of the total employed in tertiary production. These remaining activities accounted for 50.5 per cent of total gross value added by the tertiary sector in 1959/60. The total of 122,000 persons employed in all kinds of services represents 41.5 per cent of the 1960 working population in the Cape Midlands and includes 40,626 Whites, 55,713 Bantu and 25,661 Coloureds. Asiatics are not included in any of the above figures since their distribution between the main industry groups was not available.

The economic structure of the tertiary sector in the Midlands differs from that for South Africa as summarised in

TABLE 47.

SOUTH AFRICA

THE TERTIARY SECTOR - GROSS VALUE ADDED R MILLION

Year	Trade	Finance	Trans-port	Dwell-ings	Govern-ment Services	Other Services	Total
1954/55	534.7 (29.8)	117.8 (6.6)	359.1 (20.0)	119.2 (6.6)	309.5 (17.3)	352.5 (19.7)	1,792.8 (100.0)
1955/56	566.8 (29.6)	131.4 (6.9)	378.8 (19.8)	127.8 (6.6)	332.4 (17.4)	377.5 (19.7)	1,914.7 (100.0)
1956/57	596.1 (29.1)	145.8 (7.1)	399.5 (19.5)	138.1 (6.7)	364.1 (17.8)	405.8 (19.8)	2,049.4 (100.0)
1957/58	629.3 (29.0)	150.1 (6.9)	420.5 (19.4)	147.6 (6.8)	388.1 (17.9)	433.8 (20.0)	2,169.4 (100.0)
1958/59	604.2 (27.1)	158.2 (7.1)	440.6 (19.8)	154.9 (7.0)	414.7 (18.6)	453.5 (20.4)	2,226.1 (100.0)

Source: Stadler, J.J. 'The Gross Domestic Product of South Africa, 1911-1959'. S.A.J.E. Septemper, 1963, p. 194.

Comparing Table46 with Table47 it is evident that most constituent groups that have increased or decreased their relative importance in total tertiary gross value added in South Africa have followed a similar pattern in the Cape Midlands. The exception is the transport group which, unlike for the country as a whole, grew in relative importance in the Cape Midlands. A further departure is that, unlike in the Midlands, no change took place in the structural composition of the tertiary sector between 1955 and 1959. In addition, it is evident that the Midlands are reliant to a considerably greater extent on the transport group which, in South Africa as a whole is eclipsed by trade. This can in part be accounted for by the extremely important role which the Port Elizabeth harbour plays in the local economy of the Cape Midlands. The dominance of trade in the tertiary sector of South Africa is some indication of the relatively closer concentrations of population and the higher levels of economic activity and income outside the Midlands, which would tend to increase the importance of commerce in the country as a whole *vis-à-vis* the Cape Midlands.

The remaining tertiary groups display a fairly similar pattern of development to that in the Cape Midlands. The other services group is followed by government services in order of relative contribution with both groups being slightly more important in South Africa than they are in the Midlands. Unlike the Cape Midlands, however, where the services of dwellings are more important than those of the finance group, the order is reversed in the country as a whole.

In terms of/...

In terms of employment the tertiary sector in South Africa engaged 1,846,238 persons in 1960. This represents 33.1 per cent of the total working population (41.5 per cent in the Midlands). Of this number commerce accounted for 430,417 persons (23.3 per cent), transport 210,117 persons (11.4 per cent) and the other service groups for the remainder of 1,205,704 persons (65.3 per cent). Total tertiary employment embraced 607,773 Whites, 1,042,151 Bantu and 196,314 Coloureds. In order to make the national employment statistics comparable with those for the Midlands, Asiatics have not been included. This has the effect of depressing the proportion of the national working population engaged in tertiary activities since the majority of Asiatics in South Africa find employment in the services sector.

C. THE REGIONAL STRUCTURE OF THE TERTIARY SECTOR

Table 48 presents the structure of the tertiary sector in each constituent economic region of the Cape Midlands. Although certain regions show similarity as to structure and growth, it is evident that no set pattern pertains.

Region 08 (Port Elizabeth and Uitenhage) compares most closely in structure and in growth to the Cape Midlands due to the fact that between 69.3 and 70.1 per cent of total Cape Midlands' tertiary output is generated in this region. The only structural difference is that commerce is more important in region 08 whereas in the Midlands the transport group dominates. This can be partially accounted for by the fact that the developed commercial facilities of Port Elizabeth attract the custom of many persons and of farmers from surrounding districts. It is not unusual for persons to travel several hundred miles from the hinterland in order to make their more important purchases which cannot be effected, or effected with equal economy, in their own districts. The trading activities resulting from the harbour are also a very important contributing factor in this respect.

Regions 06, 09 and 10 exhibit fairly similar structures in that the government and other services groups are the most important tertiary contributors. Since these regions are predominantly agricultural in character, it is not unusual for these two service groups to be of prime importance in tertiary activity.[1] In region 11, although the government and other service groups are still very important tertiary contributors, the prime position is assumed by transport,

storage/...

1. The same tendency was observed by P. A. Nel in the Orange Free State. op. cit., p. 303.

TABLE 48.

THE REGIONAL STRUCTURE OF THE TERTIARY SECTOR IN THE CAPE MIDLANDS-GROSS VALUE ADDED R'000

	Year	Trade	Finance	Transport	Dwellings	Govt. Services	Other Services	Total	(% of C.M)
REGION 06	1954/55	648 (16.8)	211 (5.5)	537 (14.0)	381 (9.9)	1,097 (28.5)	973 (25.3)	3,847 (100.0)	(3.3)
	1955/56	661 (16.0)	232 (5.6)	566 (13.7)	406 (9.8)	1,167 (28.2)	1,107 (26.7)	4,139 (100.0)	(3.3)
The Humansdorp-Uniondale Districts	1956/57	733 (16.5)	257 (5.8)	593 (13.3)	450 (10.1)	1,219 (27.4)	1,199 (26.9)	4,451 (100.0)	(3.3)
	1957/58	958 (19.2)	279 (5.6)	632 (12.7)	476 (9.6)	1,361 (27.3)	1,277 (25.6)	4,983 (100.0)	(3.6)
	1958/59	888 (17.3)	293 (5.7)	662 (12.8)	501 (9.7)	1,464 (28.4)	1,344 (26.1)	5,152 (100.0)	(3.6)
	1959/60	943 (17.5)	333 (6.2)	736 (13.7)	513 (9.5)	1,605 (29.8)	1,257 (23.3)	5,387 (100.0)	(3.5)
	% change 1955/60	+45.5	+57.8	+37.1	+34.6	+46.3	+29.2	+40.0	
REGION 08	1954/55	24,608 (30.0)	3,370 (4.1)	22,517 (27.5)	4,237 (5.2)	12,086 (14.7)	15,175 (18.5)	81,993 (100.0)	(69.5)
	1955/56	26,088 (29.7)	3,691 (4.2)	23,939 (27.2)	4,597 (5.2)	13,314 (15.1)	16,386 (18.6)	88,015 (100.0)	(70.1)
Port Elizabeth and Uitenhage	1956/57	26,206 (28.3)	3,884 (4.2)	25,342 (27.4)	5,096 (5.5)	14,757 (16.0)	17,226 (18.6)	92,511 (100.0)	(69.6)
	1957/58	28,802 (29.2)	4,148 (4.2)	26,564 (26.9)	5,466 (5.5)	15,952 (16.2)	17,778 (18.0)	98,710 (100.0)	(69.8)
	1958/59	25,374 (25.6)	4,016 (4.0)	27,748 (27.9)	5,898 (5.9)	17,390 (17.5)	18,992 (19.1)	99,418 (100.0)	(69.4)
	1959/60	27,248 (25.6)	4,668 (4.4)	30,073 (28.3)	6,160 (5.8)	18,773 (17.6)	19,432 (18.3)	106,354 (100.0)	(69.3)
	% change 1955/60	+10.7	+38.5	+33.6	+45.4	+55.3	+28.1	+29.7	
REGION 09	1954/55	1,877 (20.8)	316 (3.6)	1,355 (15.0)	986 (10.9)	2,107 (23.3)	2,376 (26.4)	9,017 (100.0)	(7.6)
	1955/56	1,799 (19.1)	332 (3.6)	1,438 (15.3)	1,082 (11.5)	2,195 (23.4)	2,551 (27.1)	9,397 (100.0)	(7.5)
The Albany Coastal Region	1956/57	1,863 (18.5)	355 (3.6)	1,537 (15.3)	1,191 (11.8)	2,394 (23.8)	2,716 (27.0)	10,056 (100.0)	(7.6)
	1957/58	1,951 (18.3)	371 (3.5)	1,603 (15.0)	1,279 (12.0)	2,622 (24.6)	2,834 (26.6)	10,660 (100.0)	(7.6)
	1958/59	1,913 (17.0)	389 (3.4)	1,675 (14.9)	1,357 (12.0)	2,784 (24.7)	3,159 (28.0)	11,277 (100.0)	(7.9)
	1959/60	2,070 (16.7)	444 (3.6)	2,071 (16.7)	1,396 (11.3)	2,722 (22.0)	3,673 (29.7)	12,376 (100.0)	(8.1)
	% change 1955/60	+10.3	+40.5	+52.8	+41.6	+29.2	+54.6	+37.3	
REGION 10	1954/55	566 (17.2)	167 (5.1)	661 (20.0)	348 (10.6)	837 (25.4)	716 (21.7)	3,295 (100.0)	(2.8)
	1955/56	536 (15.7)	182 (5.3)	696 (20.2)	373 (10.8)	886 (25.7)	769 (22.3)	3,442 (100.0)	(2.7)
The Mid-Western Districts	1956/57	591 (15.9)	203 (5.4)	737 (19.8)	403 (10.8)	962 (25.8)	833 (22.3)	3,729 (100.0)	(2.8)
	1957/58	580 (14.8)	207 (5.3)	784 (20.1)	429 (11.0)	1,018 (26.0)	891 (22.8)	3,909 (100.0)	(2.8)
	1958/59	547 (13.5)	221 (5.4)	837 (20.6)	443 (10.9)	1,080 (26.6)	935 (23.0)	4,063 (100.0)	(2.8)
	1959/60	580 (13.5)	252 (5.9)	926 (21.5)	443 (10.3)	1,166 (27.1)	935 (21.7)	4,302 (100.0)	(2.8)
	% change 1955/60	+ 2.5	+50.9	+40.1	+27.3	+29.3	+30.6	+30.6	
REGION 11	1954/55	3,846 (19.5)	942 (4.8)	5,800 (29.3)	1,754 (8.9)	3,699 (18.7)	3,723 (18.8)	19,764 (100.0)	(16.8)
	1955/56	3,769 (18.4)	1,015 (4.9)	5,967 (29.0)	1,863 (9.0)	3,963 (19.2)	4,012 (19.5)	20,589 (100.0)	(16.4)
The Northern Districts	1956/57	4,221 (19.0)	1,115 (5.0)	6,315 (28.4)	2,036 (9.0)	4,250 (19.1)	4,333 (19.5)	22,270 (100.0)	(16.7)
	1957/58	4,090 (17.7)	1,133 (4.9)	6,621 (28.7)	2,174 (9.4)	4,525 (19.6)	4,543 (19.7)	23,086 (100.0)	(16.6)
	1958/59	3,429 (14.7)	1,138 (4.9)	6,976 (29.8)	2,280 (9.7)	4,977 (21.3)	4,577 (19.6)	23,377 (100.0)	(16.3)
	1959/60	3,644 (14.5)	1,309 (5.2)	7,604 (30.3)	2,321 (9.3)	5,332 (21.2)	4,881 (19.5)	25,091 (100.0)	(16.3)
	% change 1955/60	- 5.3	+39.0	+31.1	+32.3	+44.1	+31.1	+27.0	

storage and communications.

A fairly noticeable tendency seems to be that, the further away a region is situated from the economic centre of the Midlands, the more important is that region's transport group in aggregate tertiary activity. Thus the coastal regions 06 and 09, whose main centres are situated fairly close to Port Elizabeth, are relatively less transport oriented than are the inland lying and more distant Karoo regions 10 and 11. The geographic size of the regions is closely connected since those regions most removed from Port Elizabeth are also the largest in area. Hence the smaller and less distant regions 06 (3,621 sq. miles) and 09 (4,089 sq. miles) obtained 13.7 and 16.7 per cent, respectively, of their aggregate tertiary output from the activity of the transport group in 1959/60. The relatively larger and more distant Karoo regions 10 (8,825 sq. miles) and 11 (24,484 sq. miles) obtained 21.5 and 30.3 per cent of their aggregate tertiary output, respectively, in 1959/60 from the transport group.

The development of the tertiary sector has proceeded at a fairly rapid pace in all the constituent economic regions. The most rapid growth took place in the better watered coastal regions 06 and 09 where conditions in the agricultural sector were more favourable. In region 06 (the only region to have increased its agricultural output over the period) aggregate tertiary production grew by 40 per cent between 1955 and 1960, with the most rapid increases being recorded by the groups finance, general government services, trade and transport. In region 09 the groups to have recorded the largest increases during the period were other services, transport, dwellings and finance, with the gross value added by the region's tertiary sector as a whole increasing by 37.3 per cent.

In region 10, finance and transport exhibited the largest increases with a 30.6 per cent growth in total tertiary output being recorded during the period. The gross value added by the tertiary sector in region 08, the most important economic region of the Midlands, increased at roughly the same pace. The 1959/60 total stood at 29.7 per cent higher than the 1954/55 figure with the most rapid increases occurring in the government services, dwellings, finance and transport groups. The slowest growth of 27 per cent was recorded by region 11, where all constituent tertiary groups grew fairly rapidly with the exception of trade, whose contribution declined absolutely from R3.8 million at the start of the period to R3.6 million in 1959/60 - a decline of 5.3 per cent over the 1954/55 figure.

The pattern/...

The pattern of employment in the tertiary sector in each economic region of the Cape Midlands in 1960 is presented in Chapter II. Tables 12 and 13(a) and (b) give the percentage distribution of economically active Whites, Bantu and Coloureds in each of the five regions as well as the spread of employment between the regions. From Table 12 it can be seen that the developed Port Elizabeth-Uitenhage region is the largest tertiary employer of all racial groups in the Cape Midlands. Region 11 comes next and is followed by regions 09, 06 and 10 in that order. Table 13(b) indicates that a very high proportion of Whites in all the economic regions is employed in the tertiary sector with the proportions for Bantu and Coloureds being somewhat lower.

Note to following Tables:

Detailed statistics in respect of the tertiary production sector are presented below. These statistics were obtained from the Office of the Economic Adviser of the Prime Minister but a division of gross value added into salaries and wages and other incomes was not available in all instances. Since Kirkwood was proclaimed a magisterial district during 1959/60, the Uitenhage figures prior to 1959/60 were approportioned between these two magistracies in the ratio that existed between them in 1959/60.

Table 49/...

TABLE 49.

The Contribution of Trade to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
06 Humansdorp	432	424	445	591	562	597
Uniondale	216	237	288	367	326	346
Total:	648	661	733	958	888	943
08 Port Elizabeth	23,169	24,723	24,849	27,446	24,080	25,592
Uitenhage	1,439+	1,365+	1,357+	1,356+	1,294+	1,656
Total:	24,608	26,088	26,206	28,802	25,374	27,248
09 Albany	1,231	1,176	1,232	1,265	1,237	1,315
Alexandria	203	198	206	274	282	279
Bathurst	148	145	147	135	129	137
Kirkwood	295+	280+	278+	277+	265+	339
Total:	1,877	1,799	1,863	1,951	1,913	2,070
10 Aberdeen	140	129	134	112	91	97
Jansenville	135	131	145	152	189	200
Steytlerville	100	98	113	109	89	94
Willowmore	191	178	199	207	178	189
Total:	566	536	591	580	547	580
11 Albert	291	281	340	343	259	276
Aliwal North	382	378	410	367	316	336
Colesberg	159	147	186	183	133	141
Cradock	666	651	730	693	576	612
Graaff-Reinet	693	704	783	770	663	705
Hanover	229	216	224	226	186	197
Maraisburg	52	48	47	40	36	38
Middelburg	545	540	617	629	546	580
Murraysburg	67	67	70	48	39	41
Pearston	58	54	62	59	50	53
Richmond	119	111	126	120	91	97
Somerset East	466	467	537	514	439	466
Steynsburg	73	69	53	54	59	63
Venterstad	46	36	36	44	36	39
Total:	3,846	3,769	4,221	4,090	3,429	3,644
Cape Midlands	31,545	32,853	33,614	36,381	32,151	34,485

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

TABLE 50.

The Contribution of Financial Institutions to the Gross Domestic Product (R'000)

Economic Regions and Magisterial Districts	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
06 Humansdorp	129	141	153	165	172	195
Uniondale	82	91	104	114	121	138
Total:	211	232	257	279	293	333
08 Port Elizabeth	3,025	3,323	3,484	3,737	3,582	4,137
Uitenhage	345+	368+	400+	411+	434+	531
Total:	3,370	3,691	3,884	4,148	4,016	4,668
09 Albany	184	190	203	212	222	250
Alexandria	60	65	70	76	80	90
Bathurst	41	44	47	47	49	57
Kirkwood	31+	33+	35+	36+	38+	47
Total:	316	332	355	371	389	444
10 Aberdeen	48	54	59	59	60	68
Jansenville	44	47	53	55	65	74
Steytlerville	27	31	35	34	36	41
Willowmore	48	50	56	59	60	69
Total:	167	182	203	207	221	252
11 Albert	65	70	78	82	78	87
Aliwal North	81	87	93	93	94	104
Colesberg	54	57	67	69	66	75
Cradock	186	205	222	228	227	278
Graaff-Reinet	121	130	142	144	142	160
Hanover	51	53	57	59	58	68
Maraisburg	22	24	25	23	24	26
Middelburg	124	134	152	153	161	186
Murraysburg	33	36	40	38	41	45
Pearston	22	24	26	27	28	33
Richmond	44	47	52	54	53	60
Somerset East	102	110	123	123	124	141
Steynsburg	22	23	22	23	25	27
Venterstad	15	15	16	17	17	19
Total:	942	1,015	1,115	1,133	1,138	1,309
Cape Midlands	5,006	5,452	5,814	6,138	6,057	7,006

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

All district figures in Table 50 above refer to private sector financial institutions, with two exceptions. These are:-

1. Port Elizabeth

1954/55			1955/56			1956/57			1957/58			1958/59		
1.	2.	3.	1.	2.	3.	1.	2.	3.	1.	2.	3.	1.	2.	3.
2924	101	3025	3211	112	3323	3364	120	3484	3610	127	3737	3451	131	3582

1959/60		
1.	2.	3.
3969	168	4137

2. Cradock

1954/55			1955/56			1956/57			1957/58			1958/59		
1.	2.	3.	1.	2.	3.	1.	2.	3.	1.	2.	3.	1.	2.	3.
128	58	186	138	67	205	151	71	222	152	76	228	151	76	227

1959/60		
1.	2.	3.
171	107	278

1. Private Sector. 2. Public Sector. 3. Total.

TABLE 51.

The Contribution of Transport, Storage and Communication Services to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55 Salaries and Wages	1954/55 Other Incomes	1954/55 Gross Value Added	1955/56 Salaries and Wages	1955/56 Other Incomes	1955/56 Gross Value Added	1956/57 Salaries and Wages	1956/57 Other Incomes	1956/57 Gross Value Added
06 Humansdorp	287	115	402	313	110	423	336	104	440
Uniondale	97	38	135	106	37	143	116	37	153
Total:	384	153	537	419	147	566	452	141	593
08 Port Elizabeth	12,621	5,418	18,039	13,833	5,351	19,184	15,128	5,192	20,320
Uitenhage	3,153+	1,325+	4,478+	3,457+	1,298+	4,755+	3,779+	1,243+	5,022+
Total:	15,774	6,743	22,517	17,290	6,649	23,939	18,907	6,435	25,342
09 Albany	624	262	886	671	250	921	723	241	964
Alexandria	94	46	140	103	47	150	113	48	161
Bathurst	57	30	87	63	32	95	70	34	104
Kirkwood	97+	145+	242+	106+	166+	272+	120+	188+	308+
Total:	872	483	1,355	943	495	1,438	1,026	511	1,537
10 Aberdeen	325	131	456	351	123	474	384	113	497
Jansenville	28	13	41	31	14	45	34	16	50
Steytlerville	46	20	66	50	19	69	54	18	72
Willowmore	69	29	98	79	29	108	87	31	118
Total:	468	193	661	511	185	696	559	178	737
11 Albert	659	266	925	712	250	962	770	227	997
Aliwal North	205	85	290	222	81	303	243	80	323
Colesberg	63	27	90	69	26	95	79	28	107
Cradock	1,188	478	1,666	1,277	448	1,725	1,374	409	1,783
Graaff-Reinet	355	146	501	385	139	524	422	134	556
Hanover	846	339	1,185	914	319	1,233	987	288	1,275
Maraisburg	22	10	32	24	10	34	27	10	37
Middelburg	297	122	419	324	116	440	350	110	460
Murraysburg	12	6	18	14	6	20	15	7	22
Pearston	16	7	23	17	8	25	19	8	27
Richmond	68	28	96	64	27	91	81	26	107
Somerset East	347	144	491	309	137	447	413	132	545
Steynsburg	34	16	50	38	16	53	42	17	59
Venterstad	9	5	14	10	5	15	11	6	17
Total:	4,121	1,679	5,800	4,379	1,588	5,967	4,833	1,482	6,315
Cape Midlands	21,619	9,251	30,870	23,542	9,064	32,606	25,777	8,747	34,524

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

1957/58			1958/59			1959/60		
Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added
351	113	464	362	121	483	353	176	529
127	41	168	133	46	179	135	72	207
478	154	632	495	167	662	488	248	736
15,691	5,601	21,292	16,381	5,857	22,238	16,065	8,061	24,126
3,921+	1,351+	5,272+	4,104+	1,406+	5,510+	4,007	1,940	5,947
19,612	6,952	26,564	20,485	7,263	27,748	20,072	10,001	30,073
747	260	1,007	772	275	1,047	750	398	1,148
114	50	164	120	54	174	120	77	197
74	36	110	77	40	117	80	56	136
126+	196+	322+	136+	201+	337+	392	198	590
1,061	542	1,603	1,105	570	1,675	1,342	729	2,071
398	125	523	420	132	552	407	190	597
41	18	59	43	21	64	46	31	77
57	20	77	60	21	81	59	31	90
92	33	125	101	39	140	103	59	162
588	196	784	624	213	837	615	311	926
798	250	1,048	836	262	1,098	805	377	1,182
250	85	335	263	93	356	261	140	401
83	30	113	93	35	128	93	53	146
1,421	448	1,869	1,482	469	1,951	1,424	674	2,098
441	146	587	467	159	626	461	237	698
1,022	318	1,340	1,072	337	1,409	1,029	477	1,506
28	11	39	29	13	42	31	19	50
360	119	479	378	127	505	369	186	555
21	9	30	21	10	31	23	16	39
16	8	24	16	9	25	18	13	31
80	27	107	83	28	111	82	42	124
431	144	575	459	156	615	449	230	679
40	17	57	42	19	61	44	28	72
12	6	18	11	7	18	13	10	23
5,003	1,618	6,621	5,252	1,724	6,976	5,102	2,502	7,604
26,742	9,462	36,204	27,961	9,937	37,898	27,619	13,791	41,410

TABLE 52.

The Contribution of Dwellings to the Gross Domestic Product (R'000)

Economic Regions and Magisterial Districts	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
06 Humansdorp	230	243	271	285	298	304
Uniondale	151	163	179	191	203	209
Total:	381	406	450	476	501	513
08 Port Elizabeth	3,395	3,683	4,078	4,323	4,684	4,911
Uitenhage	842+	914+	1,018+	1,143+	1,214+	1,249
Total:	4,237	4,597	5,096	5,466	5,898	6,160
09 Albany	663	706	782	844	898	925
Alexandria	109	115	124	132	140	144
Bathurst	118	159	176	189	201	209
Kirkwood	96+	102+	109+	114+	118+	118
Total:	986	1,082	1,191	1,279	1,357	1,396
10 Aberdeen	113	123	133	143	145	143
Jansenville	95	101	109	115	121	122
Steytlerville	49	52	56	59	62	62
Willowmore	91	97	105	112	115	116
Total:	348	373	403	429	443	443
11 Albert	153	163	176	186	197	202
Aliwal North	222	238	263	283	296	300
Colesberg	96	101	114	126	136	141
Cradock	317	354	401	445	480	497
Graaff-Reinet	275	292	314	330	341	342
Hanover	112	118	128	137	143	145
Maraisburg	39	40	42	44	46	46
Middelburg	134	141	154	166	171	175
Murraysburg	40	43	47	50	53	56
Pearston	39	41	44	45	46	47
Richmond	55	57	62	63	65	66
Somerset East	189	190	199	204	208	206
Steynsburg	50	51	55	57	60	60
Venterstad	33	34	37	38	38	38
Total:	1,754	1,863	2,036	2,174	2,280	2,321
Cape Midlands	7,706	8,321	9,176	9,824	10,479	10,833

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

TABLE 53.

The Contribution of Central Government Services to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55 Salaries and Wages	1954/55 Other Incomes	1954/55 Gross Value Added	1955/56 Salaries and Wages	1955/56 Other Incomes	1955/56 Gross Value Added	1956/57 Salaries and Wages	1956/57 Other Incomes	1956/57 Gross Value Added
06 Humansdorp	275	11	286	284	11	295	317	11	328
Uniondale	30	3	33	32	3	35	35	3	38
Total:	305	14	319	316	14	330	352	14	366
08 Port Elizabeth	2,165	128	2,293	2,254	188	2,442	2,437	198	2,635
Uitenhage	232+	22+	254+	241+	22+	263+	275+	24+	299+
Total:	2,397	150	2,547	2,495	210	2,705	2,712	222	2,934
09 Albany	491	42	533	506	43	549	504	45	549
Alexandria	63	5	68	65	5	70	63	5	68
Bathurst	55	5	60	56	5	61	57	5	62
Kirkwood	40+	4+	44+	42+	4+	46+	47+	4+	51+
Total:	649	56	705	669	57	726	671	59	730
10 Aberdeen	32	3	35	33	3	36	25	2	27
Jansenville	27	3	30	28	3	31	28	3	31
Steytlerville	9	1	10	10	9	19	12	1	13
Willowmore	26	2	28	28	2	30	48	3	51
Total:	94	9	103	99	17	116	113	9	122
11 Albert	51	5	56	53	5	58	49	4	53
Aliwal North	125	12	137	130	12	142	159	15	174
Colesberg	24	2	26	25	2	27	36	3	39
Cradock	137	13	150	136	14	150	140	13	153
Graaff-Reinet	90	9	99	93	9	102	92	8	100
Hanover	35	3	38	37	4	41	38	3	41
Maraisburg	13	1	14	14	1	15	13	1	14
Middelburg	79	7	86	82	8	90	91	8	99
Murraysburg	6	1	7	7	1	8	9	1	10
Pearston	17	1	18	15	1	16	15	1	16
Richmond	18	2	20	19	2	21	25	2	27
Somerset-East	96	7	103	101	8	109	91	6	97
Steynsburg	16	2	18	17	2	19	17	2	19
Venterstad	11	1	12	11	1	12	12	1	13
Total:	718	66	784	740	70	810	787	68	855
Cape Midlands	4,163	295	4,458	4,319	368	4,687	4,635	372	5,007

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

1957/58			1958/59			1959/60		
Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added
332	11	343	360	13	373	396	13	409
37	3	40	34	3	37	37	3	40
369	14	383	394	16	410	433	16	449
2,565	306	2,871	2,754	206	2,960	2,966	209	3,175
327+	28+	355+	384+	31+	415+	417	32	449
2,892	334	3,226	3,138	237	3,375	3,383	241	3,624
581	41	622	565	37	602	614	39	653
69	5	74	83	6	89	95	6	101
62	5	67	82	6	88	93	7	100
46+	4+	50+	62+	5+	67+	67	5	72
758	55	813	792	54	846	869	57	926
26	2	28	29	2	31	32	2	34
29	3	32	35	3	38	38	3	41
12	1	13	13	1	14	14	1	15
50	4	54	37	2	39	41	2	43
117	10	127	114	8	122	125	8	133
51	4	55	57	5	62	60	5	65
165	14	179	177	14	191	192	15	207
39	3	42	35	3	38	41	3	44
157	14	171	165	14	179	170	14	184
102	9	111	113	9	122	120	9	129
42	4	46	47	4	51	49	4	53
15	1	16	18	2	20	19	2	21
99	8	107	102	8	110	112	9	121
9	1	10	9	1	10	10	1	11
15	1	16	18	1	19	19	1	20
26	2	28	18	2	20	20	2	22
102	7	109	114	8	122	121	8	129
18	2	20	23	2	25	26	2	28
13	1	14	14	1	15	15	1	16
853	71	924	910	74	984	974	76	1,050
4,989	484	5,473	5,348	389	5,737	5,784	398	6,182

TABLE 54.

The Contribution of the Provincial Administration to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55	1955/56	1956/57	1957/58	1958/59	1959/60
06 Humansdorp	319	343	370	389	424	459
Uniondale	320	338	360	371	395	426
Total:	639	681	730	760	819	885
08 Port Elizabeth	3,341	3,643	4,077	4,466	4,833	5,292
Uitenhage	809+	879+	970+	1,043+	1,134+	1,236
Total:	4,150	4,522	5,047	5,509	5,967	6,528
09 Albany	546	593	653	701	762	830
Alexandria	137	143	153	157	167	179
Bathurst	48	51	53	56	60	64
Kirkwood	98+	105+	113+	118+	129+	139
Total:	829	892	972	1,032	1,118	1,212
10 Aberdeen	223	229	242	251	258	276
Jansenville	89	96	103	108	116	124
Steytlerville	61	63	68	71	76	82
Willowmore	188	197	208	215	226	244
Total:	561	585	621	645	676	726
11 Albert	72	77	85	87	93	100
Aliwal North	122	133	147	158	172	186
Colesberg	114	122	132	135	149	160
Cradock	277	298	325	345	375	397
Graaff-Reinet	444	477	520	549	597	648
Hanover	48	51	56	60	63	70
Maraisburg	39	42	45	46	51	55
Middelburg	200	211	229	242	255	279
Murraysburg	56	61	65	67	74	73
Pearston	29	29	30	31	33	36
Richmond	68	73	79	81	89	95
Somerset East	189	204	220	234	254	275
Steynsburg	44	46	49	51	54	60
Venterstad	28	29	30	32	33	36
Total:	1,730	1,853	2,012	2,118	2,292	2,475
Cape Midlands	7,909	8,533	9,382	10,064	10,872	11,826

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

TABLE 55.

The Contribution of Local Authorities Trading Activities to the Gross Domestic Product - (R'000

Economic Regions and Magisterial Districts	1954/55 Salaries and Wages	1954/55 Other Incomes	1954/55 Gross Value Added	1955/56 Salaries and Wages	1955/56 Other Incomes	1955/56 Gross Value Added	1956/57 Salaries and Wages	1956/57 Other Incomes	1956/57 Gross Value Added
06 Humansdorp	9	4	13	9	5	14	8	6	14
Uniondale	4	-	4	4	1	5	4	-	4
Total:	13	4	17	13	6	19	12	6	18
08 Port Elizabeth	1,293	1,054	2,347	1,146	1,319	2,465	826	1,496	2,322
Uitenhage	76+	127+	203+	84+	154+	238+	114+	162+	276+
Total:	1,369	1,181	2,550	1,230	1,473	2,703	940	1,658	2,598
09 Albany	63	87	150	65	41	106	81	77	158
Alexandria	2	2	4	2	2	4	2	2	4
Bathurst	9	11	20	11	10	21	14	7	21
Kirkwood	1+	1+	2+	1+	- +	1+	1+	- +	1+
Total:	75	101	176	79	53	132	98	86	184
10 Aberdeen	5	2	7	5	2	7	6	3	9
Jansenville	3	4	7	4	1	5	4	1	5
Steytlerville	-	-	-	1	-	1	1	-	1
Willowmore	5	2	7	5	2	7	5	-1	4
Total:	13	8	21	15	5	20	16	3	19
11 Albert	16	10	26	17	9	26	15	7	22
Aliwal North	42	22	64	44	23	67	38	14	52
Colesberg	13	1	14	11	2	13	12	-4	8
Cradock	30	35	65	32	48	80	37	60	97
Graaff-Reinet	26	16	42	27	14	41	30	26	56
Hanover	5	7	12	6	3	9	6	3	9
Maraisburg	1	-	1	1	-	1	1	-	1
Middelburg	21	7	28	19	24	43	18	23	41
Murraysburg	4	3	7	4	-	4	5	1	6
Pearston	3	-2	1	2	2	4	2	1	3
Richmond	4	2	6	4	4	8	5	3	8
Somerset East	34	26	60	35	33	68	32	25	57
Steynsburg	6	4	10	9	3	12	7	3	10
Venterstad	2	-1	1	2	-	2	2	3	5
Total:	207	130	337	213	165	378	210	165	375
Cape Midlands	1,677	1,424	3,101	1,550	1,702	3,252	1,276	1,918	3,194

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

1957/58			1958/59			1959/60		
Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added
8	10	18	8	10	18	10	7	17
5	2	7	6	2	8	6	2	8
13	12	25	14	12	26	16	9	25
934	1,611	2,545	951	2,041	2,992	1,008	2,359	3,367
142+	160+	302+	137+	162+	299+	13	191	204
1,076	1,771	2,847	1,088	2,203	3,291	1,021	2,550	3,571
79	84	163	84	94	178	106	87	193
4	3	7	4	3	7	3	4	7
14	6	20	16	8	24	21	9	30
– +	7+	7+	– +	5+	5+	–	3	3
97	100	197	104	110	214	130	103	233
6	3	9	6	1	7	6	1	7
5	1	6	5	–	5	5	1	6
1	–	1	1	–	1	–	–	–
5	-1	4	6	–	6	6	1	7
17	3	20	18	1	19	17	3	20
13	16	29	20	7	27	26	9	35
38	18	56	41	28	69	44	26	70
15	-4	11	16	-1	15	17	3	20
40	53	93	44	40	84	46	52	98
34	39	73	38	44	82	36	50	86
7	5	12	7	4	11	8	1	9
1	–	1	1	–	1	1	–	1
20	12	32	24	18	42	28	22	50
5	4	9	6	4	10	8	5	13
2	2	4	3	1	4	4	2	6
5	2	7	6	2	8	8	2	10
33	31	64	33	40	73	36	41	77
11	2	13	14	1	15	14	5	19
2	5	7	2	4	6	3	5	8
226	185	411	255	192	447	279	223	502
1,429	2,071	3,500	1,479	2,518	3,997	1,463	2,888	4,351

TABLE 56.

The Contribution of Local Authorities Administration Activities to the Gross Domestic Product (R'000

Economic Regions and Magisterial Districts	1954/55 Salaries and Wages	1954/55 Other Incomes	1954/55 Gross Value Added	1955/56 Salaries and Wages	1955/56 Other Incomes	1955/56 Gross Value Added	1956/57 Salaries and Wages	1956/57 Other Incomes	1956/57 Gross Value Added
06 Humansdorp	64	4	68	78	6	84	27	10	37
Uniondale	51	3	54	52	1	53	58	10	68
Total:	115	7	122	130	7	137	85	20	105
08 Port Elizabeth	1,978	451	2,429	2,403	513	2,916	2,996	652	3,648
Uitenhage	340+	70+	410+	383+	85+	468+	417+	113+	530+
Total:	2,318	521	2,839	2,786	598	3,384	3,413	765	4,178
09 Albany	237	30	267	264	49	313	294	42	336
Alexandria	41	4	45	42	4	46	43	36	79
Bathurst	72	5	77	76	2	78	78	7	85
Kirkwood	7+	1+	8+	7+	1+	8+	7+	1+	8+
Total:	357	40	397	389	56	445	422	86	508
10 Aberdeen	26	4	30	30	2	32	35	7	42
Jansenville	36	4	40	41	8	49	46	11	57
Steytlerville	28	–	28	31	3	34	36	7	43
Willowmore	45	9	54	38	12	50	43	15	58
Total:	135	17	152	140	25	165	160	40	200
11 Albert	45	6	51	48	7	55	61	7	68
Aliwal North	71	27	98	72	26	98	77	26	103
Colesberg	41	3	44	46	4	50	43	5	48
Cradock	130	22	152	141	23	164	154	21	175
Graaff-Reinet	105	18	123	108	17	125	115	15	130
Hanover	37	7	44	38	6	44	41	9	50
Maraisburg	10	–	10	11	–	11	15	–	15
Middelburg	55	7	62	65	9	74	71	13	84
Murraysburg	36	3	39	40	4	44	38	10	48
Pearston	29	1	30	34	4	38	34	8	42
Richmond	30	5	35	35	5	40	39	4	43
Somerset East	84	16	100	91	16	107	101	19	120
Steynsburg	29	2	31	35	3	38	38	5	43
Venterstad	26	3	29	29	5	34	32	7	39
Total:	728	120	848	793	129	922	859	149	1,008
Cape Midlands	3,653	705	4,358	4,238	815	5,053	4,939	1,060	5,999

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

1957/58			1958/59			1959/60		
Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added
91	14	105	99	11	110	109	28	137
67	21	88	73	26	99	81	28	109
158	35	193	172	37	209	190	56	246
3,060	724	3,784	3,341	750	4,091	3,468	833	4,301
450+	136+	586+	530+	136+	666+	615	134	749
3,510	860	4,370	3,871	886	4,757	4,083	967	5,050
328	73	401	305	85	390	31	90	121
55	14	69	69	24	93	71	30	101
84	18	102	88	26	114	91	30	121
7+	1+	8+	8+	1+	9+	8	–	8
474	106	580	470	136	606	201	150	351
39	11	50	44	15	59	50	15	65
51	15	66	56	19	75	63	21	84
40	12	52	44	18	62	48	20	68
49	9	58	51	16	67	51	19	70
179	47	226	195	68	263	212	75	287
74	12	86	84	20	104	87	22	109
19	30	49	101	36	137	103	39	142
47	11	58	53	15	68	59	16	75
166	21	187	174	36	210	181	40	221
127	23	150	126	28	154	133	31	164
47	15	62	37	19	56	46	18	64
17	1	18	17	1	18	18	1	19
73	16	89	76	18	94	79	18	97
44	15	59	52	19	71	61	22	83
34	10	44	39	12	51	42	14	56
38	7	45	40	4	44	42	8	50
108	23	131	113	27	140	81	27	108
40	8	48	40	13	53	42	16	58
36	10	46	41	13	54	45	14	59
870	202	1,072	993	261	1,254	1,019	286	1,305
5,191	1,250	6,441	5,701	1,388	7,089	5,705	1,534	7,239

TABLE 57.

The Contribution of Private Services to the Gross Domestic Product - (R'000)

Economic Regions and Magisterial Districts	1954/55			1955/56			1956/57		
	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added
06 Humansdorp	429	141	570	458	213	671	487	240	727
Uniondale	276	127	403	295	141	436	313	159	472
Total:	705	268	973	753	354	1,107	800	399	1,199
08 Port Elizabeth	7,946	5,032	12,978	8,420	5,601	14,021	8,929	5,732	14,661
Uitenhage	1,514+	670+	2,184+	1,609+	743+	2,352+	1,716+	835+	2,551+
Total:	9,460	5,702	15,162	10,029	6,344	16,373	10,645	6,567	17,212
09 Albany	1,248	543	1,791	1,334	584	1,918	1,392	632	2,024
Alexandria	153	66	219	164	73	237	174	83	257
Bathurst	143	63	206	152	69	221	162	78	240
Kirkwood	70+	90+	160+	76+	99+	175+	83+	112+	195+
Total:	1,614	762	2,376	1,726	825	2,551	1,811	905	2,716
10 Aberdeen	111	55	166	118	60	178	125	67	192
Jansenville	142	78	220	152	85	237	162	97	259
Steytlerville	70	53	123	75	56	131	79	61	140
Willowmore	123	84	207	132	91	223	141	101	242
Total:	446	270	716	477	292	769	507	326	833
11 Albert	205	92	297	219	98	317	232	112	344
Aliwal North	228	126	354	244	138	382	259	154	413
Colesberg	93	63	156	100	69	169	107	79	186
Cradock	396	190	586	424	210	634	450	235	685
Graaff-Reinet	585	232	817	617	253	870	655	277	932
Hanover	171	75	246	183	84	267	194	95	289
Maraisburg	54	26	80	58	29	87	61	33	94
Middelburg	294	97	391	312	115	427	330	129	459
Murraysburg	53	29	82	57	32	89	61	36	97
Pearston	36	24	60	38	27	65	41	29	70
Richmond	74	48	122	79	52	131	84	59	143
Somerset East	239	107	346	256	118	374	272	134	406
Steynsburg	71	34	105	76	37	113	81	42	123
Venterstad	59	22	81	62	25	87	66	26	92
Total:	2,558	1,165	3,723	2,725	1,287	4,012	2,893	1,440	4,333
Cape Midlands	14,783	8,167	22,950	15,710	9,102	24,812	16,656	9,537	26,293

+ Figures calculated using the ratio that existed between Uitenhage and Kirkwood in 1959/60.

1957/58			1958/59			1959/60		
Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added
509	264	773	531	283	814	581	188	769
328	176	504	342	188	530	382	106	488
837	440	1,277	873	471	1,344	963	294	1,257
8,835	6,232	15,067	9,803	6,328	16,131	9,443	6,983	16,426
1,776+	919+	2,695+	1,865+	979+	2,844+	1,947	1,044	2,991
10,611	7,151	17,762	11,668	7,307	18,975	11,390	8,027	19,417
1,405	689	2,094	1,641	737	2,378	1,742	991	2,733
182	91	273	190	98	288	242	65	307
168	87	255	177	91	268	209	55	264
88+	124+	212+	92+	133+	225+	296	73	369
1,843	991	2,834	2,100	1,059	3,159	2,489	1,184	3,673
130	76	206	138	81	219	170	62	232
170	107	277	177	115	292	202	80	282
83	66	149	86	68	154	99	45	144
148	111	259	154	116	270	188	89	277
531	360	891	555	380	935	659	276	935
243	123	366	254	102	356	287	88	375
271	170	441	283	180	463	300	143	443
112	88	200	117	94	211	171	99	270
465	259	724	472	275	747	567	216	783
636	304	940	493	318	811	697	248	945
203	105	308	212	112	324	235	72	307
64	36	100	67	39	106	94	21	115
329	143	472	362	151	513	401	112	513
64	40	104	67	43	110	92	26	118
43	32	75	46	34	80	67	28	95
88	66	154	92	70	162	128	65	193
284	147	431	296	157	453	347	126	473
85	46	131	88	49	137	109	39	148
68	29	97	73	31	104	85	18	103
2,955	1,588	4,543	2,922	1,655	4,577	3,580	1,301	4,881
16,777	10,530	27,307	18,118	10,872	28,990	19,081	11,082	30,163

TABLE 58.

The Contribution of Radio Services to the Gross Domestic Product - (R'000)

PORT ELIZABETH

1954/55			1955/56			1956/57		
Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added
6	7	13	7	6	13	7	7	14

1957/58			1958/59			1959/60		
Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added	Salaries and Wages	Other Incomes	Gross Value Added
7	9	16	7	10	17	8	7	15

A P P E N D I X   A

POPULATION STATISTICS

TABLE I - Population Growth - 1911-1960

	URBAN			RURAL			TOTAL		
	M	F	T	M	F	T	M	F	T
					WHITES				
1911	353,380	304,906	658,286	329,480	285,548	615,028	685,164*	591,078*	1,276,242*
1921	424,236	423,272	847,508	357,799	314,181	671,980	782,035	737,453	1,519,488
1936	647,324	660,062	1,307,386	370,550	325,921	696,471	1,017,874	985,983	2,003,857
1946	873,243	894,181	1,767,424	320,958	283,662	604,620	1,194,201	1,177,843	2,372,044
1951	1,022,248	1,048,427	2,070,675	300,506	270,508	571,014	1,322,754	1,318,935	2,641,689
1960	1,274,598	1,307,133	2,581,731	264,505	242,256	506,761	1,539,103	1,549,389	3,088,492
					BANTU				
1911	410,161	97,981	508,142	1,611,003	1,897,904	3,508,907	2,022,949*	1,996,057*	4,019,006*
1921	439,707	147,293	587,000	1,942,690	2,168,123	4,110,813	2,382,397	2,315,416	4,697,813
1936	784,768	356,874	1,141,642	2,527,883	2,927,164	5,455,047	3,312,651	3,284,038	6,596,689
1946	1,194,522	658,153	1,852,675	2,801,694	3,176,190	5,977,884	3,996,216	3,834,343	7,830,559
1951	1,424,336	904,198	2,328,534	2,944,821	3,286,728	6,231,549	4,369,157	4,190,926	8,560,083
1960	2,023,082	1,448,151	3,471,233	3,488,839	3,967,850	7,456,689	5,511,921	5,416,001	10,927,922
					COLOUREDS				
1911	113,189+	127,665+	240,854+	151,998+	132,801+	284,799+	265,144*	260,799*	525,943*
1921	117,470	132,498	249,968	157,754	137,826	295,580	275,224	270,324	545,548
1936	198,125	216,782	414,907	189,306	165,448	354,754	387,431	382,230	769,661
1946	270,887	294,378	565,265	194,683	168,114	362,797	465,570	462,492	928,062
1951	351,174	379,403	730,577	199,405	173,034	372,439	550,579	552,437	1,103,016
1960	498,219	532,844	1,031,063	252,613	225,582	478,195	750,832	758,426	1,509,258
					ASIATICS				
1911	46,761+	23,825+	70,586+	49,019+	32,480+	81,499+	96,135*	56,068*	152,203*
1921	32,971	18,238	51,209	64,365	50,157	114,522	97,336	68,395	165,731
1936	79,694	65,902	145,596	39,457	34,638	74,095	119,151	100,540	219,691
1946	106,975	96,296	203,271	42,101	39,888	81,989	149,076	136,184	285,260
1951	147,989	136,674	284,663	41,606	40,395	82,001	189,595	177,069	366,664
1960	201,738	195,363	397,101	39,899	40,125	80,024	241,637	235,488	477,125
					TOTAL POPULATION				
1911	923,491	554,377	1,477,868	2,141,500	2,348,733	4,490,233	3,069,392*	2,904,002*	5,973,394*
1921	1,014,384	721,301	1,735,685	2,522,608	2,670,287	5,192,895	3,536,992	3,391,588	6,928,580
1936	1,709,911	1,299,620	3,009,531	3,127,196	3,453,171	6,580,367	4,837,102	4,752,791	9,589,898
1946	2,445,627	1,943,008	4,388,635	3,359,436	3,667,854	7,027,290	5,805,063	5,610,862	11,415,925
1951	2,935,822	2,460,822	5,396,644	3,496,263	3,778,545	7,274,808	6,432,085	6,239,367	12,671,452
1960	3,997,637	3,483,491	7,481,128	4,045,856	4,475,813	8,521,669	8,043,493	7,959,304	16,002,797

+ These figures were not available and had to be estimated. For method see following page.

* These figures include travellers, who are not otherwise included in the 1911 Population census figures above.

Note on compilation of Table I.

\+ The 1911 Census shows the total, urban and rural combined, by sex for Coloureds and Asiatics separately, but the urban and rural figures for Coloureds and Asiatics separately are not given. These figures, together with the division by sex, were calculated as follows. From the Coloureds and Asiatics combined figures, which are given, the figure for travellers was arrived at by adding the Urban and Rural totals. This gives 677,738 persons which differs from the total given in the 1911 census by 408; viz: the number of travellers. The proportion of Asiatics to Coloured in terms of totals (including travellers) was then applied to the figure for travellers, giving 118 Asiatics and 290 Coloured travellers. The number of Coloured travellers, was then subtracted from the total of Coloureds, and the result (which now gives the total number of Coloureds excluding travellers) was approportioned between Urban and Rural in the same ratio as existed in 1921. The 1921 ratio of males to Urban and Rural total separately was then applied to 1911 giving the results as shown.

This method assumes that: the ratio between Urban and Rural and males and females for 1911 was the same as existed for 1921.

REGIONS 06, 08, 09, 10 and 11 COMBINED OR THE CAPE MIDLANDS. TABLE II

	URBAN			RURAL			TOTAL		
	M	F	T	M	F	T	M	F	T
					WHITES				
1911	29,999	31,596	61,595	36,582	32,856	69,438	66,581	64,452	131,033
1921	35,015	38,305	73,320	32,183	28,671	60,854	67,198	66,976	134,174
1936	51,843	55,192	107,035	29,829	25,857	55,686	81,672	81,049	162,721
1946	62,933	66,316	129,249	22,650	19,862	42,512	85,583	86,178	171,761
1951	72,960	76,515	149,475	20,897	18,430	39,327	93,857	94,945	188,802
1960	85,354	88,517	173,871	17,701	15,820	33,521	103,055	104,337	207,392
					BANTU				
1911	11,908	13,297	25,205	51,269	47,048	98,317	63,177	60,345	123,522
1921	15,363	17,414	32,777	58,093	53,071	111,164	73,456	70,485	143,941
1936	36,776	39,920	76,696	62,707	59,897	122,604	99,483	99,817	199,300
1946	56,897	61,414	118,311	66,635	63,417	130,052	123,532	124,831	248,363
1951	73,430	80,238	153,668	75,901	71,726	147,627	150,299	150,996	301,295
1960	110,546	123,541	234,087	87,570	84,201	171,771	198,116	207,742	405,858
					COLOUREDS				
1911*	17,996	19,809	37,805	23,491	20,295	43,786	41,487	40,104	81,591
1921	16,701	18,675	35,376	22,109	19,041	41,150	38,810	37,716	76,526
1936	28,639	31,159	59,798	28,423	24,151	52,574	57,062	55,310	112,372
1946	37,481	40,469	77,950	29,883	26,214	56,097	67,364	66,683	134,047
1951	44,703	48,336	93,039	29,467	25,610	55,077	74,170	73,946	148,116
1960	64,151	68,523	132,674	40,984	37,444	78,428	105,135	105,967	211,102
					ASIATICS				
1911									
1921	1,262	634	1,896	57	44	101	1,319	678	1,997
1936	1,764	1,278	3,042	35	19	54	1,799	1,297	3,096
1946	2,247	1,917	4,164	25	12	37	2,272	1,929	4,201
1951	2,780	2,298	5,078	17	12	29	2,797	2,310	5,107
1960	2,594	2,456	5,050	13	13	26	2,607	2,469	5,076
					TOTAL POPULATION OF THE CAPE MIDLANDS				
1911	59,903	64,702	124,605	111,342	100,199	211,541	171,245	164,901	336,146
1921	68,341	75,028	143,369	112,442	100,827	213,269	180,783	175,855	356,638
1936	119,022	127,549	246,571	120,994	109,924	230,918	240,016	237,473	477,489
1946	159,558	170,116	329,674	119,193	109,505	228,698	278,751	279,621	588,372
1951	193,873	207,387	401,260	126,282	115,778	242,060	321,123	322,197	643,320
1960	262,645	283,037	545,682	146,268	137,478	283,746	408,913	420,515	829,428

* The 1911 figures for Coloureds include Asiatics.

REGION : 06

TABLE III

	URBAN M	URBAN F	URBAN T	RURAL M	RURAL F	RURAL T	TOTAL M	TOTAL F	TOTAL T
				WHITES					
1911	674	713	1,387	5,637	5,129	10,766	6,311	5,842	12,153
1921	1,180	1,313	2,493	6,204	5,472	11,676	7,384	6,785	14,169
1936	1,596	1,559	3,155	6,489	5,571	12,060	8,085	7,130	15,215
1946	1,760	1,964	3,724	5,406	4,666	10,072	7,166	6,630	13,796
1951	2,055	2,157	4,212	4,589	4,097	8,686	6,644	6,254	12,898
1960	2,557	2,772	5,329	3,800	3,393	7,193	6,357	6,165	12,522
				BANTU					
1911	348	345	693	2,553	2,381	4,934	2,901	2,726	5,627
1921	297	368	665	3,536	3,226	6,762	3,833	3,594	7,427
1936	814	894	1,708	3,905	3,475	7,380	4,719	4,369	9,088
1946	868	1,025	1,893	4,636	3,586	8,222	5,504	4,611	10,115
1951	1,127	1,213	2,340	4,653	3,812	8,465	5,780	5,025	10,805
1960	2,068	2,085	4,153	6,948	4,865	11,813	9,016	6,950	15,966
				COLOUREDS					
1911*	1,275	1,315	2,590	4,086	3,803	7,889	5,361	5,118	10,479
1921	1,281	1,391	2,672	4,701	4,227	8,928	5,982	5,618	11,600
1936	2,076	2,222	4,298	5,972	5,370	11,342	8,048	7,592	15,640
1946	2,492	2,642	5,134	6,733	5,939	12,672	9,225	8,581	17,806
1951	3,096	3,260	6,356	7,779	6,974	14,753	10,875	10,234	21,109
1960	4,432	4,484	8,916	9,631	8,414	18,045	14,063	12,898	26,961
				ASIATICS					
1911									
1921	5	-	5	1	-	1	6	-	6
1936	14	7	21	1	-	1	15	7	22
1946	2	-	2	2	-	2	4	-	4
1951	2	-	2	-	-	-	2	-	2
1960	1	-	1	1	1	2	2	1	3
				TOTAL POPULATION					
1911	2,297	2,373	4,670	12,276	11,313	23,589	14,573	13,686	28,259
1921	2,763	3,072	5,835	14,442	12,925	27,367	17,205	15,997	33,202
1936	4,500	4,682	9,182	16,367	14,416	30,783	20,867	19,098	39,965
1946	5,122	5,631	10,753	16,777	14,191	30,968	21,899	19,822	41,721
1951	6,280	6,630	12,910	17,021	14,883	31,904	23,301	21,513	44,814
1960	9,058	9,341	18,399	20,380	16,673	37,053	29,438	26,014	55,452

* The 1911 Coloureds figures include Asiatics.

REGION : 08

TABLE IV

	URBAN M	URBAN F	URBAN T	RURAL M	RURAL F	RURAL T	TOTAL M	TOTAL F	TOTAL T
					WHITES				
1911	13,138	12,812	25,950	2,462	2,038	4,500	15,600	14,850	30,450
1921	16,711	16,776	33,487	2,981	2,650	5,631	19,692	19,426	39,118
1936	31,404	31,813	63,217	3,508	2,932	6,440	34,912	34,745	69,657
1946	39,580	39,945	79,525	2,882	2,544	5,426	42,462	42,489	84,951
1951	48,636	48,949	97,585	2,892	2,530	5,422	51,528	51,479	103,007
1960	59,534	60,544	120,078	2,821	2,547	5,368	62,355	63,091	125,446
					BANTU				
1911	3,470	3,104	6,574	6,560	5,886	12,446	10,030	8,990	19,020
1921	4,791	4,510	9,301	7,488	5,847	13,335	12,279	10,357	22,636
1936	18,603	17,998	36,601	7,098	6,202	13,300	25,701	24,200	49,901
1946	30,977	30,806	61,783	6,414	5,797	12,211	37,391	36,603	73,994
1951	43,537	44,970	88,507	7,447	6,916	14,363	51,952	50,918	102,870
1960	70,110	76,220	146,330	9,583	8,818	18,401	79,693	85,038	164,731
					COLOUREDS				
1911*	7,921	7,837	15,758	2,949	2,630	5,579	10,870	10,467	21,337
1921	7,530	8,066	15,596	3,000	2,464	5,464	10,530	10,530	21,060
1936	15,465	16,386	31,851	3,039	2,332	5,371	18,504	18,718	37,222
1946	19,683	20,831	40,514	2,844	2,507	5,351	22,527	23,338	45,865
1951	25,769	27,225	52,994	2,425	2,107	4,532	28,194	29,332	57,526
1960	38,588	40,323	78,911	3,574	3,235	6,809	42,162	43,558	85,720
					ASIATICS				
1911									
1921	986	494	1,480	27	31	58	1,013	525	1,538
1936	1,556	1,156	2,712	16	6	22	1,572	1,162	2,734
1946	2,014	1,726	3,740	18	12	30	2,032	1,738	3,770
1951	2,550	2,112	4,662	12	11	23	2,562	2,123	4,685
1960	2,379	2,264	4,643	9	12	21	2,388	2,276	4,664
					TOTAL POPULATION				
1911	24,529	23,753	48,282	11,971	10,554	22,525	36,500	34,307	70,807
1921	30,018	29,846	59,864	13,496	10,992	24,488	43,514	40,838	84,352
1936	67,028	67,353	134,381	13,661	11,472	25,133	80,689	78,825	159,514
1946	92,254	93,308	185,562	12,158	10,860	23,018	104,412	104,168	208,580
1951	120,492	123,256	243,748	12,776	11,564	24,340	134,236	133,852	268,088
1960	170,611	179,351	349,962	15,987	14,612	30,599	186,598	193,963	380,561

* The 1911 figures for Coloureds include Asiatics.

REGION : 09

TABLE V

	URBAN M	URBAN F	URBAN T	RURAL M	RURAL F	RURAL T	TOTAL M	TOTAL F	TOTAL T
				WHITES					
1911	4,353	4,819	9,172	4,361	4,044	8,405	8,714	8,863	17,577
1921	4,397	5,325	9,722	3,893	3,708	7,601	8,290	9,033	17,323
1936	5,156	6,085	11,241	4,133	3,830	7,963	9,289	9,915	19,204
1946	6,324	7,003	13,327	3,918	3,613	7,531	10,242	10,616	20,858
1951	6,051	7,197	13,248	4,108	3,845	7,953	10,159	11,042	21,201
1960	7,474	7,528	15,002	3,429	3,296	6,725	10,903	10,824	21,727
				BANTU					
1911	2,984	3,562	6,546	16,056	16,548	32,604	19,040	20,110	39,150
1921	3,831	4,488	8,319	17,080	16,964	34,044	20,911	21,452	42,363
1936	6,898	7,689	14,587	23,914	24,565	48,479	30,812	32,254	63,066
1946	9,930	11,418	21,348	26,307	27,442	53,749	36,237	38,860	75,097
1951	10,572	12,305	22,877	29,915	30,802	60,717	40,487	43,107	83,594
1960	14,369	16,542	30,911	36,094	37,519	73,613	50,463	54,061	104,524
				COLOUREDS					
1911*	1,447	1,610	3,057	1,728	1,542	3,270	3,175	3,152	6,327
1921	1,305	1,421	2,726	1,404	1,266	2,670	2,709	2,687	5,396
1936	1,687	1,747	3,434	2,050	1,803	3,853	3,737	3,550	7,287
1946	2,155	2,296	4,451	1,755	1,656	3,411	3,910	3,952	7,862
1951	2,339	2,430	4,769	1,973	1,866	3,839	4,312	4,296	8,608
1960	3,294	3,523	6,817	3,646	3,500	7,146	6,940	7,023	13,963
				ASIATICS					
1911									
1921	107	52	159	5	2	7	112	54	166
1936	84	57	141	1	-	1	85	57	142
1946	107	105	212	1	-	1	108	105	213
1951	104	99	203	4	1	5	108	100	208
1960	103	98	201	1	-	1	104	98	202
				TOTAL POPULATION					
1911	8,784	9,991	18,775	22,145	22,134	44,279	30,929	32,125	63,054
1921	9,640	11,286	20,926	22,382	21,940	44,322	32,022	33,226	65,248
1936	13,825	15,578	29,403	30,098	30,198	60,296	43,923	45,776	89,699
1946	18,516	20,822	39,338	31,981	32,711	64,692	50,497	53,533	104,030
1951	19,066	22,031	41,097	36,000	36,514	72,514	55,066	58,545	113,611
1960	25,240	27,691	52,931	43,170	44,315	87,485	68,410	72,006	140,416

* The 1911 figures for Coloureds include Asiatics.

REGION : 10

TABLE VI

	URBAN			RURAL			TOTAL		
	M	F	T	M	F	T	M	F	T
					WHITES				
1911	1,828	1,904	3,732	7,566	6,956	14,522	9,394	8,860	18,254
1921	2,104	2,397	4,501	5,707	5,246	10,953	7,811	7,643	15,454
1936	2,469	2,728	5,197	4,163	3,588	7,751	6,632	6,316	12,948
1946	2,302	2,592	4,894	2,753	2,459	5,212	5,055	5,051	10,106
1951	2,319	2,632	4,951	2,271	1,978	4,249	4,590	4,610	9,200
1960	2,279	2,533	4,812	1,649	1,450	3,099	3,928	3,983	7,911
					BANTU				
1911	391	548	939	3,767	3,299	7,066	4,158	3,847	8,005
1921	499	682	1,181	4,130	3,496	7,626	4,629	4,178	8,807
1936	1,082	1,371	2,453	2,946	2,392	5,338	4,028	3,763	7,791
1946	1,474	1,815	3,289	2,513	1,975	4,488	3,987	3,790	7,777
1951	1,377	1,735	3,112	2,249	1,671	3,920	3,626	3,406	7,032
1960	2,068	2,316	4,384	2,333	1,768	4,101	4,401	4,084	8,485
					COLOUREDS				
1911*	1,118	1,339	2,457	4,441	3,851	8,292	5,559	5,190	10,749
1921	903	1,153	2,056	3,928	3,623	7,551	4,831	4,776	9,607
1936	1,425	1,695	3,120	4,688	4,005	8,693	6,113	5,700	11,813
1946	2,220	2,585	4,805	5,438	4,784	10,222	7,658	7,369	15,027
1951	2,382	2,770	5,152	5,997	5,187	11,184	8,379	7,957	16,336
1960	3,374	3,708	7,082	7,103	6,588	13,691	10,477	10,296	20,773
					ASIATICS				
1911									
1921	13	4	17	1	-	1	14	4	18
1936	5	-	5	6	6	12	11	6	17
1946	2	-	2	1	-	1	3	-	3
1951	3	-	3	-	-	-	3	-	3
1960	5	-	5	-	-	-	5	-	5
					TOTAL POPULATION				
1911	3,337	3,791	7,128	15,774	14,106	29,880	19,111	17,897	37,008
1921	3,519	4,236	7,755	13,766	12,365	26,131	17,285	16,601	33,886
1936	4,981	5,794	10,775	11,803	9,991	21,794	16,784	15,785	32,569
1946	5,998	6,992	12,990	10,705	9,218	19,923	16,703	16,210	32,913
1951	6,081	7,137	13,218	10,517	8,836	19,353	16,598	15,973	32,571
1960	7,726	8,557	16,283	11,085	9,806	20,891	18,811	18,363	37,174

* The 1911 figures for Coloureds include Asiatics.

REGION : 11

TABLE VII

	URBAN M	URBAN F	URBAN T	RURAL M	RURAL F	RURAL T	TOTAL M	TOTAL F	TOTAL T
				WHITES					
1911	10,006	11,348	21,354	16,556	14,689	31,245	26,562	26,037	52,599
1921	10,623	12,494	23,117	13,398	11,595	24,993	24,021	24,089	48,110
1936	11,218	13,007	24,225	11,536	9,936	21,472	22,754	22,943	45,697
1946	12,967	14,812	27,779	7,691	6,580	14,271	20,658	21,392	42,050
1951	13,899	15,580	29,479	7,037	5,980	13,017	20,936	21,560	42,496
1960	13,510	15,140	28,650	6,002	5,134	11,136	19,512	20,274	39,786
				BANTU					
1911	4,715	5,738	10,453	22,333	18,934	41,267	27,048	24,672	51,720
1921	5,945	7,366	13,311	25,859	23,538	49,397	31,804	30,904	62,708
1936	9,379	11,968	21,347	24,844	23,263	48,107	34,223	35,231	69,454
1946	13,648	16,350	29,998	26,765	24,617	51,382	40,413	40,967	81,380
1951	16,817	20,015	36,832	31,637	28,525	60,162	48,454	48,540	96,994
1960	21,931	26,378	48,309	32,612	31,231	63,843	54,543	57,609	112,152
				COLOUREDS					
1911*	6,235	7,708	13,943	10,287	8,469	18,756	16,522	16,177	32,699
1921	5,682	6,644	12,326	9,076	7,461	16,537	14,758	14,105	28,863
1936	7,986	9,109	17,095	12,674	10,641	23,315	20,660	19,750	40,410
1946	10,931	12,115	23,046	13,113	11,328	24,441	24,044	23,443	47,487
1951	11,117	12,651	23,768	11,293	9,476	20,769	22,410	22,127	44,537
1960	14,463	16,485	30,948	17,030	15,707	32,737	31,493	32,192	63,685
				ASIATICS					
1911									
1921	151	84	235	23	11	34	174	95	269
1936	105	58	163	11	7	18	116	65	181
1946	122	86	208	3	–	3	125	86	211
1951	121	87	208	1	–	1	122	87	209
1960	106	94	200	2	–	2	108	94	202
				TOTAL POPULATION					
1911	20,956	24,794	45,750	49,176	42,092	91,268	70,132	66,886	137,018
1921	22,401	26,588	48,989	48,356	42,605	90,961	70,757	69,193	139,950
1936	28,688	34,142	62,830	49,065	43,847	92,912	77,753	77,989	155,742
1946	37,668	43,363	81,031	47,572	42,525	90,097	85,240	85,888	171,128
1951	41,954	48,333	90,287	49,968	43,981	93,949	91,922	92,314	184,236
1960	50,010	58,097	108,107	55,646	52,072	107,718	105,656	110,169	215,825

* The 1911 figures for Coloureds include Asiatics.

REGIONS : 06, 09, 10, & 11 COMBINED i.e. THE REMAINDER OF THE CAPE MIDLANDS - TABLE VIII

	URBAN			RURAL			TOTAL		
	M	F	T	M	F	T	M	F	T
				WHITES					
1911	16,861	18,784	35,645	34,120	30,818	64,938	50,981	49,602	100,583
1921	18,304	21,529	39,833	29,202	26,021	55,223	47,506	47,550	95,056
1936	20,439	23,379	43,818	26,321	22,925	49,246	46,760	46,304	93,064
1946	23,353	26,371	49,724	19,768	17,318	37,086	43,121	43,689	86,810
1951	24,324	27,566	51,890	18,005	15,900	33,905	42,329	43,466	85,795
1960	25,820	27,973	53,793	14,880	13,273	28,153	40,700	41,246	81,946
				BANTU					
1911	8,438	10,193	18,631	44,709	41,162	85,871	53,147	51,355	104,502
1921	10,572	12,904	23,476	50,605	47,224	97,829	61,177	60,128	121,305
1936	18,173	21,922	40,095	55,609	53,695	109,304	73,782	75,617	149,399
1946	25,920	30,608	56,528	60,221	57,620	117,841	86,141	88,228	174,369
1951	29,893	35,268	65,161	68,454	64,810	133,264	98,347	100,078	198,425
1960	40,436	47,321	87,757	77,987	75,383	153,370	118,423	122,704	241,127
				COLOUREDS					
1911*	10,075	11,972	22,047	20,542	17,665	38,207	30,617	29,637	60,254
1921	9,171	10,609	19,780	19,109	16,577	35,686	28,280	27,186	55,466
1936	13,174	14,773	27,947	25,384	21,819	47,203	38,558	36,592	75,150
1946	17,798	19,638	37,436	27,039	23,707	50,746	44,837	43,345	88,182
1951	18,934	21,111	40,045	27,042	23,503	50,545	45,976	44,614	90,590
1960	25,563	28,200	53,763	37,410	34,209	71,619	62,973	62,409	125,382
				ASIATICS					
1911									
1921	276	140	416	30	13	43	306	153	459
1936	208	122	330	19	13	32	227	135	362
1946	233	191	424	7	-	7	240	191	431
1951	230	186	416	5	1	6	235	187	422
1960	215	192	407	4	1	5	219	193	412
				TOTAL POPULATION					
1911	35,374	40,949	76,323	99,371	89,645	189,016	134,745	130,594	265,339
1921	38,323	45,182	83,505	98,946	89,835	188,781	137,269	135,017	272,286
1936	51,994	60,196	112,190	107,333	98,452	205,785	159,327	158,648	317,975
1946	67,304	76,808	144,112	107,035	98,645	205,680	174,339	175,453	349,792
1951	73,381	84,131	157,512	113,506	104,214	217,720	186,887	188,345	375,232
1960	92,034	103,686	195,720	130,281	122,866	253,147	222,315	226,552	448,867

* The 1911 figures for Coloureds include Asiatics.

TABLE IXa

THE CAPE MIDLANDS : Urban and Rural Distribution of the White Population for the Relevant Census Years by Economic Regions

ECONOMIC REGION	1911	1921	1936	1946	1951	1960
URBAN						
Region 06	1,387	2,493	3,155	3,724	4,212	5,329
08	25,950	33,487	63,217	79,525	97,585	120,078
09	9,172	9,722	11,241	13,327	13,248	15,002
10	3,732	4,501	5,197	4,894	4,951	4,812
11	21,354	23,117	24,225	27,779	29,479	28,650
THE CAPE MIDLANDS	61,595	73,320	107,035	129,249	149,475	173,871
RURAL						
Region 06	10,766	11,676	12,060	10,072	8,686	7,193
08	4,500	5,631	6,440	5,426	5,422	5,368
09	8,405	7,601	7,963	7,531	7,953	6,725
10	14,522	10,953	7,751	5,212	4,249	3,099
11	31,245	24,993	21,472	14,271	13,017	11,136
THE CAPE MIDLANDS	69,438	60,854	55,686	42,512	39,327	33,521
TOTAL						
Region 06	12,153	14,169	15,215	13,796	12,898	12,522
08	30,450	39,118	69,657	84,951	103,007	125,446
09	17,577	17,323	19,204	20,858	21,201	21,727
10	18,254	15,454	12,948	10,106	9,200	7,911
11	52,599	48,110	45,697	42,050	42,496	39,786
THE CAPE MIDLANDS	131,033	134,174	162,721	171,761	188,802	207,392

TABLE IXb

THE CAPE MIDLANDS : Urban and Rural Distribution of the Bantu Population for the Relevant Census Years by Economic Regions

ECONOMIC REGION	1911	1921	1936	1946	1951	1960
URBAN						
Region 06	693	665	1,708	1,893	2,340	4,153
08	6,574	9,301	36,601	61,783	88,507	146,330
09	6,546	8,319	14,587	21,348	22,877	30,911
10	939	1,181	2,453	3,289	3,112	4,384
11	10,453	13,311	21,347	29,998	36,832	48,309
THE CAPE MIDLANDS	25,205	32,777	76,696	118,311	153,668	234,087
RURAL						
Region 06	4,934	6,762	7,380	8,222	8,465	11,813
08	12,446	13,335	13,300	12,211	14,363	18,401
09	32,604	34,044	48,479	53,749	60,717	73,613
10	7,066	7,626	5,338	4,488	3,920	4,101
11	41,267	49,397	48,107	51,382	60,162	63,843
THE CAPE MIDLANDS	98,317	111,164	122,604	130,052	147,627	171,771
TOTAL						
Region 06	5,627	7,427	9,088	10,115	10,805	15,966
08	19,020	22,636	49,901	73,994	102,870	164,731
09	39,150	42,363	63,066	75,097	83,594	104,524
10	8,005	8,807	7,791	7,777	7,032	8,485
11	51,720	62,708	69,454	81,380	96,994	112,152
THE CAPE MIDLANDS	123,522	143,941	199,300	248,363	301,295	405,858

TABLE IXc

THE CAPE MIDLANDS : Urban and Rural Distribution of the Coloured Population for the Relevant Census Years by Economic Regions

ECONOMIC REGION	1911	1921	1936	1946	1951	1960
URBAN						
Region 06	2,590	2,672	4,298	5,134	6,356	8,916
08	15,758	15,596	31,851	40,514	52,994	78,911
09	3,057	2,726	3,434	4,451	4,769	6,817
10	2,457	2,056	3,120	4,805	5,152	7,082
11	13,943	12,326	17,095	23,046	23,768	30,948
THE CAPE MIDLANDS	37,805	35,376	59,798	77,950	93,039	132,674
RURAL						
Region 06	7,889	8,928	11,342	12,672	14,753	18,045
08	5,579	5,464	5,371	5,351	4,532	6,809
09	3,270	2,670	3,853	3,411	3,839	7,146
10	8,292	7,551	8,693	10,222	11,184	13,691
11	18,756	16,537	23,315	24,441	20,769	32,737
THE CAPE MIDLANDS	43,786	41,150	52,574	56,097	55,077	78,428
TOTAL						
Region 06	10,479	11,600	15,640	17,806	21,109	26,961
08	21,337	21,060	37,222	45,865	57,526	85,720
09	6,327	5,396	7,287	7,862	8,608	13,963
10	10,749	9,607	11,813	15,027	16,336	20,773
11	32,699	28,863	40,410	47,487	44,537	63,685
THE CAPE MIDLANDS	81,591	76,526	112,372	134,047	148,116	211,102

TABLE X

Intercensal Percentage Changes in the Urban and Rural Populations

WHITES

REGION	1911 - 1921 U	R	1921 - 1936 U	R	1936 - 1946 U	R	1946 - 1951 U	R	1951 - 1960 U	R
06	79.7	8.5	26.5	3.3	18.0	-16.5	13.1	-13.8	26.5	-17.2
08	29.0	25.1	88.8	14.4	25.8	-15.7	22.7	0.0	23.0	- 1.0
09	6.0	- 9.6	15.6	4.8	18.5	- 5.4	- 0.6	5.6	13.2	-15.4
10	20.6	-24.6	15.5	-29.2	- 5.8	-32.6	1.2	-18.5	- 2.8	-27.1
11	8.3	-20.0	4.8	-14.1	14.7	-33.5	6.1	- 8.8	- 2.8	-14.4
THE CAPE MIDLANDS	19.0	-12.4	46.0	- 8.5	20.7	-23.6	15.6	- 7.5	16.3	-14.8
					BANTU					
06	- 4.0	37.0	156.8	9.1	10.8	11.4	23.6	2.9	77.5	39.5
08	41.5	7.1	293.5	- 0.3	68.8	- 8.2	43.2	17.6	65.3	28.1
09	27.1	4.4	75.4	42.4	46.3	10.9	7.2	12.9	35.1	21.2
10	25.8	7.9	107.7	-30.0	34.1	-15.9	- 5.4	-12.6	40.9	4.6
11	27.3	19.7	60.4	- 2.6	40.5	6.8	22.8	17.1	31.2	6.1
THE CAPE MIDLANDS	30.0	13.1	134.0	10.3	54.2	6.1	29.9	13.5	52.3	16.3
					COLOUREDS					
06	3.2	13.1	60.8	27.1	19.4	11.7	23.8	16.4	40.3	22.3
08	- 1.0	- 2.1	104.2	- 1.7	27.2	0.0	30.8	-15.2	48.9	50.2
09	-10.8	-18.3	26.0	44.3	29.6	-11.5	7.1	12.5	42.9	86.1
10	-16.3	- 8.9	68.1	15.1	54.0	17.6	7.2	9.4	37.5	22.4
11	-11.6	-11.8	38.7	41.0	34.8	4.8	3.1	-15.0	30.2	57.6
THE CAPE MIDLANDS	- 6.4	- 6.0	69.0	27.8	30.3	6.7	19.3	- 1.8	42.6	42.4

Source: Based on Tables IXa, IXb and IXc in the Appendix.

TABLE XIa

Average Annual Percentage Growth of the Population of the Remainder of the Cape Midlands for the Periods Between the Relevant Census Years by Race

	1911-1921	1921-1936	1936-1946	1946-1951	1951-1960
Whites	-0.57	-0.16	-0.71	-0.23	-0.52
Bantu	1.48	1.39	1.55	2.62	2.18
Coloureds	-0.81	2.02	1.60	0.53	3.65
Asiatics	-	-1.57	1.74	-0.41	-0.25
Total Population	0.02	1.02	0.95	1.39	2.00

Average Annual Percentage Growth of the Population of the Remainder of the Cape Midlands for the forty-nine year period 1911-1960 by Race (Asiatics 1921-1960)

	1911-1960
Whites	-0.4
Bantu	1.71
Coloureds	1.48
Asiatics (1921-1960)	-0.27
Total Population	1.07

Source: Calculated from Table VIII in the Appendix.

TABLE XIb

Average Annual Percentage Growth of the Population of Economic Region 06 for the Periods Between the Relevant Census Years by Race

	1911-1921	1921-1936	1936-1946	1946-1951	1951-1960
Whites	1.43	0.47	-0.96	-1.33	-0.34
Bantu	2.80	1.35	1.07	1.32	4.42
Coloureds	1.02	2.00	1.30	3.45	2.78
Asiatics		Numbers too small to be significant			
Total Population	1.62	1.30	0.42	1.44	2.38

Average Annual Percentage Growth of the Population of Economic Region 06 for the forty-nine year period 1911-1960 by Race (Asiatics 1921-1960)

	1911-1960
Whites	0.06
Bantu	2.14
Coloureds	1.93
Asiatics (1921-1960)	Numbers too small to be significant
Total Population	1.37

Source: Calculated from Table III in the Appendix.

TABLE XIc

Average Annual Percentage Growth of the Population of Economic Region 08 for the Periods Between the Relevant Census Years by Race

	1911-1921	1921-1936	1936-1946	1946-1951	1951-1960
Whites	2.52	3.92	2.00	3.92	2.21
Bantu	1.74	5.40	4.02	6.81	5.37
Coloureds	-0.13	3.85	2.09	4.61	4.52
Asiatics	-	3.89	3.25	4.42	-0.07
Total Population	1.76	4.33	2.71	5.15	3.96

Average Annual Percentage Growth of the Population of Economic Region 08 for the forty-nine Year Period 1911-1960 by Race (Asiatics 1921-1960)

	1911-1960
Whites	2.92
Bantu	4.50
Coloureds	2.87
Asiatics (1921-1960)	2.87
Total Population	3.49

Source: Calculated from Table IV in the Appendix.

TABLE XId

Average Annual Percentage Growth of the Population of Economic Region 09 for the Periods Between the Relevant Census Years by Race

	1911-1921	1921-1936	1936-1946	1946-1951	1951-1960
Whites	-0.96	0.67	0.81	0.32	0.25
Bantu	0.78	2.69	1.74	2.16	0.25
Coloureds	-1.59	2.00	0.74	1.81	5.51
Asiatics	Numbers too small to be significant				
Total Population	0.32	2.14	1.48	1.76	2.38

Average Annual Percentage Growth of the Population of Economic Region 09 for forty-nine Year Period 1911-1960 by Race (Asiatics 1921-1960)

	1911-1960
Whites	0.42
Bantu	2.02
Coloureds	1.62
Asiatics (1921-1960)	Numbers too small to be significant
Total Population	1.62

Source: Calculated from Table V in the Appendix.

TABLE XIe

Average Annual Percentage Growth of the Population of Economic Region 10 for the periods between the Relevant Census Years by Race

	1911-1921	1921-1936	1936-1946	1946-1951	1951-1960
Whites	-1.66	-1.19	-2.46	-1.85	-1.66
Bantu	0.95	-0.82	-0.02	-1.98	2.09
Coloureds	-1.12	1.37	2.43	1.67	2.69
Asiatics		Numbers too small to be significant			
Total Population	-0.89	-0.27	0.09	-0.21	1.46

Average Annual Percentage Growth of the Population of Economic Region 10 for the forty-nine Year Period 1911-1960 by Race (Asiatics 1921-1960)

	1911-1960
Whites	-1.69
Bantu	0.12
Coloureds	1.35
Asiatics (1921-1960)	Numbers too small to be significant
Total Population	0.00

Source: Calculated from Table VI in the Appendix.

TABLE XIf

Average Annual Percentage Growth of the Population of Economic Region 11 for the periods between the Relevant Census Years by Race

	1911-1921	1921-1936	1936-1946	1946-1951	1951-1960
Whites	-0.89	-0.34	-0.83	0.21	-0.73
Bantu	1.93	0.67	1.58	3.56	1.62
Coloureds	-1.25	2.25	1.62	-1.28	4.04
Asiatics		Numbers too small to be significant			
Total Population	0.21	0.70	0.93	1.48	1.76

Average Annual Percentage Growth of the Population of Economic Region 11 for the forty-nine Year Period 1911-1960 by Race (Asiatics 1921-1960)

	1911-1960
Whites	-0.57
Bantu	1.58
Coloureds	1.37
Asiatics (1921-1960)	Numbers too small to be significant
Total Population	0.93

Source: Calculated from Table VII in the Appendix.

TABLE XIIa

Cape Midlands : Age and Sex Distribution - Total Whites-1960

	Males	Females	Total No. in each age group	Percentage Male to total	Percentage Female to total
0 - 4	11,772 (49.7%)	11,922 (50.3%)	23,694	5.7	5.7
5 - 9	11,451 (51.2%)	10,905 (48.8%)	22,356	5.5	5.3
10,-14	10,514 (50.1%)	10,458 (49.9%)	20,972	5.1	5.0
Under 15 years	33,737	33,285	67,022 (32.3%)		
15 -19	9,709 (52.9%)	8,640 (47.1%)	18,349	4.7	4.2
20 -24	7,800 (50.7%)	7,589 (49.3%)	15,389	3.8	3.7
25 -29	6,864 (47.5%)	7,584 (52.5%)	14,448	3.3	3.6
30 -34	7,070 (51.4%)	6,672 (48.6%)	13,742	3.4	3.2
35 -39	6,591 (51.5%)	6,205 (48.5%)	12,796	3.2	3.0
40 -44	5,875 (51.0%	5.641 (49.0%)	11,516	2.8	2.7
45 -49	5,841 (49.5%)	5,962 (50.5%)	11,803	2.8	2.9
15 - 49 years	49,750	48,293	98,043 (47.3%)		
50 -54	5,619 (50.0%)	5,622 (50.0%)	11,241	2.7	2.7
55 -59	4,478 (48.7%)	4,716 (51.3%)	9,194	2.2	2.3
60 -64	2,900 (44.7%)	3,584 (55.3%)	6,484	1.4	1.7
65 -69	2,379 (40.8%)	3,447 (59.2%)	5,826	1.1	1.7
70+	4,181 (43.7%)	5,380 (56.3%)	9,561	2.0	2.6
50 years and over	19,557	22,749	42,306 (20.4%)		
Unspecified	11	10	21		
	103.055 (49.7%)	104.337 (50.3%)	207,392 (100.0%)	49.7	50.3

(Percentage Masculinity and Femininity of each age group in brackets)

Source: Population Census, 1960 Sample Tabulations. Table 2.3

TABLE XIIb

Cape Midlands : Age and Sex Distribution - Total Bantu - 1960

	Males	Females	Total No. in each age group	Percentage Male to total	Percentage Female to total
0 - 4	35,138 (49.6%)	35,641 (50.4%)	70,779	8.6	8.8
5 - 9	30,677 (51.0%)	29,533 (49.0%)	60,210	7.5	7.4
10 -14	25,514 (51.7%)	23,818 (48.3%)	49,332	6.3	5.9
Under 15 years	91,329	88,992	180,321 (44.4%)		
15 -19	18,575 (47.6%)	20,467 (52.4%)	39,042	4.6	5.0
20 -24	13,658 (41.2%)	19,466 (58.8%)	33,124	3.4	4.8
25 -29	12,992 (41.7%)	18,170 (58.3%)	31,162	3.2	4.5
30 -34	12,631 (49.1%)	13,072 (50.9%)	25,703	3.1	3.2
35 -39	11,465 (52.7%)	10,282 (47.3%)	21,747	2.8	2.5
40 -44	9,607 (52.8%)	8,585 (47.2%)	18,192	2.4	2.1
45 -49	7,405 (49.8%)	7,476 (50.2%)	14,881	1.8	1.8
15 - 49 years	86,333	97,518	183,851 (45.3%)		
50 -54	5,941 (50.5%)	5,812 (49.5%)	11,753	1.5	1.4
55 -59	3,632 (46.2%)	4,226 (53.8%)	7,858	0.9	1.0
60 -64	3,847 (45.6%)	4,582 (54.4%)	8,429	0.9	1.1
65 -69	2,339 (49.8%)	2,353 (50.2%)	4,692	0.6	0.6
70+	4,336 (51.9%)	4,018 (48.1%)	8,354	1.1	1.0
50 years and over	20,095	20,991	41,086 (10.1%)		
Unspecified	359	241	600	0.1	0.1
	198,116 (48.8%)	207,742 (51.2%)	405,858	48.8	51.2

(Percentage Masculinity and Femininity of each age group in brackets)

Source: Population Census, 1960 Sample Tabulations, Table 2.3

TABLE XIIc

Cape Midlands: Age and Sex Distribution - Total Coloureds-1960

	Males	Females	Total No. in each age group	Percentage Male to total	Percentage Female to total
0 - 4	19,097 (49.7%)	19,296 (50.3%)	38,393	9.0	9.1
5 - 9	16,668 (50.3%)	16,480 (49.7%)	33,148	7.9	7.8
10 -14	12,814 (48.8%)	13,417 (51.2%)	26,231	6.1	6.4
Under 15 years	48,579	49,193	97,772 (46,3%)		
15 -19	9,643 (48,4%)	10,277 (51.6%)	19,920	4.6	4.9
20 -24	8,754 (49.0%)	9,118 (51.0%)	17,872	4.1	4.3
25 -29	7,235 (47.7%)	7,943 (52.3%)	15,178	3.4	3.8
30 -34	6.643 (51.9%)	6,163 (48.1%)	12,806	3.1	2.9
35 -39	4,871 (50.0%)	4,867 (50.0%)	9,738	2.4	2.4
40 -44	4,412 (50.6%)	4,303 (49.4%)	8,715	2.1	2.0
45 -49	3,914 (52.7%)	3,519 (47.3%)	7,433	1.9	1.7
15 - 49 years	45,472	46,190	91,662 (43.4%)		
50 -54	3,396 (55.2%)	2,752 (44.8%)	6,148	1.6	1.3
55 -59	2,356 (55. %)	1,924 (45.0%)	4,280	1.1	0.9
60 -64	1,498 (40.8%)	2,171 (59.2%)	3,669	0.7	1.0
65 -69	1,344 (51.5%)	1,264 (48.5%)	2,608	0.7	0.6
70+	2,391 (49.8%)	2,413 (50.2%)	4,804	1.1	1.1
50 years and over	10,985	10,524	21,509 (10.2%)		
Unspecified	99	60	159		
	105,135 (49.8%)	105,967 (50.2%)	211,102	49.8	50.2

(Percentage Masculinity and Femininity of each age group in brackets)

Source: Population Census, 1960. Sample Tabulations, Table 2.3

TABLE XIId

Republic : Age and Sex Distribution - Total Whites - 1960

	Males	Females	Total No. in each age group	Percentage Male to total	Percentage Female to total
0 - 4	180,129	174,776	354,905	5.8	5.7
5 - 9	168,000	162,312	330,312	5.4	5.3
10 -14	163,039	154,915	317,954	5.3	5.0
Under 15 years	511,168	492,003	1,003,171 (32.5%)		
15 -19	139,404	134,136	273,540	4.5	4.3
20 -24	117,974	115,971	233,945	3.8	3.7
25 -29	103,337	103,010	206,347	3.3	3.3
30 -34	104,309	105,297	209,606	3.4	3.4
35 -39	98,812	97,752	196,564	3.2	3.2
40 -44	92,550	92,073	184,623	3.0	3.0
45 -49	92,823	94,417	187,240	3.0	3.1
15 - 49 years	749,209	742,656	1,491,865 (48.3%)		
50 -54	84,812	84,839	169,651	2.7	2.7
55 -59	59,913	62,328	122,241	1.9	2.0
60 -64	44,184	51,253	95,437	1.5	1.7
65 -69	34,459	43,556	78,015	1.2	1.4
70+	54,928	72,372	127,300	1.8	2.4
50 years and over	278,296	314,348	592,644 (19.2%)		
Unspecified	430	382	812		
	1,539,103 (49.8%)	1,549,389 (50.2%)	3,088,492	49.8	50.2

Source: Population Census 1960, Sample Tabulation, Table 2.1

TABLE XIIe

Republic : Age and Sex Distribution - Total Bantu - 1960

	Males	Females	Total No. in each age group	Percentage Male to total	Percentage Female to total
0 - 4	834,605	864,047	1,698,652	7.7	7.9
5 - 9	773,047	762,569	1,535,616	7.1	7.0
10 -14	644,795	635,009	1,279,804	5.9	5.8
Under 15 years	2,252,447	2,261,625	4,514,072 (41.5%)		
15 -19	524,064	511,436	1,035,500	4.8	4.7
20 -24	477,293	479,031	956,324	4.4	4.4
25 -29	448,949	423,253	872,202	4.1	3.9
30 -34	375,916	362,829	738,745	3.4	3.3
35 -39	336,112	297,064	633,176	3.1	2.7
40 -44	291,640	271,122	562,762	2.7	2.5
45 -49	240,107	198,852	438,959	2.2	1.8
15 - 49 years	2,694,081	2,543,587	5,237,668 (48.0%)		
50 -54	171,678	167,335	339,013	1.6	1.5
55 -59	122,923	112,871	235,794	1.1	1.0
60 -64	96,867	114,372	211,239	0.9	1.0
65 -69	60,375	71,313	131,688	0.5	0.7
70+	98,118	128,183	226,301	0.9	1.2
50 years and over	549,961	594,074	1,144,035 (10.5%)		
Unspecified	6,923	5,091	12,014	0.1	0.1
	5,503,412 (50.5%)	5,404,377 (49.5%)	10,907,789	50.5	49.5

Source: Population Census, 1960, Sample Tabulations, Table 2.1

TABLE XIIf

Republic : Age and Sex Distribution - Total Coloureds - 1960

	Males	Females	Total No. in each age group	Percentage Male to total	Percentage Female to total
0 - 4	134,495	134,408	268,903	8.9	8.9
5 - 9	112,582	114,786	227,368	7.5	7.6
10 -14	90,825	92,372	183,197	6.0	6.1
Under 15 years	337,902	341,566	679,468 (45.0%)		
15 -19	71,580	72,350	143,930	4.7	4.8
20 -24	66,584	68,008	134,592	4.4	4.5
25 -29	53,812	56,478	110,290	3.6	3.7
30 -34	47,215	46,885	94,100	3.1	3.1
35 -39	38,026	36,593	74,619	2.5	2.4
40 -44	32,392	31,134	63,526	2.2	2.1
45 -49	27,555	28,307	55,862	1.8	1.9
15 - 49 years	337,164	339,755	676,919 (44.9%)		
50 -54	23,078	21,905	44,983	1.5	1.5
55 -59	17,669	15,946	33,615	1.2	1.1
60 -64	11,839	13,370	25,209	0.8	0.9
65 -69	8,934	9,642	18,576	0.6	0.6
70+	13,708	15,800	29,508	0.9	1.1
50 years and over	75,228	76,663	151,891 (10.1%)		
Unspecified	538	442	980		
	750,832 (49.7%)	758,426 (50.3%)	1,509,258	49.7	50.3

Source: Population Census 1960, Sample Tabulations, Table 2.1

APPENDIX B : STATISTICAL SOURCES AND METHODS, THE SCOPE OF EACH SECTOR AND THE RELIABILITY OF THE RESULTS

APPENDIX B.

STATISTICAL SOURCES AND METHODS, THE SCOPE OF EACH SECTOR AND THE RELIABILITY OF THE RESULTS

Dr. J. J. Stadler[1] grouped all economic activities in South Africa on the basis of the standard industrial classification of the United Nations Organisation[2] with certain adaptations for local conditions. This classification has been adopted for the purpose of this study but in some cases it was necessary to divert from the standard classification. The sources used in compiling this appendix are the following :-

1. Unpublished notes supplied by the Office of the Economic Adviser of the Prime Minister.
2. Stadler, J.J. : Die Bruto Binnelandse Produk van Suid-Afrika, 1911-1959; Unpublished D.Com. Thesis, University of Pretoria, 1962.
3. Stadler, J.J. : Die Streeksinkome van Wes-Kaapland, 1947/48-1952/53. Unpublished M.Com. Thesis, University of Stellenbosch, 1956.
4. Van der Merwe, E.J. : Berekening van die Streeksinkome van Transvaal op Grondslag van Landdrosdistrikte, 1954/55 tot 1958/59; Unpublished M.Com. Thesis, University of Potchefstroom, 1963.
5. Nel, P.A. and de Coning, C. : The Regional Distribution of Purchasing Power in the Republic of South Africa. Bureau of Market Research Report No. 10. Pretoria: University of South Africa, 1965.

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1. Stadler, J.J. Die Bruto Binnelandse Produk van Suid-Afrika, 1911-1959. Unpublished D.Com. Thesis, University of Pretoria, 1962, pp. 64-78.
2. United Nations: Methods of National Income Estimation, 1955, p. 43.

I. PRIMARY PRODUCTION : AGRICULTURE, FORESTRY, FISHING, MINING AND QUARRYING.

A. SCOPE OF THE SECTOR.

(1) Agricultural production includes the activities of Whites on their own farms, Bantu on White owned farms and Bantu in their tribal reserves. (There are two small non-White areas in the Humansdorp magisterial district). The activities of the other non-White racial groups are included with those of Whites. All activities relating to agronomic and livestock production, animal products, agricultural services and related activities, such as the picking and packing of fruit are included. All subsidiary activities such as the construction of farm buildings, dams and fences are regarded as part of agricultural production when undertaken by the farmer and his workers, but where such construction work is carried out by contractors it is included under the construction sector. Both private and public activities, i.e. government farming on experimental farms, are included (whether direct production or services to the sector), irrespective of the form of management and the final destination of the products.

(2) Forestry production (which includes logging) refers to the forestry activities of private as well as public establishments, such as the Department of Forestry, and also to establishments in the hands of local authorities.

(3) Fishing production relates to commercial fishing in ocean, coastal and inland waters.

(4) Mining and quarrying production includes all metal, mineral, sand, stone, lime and salt production, as well as own account construction by mines and quarries and the activities of their workshops.

B. SOURCES OF INFORMATION.

I. Agriculture

(i) Agricultural censuses for the years 1954/55 to 1959/60.

(ii) Population censuses for the years 1951 - 1960.

(iii) Data obtained directly from certain institutions i.e. the Deciduous Fruit Board and the Meat Control Board.

II. Forestry

(i) Agricultural censuses for the years 1958/59 and 1959/60.

(ii) Annual Reports of the Department of Forestry.

III. Fishing

(i) Census of the Fishing Industry, 1960/61 (Special Report No. 258).

IV. Mining and Quarring

(i) Data was obtained directly from the Statistical Division, Office of the Government Mining Engineer.

C. METHODS/...

C. METHODS OF CALCULATION:

In calculating the gross value added by the primary sector as a whole the production approach was used. In the case of agriculture, forestry and fishing, the gross value of production was obtained either by multiplying the physical production in each district by the average prices or by allocating the national totals to each district. In the case of mining and quarrying it was possible to calculate the gross value added directly i.e. by taking the difference between the gross value or production and the value of intermediary goods and services used up in the process of production.

I. Agriculture

1. Calculation of the gross value of agricultural production.

As mentioned above, the production method was used. The physical volume of each farm product in each magisterial district was multiplied by the net farm or producers prices (average farm prices) received for identical products in South Africa during the period in question in order to obtain the gross value of agricultural production. The alternative method used was to allocate the national gross value figures to the different magisterial districts usually on the basis of data obtained from the agricultural census reports i.e. on the basis of the physical production of each product in each district. To the figures for the gross value of output the net changes in stocks (animal-inventories) were added and the values of seed and fodder (originating out of the agricultural sector) as well as the values of other intermediary goods and services were deducted. The result gives the agricultural sectors contribution to the gross domestic product or the gross value added. The national totals that were divided between the various magisterial districts are those calculated by the Division of Agricultural Economic Research; these totals were allocated between the various magisterial districts in the following ways :-

(a) Agronomic products.

(i) Cereals and hay.

The national totals for the gross value of maize, kaffir corn and wheat were allocated to the various magisterial districts in proportion to the number of bags produced in each district by Whites, Bantu on White owned farms and Bantu in the reserves. The values of barley, rye and oats were allocated on the same basis except that only the number of bags produced by Whites was taken into account. The national total for the gross value of lucerne hay was distributed amongst the magisterial districts according to the quantities sold and retained on White owned farms in each district. The value of other hay i.e. teff hay, veld grass and other hay grasses, was approportioned in the same way as lucerne hay but according to the quantities sold and retained not only by White farmers, but by Bantu on White owned farms and Bantu in the reserves as well.

(ii) Fruit/...

(ii) Fruits.

The gross value of pineapples and bananas for the whole country was allocated to the various magisterial districts on the basis of production in each district by Whites alone. The gross value of other sub-tropical fruits i.e. avocados, pawpaws, guavas, etc. was distributed in proportion to the number of sub-tropical trees owned by Whites and Bantu. Citrus fruit production was approportioned in the same way using the number of citrus trees in each magisterial district as a basis. All the above data used in allocating the gross value of fruit production to the various magisterial districts was obtained from the agricultural census reports. The gross value of deciduous fruit, on the other hand, was approportioned in the same way but using data obtained directly from the Deciduous Fruit Board. The values of preserved deciduous fruit and other dried fruit were allocated on the basis of quantitative data obtained from the Marketing Board, while that of deciduous fruit freshly consumed was allocated according to the number of deciduous fruit trees in each district owned by Whites, Bantu on White farms and Bantu in the reserves.

(iii) Legumes and vegetables.

The allocation to magisterial districts of the national figure for the gross values of peanuts, cow peas, dried peas, lentils and other dried beans, potatoes and sweet potatoes, was carried out on the basis of physical production in each district by Whites, Bantu on White farms and Bantu in the reserves as obtained from the agricultural census reports. The values of other vegetable products were approportioned to the various magisterial districts in two ways. Vegetables consumed by non-Whites in the rural areas were divided between the magisterial districts according to the distribution of the non-White rural population (assuming consumption at the point of production), while the value of vegetables consumed in urban areas was approportioned according to the number of acres under vegetable cultivation in each magisterial district as obtained from the agricultural census reports.

(iv) Tobacco and cotton.

The gross value of these products for the country as a whole was approportioned between the magisterial districts according to the number of morgen per district and the aggregate production figures by Whites in each district as obtained from the agricultural census reports.

(v) Other crops.

Whenever possible the national gross value figures for these less important crops were allocated to the various magisterial districts in the ratio of physical production in each district by all racial groups. Where this was not possible, a less accurate basis for approportionment had to be used. In such cases the national total were distributed on the basis of the quantity of the products sold in each district.

(b) Animal/...

(b) Animal husbandry.

(i) Changes in livestock inventories.

The value of net changes in livestock inventories had to be taken into account in the calculation of the gross value added. In the case of agronomic products, because its gross value was chiefly calculated on the basis of physical output, a separate valuation for farming stocks was not necessary. In the case of animal husbandry, however, where the accent is placed upon the quantities sold (not produced) it was necessary to take into account the net change between the number of animals at the beginning and at the end of each year and to add this to the figure for sales. In this way the total output of animal husbandry production was obtained and was valued on the basis of average prices received for the quantities sold during each year. The value of the change in stock inventories was calculated by multiplying the difference between the number of animals at the beginning of each year and at the end of that year by the average herd value as calculated by the Department of Agricultural Economic Research. The number of cattle, goats, wool bearing and other sheep is given for each magisterial district in the agricultural census reports. Using this data it was possible to determine the changes in stock inventories as explained above. Since the numbers of other less important animal stock such as poultry, horses, donkeys, etc. are only given every five years, the values for the years in between 1954/55 and 1959/60 had to be determined by means of interpolation.

(ii) Wool, mohair, karakul furs and ostrich feathers.

The gross value of wool production for the whole country was approportioned to the various magisterial districts in proportion to the quantity of merino and other wool sold by Whites, Bantu on White farms and in the reserves in each district. Mohair was allocated according to the quantity sheered in each district by all racial groups. The gross value of karakul pelts was distributed according to the number of pelts sold by Whites in each district, while ostrich feathers were approportioned according to the quantities plucked and sold by Whites. This information was obtained from the two full censuses of 1954/55 and 1959/60 - the gross value for the years in between being allocated in the same ratio as existed in these two years.

(iii) Slaughter stock.

The gross value of stock slaughtered for the country was allocated to the various magisterial districts in the following ways :-

Areas under the jurisdiction of the Meat Control Board -
information relating to the quantities of cattle, sheep and pigs slaughtered in these areas was obtained for each year

from/...

from the Meat Control Board. In most cases a controlled area does not embrace more than three magisterial districts and the value of stock slaughtered for each controlled area was then approportioned to the magisterial districts falling within it according to the ratio of the numbers of cattle, sheep and pigs in each district.

Areas only partially controlled and those falling outside the jurisdiction of the Meat Control Board -

the numbers of stock slaughtered in such 'external' areas was obtained from the Meat Control Board. The value of stock slaughtered in such areas was then approportioned to the magisterial districts falling within them according to the meat requirements of each district i.e. on the basis of the total urban populations in each district.

Stock slaughtered on farms -

the value of stock slaughtered on farms was allocated to the magisterial districts according to the numbers of cattle, sheep and pigs slaughtered on White owned farms as obtained from the agricultural census reports.

Stock slaughtered by Bantu -

this was approportioned between the magisterial districts in the ratio of cattle, sheep and pigs in each district owned by non-Whites as obtained from the agricultural census reports.

Dead animals consumed by non-Whites -

this was allocated to the magisterial districts according to the number of dead cattle of Whites and non-Whites as obtained from the agricultural census reports.

(iv) Poultry and eggs.

The gross value of egg production for the country was approportioned between the various magisterial districts in the ratio of the quantities of eggs sold and consumed on farms in each district. The value of poultry production was distributed according to the number of heads of poultry sold and slaughtered in each district. This data was obtained from the agricultural census reports.

(v) Dairy products.

The allotment of the national gross value for dairy products was carried out as follows -

Butter fat - according to sales of butter fat (cream) by Whites.

Farm butter - according to sales and consumption on farms by Whites.

Farm cheese - according to sales by Whites.

Factory milk and fresh milk for urban consumption - according to the sales by all racial groups of these types of milk.

Fresh milk for rural consumption - according to the distribution of the rural total population as obtained from the population censuses.

2. Calculation of the value of intermediary goods and services.

The value of intermediary goods and services for the country as a whole had to be allocated to the various magisterial districts on some suitable basis. This was done in the following ways :-

(i) Expenditure on buildings, fencing and packing materials, dipping and spraying materials, balanced stock feeds, fuel, fertilizers and the maintenance and repairs of machinery and agricultural implements were obtained for each magisterial district from the agricultural census reports and thus the national totals did not have to be allocated.

(ii) Expenditure on hay commercially purchased were allocated among the various magisterial districts according to the value of purchases as obtained from the agricultural census reports. The value of hay retained on farms was allocated on the basis of the quantity of lucerne hay, teff hay, veld grass and other hay grasses retained by Whites and Bantu as obtained from the agricultural census reports for the relevant years.

(iii) Expenditures on maize purchased for the purposes of fodder were approportioned among the various magisterial districts in the ratio of the value of purchases of maize in each, while the value of maize retained as fodder on farms was allocated according to the quantities of maize produced in each district.

(iv) The allocation of expenditures on seed for each crop was based whenever possible on the acreages of each crop under cultivation in each magisterial district. In a few cases, where data pertaining to area was not available i.e. dried peas, the allocation was done on the basis of production in each district.

In allocating the gross value of agricultural output and the value of intermediary goods and services for the country as a whole to the various magisterial districts, the information upon which the allocation was based was obtained whenever possible from the relevant agricultural census reports. Since these censuses did not always have the necessary data every year it was occasionally necessary to make use of information which did not apply directly to the year concerned. For example, when the area under cultivation for a specific product for a specific year was not available, use was made of the nearest year (sometimes the year before and sometimes the year after) for which the required information was available.

II. Forestry.

The gross value of commercial forestry production on a magisterial district basis for 1958/59 was obtained from the agricultural census/...

census report for that year. Information for the years before and after was not available on a magisterial district basis and the national value of forestry production was thus allocated to the districts for these years in the ratio of the value of wood felled in each district that existed in 1958/59. The quantity of firewood was estimated from the consumption per family figure and this was valued at prices calculated by the Division of Agricultural Economic Research.

III. Fishing.

The Census and the Fishing Industry for the year 1960/61 presents information relating to quantity and the value of fish caught according to "fishing areas". Where a "fishing area" contained less than four undertakings, parallel data was obtained directly from the Bureau of Statistics. The total catch for each "fishing area" was then allocated to the relevant magisterial districts within it for the year 1960/61. For all the relevant years before 1960/61 the national value of fishing production was allocated to the appropriate magisterial districts using the ratio that prevailed between each district in 1960/61.

IV. Mining and Quarrying.

1. Calculation of the gross value of production.

Having virtually no mineral resources, mining and quarrying in the Cape Midlands refer almost exclusively to the output of salt, sand, clay, stone and lime quarries. Production figures for each quarry were obtained from the Office of the Government Mining Engineer for each of the years under consideration. The gross value of production in each district was thus obtained directly by multiplying the production figures in each by a weighted average price for all sand and stone sold. The value of stock changes was taken to be the difference between production and sales. The data obtained from the Government Mining Engineer relates to calendar years and had to be converted to a June-July basis. This was done by dividing the values for each financial year by two and then adding the appropriate halves.

2. Calculation of the value of intermediary goods and services.

Data pertaining to the expenses incurred by each quarry was obtained from the Government Mining Engineer for the calendar years 1955, 1956, 1959 and 1960. Certain expenses incurred as labour remunerations in kind were deducted from total outlays since they do not form part of the total gross value added by this sector i.e. expenses in respect of foodstuffs such as bread, meat, fish, etc. Since outlays in respect of financial services, printing work, advertising, etc., were not included in the information obtained these indirect costs were calculated at 14 per cent[1] of the total value of inventories consumed and were included.

1. Stadler, J.J. Die Bruto Binnelandse Produk van Suid-Afrika, 1911-1959 op. cit., p. 220.

The values/...

The values for the years for which information was not available from the Government Mining Engineer viz. 1954, 1957 and 1958, were obtained by means of inter and extrapolation. Since these figures were also on a financial year basis they were converted to a June-July basis.

D. RELIABILITY OF THE RESULTS.

I. Agriculture

J. J. Stadler writes "As gevolg van

(1) die groot verskeidenheid van bedrywighede wat onder landbou, bosbou en jag ingesluit word ;

(2) die aanwesigheid van 'n groot aantal onafhanklike produksie-eenhede, die ekonomiese bedrywighede ten opsigte waarvan geen of baie onvolledig boekgehou word ;

(3) die feit dat onderhoudsbedrywighede so 'n belangrike deel van landboubedrywighede uitmaak, lewer die berekening van die toegevoegde brutowaarde vir hierdie produksietak verskeie probleme op."[1]

These problems necessitated somewhat arbitrary assumptions in some cases. For example, when the gross value of agricultural production was calculated and then allocated according to certain criteria to the various magisterial districts, it was assumed that the average realised prices in each district were the same as those for South Africa as a whole. The disadvantage of such an assumption is that it disregards differences in the quality of products and variations in their transport costs. In practice, different districts are differently situated from their markets and the quality of agricultural commodities often differs between each. Therefore, although differences in quality and in transport costs between the magisterial districts do exist, they could not be determined for practical reasons and were thus ignored. The effect of this is that in some districts the gross value of agricultural production was overestimated while in others it was underestimated.

The allocation of the national gross value figures for agriculture to the various magisterial districts was done when possible on the basis of quantitative data obtained from the census reports i.e. on the basis of physical production or area under cultivation in each district. Where such quantitative data was not available, however, use had to be made of less reliable methods of allocation. One of the more obvious shortcomings in the estimation of various figures is the fact that data relating to years other than that in question had to be used because the necessary quantitative data was not always available in each census

1. ibid., p. 91.

report/...

report. Because of the above shortcomings, the margin of error between the various magisterial districts is fairly considerable, but it is significantly smaller on a regional basis. Thus the agricultural statistics for the years 1955 to 1960 cannot be regarded as completely accurate, but do present a useful approximation of the size, growth and regional concentration of the agricultural sector in the Cape Midlands.

II. Forestry.

In the allocation of the national values relating to forestry production in the magisterial districts, a somewhat arbitrary assumption has had to be made. Since the ratio existing between the districts in 1958/59 was applied for all the other years, the assumption that forestry production has grown at the same rate in all the magisterial districts between the years 1955 to 1960 has been made. However, since forestry contributes a negligible amount to the gross domestic product of the Cape Midlands, and also because only a few districts engage in this activity, any distortion in the figures as a result of this assumption will be insignificant and may be ignored.

III. Fishing.

The national values in respect of the fishing sector have been allocated to the magisterial districts in the ratio that existed in 1960/61. This also assumes that the growth of the fishing sector in the relevant districts has taken place at the same rate. However, because the overwhelming majority of fishing is concentrated in the Port Elizabeth magisterial district, the distortion between districts may be ignored.

IV. Mining and Quarrying.

Since these statistics relate to quarries in the Cape Midlands and because they were obtained directly from the Government Mining Engineer who keeps records of output and expenditure for each mine and quarry in South Africa, they may be regarded as completely reliable.

II. SECONDARY INDUSTRY : MANUFACTURING, CONSTRUCTION, ELECTRICITY, GAS AND WATER, AND THE AUTOMOTIVE INDUSTRY.

A. SCOPE OF THE SECTOR.

(1) Manufacturing includes the activities of all private and government undertakings engaged in the manufacture, processing, preparation and packing of commercial articles, regardless of whether these activities take place in a factory with the aid of machinery, or by hand in a workers home. Certain research institutions, for example the South African Wool Textile Research Institute and the Leather Industry Research Institute are also included. All local authority activities connected with this sector (essentially municipalities) such as abattoirs and breweries are included under general government services, since separate information on these activities was not available.

(2) Construction includes the activities of all private undertakings that are concerned with the construction, demolition, excavation, instillation, completion, repair and other work. Where such activities are carried out by undertakings in other sectors exclusively for their own purposes, they are included under their appropriate industrial categories. All construction work undertaken by governmental and local authorities is included under general government services.

(3) All private undertakings and public corporations concerned with the generation, transmission and distribution of electricity, as well as the manufacture and distribution of gas and steam are included here. Undertakings that supply electricity, gas and water as a subsidiary service to other activities exclusively for their own use are included in that branch or sub-branch of production to which they belong. The activities of the water, electricity and gas departments of local authorities are included under general government services.

(4) The automotive industry comprises all the activities and related activities from assembling and manufacture to the sale of motor vehicles and parts. The motor trade is included under commerce but the activities of motor assembly establishments, tyre, battery and motor vehicle spares manufacturers, of reborers, body builders, retreaders, panel beaters, spray painters, etc. are included here.

B. SOURCES OF INFORMATION.

Manufacturing, construction, electricity, gas and water, as well as the non-trading activities of the automobile industry, are referred to as the manufacturing or secondary sector. The figures

relating/...

relating to manufacturing, construction, electricity, gas and water are shown together since the "secrecy clause" pertaining to statistical information made this necessary. All figures relating to this sector, unless otherwise stated, were supplied by the Office of the Economic Advisor of the Prime Minister. Separate statistics pertaining to the automotive industry were obtained from this source. In compiling the figures, the following sources were used :-

(i) The various industrial census reports ranging from 1954/55 to 1959/60 were the main source of information. Data on a magisterial district basis for other years was obtained directly from the Bureau's working tabulations. The information obtained from the census reports relates mainly to materials used, to the value of gross and net output and to salaries and wages. The 1956/57 and 1959/60 census reports do not include the automotive industry.

(ii) The 1957 and 1960 Censuses of the Motor Industry which are on a magisterial district basis.

(iii) Data in respect of certain research institutions which are classified under the manufacturing sector was obtained directly from the Bureau of Statistics.

(iv) In a number of cases information was obtained directly from individual undertakings.

(v) Information in respect of government saw mills was obtained directly from the Department of Forestry.

C. METHODS OF CALCULATION.

I. Manufacturing.

The gross value of production was calculated directly using the production method for the years 1956/57 and 1959/60. The industrial census reports for 1956/57 and for 1959/60 gave all the required basic information for calculating the gross value added by private manufacturing concerns for these years. This was done as follows :-

Gross value of output
LESS cost of materials used
= net value of output
LESS an allowance of 15 per cent for indirect costs and imputed financial service charge
= gross value added
LESS salaries and wages
= other incomes.

Before the gross value added could be obtained, however, the following adjustments and corrections had to be made :-

(a) A correction ... ...

(a) A correction was necessary in respect of certain activities which are included in the industrial censuses of 1956/57 and 1959/60. This correction was made since these activities i.e. saltworks, lime-kilns, laundries, clothing and shoemaking are not part of manufacturing for the purpose of this study.

(b) Adjustments were necessary in respect of certain activities which are not covered by the industrial censuses but which are included under manufacturing for the purpose of this study. These adjustments were in respect of :

  (i) Certain research institutions which are allied to this sector. The information regarding the necessary corrections was obtained from the Bureau of Statistics.

  (ii) Certain public undertakings which are included under manufacturing. The information regarding the necessary corrections was obtained from the Bureau.

(c) Since no provision is made in the data obtained for certain indirect costs, these had to be provided for i.e. the maintenance of buildings and machinery, business transport, stationery, printing costs, post, telephone and telegraph and other services of this nature. In addition a provision had to be made for an imputed financial service charge. These adjustments were taken to be 15 per cent of the net value of output.[1]

Calculations of the gross value added for the relevant years other than 1956/57 and 1959/60 were done by means of inter and extrapolation with the same corrections being carried out.

II. <u>Construction.</u>

Information for the years 1956/57 and 1959/60 was obtained from the same sources as for manufacturing. The information was in the same form and provision had also to be made for indirect costs and an imputed financial service charge. The appropriate adjustments were made in the same way as for manufacturing except that a provision of 16 per cent (as compared with 15 per cent for manufacturing) of the net value of output was made.[2] The gross value added was calculated in the same way as for manufacturing except that a further adjustment was made. Since there are a large number of small unincorporated undertakings which are not covered by the industrial censuses, they had to be provided for. In order to include these unincorporated undertakings, the gross value

1. Stadler, J.J. <u>Die Bruto Binnelandse Produk van Suid-Afrika, 1911 - 1959.</u> <u>op. cit.</u>, p. 265.
   van der Merwe, E.J. <u>op. cit.</u>, pp. 48-49.

2. This is in accordance with the provision as calculated by J. J. Stadler, <u>ibid.</u>, p. 285.

added/...

added for the country as a whole was allocated to the magisterial districts on the basis of the percentage distribution of the gross value added for those undertakings which were covered by the censuses.[1] (The census figures relating to salaries and wages for the country as a whole were compared with those obtained by J.J. Stadler[2] and were then adjusted accordingly. Other incomes were calculated on the assumption that the yearly ratio of salaries and wages to other incomes, as based on the census figures, was the same as the ratio of the adjusted salaries and wages to other incomes. The aggregate value of the adjusted salaries and wages and other incomes then forms the gross value added). Calculations of the gross value added for the relevant years other than 1956/57 and 1959/60 were done by means of inter and extra - polation with the same corrections being carried out.

III. Electricity, gas and water.[3]

A distinction is made between electricity, gas and water supplied by private undertakings and Escom. Where these services are supplied by private undertakings they are included under services because of the defective nature of the statistical data and the relative unimportance of private undertakings. The information relating to Escom was obtained directly from the Bureau of Statistics and from the annual financial reports of Escom. Since this information was not available on a magisterial district basis, a suitable method of allocation was used. The location of Escom power stations was ascertained and then the total salaries and wages were distributed among the various magisterial districts on the basis of the number of units of electricity generated by each. The figures for other incomes were calculated on the assumption that the ratio between other incomes and salaries and wages remains the same for each magisterial district.

IV. The automotive industry.

The automotive industry has in recent years come to be regarded as a separate sector and separate censuses have been taken of it since 1956/57. Since no distinction is made between the workshop and commercial activities of garages, they have been included under trade. The only data in respect of the automotive industry on a magisterial district basis is that presented in the censuses of the motor industry for 1957 and 1960. The gross value added in respect of the remaining years had thus to be allocated. This was done by observing the growth rates for the magisterial districts between 1957 and 1960 and then estimating the values for the remaining years on the basis of the observed trends.

1. See van der Merwe, E.J. Berekening van die Streeksinkome vir Transvaal op grondslag van landdrosdistrikte 1954/55 tot 1958/59. M. Com. Thesis, University of Potchefstroom, 1963.
2. Stadler, J.J. ibid., pp. 264-266.
3. The bulk of electricity, gas and water in the Cape Midlands is supplied by local authorities and are not included here.

For the years 1955, 1956 and 1958 the national totals for the automotive industry were approportioned between the various magisterial districts in the same ratio as existed in 1957. This was done on the assumption that the relative shares of each magisterial district remained unchanged between 1955 and 1958 from what they were in 1957. The 1959 statistics were allocated to the magisterial districts in a similar manner using the ratio that existed between them in 1960. Calendar year data was changed to a mid-year basis by dividing the values for each financial year and then adding the appropriate halves. Although calculation on the above basis may be somewhat arbitrary, the margin of error in the case of the Cape Midlands will be negligible since the motor industry is concentrated in the Port Elizabeth and Uitenhage districts, both of which are parts of the same economic region.

D. RELIABILITY OF THE RESULTS.

Since all the above-mentioned data is subject to secrecy by legislation, all magisterial districts with three or less undertakings in operation are grouped with other districts. In the Cape Midlands the following districts have been grouped together :-

Bathurst and Alexandria
Jansenville and Pearston with Steytlerville
Murraysburg and Richmond
Steynsburg and Venterstad
Uniondale and Willowmore
Maraisburg and Tarka (Tarka falls outside the Cape Midlands).

Since most of these groupings do not overlap between regions, the degree of distortion in the gross value added figures between economic regions is negligible. It should, however, be noted that the relationship between indirect costs and the net value of production is assumed to have remained the same for all undertakings in all districts. In practice this relationship may vary for different firms as well as for different districts. Distortion between regions will not be serious. The 1956/57 and 1959/60 figures can be regarded as being accurate since they were obtained from the industrial census reports for those years. Data for the remaining years will not be as accurate since it was determined by means of linear inter and extrapolation. The figures should, however, be fairly accurate and present a reasonable picture of the size and growth of the secondary sector in the different districts and regions of the Cape Midlands.

As regards the motor industry gross value added, there is a possibility that these statistics have been underestimated. In this connection refer to Ch. V., pp. 169/170.

III. TERTIARY ACTIVITIES/...

III. TERTIARY ACTIVITIES : WHOLESALE AND RETAIL TRADE

A. SCOPE OF THE SECTOR.

This sector includes all wholesale and retail trade undertakings (private and public) as well as commercial service undertakings such as auctioneers and commission agents who perform functions related to trade i.e. market agents, advertising agents, general commission and foreign agents. In addition to their trading activities, the activities of commercial undertakings in respect of repairs and maintenance are also included. Thus the activities of garages (including workshop services) are also included. The trading activities of certain public corporations and government enterprises are also included i.e. the Agricultural Control Boards and the Commercial Division of the National Parks Board of Trustees. The livestock and produce markets of local authorities are included under government services.

B. SOURCES OF INFORMATION.

(i) The 1946/47 and 1952 Censuses of Distribution and Service Establishments constituted the basic information used for calculating the gross value added. Distinction is made between wholesale and retail establishments and data is presented according to metropolitan areas, large, medium and small towns as well as for rural areas.

(ii) The 1957 and 1960 censuses of the Motor Industry. These censuses, in addition to "manufacturing", cover all service and trading activities of the motor industry i.e. garages (including workshops), motor demolishing works, traders in parts and accessories and wholesale distributors of motor vehicles. Only the above censuses are on a magisterial district basis and the data from the censuses that were not on a district basis had to be allocated to the magisterial districts.

(iii) Information regarding certain public corporations and government enterprises was obtained directly from the Bureau of Statistics and from the institutions' annual reports.

C. METHODS OF CALCULATION

I. Agricultural Control Boards.

Statistics relating to salaries and wages and other incomes of the various control boards were obtained directly from the Bureau of Statistics for the years 1954/55 and 1959/60. Although an agricultural control board may be active in a number of districts, the gross value added by these institutions is concentrated mainly in the areas where its

head/...

head office is situated. The figures are, therefore, allocated directly to those magisterial districts where the various control boards have their head offices.

II. The Motor Trade.

The census data for 1957 and 1960 was tabulated on a magisterial district basis. For these years, therefore, the gross value added was calculated directly on a district basis. For the other relevant years, the national figures were allocated to the various magisterial districts on the basis of the distribution of the 1957 and 1960 figures.

III. Other trading establishments.

Statistics on a magisterial district basis were obtained for 1947 and 1952 from the censuses of distribution and service establishments for these years. As no statistics were available on a regional or district basis for any year after 1952, the figures for 1954/55 to 1958/59 were obtained by projecting the 1947 and 1952 figures on the assumption that the growth rate of trade corresponds to the growth rate of agriculture, mining and manufacturing. A connecting link between trade, on the one hand, and agriculture, mining and manufacturing on the other, had first to be found. In order to arrive at the trade sector figures on a magisterial district basis for 1954/55 (which is the starting point), two methods were used :-

(a) The trade figures in respect of each magisterial district for 1954/55 were arrived at on the basis of the trade figures for 1947 and 1952 which were known. This was done on the assumption that the growth rate of the trade sector for the country as a whole between the years 1952 and 1954/55 applies also to the growth of trade in each magisterial district for the same period. In certain individual cases, however, where it was known that the expansion of trade in specific magisterial districts was noticeably accelerated or retarded over this period, the necessary adjustments were carried out.

(b) An estimate of the figures for agriculture, mining and manufacturing on a magisterial district basis for 1952 was carried out on the basis of corresponding figures for other years. The 1952 trade sector figures were then correlated with the estimated figures for agriculture, mining and manufacturing on a district basis for 1952. The trade figures for 1955 were then calculated by correlating them with the increases or decreases in the contribution of agriculture, mining and manufacturing in each magisterial district.

These two methods of estimating the trade sector figures by magisterial district for 1955 differed only slightly in their results. The actual figures by magisterial districts for 1955 were then assumed to lie midway between the two results. In this way figures for two linking years (1952 and 1955) were found. It was found that the estimated

magisterial/...

magisterial district totals added together for 1955, calculated as above, closely approximated the known national total for the same year. Once the above link had been established, the increase or decrease in the gross value added by agriculture, mining and manufacturing in the various magisterial districts for the years 1954/55 to 1958/59 were used to calculate the increases or decreases in the gross value added by trade in the same magisterial districts. It was found that the national trade figure for a given year correlated well with the agricultural figures of the previous year plus those for the given year, plus the mining and manufacturing figures for the given year. The correlation between Tx and Bx was of the order of .97, where Tx represents the trade figures for year x and $Bx = \frac{1}{2}(Ax - 1 + Ax) + Min_x + Man_x$. The symbols used in the formula signify the following :-

$Ax - 1$ = Agricultural figures for South Africa in year x - 1 (previous year)

Ax = Agricultural figures for South Africa in year x - (given year)

Min_x = Mining figures for South Africa in year x (given year)

Man_x = Manufacturing figures for South Africa in year x (given year)

The growth of trade in each magisterial district was thus calculated according to its correlation with the growth of agriculture, mining and manufacturing in South Africa between 1954/55 and 1958/59. It was necessary, however, to make adjustments in certain cases where the results on a magisterial district basis were not in agreement with the national totals as calculated by J.J. Stadler in his doctoral thesis. In order to calculate the 1959/60 figures on a magisterial district basis the rate of growth of national trade was applied to the magisterial districts using the 1958/59 figures as a base. Where growth of trade in certain magisterial districts over the years 1956/57, 1957/58 and 1958/59 was much lower than the national rate, the growth rate applied between 1958/59 and 1959/60 in these districts was taken to be somewhat less than the national growth rate - and vice versa. Once again the total estimates for all districts added together for 1959/60 correspond well with the total for South Africa for that year.

D. RELIABILITY OF THE RESULTS.

Figures relating to the agricultural control boards are reliable since they were obtained directly from the Bureau of Statistics and allocated on a fairly realistic assumption. The remaining figures, however, can be regarded as being only reasonably reliable since they are based largely on figures for agriculture, mining and manufacturing which are themselves liable to certain deficiencies. Nevertheless these figures can be regarded as fairly reliable (although less reliable than

those/...

those in any one of the other sectors or sub-sectors) because of the high correlation that was obtained between the trade figures on the one hand, and the figures for agriculture, mining and manufacturing on the other. The degree of correlation was as high as .97.

IIIA. TERTIARY ACTIVITIES : FINANCIAL INSTITUTIONS AND REAL ESTATE

A. SCOPE OF THE SECTOR.

This sector can be divided into private financial institutions and public corporations. Private financial institutions include commercial banks, peoples and loan banks, building societies, discount and accepting houses and other deposit receiving institutions classified under the Bank Act of 1942. These other deposit receiving institutions include insurance companies, investment companies, hire-purchase companies, executor and trust companies, mining houses, stockbrokers, estate agents and pension funds. Public corporations include the South African Reserve Bank, the National Finance Corporation, the Land and Agricultural Bank, the Industrial Development Corporation, the Industrial Finance Corporation, the Fisheries Development Corporation and the Coloured Development Corporation.

B. SOURCES OF INFORMATION.

(i) Direct from the Bureau of Statistics

(ii) From the financial reports of certain undertakings

(iii) Direct from certain undertakings

(iv) The gross value added by agriculture, mining and manufacturing where these had to be used as a basis for allocation.

(v) J.J. Stadler's doctoral thesis (Table XVII p. 366)

C. METHODS OF CALCULATION

In calculating the gross value added by this sector the income approach was used. The results are in the form of salaries and wages and other incomes i.e. rent, interest and net profit. The estimates made by J.J. Stadler[1] were allocated to the various magisterial districts on the basis of different "indicators" as discussed below.

1. Private undertakings

No direct calculations were possible in the case of private institutions and the national totals had to be allocated to the magisterial districts on some appropriate basis. Information relating to the larger institutions was, whenever possible, used as the basis for allocation. For example, in the case of commercial banks, information was obtained from the three largest viz. Barclays Bank, Standard Bank

1. Stadler, J.J. ibid., pp. 50-58.

and Volkskas/...

and Volkskas. On the basis of this information the national gross value added figures for all commercial banks were allocated to the various magisterial districts. Where it was not possible to use this method, the national figures were allocated to the magisterial districts on the basis of the regional distribution of the gross value added by agriculture, mining and manufacturing. Salaries and wages in respect of the three largest commercial banks on a magisterial district basis were obtained from these institutions for 1960. The salaries and wages of the remaining commercial banks for the same year were allocated in the same proportion and districts where any commercial bank has its head office were weighed to an additional extent. For the remaining years, 1954/55 to 1958/59, the national totals for salaries and wages for commercial banks were allocated to the various magisterial districts in the same proportion as the 1959/60 totals.

The national figures for other incomes of the commercial banks were known and were allocated to the magisterial districts in the same proportion as the distribution of the gross value added by agriculture, mining and manufacturing in each district. This was done for all years between 1954/55 and 1959/60 inclusive. Data in respect of the salaries and wages of insurance companies on a magisterial district basis was obtained from Sanlam and the Old Mutual for 1959/60. The salaries and wages paid by the remaining insurance companies for 1959/60 were allocated to the magisterial districts in the same proportion - after weighing those districts in which head offices were situated additionally. For 1958/59 the national totals of salaries and wages paid by insurance companies were allocated to the districts in the same ratio as the 1959/60 figures. The distribution of salaries and wages between the magisterial districts for the years 1954/55 to 1957/58 was determined on the basis of the growth of agriculture, mining and manufacturing in each.

The national totals of salaries and wages and other incomes paid out by mining houses were allocated to the relevant magisterial districts on the basis of data for 1959/60 obtained from the Bureau of Statistics. The national totals for the years 1954/55 to 1958/59 were allocated in the same ratio. The salaries and wages and other income of stock brokers were approportioned to the districts according to the situational importance of their offices - this information was obtained directly from individual stock brokers. As regards the remaining private financial institutions, the national salaries and wages and other incomes were allocated according to the growth of agricultural, mining and manufacturing in each district.

2. <u>Public Corporations</u>

The salaries and wages and other income in respect of public corporations were available on a national basis. Since most of these

corporations/...

corporations operate only in one district the national totals were allocated directly to these districts. Where an organisation has branches it was necessary to allocate the national figures between the districts concerned. This was done with the Land and Agricultural Bank and the South African Reserve Bank. The allocations were carried out on the basis of figures obtained from the head offices of these institutions.

D. RELIABILITY OF THE RESULTS.

Since most of the information relating to the salaries and wages and other incomes of financial institutions was obtained directly from them, the gross value added figures may be regarded as accurate. The figures in respect of public corporations are also reliable since the allocation of the national totals was carried out on a realistic basis.

IIIB. TERTIARY ACTIVITIES : TRANSPORTATION, STORAGE AND COMMUNICATION

A. SCOPE OF THE SECTOR.

I. <u>Transporation and storage.</u>

(a) The South African Railways and Harbours, which include :-

- (i) Railways and their subsidiary services i.e. catering and bedding services, advertising and bookstalls, grain elevators, road motor transport and tourist services.
- (ii) Harbours, including lighthouses.
- (iii) Steamships.
- (iv) Airways.

(b) Other public and government undertakings, which include :-

- (i) Civil airports.
- (ii) The Government garage (ancillary agency).
- (iii) Transport departments of local authorities.

(c) Private activities, which include :-

- (i) Transport of passengers and freight by road, sea and air.
- (ii) Services incidental to transport i.e. ship and travel agencies.
- (iii) Cold storage, when undertaken as an independent service.

II. <u>Communications</u>

(a) Posts, telegraphs and telephone services.

B. SOURCES OF INFORMATION.

I. <u>Transportation and storage</u>

(a) The South African Railways and Harbours.

- (i) Information obtained direct from the S.A.R. and H.
- (ii) J.J. Stadler's doctoral thesis from which certain national figures that had to be allocated were obtained.

(b) Other.....

(b) Other public undertakings

(i) Department of Transport provided data in respect of salaries and wages.

(ii) Annual Reports of the Controller and Auditor-General on the South African Railways Accounts and Statement of Accounts.

(c) Private Transportation and storage

(i) Direct from the Bureau of Statistics.

(ii) From J.J. Stadler's D.Com. Thesis.

II. Communications

(i) The Postmaster General supplied information in respect of salaries and wages paid.

(ii) From J.J. Stadler's doctoral thesis.

C. METHODS OF CALCULATION.

The gross value added by this sector was determined by using the income approach. The information in respect of salaries and wages and other incomes was very limited on a magisterial district basis with the result that the gross value added for each magisterial district had to be arrived at in most cases in an indirect manner. The national totals of salaries and wages and other incomes had thus to be allocated to the various magisterial districts. This was done whenever possible by determining the salaries and wages for each magisterial district for one year and then allocating the national total for the other years in the same proportion, assuming at the same time that the ratio between salaries and wages and other incomes remained constant.

I. Transportation and storage.

(a) The South African Railways and Harbours.

The South African Railways and Harbours made available a schedule of salaries and wages paid in each magisterial district for August 1962. This schedule was then used as the basis for allocating the national gross value added figures, as obtained from J.J. Stadler's D.Com. Thesis, to the magisterial districts for the relevant years prior to 1962. This was done by grouping the places of payment into Magisterial districts and by calculating the percentage which each district formed of the national total. These percentages were used in allocating both salaries and wages and other incomes for the years after 1954/55. This method assumes that the percentage geographical distribution of the salaries and wages paid by this sector remained unchanged during the period July 1954 to August 1962.

(b) Other public undertakings.

The required information relating to the country as a whole was supplied by the Department of Transport. The figures were allocated to the various magisterial districts on the basis of a schedule of salaries

and wages, ...

and wages paid in each district during 1961/62 obtained from the Department of Transport. This was done for the years 1954/55 to 1959/60. The other incomes of the government garage were approportioned in the same way while those for civil airports were obtained for each magisterial district from the Reports of the Controller and Auditor-General.

(c) Private transportation and storage.

The gross value added by private transportation and storage undertakings was estimated by means of the results of the 1958/59 census of private transportation and related activities. These estimates were on an economic region basis and had to be allocated to the various magisterial districts. This was done according to the percentage distribution of the White population in each district and the percentages obtained were used in allocating the national totals, as obtained from Stadler's doctoral thesis, for the remaining years to the various magisterial districts.

II. Communication.

(a) Postal, telegraph and telephone services.

From the post office returns the salaries and wages paid in each magisterial district in respect of March 1955 and March 1960 were obtained. The month of March was chosen since it is regarded as a normal month, representing the average for any year. The percentages which each magisterial district formed of the national total for these two years were then calculated and compared. The trends for each district were noted and the percentages for the intervening years were determined by means of interpolation. These percentages were then applied to the figures for the intervening years as obtained from Stadler's doctoral thesis.

D. RELIABILITY OF THE RESULTS.

I. Transportation and storage.

(a) The South African Railways and Harbours.

The reliability of the results will depend largely on the methods used to allocate the national totals to the various magisterial districts. In the case of the South African Railways and Harbours this was done on the basis of statistics for August 1962. Since this falls outside the period under consideration the margin of error for 1959/60 will be less than for 1954/55 because the rates of growth in individual magisterial districts are not taken into account. A further disadvantage is that, although August is regarded as a normal month by the railways, one month's payments are not necessarily in the same proportion for an individual district as would be the payments for a year. Thus the margin of error in respect of salaries and wages is greater than in respect of other incomes and the statistics for later years are more representative than for earlier years.

(b) Other/...

(b) Other public undertakings.

Since the national totals of salaries and wages paid by other public undertakings were allocated on the basis of salaries and wages paid during 1961/62, these figures are subject to criticisms similar to those applicable to the South African Railways and Harbours figures i.e. the figures used in deriving the percentages upon which the allocations were done fall outside the time period under consideration, although they are more representative since they apply to an entire year and not only to one month. This method also assumes that the growth rate in all districts has remained the same.

(c) Private transportation and storage.

The main disadvantage of these figures is that the percentage distribution of the White population used for allocation purposes may not reflect a true picture. This was done, however, since a more reliable basis could not be found.

II. Communications.

(a) Postal, telephone and telegraph services.

These figures may be regarded as reliable since they were allocated on a basis that permitted an allowance to be made for growth from year to year. This was possible because separate distributional percentages at the beginning and at the end of the time period were available and the growth trends in each magisterial district could thus be determined.

The final results are aggregated and are fairly reliable. The figures for later years are more reliable than those for earlier years.

IIIC. TERTIARY ACTIVITIES: OWNERSHIP OF DWELLINGS

A. SCOPE OF THE SECTOR.

Distinction is made between urban and rural areas. In urban areas the services rendered by dwelling houses, flats, rooms and lock-up garages owned by private undertakings and individuals, regardless of whether they are owner occupied or rented, are included. Dwellings owned by government bodies and local authorities are discussed under government services. Dwellings owned by the South African Railways and Harbours are included under transportation and storage. As regards rural areas, only the dwellings of Whites, Coloureds and Asiatics are taken into account. The rural dwellings of Bantu are not included.

B. SOURCES OF INFORMATION

(i) Reports of the Population Censuses of 1951 and 1960.

(ii) The Agricultural Censuses in respect of the number of farming units.

(iii) Union Statistics for Fifty Years (1910 - 1960).

(iv) J.J. Stadler's D.Com. Thesis.

(v) The Survey/...

(v) The Survey of Family Expenditure (November 1955) Reports No. 4 and 5.

C. METHODS OF CALCULATION.

The difference between the total rental (rents paid and imputed) of dwelling houses, flats and rooms and certain costs such as property tax, sewerage, etc. was the gross value added by this sector. The national totals as calculated by Stadler were allocated to the different magisterial districts. A distinction was made between urban and rural dwellings as well as dwellings occupied by the respective racial groups. All communities with some form of local government, as well as those which had no local government but could clearly be regarded as urban, were included under urban areas. Areas with no local government which were clearly rural in nature were included under rural areas.

(a) <u>Whites</u>

(1) Urban areas.

A close relationship between the size of the urban White population and the number of dwellings was assumed in calculating the total rental for the urban areas. The White urban population in each magisterial district for each relevant year between 1951 and 1960 was determined by intrapolation. It was necessary to distinguish between people living in houses and people living in rooms and flats. This was done on the proportion of flats and rooms to houses as it existed in 1951 for the main urban areas. In this way the number of dwelling houses and flats in each of the magisterial districts was calculated i.e. by means of the above data and the average number of persons per house or flat as obtained from the 1955 Survey of Family Expenditure.

A further distinction between owner-occupied and rented dwellings had to be made because the average rental values applicable to these dwellings differed (since there is usually a "quality" difference between owner-occupied and rented dwellings). This division was done on the basis of the ratio of rented to owner-occupied dwellings as obtained from the 1955 Survey of Family Expenditure.

Total rents were then determined by multiplying the number of each type of dwelling (owner-occupied, rented or flat) by their appropriate average rent values. Average rentals for owner-occupied houses and flats were obtained from the survey of family expenditure, while average figures for tenancy dwellings were obtained from Union Statistics for Fifty Years (1910 - 1960).

(2) Rural areas.

In calculating the number of rural dwellings it was assumed that each farming unit contains one dwelling house for Whites. The number of farming units in each magisterial district was obtained from the agricultural census reports. Total rents were then determined by

multiplying/...

multiplying the number of rural dwellings by two-thirds of the average rent computed for owner-occupied houses in the urban areas.[1]

(b) Bantu

(1) Urban areas.

The urban Bantu population in each magisterial district was obtained in the same way as in the case of Whites. The number of urban dwellings was calculated by dividing the total number of urban Bantu by the average size of family as obtained from the 1946 population census. No distinction was made between the type of dwelling or between owner-occupied and rented dwellings. This was due to insufficient data, and the 1946 figures were used since no subsequent information was available.

(2) Rural areas.

Since the rural dwellings of Bantu are not regarded as durable structures, they are excluded from the calculations.

(c) Coloureds and Asiatics

(1) Urban areas.

The urban Coloured and Asiatic populations in each magisterial district were determined by means of interpolating 1951 and 1960 population figures. The 1951 census results were then used to divide these persons into those living in houses and those living in flats but no distinction was possible between owner-occupied and tenancy dwellings. The average size of family used in calculating the number of dwellings was that pertaining to the country as a whole as obtained from the 1951 census report. Total rents were arrived at by multiplying the number of dwellings by the average rental values obtained from the population census.

(2) Rural areas.

The rural Coloured and Asiatic populations in each magisterial district were obtained in the same way as the rural White population. The average household size for both racial groups was taken as six persons.[2] The estimated number of rural dwellings occupied by these racial groups was then multiplied by an average rental of one-fifth of the average rental for these racial groups in the urban areas.[3]

The total number of dwellings as estimated by the above methods was found to be 10 per cent higher than the national total as calculated by Stadler in his doctoral thesis. The magisterial district figures were thus corrected on a pro-rata basis to bring them into agreement with the national figures. In order to arrive at the gross value added by this sector, all current expenses on maintenance, repairs, insurance and other running expenses had to be deducted from the total rental values. These expenses were taken to be 30 per cent of rental values in respect of urban houses and 15 per cent in respect of rural houses, as well as all

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1. Stadler, J.J. ibid., p. 395.
2. ibid., p. 395.
3. ibid., p. 395.

flats/...

flats and rooms.[1] After these expenses had been taken into account, the results were the gross value added by dwellings.

D. RELIABILITY OF THE RESULTS.

Indirect methods had to be used in the calculation of rentals and the number of dwellings on a magisterial district basis. These methods detract from the accuracy of the results and the least reliable figures are those relating to the occupation of dwellings by Bantu. In the case of urban dwellings much of the information upon which the calculation depend was drawn from the 1946 Population Census. The use of 1946 data was unavoidable but is unlikely to have had much adverse effect because the average size of the urban Bantu family and average rentals have not changed to any significant degree since 1946.[2]

IIID. TERTIARY ACTIVITIES: GENERAL GOVERNMENT SERVICES

A. SCOPE OF THE SECTOR.

This sector includes the general government activities of the central government and the provincial administration as well as the commercial and non-commercial activities of local authorities.

I. The central government

The activities of all government agencies are included i.e. administration, education, health, services, defence, etc. except those government enterprises and ancilliary agencies that fall under separate industrial categories. In addition, the following are included :-

(i) The South African Native Trust.
(ii) The Group Areas Development Board.
(iii) The National Parks Board of Trustees (excluding trading section).
(iv) The Council for Scientific and Industrial Research.
(v) The South African Bureau of Standards.
(vi) The National Road Fund.
(vii) The Pneumoconosis Board.
(viii) The Unemployment Insurance Fund.
(ix) The Workman's Compensation Fund.
(x) The South African Tourists Corporation.
(xi) The Atomic Energy Board.
(xii) The Wool Profits Distribution Fund.
(xiii) The Export Credit-Re-insurance Fund.
(xiv) The National Housing Fund.

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1. ibid., pp. 398 - 399.
2. Thirion, S.K. Die Indeling van die Volksinkome van die Unie volgens Rassegroepe vir die jaar 1946/47. Unpublished M.Com. Thesis, University of Pretoria, p. 53.

II. The provincial administration

The activities of all departments of the Cape Provincial Administration are included. This embraces activities relating to general administration, education, hospitals, provincial roads and bridges, national and special roads and interest and amortization funds.

III. Local authorities

The trading and administrative activities of local authorities i.e. municipalities, village management boards, local boards, local areas and divisional councils are included. Because it was impossible to obtain the required data on the commercial activities of local authorities separately for the different production sectors they have all been included under this sector. These activities are in connection with :-

(i) Abattoirs.
(ii) Breweries.
(iii) Electricity, gas and water.
(iv) Transport.
(v) Livestock and produce markets.
(vi) Plantations.
(vii) Quarries.
(viii) Cinemas.

B. SOURCES OF INFORMATION.

I. The central government

(i) Data in respect of salaries and wages paid according to the magisterial districts was obtained directly from the different government departments.
(ii) Annual Reports of the Controller and Auditor-General.
(iii) From J.J. Stadler's D.Com. Thesis.

II. The provincial administration

(i) Data was obtained directly from the various departments of the Cape Provincial Administration.
(ii) From J.J. Stadler's D.Com. Thesis.

III. Local authorities

Data was obtained directly from the Bureau of Statistics.

C. METHODS OF CALCULATION.

I. The central government

The income approach was used in the calculation of the gross value added by the central government.

(1) Salaries and wages.

Every state department falling under the scope of this sector was approached in order to determine the earnings of employees in each magisterial district. Due to various difficulties experienced i.e. differing accounting methods, defective and non-existent records, the salaries and wages on a magisterial district basis could not be

obtained/...

obtained directly. The aggregate amounts paid by each department were consequently allocated to the districts on the basis of reliable indicators. This was usually done by obtaining the salaries and wages for as many years as possible and determining the figures for the remaining years by means of inter and extra-polation. The regional distribution of salaries and wages for a single month was also used as a basis for allocation.

(2) Other incomes.

Because of a lack of statistical data the national totals of other incomes as calculated by Stadler in his doctoral thesis were allocated to the various magisterial districts. This was usually done in the same ratio as the distribution of salaries and wages, but where this was not possible, the allocation was done according to the value of buildings owned by the central government in each district.

II. The provincial administration

(1) Salaries and wages.

The administrations budget of expenditure for the year ending 31st March, 1962 was used as a basis for allocating the totals for the Cape to the various magisterial districts. The total salaries and wages for each section of the budget were adjusted to a June-July basis since they relate to the year ending 31st March. The ratio that existed between the budget sections in each magisterial district for that year was then applied to the total figures in respect of each budget section for the years 1955 to 1960. The total salaries and wages for each magisterial district were then obtained by adding all the budget sections together for each magisterial district.

(2) Other incomes.

The national totals for other incomes were obtained from Stadler's doctoral thesis and were allocated to the Cape Province in the ratio that existed for salaries and wages between the national and Cape figures. The total for the Cape was then allocated to the various magisterial districts in the ratio that existed in each district for salaries and wages.

III. Local authorities

(1) Salaries and wages.

The Bureau of Statistics obtained the totals of salaries and wages paid out in each district from forms returned by the local authorities. These figures were in respect of financial years ending 31st December and were thus converted to a June-July basis.

(2) Other incomes

Figures for other incomes on a magisterial district basis were not available and the national figures were allocated to the districts in the same proportions as salaries and wages. The national

figures/....

figures were those calculated by J.J. Stadler in his doctoral thesis. The other incomes of the trading section of local authorities were taken to be the total of rents, interest and profits before allowing for depreciation. This information was obtained from the Bureau of Statistics.

D. RELIABILITY OF THE RESULTS.

I. The central government

These figures are not completely reliable since a large portion had to be allocated and because some payments, although included under a certain district, do not belong to it entirely since the persons to whom the payments were made were not in all cases employed in these particular districts for an entire year. Such cases frequently arise in the Departments of Agricultural Economics and Marketing, Agricultural Technical Services, and Lands. The figures for other incomes are not as reliable as those for salaries and wages. The general tendency is undervaluation of the gross value added since data pertaining to all the items that should have been taken into consideration was not always available.

II. The provincial administration

The salaries and wages in each magisterial district for the years 1955 to 1960 were allocated in the ratio that existed between the various budget sections in these districts as obtained from the administrations budget of expenditure for the year ending 31st March, 1962. This method of allocation assumes that each budget section has grown at the same rate in all the magisterial districts between 1955 and 1960. In addition, the ratio in which the allocation was carried out was based on a year falling outside the time period under consideration. For these reasons the figures for salaries and wages are not completely accurate and those for earlier years are less reliable than those for later years. The figures for other incomes are not as reliable as those for salaries and wages.

III. Local authorities

Since the totals on a magisterial district basis were supplied directly to the Bureau by local authorities, they may be regarded as being accurate. Figures relating to other incomes of the commercial section of local authorities were obtained in the same manner. Other income statistics relating to the administrative activities of local authorities are also fairly reliable.

IIIE. TERTIARY ACTIVITIES : OTHER SERVICES

A. SCOPE OF THE SECTOR.

The activities embraced by this sector cover a particularly wide field and include the following:-

I. Community/...

I. Community services, which include

(i) Private education services.

(ii) Private medical, surgical, dental and other health services.

(iii) Religious organisations.

(iv) Welfare institutions.

(v) Trade associations and professional and labour organisations.

(vi) Libraries, museums and botanical and zoological gardens.

(vii) All other organisations furnishing services to the community.

II. Business services, which include

(i) Legal services.

(ii) Accounting, auditing and book-keeping services.

(iii) Engineering and technical services.

(iv) All other business services.

III. Recreation services, which include

(i) Radio services.

(ii) Motion picture production, distribution and projection.

(iii) Theatres and related services.

(iv) Sport.

(v) All other recreational services.

IV. Personal services, which include

(i) Domestic services.

(ii) Accommodation services.

(iii) Catering services.

(iv) Laundries and laundry services.

(v) Barber and beauty shops.

(vi) Photographic services.

(vii) All other services.

B. SOURCES OF INFORMATION.

(i) Information in respect of universities, technical colleges, university colleges, schools for the blind, deaf and other physically and mentally handicapped persons, hospitals, nursing houses, church and welfare organisations, medical aid societies and general business services was obtained direct from the Bureau of Statistics.

(ii) Direct from certain institutions.

(iii) From the annual reports of various service organisations and institutions, such as universities, technical colleges, etc.

(iv) Annual Reports of the Department of Education Arts and Science.

(v) The Industrial Census of 1956/57 in respect of laundries, clothing and footwear services.

(vi) The Censuses of Distribution and Service Establishments of 1946/47 and 1952.

(vii)/...

(vii) From J.J. Stadler's doctoral thesis.

(viii) Direct from the South African Broadcasting Corporation.

C. METHODS OF CALCULATION.

The national figures relating to the different services had to be allocated to the various magisterial districts. The methods used in calculating the gross value added by other services depended upon whether the undertakings in question were profit-seeking concerns or not. In the former case the gross value added was made up of all factor returns while in the case of non-profit-seeking undertakings only salaries and wages have to be taken into account.

I. Community Services.

(a) Educational Services.

The salaries and wages of universities, university colleges and technical colleges were obtained from the Bureau of Statistics and from the annual reports of these institutions. Information in respect of "special" schools for the handicapped was also obtained from the Bureau. The salaries and wages of other private educational institutions had to be allocated to the various magisterial districts from the national totals calculated by Stadler in his doctoral thesis. This allocation was carried out in a somewhat arbitrary manner by allocating the national totals according to the distribution of the White population in each magisterial district.

(b) Medical Services.

The gross value added by private medical practitioners, veterinary surgeons, dentists, private nurses, midwives, etc., for the country as a whole had to be allocated to the various magisterial districts. This was done according to the regional distribution of medical practitioners as obtained from the Register of Medical Practitioners, Interns and Dentists for 1959. Data in respect of private hospitals, nursing homes, sanatoria, as well as for the South African Institute for Medical Research was obtained directly from the Bureau of Statistics.

(c) Other Community Services.

The national totals as calculated by Stadler were allocated to the various magisterial districts according to the 1960 distribution of the White population in each.

II. Business Services.

(a) Professional Services.

The national totals as calculated by Stadler were allocated to the various magisterial districts according to the 1960 distribution of the White population in each.

(b) General business services.

Information was obtained in respect of 1958/59 from the Bureau of Statistics. The data was not available on a magisterial district basis but follows the economic regions. The gross value added for

each/...

each economic region was then allocated for 1958/59 to their constituent magisterial districts on the basis of the 1960 distribution of the White population in each. This ratio was then used to allocate the national totals for the remaining relevant years.

(c) Recreation and entertainment services.

The salaries and wages paid in each district in respect of radio services were obtained directly from the South African Broadcasting Corporation. In the case of all other recreational and entertainment services the national totals of gross value added as calculated by Stadler in his doctoral thesis were allocated to the various magisterial districts in proportion to that 1960 distribution of the White population in each.

III. Personal Services.

(a) Domestic Services.

The national totals from Stadler's doctoral thesis were allocated to the various magisterial districts in the proportion of the 1960 distribution of the White population in each district. The wages and payments in kind of domestic servants on farms were calculated on the basis of data obtained from the agricultural censuses.

(b) Other Personal Services.

Information as regards to laundries, dry cleaners, etc. was obtained from the Industrial Census reports of 1956/57 and 1959/60. The gross value added for the remaining years was calculated by means of inter and extra-polation. The gross value added by the remaining personal services was calculated on the basis of the results of the 1946/47 and 1952 censuses of Distribution and Service Establishments.

D. RELIABILITY OF THE RESULTS.

The calculation of the gross value added by this sector was complicated by the limited amount of statistical data and the large number of activities included. In many cases the national totals had to be allocated to the various magisterial districts on the basis of the 1960 distribution of the White population in each district. Not only does this method assume a close correlation between the size of the White population and the value of private services rendered, but it also assumes that the growth of this sector has proceeded at the same rate in all the magisterial districts between 1955 and 1960. Nevertheless the aggregated figures for this sector are useful indicators of the size and growth of the private services sector in each region of the Cape Midlands.

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No. 1. WHITES - Industry Divisions, Age Groups, Home Languages.

No. 2. COLOUREDS AND ASIATICS - Industry Divisions, Age Groups, Home Languages.

No. 3. WHITES, COLOUREDS AND ASIATICS - Major Occupational Groups.

No. 5. BANTU - Industry Divisions, Age Groups, Major Occupational Groups.