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Integrating the South African economy into the British Empire: South African Gold on the Witwatersrand and its Imperial Consequences

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Abstract

The purpose of this paper was to illustrate the rich and turbulent history of South African people, places and events that took place in and around the Witwatersrand between the discovery of gold in 1886 and the outbreak of the South African War in 1899. By the mid-19th century South Africa was a complicated patchwork of British colonies, Boer republics and African chiefdoms. The country offered little economic prospects for the scrupulous European imperialist drive into Africa and the complex racial structure created a perfect violent formula for a massive wave of disputes, wars of territorial conquest and forced population displacements.

The socio-economic outlook had however changed from the prior dismal prospects to outright euphoria in the late 19th century, when the richest deposits of diamonds and gold were discovered. As profitable, crass and exploitive the discovery of diamonds was, it was gold that took South Africa from the Empire's periphery to the core of imperial economic strategy.

The paper connects the Witwatersrand, its riches and people, to the greater imperial economic and social initiative of the British for Southern Africa at the end of the 19th century. The working hypothesis links gold to the socio-economic changes that would eventually create the structural basis for the South African War, concluding a strong correlation between the discovery of gold and the intensification of British imperialism in South Africa.

As controversial and sensitive South African history was for the nation's political transformation and identity in 1994, the paper evaluates archival primary sources and secondary literature to contribute to the reconciliation purpose of the 'New South African' narrative.

Abstract

Die Zielsetzung dieser Arbeit war es, die reiche und bewegte Geschichte der südafrikanischen Bevölkerung, Orte und Ereignisse, die sich am Witwatersrand zwischen der Entdeckung des Goldes im Jahr 1886 und dem Ausbruch des Südafrikanischen Krieges im Jahre 1899 abspielte, darzustellen. Mitte des 19. Jahrhunderts war Südafrika ein komplexer Flickenteppich von britischen Kolonien, Burenrepubliken und afrikanischen Gesellschaften. Dem europäischen imperialistischen Expansionsbestreben bot das Land zunächst kaum wirtschaftliche Perspektiven, doch die komplexe Rassenstruktur bereitete eine Welle von gewaltsamen Auseinandersetzungen, territorialen Eroberungskriegen und Zwangsvertreibungen den Boden.

Im späten 19. Jahrhundert veränderte sich mit der Entdeckung von reichen Diamanten- und Goldvorkommen das wirtschaftliche und soziale Potenzial schlagartig. Obwohl die Entdeckung von Diamanten eine neue Ära des Profitdenkens, der Ausbeutung und der Verwüstung einläutete, war es das Gold, das Südafrika aus der anfänglichen Marginalisierung in den Mittelpunkt der imperialen Wirtschaftsstrategien katapultierte.

Diese Arbeit stellt eine Verbindung zwischen Witwatersrand, seinen Reichtümern und Menschen, und den imperialen wirtschaftlichen und sozialen Initiativen der Briten in Südafrika am Ende des 19. Jahrhunderts her. Die Arbeitshypothese rückt Gold in einen engen Zusammenhang zu den sozioökonomischen Veränderungen, die schließlich die strukturelle Basis für den südafrikanischen Krieg darstellten. Die Arbeit führt zur Schlussfolgerung, dass eine starke Korrelation zwischen der Entdeckung des Goldes und der Intensivierung des britischen Imperialismus in Südafrika besteht.

Kontroversen um die südafrikanische Geschichte spielten eine sehr wichtige Rolle in der politischen Transformation des Landes im Jahr 1994 und berühren die Frage der Identitätsbildung aufs Empfindlichste. Diese Arbeit nutzt Primärquellen und Sekundärliteratur, um zur Versöhnungsfunktion des "New South African Narrative" beizutragen.

Note on terminology used

All writers of South African history are faced with many problems of finding accurate terminology to describe different racial and ethnic groups in the country. Having spent the majority of my life in South Africa, I am very well aware of the complexities associated with the use of this terminology and will attempt to stay away from any terminology that may be offensive, disrespectful, derogatory or historically inaccurate towards any racial and ethnic groups in South Africa. I will use the term *African* when referring to indigenous, black people from the Bantu linguistic group of Southern Africa. Any other terms used for indigenous African people will be conceptualized and used in the context being addressed.

The term *white* will be used for all Europeans who came to South Africa. I will, on a number of occasions, refer to *neo-Africans* as African-born Europeans. The term *Afrikaners* is reserved for African-born Europeans, mainly of Dutch, German and French Huguenot descent, who identify themselves with the *Afrikaans* language, which is a member of the West Germanic group of languages. The term *Boer* (*Dutch= Farmer*), which has over the years been incorrectly used as a generic term for all Afrikaans-speakers will be used specifically for members of the Afrikaner community living in rural parts of South Africa and engaging in mostly agricultural professions.

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Preface

This thesis is based on my global history studies conducted at the Department of Historical Studies of the University of Vienna between March 2009 and September 2011. This academic journey faced many challenges, but as the empirical research began to link to the theoretical framework, the project became very fulfilling, enabling me to work on what I in my academic career perceive to be interesting, exciting and worthwhile. The research took me from the lecture halls of Vienna, to the distinctive gold mounds of Johannesburg, giving this project a true 'global historical' perspective, leaving me enriched, moved and inspired by all the people who accompanied me on this exciting journey.

I would like to express my sincere thanks and gratitude to the wonderful team of lecturers, researchers and coordinators who are responsible for establishing the Global History discipline in Austria. Their dedication, perseverance and above all, commitment to the international cohort of students will remain with every graduate of the programme for the remainder of his/her academic career and life.

I would especially like to thank Professor Margarete Grandner and Leopold Kögler for dedicating much of their professional and private time to guiding me through the maze of red tape and bureaucracy that accompanied me throughout my studies, allowing me to fully concentrate on my research and writing.

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I will forever be grateful to the staff of the University of Vienna Historical Studies library, Southern African Documentation and Cooperation Centre, the South African Chamber of Commerce, Museum Africa, University of Cape Town Centre for African Studies, Rhodes Cottage Museum, Boltzmann Institute for European History and Public Spheres, Radio Afrika International and the Cape Town branch of the South African Museum for their support and interest in my research project.

Lastly, and most importantly, I would like to thank my loving parents, Irena and Marek, and brother, Greg, for their academic, moral and financial support throughout my studies. Their love of our adopted home country South Africa, its people, unique history and heritage has been an inspiration to me during my studies in Europe. It is to them that I dedicate this study.

1. Introduction

1.1 Setting the scene

Writing African history is never an easy task. After more than centuries of European empire building and colonialism in Africa, the continent is still in an ideological conundrum, trying to shape its political path for the 21st century. The recent revolutions in North Africa have shown that the African continent is dynamically seeking political and social change. At the end of the 20th century, it was South Africa where the winds of change blew through the Apartheid regime, creating a model of transition with Nelson Mandela uniting a country on the brink of civil war. The country has managed to overcome major racial, political and economic differences to unite and build a nation based on tolerance and equality.

As promising as the political transformation at the end of the 20th century may have been for projecting an image of unity and reconciliation, the South Africa of the 19th century was a very different place. When Britain took over the Cape Colony from the Dutch in 1806, Britain's only interest in the Cape was its use of a strategic naval base at the foot of Africa¹, designed to keep Napoleon's navy and French merchant ships away from the lucrative route to India. When the British annexed the Cape Colony they also acquired new European subjects who were not of British heritage. The largest European group were the 30,000 Afrikaners, who quickly became known as the *Boers* as in most cases they were sparsely scattered farmers in possession of large portions of land throughout the Cape².

¹ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 1)

² Marshall, Peter James. *The Cambridge Illustrated History of the British Empire* (1996: p. 40)

same land and the same people⁵. This pattern of European land-grabs defined the first half of the 19th century. The history of South Africa became the history of Africans, British, Dutch, Portuguese and neo-Europeans clashing over the land and its rich resources.

South Africa soon became the British Empire's problem child. As long as the struggle between the Europeans and Africans went on, there could be no hope of transferring imperial authority to a settler government, the way Canada, the Australian colonies or New Zealand were governed⁶. The white colonial population, made up of the British and the Afrikaner majority, were politically and culturally divided, making imperial colonial initiatives difficult to implement. As divided as the Europeans might have been, they were united by their common fear of Africans, whose land they desired. But even in this respect, every imperial effort to promote settler unity and implement a common policy towards Africans and colonial expansion would arouse suspicion against London's imperial hegemony – especially among the Afrikaner majority⁷.

The Cape Government saw its official policy as that of civilising all the inhabitants of the Colony⁸. In this way, a 'civilised man' was to be a Christian but could also have been white or black. Unhappy with the labour jurisdiction from the British administration and the need for new farming land, the Afrikaners decided to seek their luck north-east of the Cape frontier. Between 1836 and 1846 about 14,000 Afrikaners embarked on the *Great Trek*⁹, setting off a chain of conflicts with Africans, on their quest to establish independent Afrikaner states. In a letter to Queen Victoria on 26 July 1856, the then Secretary of State for the Colonies, Baron Henry Labouchere, stated that "a British intervention into the Afrikaner attempts to create their own states would come with immense expenditure for the Cape Colony and

⁵ Chanaiwa, D. *African initiatives and resistance in Southern Africa* in: Boahen, Albert Adu (Ed.) *General History of Africa: Vol. VII Africa under Colonialism 1880-1935* (1990: p. 96)

⁶ Darwin, John. *The Empire Project* (2009: p. 217)

⁷ Darwin, John. *The Empire Project* (2009: p. 217)

⁸ Doxey, G.V. *The Origins of Racial Discrimination in the South African Labour Market*. In: Konczacki, Zbigniew/Parpart, Jane/Shaw, Timothy (Eds.). *Studies in the Economic History of Southern Africa: Vol. II*. (1991: p. 21)

⁹ The Great Trek (Afrikaans: *Die Groot Trek*) was the major Afrikaner migration out of the British-controlled Cape Colony during the 1830s and 1840s. Around 12 000 Afrikaners left the Cape to occupy territories beyond the British controlled territories. See: Marshall, Peter James. *The Cambridge Illustrated History of the British Empire* (1996: p. 40)

would further complicate relations with [Africans]”¹⁰. The Afrikaners were left alone to find their own place under the African sun.

By 1869, South Africa consisted of two British Colonies (the Cape Colony and Natal) and the Boer (or Afrikaner settler colonies) of Transvaal and the Orange Free State. At this time, South Africa was economically as poor as any of the European colonies and settlements in Africa¹¹. This economic fate was soon about to change. Just two years before that, in 1867, the discovery of Diamonds in Kimberley led to a rapid change in economic outlook for South Africa. The discovery of diamonds and the exploitation of the rich reserves and thousands of African workers that came with it, soon led to the annexation of Griqualand West by the Cape Colony in 1871. Britain and various British entrepreneurs, including the young Cecil John Rhodes, gained control of the most productive mines that enabled the funding of a responsible government in the Cape. South Africa had finally gained its impetus for an imperial consolidation of the Cape Colony and its growing economy. From 1872 the Cape Colony was under a responsible government, and with the administrative help of the Colonial Office, mediated closer ties to the London financial market.

The growth and development of the diamond-mining sector in and around Kimberley, in the Cape Colony-annexed Griqualand West was only the prequel to the turbulence to come. This was where the necessary capital base was accumulated, the capital that would be required to get to the heart of South Africa’s mineral wealth.

In 1870 new rumours of riches spread through the Boer Republics as small amounts of alluvial gold were found in the streams north of the Vaal river in the Murchuson range of the Zoutpansberg district. In 1873 larger deposits of alluvial gold were found in the streams of Pilgrim’s Rest and the Lydenburg district in the north of Transvaal¹². In 1886 the most significant reef deposits were discovered on the range of hills known as the Witwatersrand¹³, changing the course of Southern African

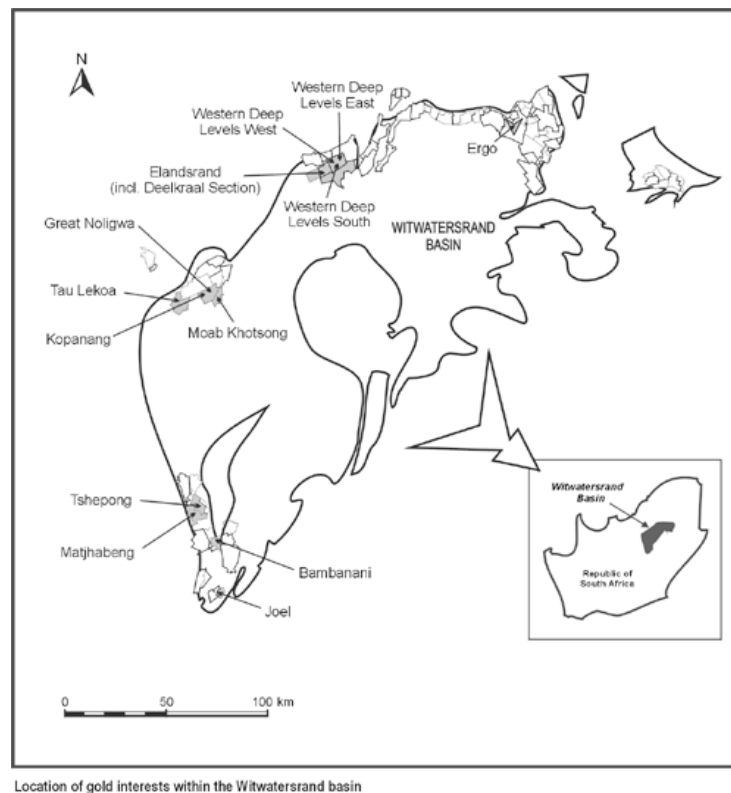
¹⁰ Letter to Queen Victoria on 26 July 1856. In: *Benson, Arthur and Esher, Viscount. The Letters of Queen Victoria 1837-1961*. Vol.III 1854-1861 (1908: p. 201)

¹¹ Kaniki, M. *The colonial economy: the former British zones*. In: Boahen, Albert Adu (Ed.). *General History of Africa: Vol. VII Africa under Colonialism 1880-1935* (1990: p. 183)

¹² Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914*. (1982: p. 1)

¹³ Witwatersrand (Dutch: White water’s ridge) refers to the low-lying hills in today’s Gauteng province. The name was also often used to denote Greater Johannesburg, where to core of the South African gold mining industry took place.

history. The richest deposits of gold were found very close to the surface in the vicinity of a 65km reef¹⁴, in what very quickly became known as Johannesburg.



Gold Reefs on the Witwatersrand. Source:

www.anglogold.co.za/subwebs/InformationForInvestors/AnnualReport98/states/map2.gif. Accessed on 29 March 2011.

The discovery of gold on the Rand¹⁵ and the powerful economic centre of Johannesburg where the new economic core was established, intensified the pace of economic and social change by attracting imperial capital, manufacturers and settlers and by drawing more labour from African agricultural communities¹⁶. With many settlers on the search for wealth having their initial capital bought up by wealthy corporations, such as Cecil Rhodes's De Beers, the gold riches of Johannesburg became the new hope for thousands of Europeans. From this point onwards the economic history of South Africa becomes driven by a unique mix of the indigenous populations, European settlers, and mineral resources that were all brought together in

¹⁴ Ross, Robert. *A Concise History of South Africa* (2nd Ed.). (2008: p. 71)

¹⁵ Shorter form of Witwatersrand. Will always be used as a geographical location and not the currency unless specified otherwise.

¹⁶ Feinstein, Charles. *The Economic History of South Africa*. (2005: p. 3)

a process of conquest, dispossession, discrimination, and development to encourage rapid economic progress¹⁷.

1.2 South African Economy in the British World-System

As bright as the economic prospects for Southern Africa were in the 1870s, the beginning of the 19th century presented a very different scenario. With little financial backing from London, the Cape Colony and Natal were nothing more than large trading posts with strategic Royal Navy ports up until the second half of the 19th century. In order for Britain to make the most of trade, the colonies and the capital flowing in and out of them had to be financially and institutionally integrated into the British global economy.

In the 1840s, the rapid development of the British banking sector and the steamship industry created a new structural basis for the Cape Colony's agricultural exports and created a small market for British products¹⁸. Wool quickly replaced wine as the Cape's main export and growth in the internal market made wheat the largest earner for the agricultural community¹⁹. By the time Natal was fully colonised in 1846, the Cape and Natal had a network of trade links based on the Cape Town to Durban shipping route and the inland ox-wagon trade. The trade capacity of the two British colonies experienced significant growth throughout the first 70 years of the 19th century (see table below), diversifying the economy away from its food and drink supply function for British ships heading to India.

¹⁷ Feinstein, Charles. *The Economic History of South Africa*. (2005: p. 3)

¹⁸ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 318)

¹⁹ Ross, Robert. *A Concise History of South Africa* (2nd Ed.) (2008:p. 70)

Annual average exports from the Cape Colony and Natal 1807-70

Year	Food and drink (A)	Raw Materials(B)	Other Products	Total
In £ '000				
1807-10	-	-	-	36.5
1811-15	-	-	-	93.6
1816-20	-	-	-	194.3
1821-25	142.6	51.5	-2.7	191.4
1826-30	151.2	57.0	13.3	221.5
1831-35	126.8	102.4	5.3	234.5
1836-40	131.5	93.9	28.1	253.5
1841-45	89.6	172.5	36.0	298.1
1846-50	72.5	268.2	32.7	373.4
1851-55	84.0	352.3	248.1	684.4
1856-60	191.2	1 406.9	143.7	1 741.8
1861-65	107.2	1 888.9	119.9	2 116.0
1866-70	112.7	2 251.8	156.1	2 520.6

A: Products including wine, fresh fruit, maize, sugar and meat.

B: Raw materials including wool, hides and skins, ostrich feathers, and mohair.

Source: Feinstein, Charles. *The Economic History of South Africa*. (2005: p. 29)

As positive as the economic growth of the Cape and Natal may have been up into the late 1860s, the British territories in Southern Africa were far from an economic paradise with significant future prospects. This position was however changed after Britain's acquisition of Basutoland in 1868, and the incorporation of the diamond fields of Griqualand West into the Cape Colony signalled a new economic imperial drive into the South African interior²⁰. Britain wanted to make the most out of the new territories in Southern Africa, with special attention being drawn to growth in the mining sector and the need for improvements in transportation.

After the Great Depression of 1873 a profound crisis of confidence gathered momentum in British economic and political circles. A way out of the crisis was seen in increasing the economic capacity of the colonial territories and increasing the links to the British economic core. In the early 1880s, the then President of the Board of Trade, Joseph Chamberlain, believed that imperialism was the best cure for Britain's growing social and class tensions and that a more radical stance of enhancing the imperial economy would appeal to a new mass electorate in the country²¹. The colonies would become the political pawns of the British voters, making imperialism a political necessity for Britain. The London financial market of the 1880s facilitated

²⁰ Giliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 194)

²¹ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 130)

major economic links to the colonies, allowing British investors, large or small, to invest in imperial industries as diverse as coal mining in Wales, railroads in China, ground-nuts trade in West Africa and diamond mining in the Cape²². From 1850 up until WWI, the outflow of British capital to British colonies represented the largest voluntary outflow of financial capital in the history of the world²³.

In South Africa, Britain's new imperial drive was increasingly becoming troubled by the political divisions between the settler colonies of the Cape Colony and Natal, the Afrikaner nationalism in the Transvaal and the Orange Free State, and the resistance from Africans under British authority. In order to consolidate all troubled areas under British authority, British Colonial Secretary Lord Carnarvon, began to push for a federation of colonies and republics²⁴. A federation under British rule was to be able to address common policies on trade, defence and the controversial questions around the African labour force, on which the industrialising economy was becoming increasingly dependent.

The two Boer republics, although recognised by other colonial governments throughout the British Empire, were in no way in full control of their territories and subjects²⁵. As Africans moved off to the diamond fields in the Cape, the Transvaal started experiencing labour shortages in the agricultural sector. Between 1874 and 1881 the average number of African workers (mostly from the Boer republics) employed in the Cape diamond industry increased from 10,000 to 17,000²⁶.

At this point in time the Transvaal was suffering from a major debt crisis that held the Boer republic at the brink of bankruptcy. The British administration used this to their advantage and in January 1877, Sir Theophilus Shepstone, the British Secretary for Native Affairs in Natal, annexed the Transvaal as a British Colony, only backed by a small party of armed men.

The colonisation of the Transvaal would greatly affect the historical development of Anglo-Afrikaner relations. The Boers felt they were cheated out of their republic and had to submit to the British. During this time of despair Paul Kruger, a conservative farmer, took the lead in organising a resistance movement against the British. Paul Kruger proved to be the courageous, traditional leader the

²² Davis, Lance/Huttenback, Robert. *Mammon and the Pursuit of Empire* (1988: p. 274)

²³ Davis, Lance/Huttenback, Robert. *Mammon and the Pursuit of Empire* (1988: p. 60)

²⁴ Gilliom, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 194)

²⁵ Ross, Robert. *A Concise History of South Africa* (2nd Ed.) (2008: p. 65)

²⁶ see Table 2 (The average number of black mineworkers in South Africa 1871-1948). Allen, Victor. *The History of Black Mineworkers in South Africa*. Vol: 1, 1871-1948. (1992: introduction xix)

Boers were looking for to bring them out of their national existence crisis. Kruger's resistance started taking momentum and he was able to round up the support of thousands of Boers by the end of 1880. On 27 February 1881, at the famous battle at Majuba, the Boers were able to overcome a small British army support unit from the Natal, and were able to restore the independence of Transvaal, proclaiming it as the South African Republic. Peace talks still took a few months. On 3 August 1881 the Convention of Pretoria was signed, recognising Transvaal's complete right to self-government and described its borders in detail²⁷.

The South African Republic was able to establish itself in a much better state than before the British annexation. During the four years of occupation, the British were able to reform the Republic's finances and administrative system²⁸. In 1883 Paul Kruger was elected president and his new Afrikaner government had no intention of doing away with the British-established Department of Native Affairs, which was responsible for legislation on tax collection and labour service from Africans. Kruger quickly became a strong and respected leader, seeking to integrate Afrikaner nationalism to his policies, believing a strong Afrikaner-led state could act as a counter to British imperialistic campaigns in Southern Africa²⁹.

In the mid-1880s the discovery of gold in the South African Republic was just the impetus Kruger needed to finance his centralised state and impose an active policy of industrialisation for the Republic. The Rand would soon become the economic heart of the African continent and would shift the economic balance of Southern Africa in favour of the South African Republic, fuelling Kruger's passion for Afrikaner nationalism. The opening up of the rich gold fields of Johannesburg was not what the British had expected, concentrating their search for gold in Zambesia, as ordered by Rhodes's Imperial British East Africa company, which was given a charter to mobilise a search for a *second Witwatersrand*³⁰.

The government of the Cape Colony became very enthusiastic about forming a customs union, joining the Boer Republics and the British colonies in Southern Africa in a common market. Kruger was against this imperial proposition and in return imposed heavy duties on goods and produce coming out of the Cape Colony and Natal. The British drive to expand the railway into the Boer Republics was also

²⁷ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 16)

²⁸ Gilliomme, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 194)

²⁹ Ross, Robert. *A Concise History of South Africa* (2008: p. 65)

³⁰ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 214)

blocked by Kruger until the South African Republic built its own line to Delagoa Bay, in Portuguese Mozambique³¹.

The rapid rise in the Transvaal's economic and political confidence would drive colonial strategy in Africa in a new direction, combining opportunity and imperial loyalty, whilst having total disregard for the rights of indigenous Africans. The way British colonialists, European foreigners (known as the *Uitlanders*), neo-Africans and indigenous Africans became entangled in a web of economic imperialism after centuries of military-based separation and land grabs, would not only lead to the cultural fusion, but also to the problematic evolution of the modern South African state.

1.3 Gold in Global and Local Context

The second half of the 19th century came with a notable expansion of the global gold mining sector. After the Californian Gold Rush of 1849, new discoveries were made in other parts of the US, Australia (New South Wales and Victoria), New Zealand, Canada (the Klondike), in Alaska, Siberia and South America³². Once again, the confines and riches of geology would influence South Africa's history. Despite the fact that gold was not found in significant profitable quantities up until 1886, the possibility of its existence was speculated for a long time before that. Even if gold has a number of commercial and industrial uses, the demand for it is primarily driven by capital markets, where it functions as a guarantor of the capitalist world's monetary system. If considered outside of the functioning of the capitalist system, not only does the role of gold appear to be absurd, but for many a scholar, can also become incomprehensible³³. As these parameters are beyond the scope of my study, I will only concentrate on gold as a strategic monetary value of the global monetary system at the end of the 19th century.

When looking at the discoveries on the Witwatersrand, they came at a time when the world was adjusting to a monetary system based on the gold standard. Britain had already adopted the gold standard at various times during the 18th century, but officially adopted, implemented and advocated the monetary policy after the

³¹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 197)

³² Katz, Elaine. *Outcrop and deep level mining in South Africa before the Anglo-Boer War: re-examining the Blainey thesis* (1995: p. 307)

³³ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 7)

Napoleonic Wars in 1821. The British gold standard would still face much internal opposition well into the second half of the 19th century.

The gold standard's career as a global monetary guarantor was launched by the new united German Empire's step to adopt a gold currency over silver in 1871, quickly followed by Sweden in 1874, Holland in 1875, France and Spain in 1876, Russia in 1893, India in 1898 and the United States in 1900³⁴. Gold was to provide greater price and exchange stability as a result of closer integration with the world financial centres³⁵.

For Britain, and more specifically the financial City of London, the gold standard became critical for the maintenance of the credit system, which was highly dependant on Britain's rising invisible income³⁶. The majority of the trade in the City of London was denominated in sterling, which under the global monetary system was dominated by the gold standard, making the sterling unrivalled as an international currency³⁷. With the Bank of England dictating the level of savings in gold, the dynamics of London as the largest financial market forced the Bank to take drastic gold-protection measures on numerous occasions. In such events, facing a drain of gold, the bank was able to raise its interest rate, forcing the commercial banks of the city to restrict their credit, thus preventing inflation, discouraging imports, correcting the balance of payments and in the process, stopping the drain of gold³⁸.

In the early 1880s, gold and the prospects of significant gold mining in Southern Africa were mainly seen as a future possibility, but it was by then well known that any significant discovery would impact on the world stage, where gold and silver had become regarded as the fundamental economic values³⁹. Back in Britain, irrespective of speculation about discoveries in other parts of the Empire and the world, London's leadership of the gold standard combined with the firmly-established gold-dependant financial market of the City, as directed and facilitated by the Bank of England, put the value of gold as monetary security under much economic and political strain. As a consequence, producers had little or no control over its price, and with respect to the imperial developments in Southern Africa at the

³⁴ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 7)

³⁵ Eichengreen, Barry/Flandreau, Marc. *The Gold Standard in Theory and History* (1997: p. 7)

³⁶ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 130)

³⁷ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers*. (1994: p. 11)

³⁸ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 130)

³⁹ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 136)

end of the 19th century, there was no advantage to be gained, as was the case with diamonds, from forming cartels and monopolies to drive up prices⁴⁰. Mines could therefore increase their profits only by lowering costs and increasing production.

As the largest and most flexible of the costs involved in gold production was labour, the economic realities of gold mining would create a basis on which thousands of South Africans, African and white, would be exploited. The total effect of the economic measures was to drive Africans from their homes and farms into the new mining and industrial centres, and to keep them on European farms as wage earners⁴¹.

The vulnerability of African workers in the Boer Republics was further increased by the impact of rinderpest that swept through Southern Africa between 1895 and 1896. The cattle disease swept through Southern Africa in 1895-6, killing about 90 per cent of the region's cattle and probably as large a proportion of the big game animals⁴². This event had a major impact on Southern African society and for many Africans was the impetus that brought about mass urban migration. Gold would now drive the desperate Africans and greedy industrialists, ready to exploit them, to the Rand.

1.4 Overall Aims

Viewed from a global economic perspective, the discoveries on the Witwatersrand in 1886, with Johannesburg at the centre of the new gold rush, transformed the South African Republic from a modest agricultural economy into a Boer Republic on the brink of a gold mining revolution. Although it must be said that significant industrialization of South Africa would only take place after the formation of the South African Union in 1910, the mineral revolutions would encourage a particularly narrow development of sheltered institutions dependent on the gold mines of the Transvaal Republic⁴³. These auxiliary developments led to the establishment of a railway, a thriving dynamite industry and most importantly a stock exchange, which would raise capital for financial endeavours in and around Johannesburg. As with other aspects of South African mining, the sheer change that capital-intensive industry

⁴⁰ Ross, Robert. *A Concise History of South Africa* (2008: p. 73)

⁴¹ Kaniki, M. *The colonial economy: the former British zones*. In: Boahen, Albert Adu (Ed.) *General History of Africa: Vol. VII Africa under Colonialism 1880-1935* (1990: p. 184)

⁴² Ross, Robert. *A Concise History of South Africa* (2008: p. 73)

⁴³ Lumby, Anthony. *Industrial History in South Africa: Past Trends and Future Needs* (1995: p. 75)

brought upon South Africa's position with respect to European territorial and financial imperialism is here of causal importance to the polarisation of South African society.

The Rand would soon become the economic heart of the African continent and would shift the economic balance of Southern Africa in favour of the two Boer republics, namely the Transvaal⁴⁴ and the Orange Free State, and reignite the passion for Afrikaner nationalism. With this sudden and dynamic development of the gold industry in the foreground, the purpose of this work is to illustrate the rich and turbulent history of Southern African people, places and events that took place in and around the Rand between the discovery of gold and the South African War (1899-1902). My thesis will attempt to link the Rand, its riches and people, to the greater imperial initiative of the British at the end of the 19th century.

As Eric Hobsbawm maintains in his master work *The Age of Empire: 1875-1914*, mines were the major pioneers in opening the world to imperialism as their profits were sensational enough to justify the construction of auxiliary industrial systems that would 'feed' the Empire⁴⁵. In the South African context, mines and the natural resource revolution they serviced in the late 19th century would change the course of South Africa's history and the economic basis on which the Boer Republics were integrated into the global economy and the British Empire was to expand its territories in Southern Africa.

1.5 Sources

There are a number of approaches to social research and it is without a shadow of a doubt evident that politicised historical investigations of this nature will involve a fair amount of controversial analysis and interpretation. As it is very difficult to scientifically distinguish between objective and subjective information, this thesis relies on extensive use of primary sources, mostly made up of the well-maintained annual reports of the South African Chamber of Mines in Johannesburg. The transparency and availability of the annual reports allowed me to engage in a lengthy and rewarding data-mining process, at a time when the heated question on the future of South African gold mining was being heavily debated by various ministries and parastatal organisations.

⁴⁴ officially known as the South African Republic 1881-1902

⁴⁵ Hobsbawm, Eric. *The Age of Empire: 1875-1914* (1987: p. 168)

Using primary sources does also come with its share of academic pitfalls as it clearly needs to be analysed if the information is intended to represent fact, fiction, or in many cases, propaganda. The majority of my primary sources come from a period when South African institutions were clearly geared to the exploitation of Africa's resources and people. The annual reports of the South African Chamber of Mines are aligned towards facilitating the supply of cheap African labour for the mines and seek to promote financial autonomy *vis-à-vis* the South African state, in many ways undermining the authority of Kruger's administration. Afrikaner resentment will also be analysed using the fair share of original British documentation outlining the progression of Anglo-Boer relations throughout the 19th century, beginning with the promotion of coexistence and ending with outright disfellowship and call for military intervention.

My primary source analysis will provide analysis and offer explanation of the main tasks and functions of the South African Chamber of Mines and how its lobbying linked to the greater British imperial ambitions on the Rand. The analysis of the reports will, to a significant extent, develop my position on institutional links to British colonial objectives, illustrating how gold, the capitalisation of mines and the acquisition of a cheap labour force led inevitably to economic and social unrest, in the process, polarising South African society to a point of racial and imperial hostility.

Going beyond the primary source analysis of the mining annual reports, legal documents and political correspondences, the broad selection of historiographical traditions in the secondary literature used seeks to find a balance between statistical data and a solid theoretical framework. Although I have not developed my own statistical models, the study looks into analysis and interpretation of empirical data, providing clear examples of statistical differences and inaccuracies, which have added to the different approaches used by the historical schools discussed. This balance between analysis and interpretation is critical to recognising the causality between the economic and social transformation under investigation.

My archival work at the South African Chamber of Mines in Johannesburg, and various other institutions such as the Rhodes Cottage Museum (Muizenberg, South Africa), *City of Johannesburg* section of the Museum Africa in Johannesburg, Southern African Documentation and Cooperation Centre (Vienna, Austria) and the British History Archives at the History Studies library at the University of Vienna uses a broad array of primary and secondary sources to find consensus between the

national history interests of academic institutions, South African, British and English-speaking media, and the governments of South Africa and the United Kingdom within the administrative framework of the Commonwealth of Nations. It is with this global scope in mind that the evaluation of sources localises the analysis to specific structural outcomes, such as mining laws, labour policy, taxation and investments, to formulate the argument around the socio-economic impact of the growth in the gold mining sector.

The selection of secondary sources will at all times attempt to complement the controversial nature of the primary sources, finding a balance between liberal and radical historiographical traditions. As the analysis of secondary sources and its data is often predetermined rather than adapted to the argumentation of the research being undertaken, I have opted to look at a long line of secondary literature, evaluating the supposed consistencies of the various theoretical schools and its historical progression from heavily-debated publications in the late 19th century British Empire to re-consolidating grand narratives of a post-1994 democratic South Africa, looking at re-investigating a common history of all its people.

With many of the primary and secondary sources showing discrepancies between the official government and academic accounts of the events such as the success of diamond mining in Kimberley, the South African Republics ties with the German Empire, the Jameson Raid and the diplomatic row between the South African Republic and the British Empire in the weeks building up to the South African War, this thesis looks at recognising clear trends and interactions between networks of political actors and the thousands of people in Southern Africa and the British Empire whose lives underwent formidable changes at the end of the 19th century. Keeping these possible methodological irregularities of previous research close to my argumentation, the thesis seeks to investigate the relevance of authorship, integrity and most importantly, the credibility of the sources used and its links to the greater social discourse on imperialism in Southern Africa.

1.6 Periodization of the Study: 1886-1899

As praised by Charles von Onselen in his extensive study of the social and economic history of the Witwatersrand, the rapid pace of development between the discovery of gold and outbreak of the First World War could be described as a “historian’s

dream”⁴⁶. My study will be narrowed down in temporal scope to the discovery of gold in 1886 and the outbreak of the South African War in 1899, which would end the ‘long 19th century’⁴⁷ for Britain with the most expensive war since the defeat of Napoleon⁴⁸. Although the causality between the discovery of gold and the outbreak of the war remains a much disputed historical debate, the set of events that propelled South Africa from the economic developments on the Rand to the frontline of the most expensive and bloodiest war of the Victorian era is traced in the progression of the debate.

My investigation will begin with the discovery of diamonds in Kimberley, in north-western South Africa, which was a mere introduction to the turbulent ways by which neo-Africans would use their manpower and institutions to finance their colonial ambitions. The diamonds of Kimberley would prove to be a necessary prerequisite to the success of gold mining on the Witwatersrand, attracting fresh capital to the reefs of the Transvaal⁴⁹. The capitalisation of the Rand and the transformation of the economic parameters that accompany the later shift to deep-level mining, constitute the core of my argumentation, culminating with the outbreak of the South African War.

The periodization of my investigation (1886-1889) is also critical to the socio-economic nature of the study as the historical period taken into account illustrates a transformation of economic into social, and then further into political power. It is therefore my intention to draw a clear structural division between the economic and social analysis of the investigation, illustrating the temporal nature of economic progression, and its direct social consequences, within a causal framework, making sure to consolidate all the aspects of the debate after each section.

Although all attempts have been made to structure the investigation in chronological order, the work follows a thematic structure, formulating links between people, events and political decisions, rather than a progressive schedule of historical occurrences. Themes are, however, always laid out chronologically and avoid most temporal overlaps that would distort the progression of economic and social

⁴⁶ see introduction of Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914*. (1982: p. 1)

⁴⁷ for a conceptual framework of Eric Hobsbawm’s definition of the *long 19th century* see the introduction of Hobsbawm, Eric. *The Age of Empire: 1875-1914* (1987)

⁴⁸ Pakenham, Thomas. *The Boer War* (1979: p. 16)

⁴⁹ Stephens, John. *Fuelling the Empire: South Africa’s Road to War* (2003: p. 16)

processes, which although (in my work) occur simultaneously, are nevertheless clearly ordered to outline economic into social transformation.

1.7 Historiography, methodology and specific aims

As outlined by Hermann Giliomee and Bernhard Mbenga, traditional white historiography in South Africa until the 1930s dealt more with the relations between the British and the Afrikaner than with the question of indigenous Africans⁵⁰. Up until the political changes in 1994, historical writing in South Africa was made up of broad historiographical schools, namely the British imperialist, a settler or colonialist, an Afrikaner nationalist, a liberal and a revisionist or radical school⁵¹. The political changes in 1994 brought about a new wave of critical social analysis, keeping the gruesome nature and injustice of Apartheid at the core of the historical investigations.

The two historiographical schools that have in many ways influenced the development of South African social sciences and led to a number of epistemological controversies during Apartheid, were that of radical and liberal academic traditions⁵². My thesis attempts to accommodate both of the schools of thought, underlining the crucial issues that have led to disagreements over the development of South African financial and most importantly, social capital. Radical Marxist historians analysed the political economy of South Africa with particular attention being paid to the need of capital (especially mining capital) for cheap ('black') labour and the consequences of this for public policy⁵³. The climate of repression, the move of many left-orientated academics into exile, and the rise of the new left in the West combined to create a new wave of South African radical scholarship in the late 1960s⁵⁴. My thesis takes on many of these influences in the form of works published by prominent representatives of the South African radical school, namely Colin Bundy, Martin Legassick, Shula Marks and Charles van Onselen.

⁵⁰ see introduction of Giliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007)

⁵¹ Visser, Wessel. *Trends in South African Historiography and the Present State of Historical Research*. (2004: p. 1)

⁵² see Wright, Harrison. *The burden of the present* (1977)

⁵³ Seekings, Jeremy. *The Rise and Fall of Weberian Analysis of Class in South Africa between 1949 and the Early 1970s*. (2009: p. 865)

⁵⁴ Bozzoli, Belinda/Delius, Peter. *Radical History and South African Society*. (1990: p. 19)

The Liberal school of South African historiography emerged between the two world wars and was based on an intellectual tradition of classical liberalism⁵⁵. Their work dealt with social and economic issues and gave greater importance and value to the role of Africans in South African history, thereby rejecting the notion of 'segregated' history, and placing people of colour in the past on equal academic terms and importance with that of whites⁵⁶. These South African historians rejected racial discrimination and together with a liberalist Weberian theoretical framework integrated all racial and social groups in South Africa into a grand narrative, asserting that the history of South Africa was a common history of all South Africans. In my thesis this liberal school is represented by the works of C.W. De Kiewiet, David Welsh and the much more recent economic investigation into South African gold by Russel Ally.

The localised views of South(ern) African scholars, as represented by the liberal and radical historiographical traditions, are able to link local economic and sociological scholarly traditions to a global discourse. When taking this localised historiographical tradition into a broader global historical framework, the aspect of Southern African history I will be dealing with, namely the mineral revolutions of the 19th century, one can not overlook the major amount of research into the South African War. In my thesis, the works of John Hobson and Eric Hobsbawm represent the two most significant contributions by British historians of British imperialism. Hobson's major contribution to the analysis and interpretation of the South African War has in many ways created the theoretical foundations for the economic critique of the factors that led to the war. Although in recent times Hobson's view that the war effort was represented by a small bunch of like-minded capitalists fighting for the control of the South African economy has been deemed as over simplified, Hobson's in-depth field work and empirical reasoning in South Africa before the war has become the standard work for economic historians of 19th century imperialism.

Hobsbawm did follow many of Hobson's theoretical foundations, but expanded further using orthodox Marxist analysis in linking the South African gold production and the subsequent war to a greater imperial phenomenon of product interchange, where imperialism was to transform the world into a set of economies

⁵⁵ Visser, Wessel. *Trends in South African Historiography and the Present State of Historical Research*. (2004: p. 6)

⁵⁶ Visser, Wessel. *Trends in South African Historiography and the Present State of Historical Research*. (2004: p. 6)

dependant on and complementary to the British⁵⁷. If Hobson made his name in linking Johannesburg capitalists' demands to the territorial demands of the Empire, Hobsbawm linked South Africa and its native population to the late-19th century narrative of worker exploitation.

As economic and social history offers multiple methodological possibilities, leaving social scientists to find a balance between quantitative and/or qualitative research approaches, I have chose to base my methodology on a quantitative approach to narrative inquiry. Using narrative inquiry, I will balance the historical narrative with thematic contextualisation to develop an understanding of how economics combines with different experiences of people to influence causal factors of British imperialism in Southern Africa. To avoid many analytical difficulties that may arise in a socio-economic study of this nature, I use many descriptive source-based examples to find a balance between the narrative historiography and the empirical primary source analysis, which is combined in my methodological outlook. Although narrative inquiry may take on many theoretical assumptions, I have based my approach on using a historical narrative to order specific events and allow for coherence in the economic and social evolution of South Africa.

Whatever the theoretical approach and methodology, gold has remained at the heart of this debate, but as historians, we do have to be aware of the dangers associated with reducing complex historical events to mono-causal explanations⁵⁸. I plan not to contest the causes of the war, but will rather investigate the socio-economic parameters of gold, and the function it served in paving the road to war.

With the inter-disciplinary nature of history and historiography being expanded and diversified within the social sciences year by year, it is my intention to use economics within a grater study of social analysis and more specifically, focusing on how financial capital was linked to social capital, influencing the development of a complex racial and economic struggle that is still evident in many facets of South African society. As socioeconomics focuses on the social impact of economic change, it is my intention to use the discovery of gold on the Rand as an economic history event that guided (and still does to this day) the social dynamics of South African people.

⁵⁷ Hobsbawm, Eric/Wrigley, Charles. *Industry and Empire from 1750 to the present day*. (1966: pp. 196-198)

⁵⁸ Balchandran, Gopalan. *Power and markets in global finance: the gold standard, 1890-1926*. (2008: p. 319)

One investigation into the socio-economic parameters that came with the discovery of Gold on the Witwatersrand and had a profound impact on my course of research on the topic was that of Charles van Onselen⁵⁹. Van Onselen was able to take his investigation away from the numerous works historians have produced on the capital and political developments as led by the financial moguls of the Witwatersrand, known as the Randlords, and how they shaped the South African War. He successfully shed new light on the marginalised social groups of the Johannesburg metropolis such as Zulu washmen liquor sellers, prostitutes, cab drivers and Afrikaner brickmakers. Following Van Onselen's approach of looking beyond and below the financially and politically influential Randlords, I will, as already mentioned, not attempt to investigate the reasons for war, but will deal with how the social and economic factors (driven by gold) paved the way to war.

1.8 Study outline

As many narrative approaches to historical writing have strayed away from analysis, leaving the core of the investigation to be represented by interpretation, the outline of this study follows a certain thematic logic. The introduction serves the purpose of introducing the argumentation by localising global geopolitical and economic developments of the 19th century within the narrow geographical confines of Southern Africa. As broad as the scope of such an investigation might be, the economic and social development of South Africa is traced on the basis of Southern Africa's interaction with Europe and Europeans, by way of territorial and financial imperialism.

Radical and liberal historiographical traditions are conceptualised through their theoretical differences based on their respective 'social stratifications' of South Africa, quickly directing the debate to the commodified medium of argumentation in the form of gold. Gold is placed within the teleological framework of the mineral revolutions and their progressive influence on industrialisation.

The economic section builds up a theoretical framework out of the discovery of gold and the subsequent development of the capital and labour intensive mining industry. Clear industrial links between the respective economic and political centres

⁵⁹ see Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon I and New Nineveh II* (1982)

of Johannesburg and Pretoria are investigated against the backdrop of British financial and political engagement in Southern Africa.

The economic section then consolidates the debate by investigating the development of gold mining and its function as an economic catalyst with relation to the industrialisation of South Africa. Gold, the growth of mining and the inflow and outflow of financial capital is juxtaposed against the backdrop of Transvaal's economic boom and its contradictory relationship with Britain and British capital. The logic then follows that the gold-driven Transvaal economy is not only integrated into a greater colonial European-dominated economic system of Southern Africa, but also directly into the British global economy. The overcoming of structural limitations of surface mining are directly linked to greater British financial and political influence on the Rand. The sensitive nature of the political outcomes of gold mining are reflected in the capital links between the City of London, Johannesburg and the colonial administration in Cape Town. The economic growth of the mining industry is then held hostage by the diverging relationship between Afrikaners and non-Afrikaners, represented by the charismatic figures of President Paul Kruger and Cecil John Rhodes respectively.

The economic consequences of the gold boom are quickly integrated into a social study of Johannesburg's urbanisation and its respective social groups, namely the African Workers, the British population, the Randlords and *Uitlanders*, and the Afrikaners. It was my intention to use the social analysis to address the direct social consequences of economic growth, as initiated by the booming gold mining sector. The close relationship between economic and social contextual factors is not only theoretically investigated, but supported by empirical logic, stemming from an excellent pool of original reports of the South African Chamber of Mines.

The core of the analytical interpretation is devoted to establishing the link between economic growth and social unrest that in many respects has cast a shadow on South Africa till the present day. The growth of gold mining is investigated as a social factor of importance in the economic empowerment and social marginalisation of indigenous Africans. The pressure on the factors of production of gold is reflected in the greater dependence on social capital and how this transformation was reflected in the politicised nature of labour relations on the Rand.

The friction between Kruger's government, the Randlords, the South African Chamber of Mines, the colonial administration in Cape Town and the British

parliament are investigated with close proximity to the social factors that arose from the production in gold. The political and ideological tension between the Afrikaners and their nationalism on one side, and the British and imperialism on the other side, makes up the core of the social debate, showing critical social links branching to all other social groups in Southern Africa. The debate is synthesized by the convergence of all the social groups investigated into a concluding section on the dynamics of South African society at the brink of the South African War.

The economic and social investigation is then concluded in a formalised discussion about the outcomes, difficulties, limitations and links to the evolution of the modern, post-Apartheid, “new” South Africa and its unstable relationship with the British Empire. As narrowly periodized the study may be, the analysis draws on many elements of economic and social developments that have made gold into the precious element that transformed the economic and social structure of South Africa, continuing to influence most aspects of economic empowerment of all South Africans until this day.

2. Economic Factors

2.1 British Policy in South Africa: *the economics of Empire and the fortunes of South African gold.*

As Cain and Hopkins assess in their comprehensive study of British imperialism, the impulses which drove the British beyond the Cape Colony and into north-eastern South Africa, culminating later in the South African War and the eventual Union of South Africa in 1910, have inspired many historians to approach the topic of imperialism to this day⁶⁰. When undertaking a socio-economic study of imperialism in late 19th century South Africa, one clearly has to trace ties that connected economics, social development, colonial strategy and private ambition.

Liberal and radical historians have taken very different approaches to analysing South Africa's position in the world economy. With many liberals analysing the causality behind the capitalist world system facilitating significant growth and allowing a significant degree of local autonomy, and Marxist historians questioning the intentions of the developed world in creating inequalities as foreign capital extracted surpluses by taking profits to the imperial core and foreign markets deterring prices for local scarce goods⁶¹, it quickly becomes evident that South Africa's economic history within the academic networks of African and Imperial History scholars is anything but academically consistent and integrated into the grand narrative of African development.

From an orthodox Marxist perspective, the extractions of diamonds and gold connected together massive investment of capital, the application and development of technology, and a formalised mobilisation of labour at a scale never seen before in South Africa⁶². As already mentioned, by the 1880s, white authority in South Africa stretched over the Cape Colony, Natal and the two independent Boer republics of the Transvaal and the Orange Free State. Besides the areas affected by the up and coming

⁶⁰ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 318)

⁶¹ Kubicek, Robert, *Mining: Patterns of Dependence and Development 1870-1930*. In: Konczacki, Zbigniew/Parpart, Jane/Shaw Timothy (Eds.). *Studies in the Economic History of South Africa: Volume II: South Africa, Lesotho and Swaziland* (1991: p. 64)

⁶² Kubicek, Robert, *Mining: Patterns of Dependence and Development 1870-1930*. In: Konczacki, Zbigniew/Parpart, Jane/Shaw Timothy (Eds.). *Studies in the Economic History of South Africa: Volume II: South Africa, Lesotho and Swaziland* (1991: p. 64)

mineral revolutions, European settlers lived mostly in farming communities, without the means of industrial production, concentrating their colonial economies on the export of wool and agricultural produce in the exchange for manufactured imports they could afford⁶³.

The period between 1870 and 1900 was generally one of expansion and prosperity for the world economy⁶⁴, but what changed everything in South Africa was the discovery of gold and the development of the gold industry on the Rand in 1886. The rapid pace at which gold mining developed, would bring about sudden and dynamic changes for the Southern African economy at large. In 1886, the new gold industry was only producing 0.16% of the world's gold, placing South African production far behind Australia and the US. By 1898, this share of the global gold production was no less than 27%⁶⁵. In a space of just 13 years, Transvaal went from being an agricultural economy in a remote part of Southern Africa, to a powerful resource-based economy, with the world's largest gold production, having a significant impact on the world monetary system.

By the end of 1886 news of the new fortunes to be had in South Africa had spread to the financial centres of London and Paris, and to all corners of the British Empire, as far afield as New Zealand⁶⁶. As significant as the news was all over the world, it was in Southern Africa where it made the biggest impact, especially in the mining circles around Kimberley. The fortunes and the experience made in the diamond industry were a significant factor in the early development of the gold mines, with the international financial connections established in Kimberley being of great importance to raising capital for the mines around Johannesburg⁶⁷.

Two notable figures who stood out in the 'Kimberley transfer of knowledge' to the Rand were Cecil John Rhodes and his financial partner, German-born Alfred Beit. At the time of the gold strikes on the Rand, Rhodes was already one of the biggest mining moguls in Kimberley, then in the process of uniting all mines of Kimberley under De Beers⁶⁸, a company in which he had a major shareholding and a

⁶³ Davidson, Basil. *The Search for Africa: A History in the Making* (1994: p. 130)

⁶⁴ see Table F-1. Value of Merchandise Exports at Current Prices, 1870-1998. In: Maddison, Angus: *The world economy: a millennial perspective*. (2001: p. 359)

⁶⁵ Statistical comparison from Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914*. New Babylon (1982: p. 1)

⁶⁶ Tuapeka Times. *South African Gold Rush* (3 January 1883: p. 3)

⁶⁷ Feinstein, Charles. *The Economic History of South Africa* (2005: p. 3)

⁶⁸ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 158)

company which to this day is the world's largest producer of diamonds. Beit facilitated many of Rhodes' investments in Kimberley and encouraged Rhodes to take his capital to the gold mines of the Rand. After helping him to establish the Royal-Chartered British South Africa Company in 1889, Beit left for London from where he managed his powerful finances and supported Rhodes's interests in Southern Africa. The British South Africa Company enabled Rhodes to have direct sponsorship from Queen Victoria. Rhodes, as the biggest shareholder and stakeholder of the initiative, would also keep thousands of shares in the British South Africa Company, which were specially designated as gifts for influential people in Cape Town, London and other European financial centres⁶⁹.

The development of gold mining on the Rand came with its share of geological, economic and legal challenges. After many gold mining experts from the US and Australia published mixed geological reviews on the Witwatersrand, it was well known and documented that the reefs had significant gold deposits, but they were also of very poor quality⁷⁰. What made things even more complicated was that the gold layers were distributed unevenly (see graphic on next page) and in low concentrations in thin sheets throughout the reef. Even in the richest sections, it would take 3 tons of ore to recover 1 ounce of gold⁷¹ (With one ounce of gold fetching £4.24⁷² on the global gold market, the cost structure of production would need immense capital investments, before economies of scale would make mining affordable). With these geological limitations, it was clear that the development of the Rand's gold industry would be capital and labour intensive. A large and constant supply of labour, heavy machinery and chemical technology would be needed to profitably recover gold from low-grade ore⁷³. With no railway connection from the Rand to the coast at the time of the 1886 discoveries, the transportation of machinery for the production and the eventual delivery gold to the global markets were structurally very limited.

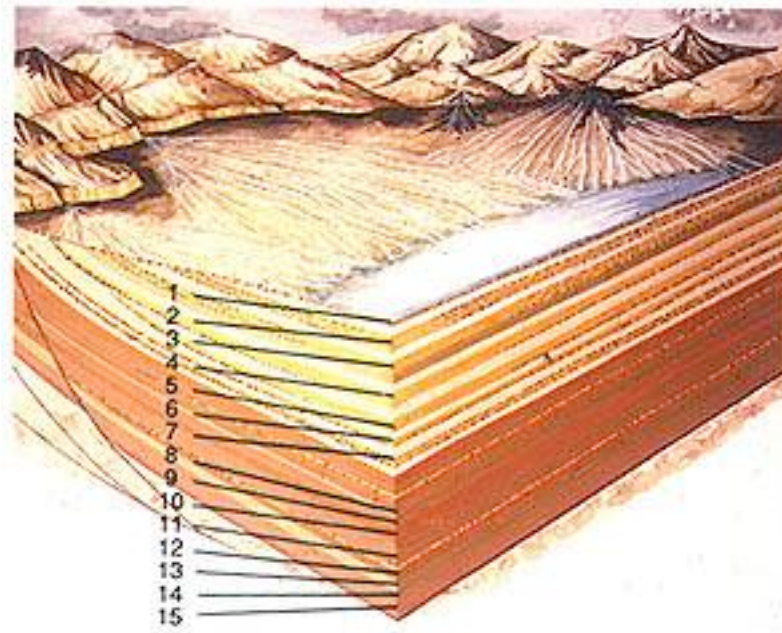
⁶⁹ Flynn, Laurie. *Studded with Diamonds and Paved with Gold* (1992: p. 160)

⁷⁰ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 165)

⁷¹ Ross, Robert. *A Concise History of South Africa* (2008: p. 71)

⁷² *Gold Market and Price 1800-2009* www.finfacts.ie/Private/currency/goldmarketprice.htm accessed on 24 March 2011

⁷³ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: p. 40)



1. Ventersdorp Contract Reef
2. Mondeor Conglomerate formation
3. Kimberly Conglomerate formation
4. Bird Conglomerate formation
5. Livingstone Conglomerate formation
6. Johnstone Conglomerate formation
7. Main Conglomerate formation
8. Crown Formation
9. Veldschoen Reef (inner basin reef)
10. Magnetic Horizon in in lower Jeppestown shale
11. Buffelsdoorn (Outer Basin reef)
12. Boulders Reef
13. Magnetic shale in Witport Jie Formation
14. Magnetic West Rand shales
15. Rietfontein tillite

Source: South African Chamber of Mines. *Cutaway of the gold-bearing reefs of the Witwatersrand*. http://info.goldavenue.com/info_site/in_mine/in_min_sa_geol.htm. Accessed on 16 October 2011.

The legislation of the reefs, as specified by the Transvaal Mining Law, would also add to the economic constraints the gold mines were subjected to. Early discoveries of gold in the eastern parts of the Transvaal led to the passing of the first Gold Law of the Transvaal. Law No 1 of 1871 stated “the right of mining for and disposing of all precious stones and metals belongs to the state”⁷⁴. The government of the Transvaal never wanted to hide its intentions with respect to absolute authority

⁷⁴ Barber, Sydney Hilton. *Transvaal Gold Law. Translation into English of Law No. 15 of 1898*. (1904: p. 1)

over the mineral wealth of the Republic and laws facilitating the ‘privatisation’ of Transvaal’s gold fields were carefully formulated.

Mining claims in 1886 were set out to be 155 feet x 413 feet, granting the owner of the claim the right to mine on or beneath the claim, but he could not follow a reef underground outside the limits of the surface boundary⁷⁵. The Gold Laws added a high degree of bureaucracy to the mining endeavours of many independent investors, making it in many cases very difficult to recognise and uphold the boundaries of the claims⁷⁶. This became a great point of discussion for the Volksraad⁷⁷ in 1889. For small-scale miners with little capital and geological assessment capabilities, purchasing a claim was anything but a low-risk investment. This scenario prompted larger operators to buy up multiple claims, thereby spreading out their risk. As Robert Kubicek summarises in his analysis of the initial economic challenges to the mines, the complexities of the Transvaal Mining Law, the asymmetric access to information on the mineral potential of a claim, and the opportunities for miners to become company promoters, encouraged the formation of multiple mining companies⁷⁸. By the end of 1886 there were some 90 private ventures specialising in gold mining, with the number increasing to 270 by the end of 1887, and nearly 500 in 1889⁷⁹.

2.2 Mining companies and growth on the Witwatersrand: *foreign capital and local limitations*

The gold mining on the Rand did not get off to the prosperous start President Kruger of the Transvaal Republic had wished for. After the initial hype and enthusiasm gold mining approached a major hurdle. By the middle of 1889 producers discovered that gold reefs below 120 feet resisted amalgamation in the later stages of the gold-recovery process used on the ore⁸⁰. This sudden lack of profitability was quickly exposed on the Johannesburg Stock Exchange, which was established in 1887 to cater

⁷⁵ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: p. 40)

⁷⁶ South African Chamber of Mines Annual Report for the year ending 1889. (1890: p. 15)

⁷⁷ The Volksraad (People’s Council) was the official Pretoria-based parliament of the South African Republic (Transvaal) between 1857 and 1902.

⁷⁸ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: p. 42)

⁷⁹ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: p. 42)

⁸⁰ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon*. (1982: p.4)

to capital-hungry mining magnets. With no immediate solution to the problem, a significant financial crisis soon developed, forcing many large companies to decapitalise. Share prices tumbled and by March 1890, the total market value of shares on the Johannesburg Stock Exchange was down 40% on its value the previous year⁸¹. This can best be illustrated using the share price of the Salisbury Gold Mining Company that had previously peaked at 690 shillings and went on to trade at 50 shillings by the end of 1890⁸². For the next two years Johannesburg would remain in a state of economic depression⁸³, leaving many capitalists to restructure their portfolios with respect to investments in the Transvaal and rethink their mining strategies.

Two operators who made the most out of the depression were Julius Wernher and Alfred Beit. Both Wernher and Beit had been close partners of Rhodes' De Beers and used their capital resources to invest in more mining ground and began searching for a solution to overcome the problems of deep mining and the chemical recovery of gold from the ore. Linked by their common desire to overcome the geographical limitations and belief in the riches of the Witwatersrand, the 'Corner House,' consisting of the Wernher & Beit partnership and its Johannesburg subsidiary, Eckstein and Company, founded Rand Mines in 1893. The Corner House was to facilitate the linking of capital and engineering expertise in order to develop and determine the future of deep-level mining on the central Rand⁸⁴. The Corner House would become the most influential group of capitalists looking to strike at the heart of the Transvaal riches.

The group was to represent what financial imperialism would eventually rise up to. Three of the Corner House's most influential members were to become Prime Ministers of the Cape Colony, namely, Cecil John Rhodes (1890-1895), Leander Starr Jameson (1904-1908) and John Xavier Marriman (1908-1910)⁸⁵, forming clear links between British imperialism in Southern Africa and the financial imperialism of the Rand that was soon to emerge. Late 19th century laws, passed largely at the instigation of powerful industrialists such as Rhodes, were specifically designed to maximise the

⁸¹ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 172)

⁸² Bryant, Margot. *Taking Stock: Johannesburg Stock Exchange- the first 100 years* (1987: p. 21)

⁸³ see *Ruin to the Mining Industry*: in South African Chamber of Mines Annual Report for the year ending 1889. (1890: pp. 16-17)

⁸⁴ Kubicek, Robert. *Mining: Patterns of Dependence and Development 1870-1930*. In: Konczacki, Zbigniew/Parpart, Jane/Shaw Timothy (Eds.), *Studies in the Economic History of South Africa: Volume II: South Africa, Lesotho and Swaziland* (1991: p. 69)

⁸⁵ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 9)

returns on British capital and British involvement in Southern Africa, by forcing Africans into European-led mining, industrial, and agricultural enterprises⁸⁶. As monocausal and grand the link between the Corner House and the intensification of British imperialist expansion in Southern Africa may seem to a critic of radical historiography, the causal geological link between decreasing profits and the limitations of surface mining are plausible for all historiographical schools analysing the capital expansion and capital application on the Rand.



A Transvaal official looks down from a horse to competing claims from small prospectors and a 'Randlord'. Source: Giliomee, Hermann and Mbenga, Bernard. *New History of South Africa* (2007: p. 201)

The problem of extracting gold from the poor quality ore was soon to be solved. It took two brothers, medical doctors Robert and William Forrest, and the chemist, J.S MacArthur, to find the best answer to the treatment of gold ore⁸⁷. The three Scots experimented with a sample of Rand ore in Glasgow and discovered that cyanidation could recover the greatest amount of gold from the ore. The ore was to be dissolved in a solution of cyanide of potassium, causing the gold in the ore to attract to zinc

⁸⁶ Wright, Harrison. *The burden of the present* (1977: p. 22)

⁸⁷ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 174)

shavings⁸⁸, making the pure gold easily and efficiently recoverable. The new method recovered 90% of gold in the ore as compared to 60% through amalgamation⁸⁹, the method previously used.

With the problem resolved, and many operators ready to reinvest huge sums of capital in the development of below-ground operations and the chemical processing plants needed to recover the gold, gold production began to recover. The output of gold rose from 0.13 million fine ounces in the period 1885-1889 to 1.06 million fine ounces in the period 1890-1894⁹⁰, in the process making the South African Republic the biggest global player in gold production.

With the introduction of the cyanide extraction process, confidence in the industry had been restored⁹¹. The news of the new production boom had spread around the world and soon many shares of Johannesburg-listed companies were changing hands in London, Paris, Berlin, Moscow and as far afield as the bourses of Vienna, Madrid, Constantinople and Cairo⁹². Investors in South Africa and abroad could not get enough of the South African gold shares and just as production had increased, the value of shares reached new highs. During the year of 1894, the market value of shares of the 52 producing Johannesburg-listed mines rose from £13,5 million to £31,7 million⁹³. With the market in full swing, new profits presented the governments in London and Pretoria with new opportunities and threats.

The economic development of the Transvaal Republic was soon seen as a constraint on British hegemony in South Africa⁹⁴. Kruger's republic was quickly able to increase its finances after the depression, which forced many lower-earning mines out of the market. As many of the financial houses of Johannesburg were still in a period of recovery in the early 1890s, President Kruger turned to the powerful Rothschild family of London, to obtain a loan of £2 500 000 for the finance of the railway to Delagoa Bay⁹⁵. As the Rothschilds were also very closely linked to financing the railways lines of the Cape Colony, it took some major convincing for

⁸⁸ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 174)

⁸⁹ Kubicek, Robert. *Mining: Patterns of Dependence and Development 1870-1930*. In: Konczacki, Zbigniew/Parpart, Jane/Shaw Timothy (Eds.). *Studies in the Economic History of South Africa: Volume II: South Africa, Lesotho and Swaziland* (1991: p. 69)

⁹⁰ *Chamber of Mines, 96th Annual Report*. In: Feinstein, Charles. *The Economic History of South Africa* (2005: p.105)

⁹¹ Bryant, Margot. *Taking Stock: Johannesburg Stock Exchange- the first 100 years* (1987: p. 22)

⁹² Bryant, Margot. *Taking Stock: Johannesburg Stock Exchange- the first 100 years* (1987: p. 22)

⁹³ Bryant, Margot. *Taking Stock: Johannesburg Stock Exchange- the first 100 years* (1987: p. 22)

⁹⁴ Ross, Robert. *A Concise History of South Africa* (2008: p. 71)

⁹⁵ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 58)

the government of the Cape Colony to come at ease with the new railway project of the Transvaal Republic. In 1894, the railway, built by the Netherlands South African Railway Company, completed the principal line connection to Johannesburg, linking the line to Lourenco Marques in 1895. The new railroad would reduce the freight rates from an average of £30 to £10 a ton⁹⁶, giving Kruger a clear economic advantage over the bargaining options coming out of the Cape Colony.

Table of Railway Distances (1892)

from	to	miles	kilometres
Cape Town	Johannesburg	1013	1621
Port Elizabeth	Johannesburg	713	1141
East London	Johannesburg	665	1064
Durban	Johannesburg	439	702
Durban	Charlestown	304	486
Charlestown	Johannesburg (by road)	135	216
Delagoa Bay	Pretoria	348	556
Delagoa Bay	Nelspruit (Completed on 31 Dec)	128	205
Nelspruit	Pretoria	220	352
Pretoria	Johannesburg	47	75

Source: South African Chamber of Mines Annual Report for the year ending 1892 (1893: p. 74)

2.3 Gold and Kruger's confident diplomacy: *regional power politics*

The new confidence that gold gave the Transvaal quickly became evident in the Republic's diplomatic relations. With gold being able to leverage a number of new critical political moves the stage was set for a new diplomatic stance of the Transvaal with respect to its neighbours in Africa and allies in Europe.

In 1889 the Cape Colony and the Orange Free State had entered into a customs union. Kruger was approached by the administration of the Cape on numerous occasions to agree to a union, and constantly refused boldly. Kruger was well aware of the fact that the refusal to join the customs union meant that the mines would have to continue to pay duties levied on imported goods at Cape and Natal harbours⁹⁷. Kruger was in full control of his diplomatic strategy towards the Cape and Natal,

⁹⁶ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914* (1979: p. 46)

⁹⁷ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict*. (1986: p. 58)

knowing that his grip on the Rand could prevent any extension of the commercial free rein the British had desired in all of Southern Africa⁹⁸.

With the rise of Rhodes to the position of Prime Minister in the Cape Colony in 1890, Kruger decided to counteract British pressures on the Transvaal by improving political links to Germany. With the support of Germany and significant revenues from the gold mines, Kruger was in a confident position to establish the Transvaal as the dominant state in southern Africa, challenging British hegemony in the region and going against Rhodes' plans for a confederation of British-ruled states⁹⁹.

The British administration in the Cape was well aware of Kruger's political stance, fearing that if Kruger were able to unite his economic power with a political agenda supported by the South African Republic's foreign population, there would be little hope for extending British political domination into Afrikaner territory¹⁰⁰. Kruger, with the power of gold on his side, could now only be stopped by an economic crisis or direct military intervention. As economically and politically confident Kruger may have perceived his position to be, a new economic structure would soon test his hold of the Rand.

2.4 Deep-level mining and the cost structure: *financial opportunities and geological constraints*

As the industry developed, the distinctive feature of the Witwatersrand gold mines was that all the mines produced the same product for which there was an unlimited market. With the elasticity of demand for gold on the Rand being very inelastic, meaning that the quantity demanded was not (or negligibly) affected by the (fixed) price of the commodity, gold miners on the Rand had not to worry about their commodity not being sold. For producers wanting to gain the largest profits, the critical factor of production came on the supply side, meaning that as long as it was profitable to mine gold, it would be produced and sold¹⁰¹. With the structural changes that came on the supply side of production after deep-level mining was expanded,

⁹⁸ Darwin, John. *The Empire Project* (2009: pp. 231-232)

⁹⁹ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 310)

¹⁰⁰ Darwin, John. *The Empire Project* (2009: p. 232)

¹⁰¹ Feinstein, Charles. *The Economic History of South Africa*. (2005: p.104)

producers needed to squeeze their rising production costs to the bottom, to maintain their high rate of return.

The deep-level mining revolution had changed the geological and economic scope of the mining endeavour on the Rand. As easy as the chemical process might have been in theory, the big plunge into the depths of the reefs would not have occurred had not the Rand had access to a cheap energy supply, that ran through the coal deposits of Witbank, and was perfectly linked through the railway to the coast¹⁰². The coal was used to fire the steam engines, which drove the hoists into and out of the shafts. Coal was also used for powering air compressors, which were used for the rock drills.

Another significant cost factor in deep-level mining was that of explosives that were used to break through the layers of rock and into the sheets of gold. Dynamite was supplied to the mining industry by the Alfred Nobel international dynamite trust, through a local monopoly, the Transvaal Explosives Company, at costs significantly higher than the going rate on most international markets¹⁰³. The Chamber of Mines annual report for 1890 noted many complaints from mine owners, referring to the high costs and poor quality of the dynamite supplied by the Transvaal Explosives Company¹⁰⁴. The discussion over dynamite would prove to be a major point of confrontation between the Afrikaner Volksraad and the Randlords vouching for lower production costs of gold.

With deep-level mining being significantly more expensive than surface mining, mine operators were looking at new ways of cutting costs. Variations in the grade of ore mined, technological limitations in the recovery of gold, fluctuating cost structure, poor infrastructural development and the instability associated with access to financial capital, all put pressure on the direct costs of gold production¹⁰⁵.

Historian De Kiewiet once boldly stated that modern South Africa was not built on gold and diamonds alone, but on the availability of cheap African labour¹⁰⁶, that was used to recover the precious minerals. Labour historian Vernon Allen has

¹⁰²Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: p. 46)

¹⁰³ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: p. 46)

¹⁰⁴ South African Chamber of Mines Annual Report for the year ending 1890 (1891: p. 12)

¹⁰⁵ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: p. 80)

¹⁰⁶ De Kiewiet, Cornelis. *A History of South Africa: Social and Economic* (1941: p. 3)

gone as far as to claim that the main function of the South African Chamber of Mines was to reduce African wages¹⁰⁷, which were an obstacle for white capitalists with narrow profit margins. Marxist analysis of this cost structure would most definitely conclude that the induced low wages of African labourers was conducive to the wealth of European mine owners¹⁰⁸.

In the initial stages of gold production in the 1880s, the question of labour was left to free competition, leaving demand and supply to dictate the market¹⁰⁹. African workers were always paid far less than their white colleagues and after the period of depression between 1889 and 1892, even their relatively small wages became a problem for the white mine-owners. The pressure from the mine-owners resulted in the Chamber of Mines issuing a collective plea to all members to change their payment systems from monthly to daily, making the employment and retrenchment of labour far more flexible¹¹⁰. It was mentioned that with 15 000 African workers on the gold fields, a 'great sum' of £45 000 had to be spent at an average monthly wage of £ 3 per worker. With such pleas and comparisons, the true value of South African labour was played down, and for the mining capitalists it soon became clear that in the mining sector labour cheap enough for capitalism's needs could only be obtained by the application of various kinds of political, legal, and economic pressure¹¹¹.

The increased financial pressure that came with deep-level mining would quickly translate into collective action of gold mines, now further united in their quest to reduce production costs. In August of 1890 the first collective move of reducing wages was seen when 64 Rand companies agreed to reduce the maximum monthly wage to £2¹¹². In order to get a more centralised structure for controlling the wages of African workers on the Rand, the Chamber of Mines established the Department of Native Affairs by the end of 1893.

The cost of African labour arose mainly from cash wages (which excluded food and lodging) and recruitment fees. The recruitment often took on illegal methods, with white middlemen dressed as 'white officials' approaching African villages and settlements with promises of over-exaggerated sums of money. These

¹⁰⁷ Allen, Victor. *The History of Black Mineworkers in South Africa*. Vol: 1 1871-1948 (1992: p. 153)

¹⁰⁸ For theoretical perspectives of radical South African historiography see Wright, Harrison. *The burden of the present* (1977: pp. 3-25)

¹⁰⁹ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 79)

¹¹⁰ South African Chamber of Mines Annual Report for the year ending 1890 (1891: p. 12, 61 and 64)

¹¹¹ Wright, Harrison. *The burden of the present* (1977: p. 20)

¹¹² Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 80)

‘freelancers’ would then take the men to the mines and ‘sell’ them off to mine-owners at various prices. Lies, trickery and deception were the main means of ‘attracting’ African labour to the mines of the Rand¹¹³.

After the mines went underground the extraction of gold became even more labour-intensive. The mine-owners went beyond the Chamber of Mines and to the Volksraad in order to introduce a steady stream of African labourers to the gold fields. At the peak of the depression in 1889, there were some 16 000 African workers in Johannesburg. By 1892, this figure had risen to 25 858 and by 1893 29 500¹¹⁴. In 1895 the Transvaal Government introduced a hut tax of 10 shillings (£0.50), in addition to a poll tax of £2 to force African men in the Transvaal Republic to work¹¹⁵. The way the Rand capitalist also saved on additional means of social security services, such as family housing, schools and hospitals, was as a result of the migratory worker scheme, which allowed them to pay wages based only on a single unit of labour¹¹⁶, namely the African working male, whose family had to stay behind in the rural villages.

Although the greater social effects of the mining revolutions on the indigenous African populations will be discussed in the sociological section of this investigation, it must be said that discrimination on the Rand was made explicit and with the intent of maintaining a cheap labour force. There is very little evidence about the status and magnitude of paid African labour before the mass employment in the mines making causal relationships on the economic pitfalls of cost-reducing policies for Africans very difficult to formulate. It must however be said that the application of a regulated labour market on the Rand was developed to serve the needs of Rand capitalists. This is also evident in the number of laws under which African miners and workers were prohibited from purchasing mineral licenses, trading in minerals and establishing shops¹¹⁷ or residing in mining areas¹¹⁸. The classic Marxist scenario of capital being dependant on cheap labour and of labour being held at the mercy of capital would lead the African workers of the Rand into the 20th century, where discrimination and

¹¹³ Allen, Victor. *The History of Black Mineworkers in South Africa*. Vol: 1 1871-1948 (1992: p. 152)

¹¹⁴ see Table 2 (The average number of black mineworkers in South Africa 1871-1948). Allen, Victor. *The History of Black Mineworkers in South Africa*. Vol:1 1871-1948 (1992: introduction xix)

¹¹⁵ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 78)

¹¹⁶ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 172)

¹¹⁷ Barber, Sydney Hilton. *Transvaal Gold Law. Translation into English of Law No. 15 of 1898*. (1904, p. 32)

¹¹⁸ Feinstein, Charles. *The Economic History of South Africa* (2005: pp. 98-99)

hardship would become a norm, rather than just the product of an exploitative mining system.

As prominent and useful the Marxist school is in the analysis of the transition into deep-level mining and the development of the discriminatory cost structure, the Marxist school ignores (or plays down) empowering aspects of capital diffusion in South Africa, creating many structural changes for the economy as a whole and not only the ‘intentional’ exploitation of the African labour force. If Marxist analysis may be sufficient to interpret the capitalist gains due to the reductions of labour costs, Marxist analysis of the Rand is in many ways insufficient to address the dynamics of introducing the cash economy to the urbanised context of African labour.

2.5 The “City” connection: *British capital and financiers on the Rand*

With the confidence in the future of the Rand, and the opinion that the South Africa Republic would soon take over the US and Australia as the leading gold producer, global capital soon began to stream to the mining houses of Johannesburg. The development of the Rand gold could not have come at a better time. The industrialised economies of Europe were rapidly transforming their economic capabilities with the approach of the end of the 19th century. Relying heavily on the diffusion of steam-engine technology from Britain and the later development of the service sector, an economic transformation, which became conceptualised as the Second Industrial Revolution by David Landes, had developed¹¹⁹. At the same time, the financial “City of London” was able to establish itself as the chief global financial provider to the capital revolution that was gaining momentum in Britain and mainland Europe.

The greatest bankers and merchants of the Empire had established themselves in the City, close to the centre of imperial power, enabling them to form and maintain social connections, which were essential to their own success and that of the Empire¹²⁰. Banks of the City took it upon themselves as their imperial duty to manage British capital that would once have gone into the national debt or into railways in Britain. After the economic turbulence of the early 1880s, City banks, which had long been engaged in the finance of trade in primary products from the furthest corners of the Empire and beyond, reacted to the challenge of falling mercantile profits by

¹¹⁹ Landes, David. *The Wealth and Poverty of Nations* (1998: p. 285)

¹²⁰ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 41)

investing in the production of the commodities they serviced¹²¹. The most significant of these commodities was gold.

As Russell Ally maintains, Britain's powerful international financial system saw South Africa's gold producers "being drawn into the orbit of the London gold market and the City of London almost from the beginning of mining operations on the Rand"¹²². The Bank of England also encouraged favourable economic conditions for South African gold producers. The Bank Charter Act of 1844 bound the Bank of England to the purchase of all unsold gold at the fixed official price, thus giving South African gold mines a guaranteed market¹²³. Chapter 32 IV stated that "all persons shall be entitled to demand from the Issue Department of the Bank of England Notes in exchange for Gold Bullion, at the Rate of Three Pounds Seventeen Shillings and Nine Pence per Ounce of Standard Gold"¹²⁴ (As previously mentioned, the price of gold between 1880 and 1914 was fixed at £4.24).

The economic changes that came with the Second Industrial Revolution left many countries turning away from silver. After the united German Empire adopted the gold standard in 1871, silver prices tumbled, convincing many countries to move to a gold-based monetary system¹²⁵. Germany moved from silver mono-metalism to a gold mono-metalism as opposed to other countries moving from bi-metalism¹²⁶. This sudden surplus of silver on the market brought the price of silver down, and in the process, invited more countries to leave silver for gold. Gold was said to promise greater price and exchange stability than silver, closer integration with the world's financial centres and cheaper capital from abroad¹²⁷. The new era of gold as a global monetary system became firmly established.

As the fate of Southern Africa would have it, the discoveries of gold on the Rand came just about at the same time as the industrialised world was changing its monetary systems to the gold standard. Influential British and European capitalists

¹²¹ Davis, Lance/Huttenback, Robert. *Mammon and the Pursuit of Empire* (1988: p. 113)

¹²² Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 14)

¹²³ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 14)

¹²⁴ Bank Charter Act 1844 (As approved on 19 July 1884). <http://www.legislation.gov.uk/ukpga/Vict/7-8/32/enacted>. Accessed on 20 May 2011

¹²⁵ Chaze, Thomas. *The Ratio gold silver from 1800-1900*.

<http://www.dani2989.com/gold/goldsilverratio180027092004gb.htm>. Accessed on 25 May 2011

¹²⁶ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 15)

¹²⁷ Balchandran, Gopalan. *Power and markets in global finance: the gold standard, 1890-1926* (2008: p. 316)

quickly made it their imperial duty to buy out Rand gold and take it to the commodity markets of Europe.

To some degree it would not be wrong in saying that the true capital decisions on Rand gold were made in London. The Bank Charter of 1844, the sheer growth and influence of the London financial market, growing British influence in the Transvaal and the imperial shipping network made it all the more attractive for gold investors to establish their holdings in London. With time, this imperial connection became so convincing that by 1899 all the leading mining houses were registered on the London stock exchange, raising most of their capital on the London capital market and establishing their head offices in the City¹²⁸.

The imperial factor simplified gold purchasing, channelling the precious metal to the vaults of the Bank of England. Getting gold from the Rand to the London market was a relatively easy task. Various mining houses would deliver their unrefined bullion to the two main local banks in operation in the Transvaal, namely, the Standard Bank of South Africa and the National Bank of South Africa. Weekly shipments to London took the raw gold from the mines of the Rand directly to the contracted refiners, who would then offer the bullion for sale on the open market in the City¹²⁹.

The most influential of the contracted refiners was the Rothschild family¹³⁰. The Rothschilds were incredibly influential in the British political circles and already had close ties to investments in South Africa through their partnership with Rhodes and his De Beers operations in Kimberley. Rhodes had already in the early 1880s (when capital coming out of Kimberley was still limited and unstable) realised that the key to financial success in South Africa was the financial support of the most powerful and influential London financial houses¹³¹. The Rothschilds would refine the bulk of the raw gold they bought in London, storing it and selling it to the Bank of England after offering it for sale on the London's bullion market at a premium of £0.25 per ounce above the fixed rate¹³².

¹²⁸ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 15)

¹²⁹ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 15)

¹³⁰ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 175)

¹³¹ Ferguson, Niall. *Die Geschichte der Rothschilds: Band II 1849-1999* (2002: p. 425)

¹³² Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 15)

As conceptualised in the argument by Cain and Hopkins, the gentlemanly or leisurely class of late 19th century London linked the financiers of the City to the ruling class of the British Empire, combining personal ambition with the greater imperial duty. With bankers connecting capital to political power, the City had established itself as the chief financier of the British Empire, financing most imperial economic initiatives, home and abroad. For these ‘gentlemen’, the Empire would prove to be a superb arena for testing responsibility, imperial duty and honour¹³³.

One ‘gentleman’ who would later epitomise the imperialist links between the City and Empire was Cecil John Rhodes. Even before the British South Africa Company was established, Cecil Rhodes and his financial partner Charles Rudd visited Johannesburg in 1886-1887 and became convinced the Rand was an investment one could not afford to ignore, although there was still much speculation about the future prospects¹³⁴. For Rhodes, Kimberley was where he made his fortunes and where he wanted to capitalise the most on his De Beers initiatives, a company that by 1895 would become one of the largest and richest in the world¹³⁵. While Rhodes stayed behind in Kimberley, Rudd went over to London and registered Gold Fields of South Africa on the London Stock Exchange in February 1887 with a start-up capital of £250 000¹³⁶. With influential connections in London, Rhodes would have the capital and information base he would need to stay afloat on the Rand during the turbulent economic times that would test all mine owners. After the structural transition to deep underground mines was made, Rhodes stood firmly on a path of a lucrative investment. After he became Prime Minister of the Cape Colony his position gave him even more influence in the gentlemanly circles of the City, allowing him easy access to capital and imperial legislators, who were convinced of Rhodes’ commitment and loyalty to imperial duty in Africa.

Another partnership, which was already introduced at the beginning of this work, was that of the Corner House group. With the Wernher and Beit partnership in London and the Eckstein and Company subsidiary in Johannesburg, Rand Mines was founded in 1893 to obtain capital and engage in the most ambitious deep-level

¹³³ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: pp. 47-48)

¹³⁴ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914* (1979: p. 87)

¹³⁵ Stephens, John. *Fuelling the Empire: South Africa’s Road to War* (2003: p. 222)

¹³⁶ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914* (1979: p. 87)

projects on the Rand¹³⁷. In addition to the £400 000 nominal capital in £1 shares, Rand mines issued an additional 100,000 shares. These shares were divided amongst mostly powerful investors in London. The Rothschilds were given 27,000 with another 15,000 going to consulting engineers employed by the powerful banking family. 6,000 shares were given to the influential German-born City banker, Ernest Cassel. What would later complicate matters was the fact that Rhodes's Gold Fields were also presented with 30,000 shares¹³⁸. With the majority of shares strategically positioned in the City, personal fortunes and imperial prospects in Southern Africa became connected in a web of London's power-circles (see table below).

¹³⁷ Kubicek, Robert. *Mining: Patterns of Dependence and Development 1870-1930*. In: Konczacki, Zbigniew/Parpart, Jane/Shaw Timothy (Eds.). *Studies in the Economic History of South Africa: Volume II: South Africa, Lesotho and Swaziland* (1991: p. 69)

¹³⁸ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: pp. 65-66)

Geographic Distribution of Shareholders: Gold Fields of South Africa (1891)

Geographical Area	No. of Shareholders	Amount Held (£)	%
Great Britain			
City of London			
Co. officials	12	20 516	4.92
stockbrokers and jobbers	194	33 937	8.22
other	439	80 858	19.6
London (excluding the City)	866	96 579	23.41
England (excluding the City and Greater London)			
Birmingham	98	7 698	1.86
other	951	87 965	21.32
Scotland			
bankers and stockbrokers	5	12 145	2.94
other	89	10 213	2.47
Ireland	64	5 731	1.39
Wales	13	653	0.16
Subtotal	2 731	356 295	86.34
Continental Europe			
France	183	17 341	4.2
Germany	138	14 428	3.5
other	49	7 211	1.75
Subtotal	370	38 980	9.45
South Africa	95	13 601	3.3
Unclassified	20	3 751	0.91
Subtotal	115	17 352	4.21
Total	3 216	412 672	100

Source: in Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: p. 87)

The members of the Corner House soon developed a powerful financial network that maximised the flow of financial information between the Rand and London. Up until 1899 the bulk of the correspondence among its members consisted of share dealings, and a very large part of their income came from financial market speculation rather

than gold mining¹³⁹. The Randlords made the most out of their connections to London and it has been estimated that, with general progression, British capital had made up between 60% and 80% of all foreign capital on the Rand by 1899¹⁴⁰.

The Corner House and Gold Fields would engage in an imperial economic battle that would span between Johannesburg, Pretoria and London, linking imperial ambitions and economic exploitation in a way never before witnessed in Southern Africa. With personal capital and the economic future of the Empire at stake, the City of London became the façade on the house that the Rand had become.

The link to the City has become a significant point of dispute between liberal, imperial and Marxist historians alike. For many liberal historians, the economic developments that led to the creation of capital networks to and from the City of London showed just how integrated the South African economy (the most lucrative sectors clearly being found within the Boer republics) was, and most notably the economic cluster that developed out of the gold industry, creating an (financial) institutional disequilibrium. The hegemony of Britain's financial institutions within the City are seen as significant to the territorial and financial disposition of the Rand's marginalised European and African poor communities. Although the dynamics of the British capital market make it difficult to identify a clear causality between the City and the economic exploitation of the South African Republic and its people, the liberal school¹⁴¹ sees the flow of capital to and out of the Rand (mostly represented by the work of City institutions) as crucial to understanding the failures of many principles of freedom and equality that directly impacted the South African Republic's institutional and administrative freedoms.

Conservative imperial historians have used the British imperialist school to glorify the expansion of British financial institutions and their investments into Southern Africa, underlining the capital gains that the gold mines of the South African Republic made due to the financial networks the British global economy offered. As out-dated this view may be with the political and academic rhetoric of the 'new' South Africa, prominent British historians such as Niall Ferguson, have glorified the

¹³⁹ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 113)

¹⁴⁰ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948* (1992: p. 140)

¹⁴¹ see overview of Macmillan's and De Kiewiet's theoretical approaches. In: Visser, Wessel. *Trends in South African Historiography and the Present State of Historical Research* (2004: p. 7)

role of the City in spreading the dynamics of capitalism and economic liberalisms to all corners of the globe¹⁴².

For radical Marxists, the links to the City represent, in many ways, the manifestation of white-led capitalism and financial expansion into Southern Africa. As most radical historians saw Africans as the only true inhabitants of the Rand, the history of capitalism in South Africa is associated and juxtaposed within the Marxist critique of colonialism, exploitation and oppression that was unleashed upon the inhabitants of country, intensifying at the end of the 19th century¹⁴³.

As Marxist revisionism is the school of thought that has most heavily influenced the theoretical and methodological outlook in my investigation, I firmly see the City at the economic core of fostering the dangerous relationship between British capital, South African gold and the European-owned mines of the Rand. While not necessarily directly causal in the relationship between the City and the intensification of British imperialism in South Africa, the City remains as the main actor in the financial and institutional framework that established and developed the capital network that would in 1899 lead to far more than just the need to protect British financial interests.

2.6 The South African Chamber of Mines: *institutionalising the Randlords' common interests*

The Randlords knew well from many experiences in Kimberley that formalised institutionalisation would minimise the risks associated with asymmetric information and the inconsistent legislation of Kruger's Transvaal Republic coming out of Pretoria. The first Chamber of Mines in Johannesburg was founded at a meeting at the Central Hotel on 7 December 1887¹⁴⁴. This first Chamber would serve as not much more than a "Gentlemen's Club" where the fate of the Rand was still widely speculated. After eighteen months the Chamber fell apart after a number of petty arguments amongst the original members divided the Chamber over real purpose and effectiveness of the Chamber.

As the belief and confidence in the riches of the Rand grew, the concept of a chamber representing the interests of the mines in the Transvaal Republic resurged.

¹⁴² see Ferguson, Niall. *Empire* (2002)

¹⁴³ Visser, Wessel. *Trends in South African Historiography and the Present State of Historical Research* (2004: p. 10)

¹⁴⁴ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 25)

The need for a much-improved chamber arose as the Randlords were determined to eliminate competition amongst themselves for labour¹⁴⁵. They were also concerned with sharing technological costs and bringing down labour costs that would be needed with the advent of deep mining. On 5 October 1889 the Witwatersrand Chamber of Mines was launched, this time organised by a system of mining company representation, instead of individual membership¹⁴⁶.

The Randlords who formed the Chamber of Mines were mostly British subjects, although many were of German Jewish or German Lutheran origin¹⁴⁷. The national and ethnic backgrounds of the Randlords would constantly raise suspicion of the Afrikaner leadership in Pretoria, which was more than conscious of the problem foreigners would pose to testing loyalty towards the South African Republic. This was also made evident in the Chamber members' attitude towards the South African Republic. Many were loyal to the national idea the South African Republic represented, but were personally disposed towards the conservative political stance of Paul Kruger¹⁴⁸. Other members believed in the Afrikaner Volksraad's great vision of reforming the Transvaal as the most powerful state in Africa. These ideological differences would prove to be the dividing factor in the turbulent future of the Chamber and its involvement in British imperialism.

After the first year of the Chamber's existence, the issues the members challenged at the meetings would set the agenda for the next ten years. The annual report for the year ending 1890 (the Chamber's first full year), which was printed relatively late in the year of 1891 due to a fire at the Argus Company where the manuscript was stored¹⁴⁹, discussed the issues that would make up the core of the Randlords' concerns towards the legislation bodies in Pretoria. The top of the list was made up of the question over the supply of dynamite, a urgently needed railway link to the mines and the supply of 'native labour'.

The report also raised concerns over the ambiguity of the Transvaal's attitude towards supplying the Rand with a reliable railway link. In an interview with President Kruger on 25 February 1890 the Chamber stressed the urgency of a railway

¹⁴⁵ Giliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 201)

¹⁴⁶ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 25)

¹⁴⁷ Welsh, Frank. *A History of South Africa* (2000: p. 302)

¹⁴⁸ Giliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 201)

¹⁴⁹ South African Chamber of Mines Annual Report for the year ending 1890 (1891: p. 11)

connection to Johannesburg¹⁵⁰. With a link to Bloemfontein already being built as part of the Orange Free State's agreement with the Cape Colony, the Chamber urged Kruger to consider building a connection between Johannesburg and Bloemfontein. Kruger, weary of British imperialists' growing influence in the Orange Free State hesitantly assured the Chamber that he would bring up the issue to the Volksraad, where a decision would be taken.

The Randlords, concerned with their supply of heavy machinery that was to enable deep mining, were left to sit on their capital as Kruger pondered over how to overcome British expansion and the need to expand mining operations on the Rand. These concerns over the railway access would remain unresolved for the next 2 years. The Chamber's pleas over the railway were not only of importance for the viability of the mines on the Rand, but would also challenge the regional political aspirations of Paul Kruger. President Kruger was opposed to any kind of co-operation with the British colonies, be it commercial or political¹⁵¹. While the Orange Free State remained on good terms with the Cape Colony, President Kruger was determined to create Transvaal's own railway system, as an essential requirement to preserving the South African Republic's independence¹⁵². The first train arrived in Johannesburg on 15 September 1892¹⁵³ and the complete connection to Delagoa Bay became functional at the end of 1894¹⁵⁴.

Apart from problems with the railways, Kruger was concerned with greater British commercial interests in the Transvaal and was determined to work against the Randlords by raising freight rates and the cost of the monopolised dynamite, interfering with the attempts to increase the supply of labour to the Rand (thereby reducing the price of labour), and by boycotting any British attempts to create a free-trade area throughout Southern Africa¹⁵⁵. Up until the end of 1892, when finally the railway link from Bloemfontein to Johannesburg was complete, in its commercial struggle to transport goods to the Transvaal, the Cape railway avoided paying Kruger's "extortionate Transvaal railway rates" by offloading all goods at the Vaal Station on the Transvaal-Orange Free State border, and taking the goods on further by

¹⁵⁰ South African Chamber of Mines Annual Report for the year ending 1890 (1891: p. 15)

¹⁵¹ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 54)

¹⁵² Welsh, Frank. *A History of South Africa*. (2000: p. 286)

¹⁵³ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 57)

¹⁵⁴ Welsh, Frank. *A History of South Africa* (2000: p. 316)

¹⁵⁵ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 322)

ox-cart¹⁵⁶. This would remain a critical concern for the Chamber as Kruger's transportation policies were deliberate measures to disrupt British imperialist economic links, which had already infiltrated the Orange Free State, and were gaining momentum in the Transvaal.

2.7 The Chamber and labour: *economic collusion and social marginalisation*

The core of the Chamber's efforts would however be spent on exploitive collusion, attempting to converge the wage structure and supply of labour to levels where a constant supply of labour would be available at the cheapest rates. From their experiences with diamond mining in Kimberley, many of the Chamber's members knew far too well that by supplying the minimum standards of accommodation and a very basic food supply, mining companies could drive the costs down to the bare minimum¹⁵⁷. As discussed in section 2.4, the decision to reduce wages was taken collectively and implemented swiftly in August 1890 with mine managers agreeing to a maximum wage of 40 Shillings (= £2¹⁵⁸).

As various comparative advantage strategies were applied to lower production costs, the maximum wage upon which members of the Chamber agreed on was more theoretical than a rule of thumb. The Chamber's policies were difficult to implement, as many members feared losing reliable workers at a time when significant changes in the industry were taking place. This was evident in the time lag that followed the implementation of wage cuts in the mining companies. In September the average wages were still at 63 Shillings a month and by October had gradually dropped to 48 Shillings¹⁵⁹.

The wage reduction agreements were however short lived. As much as the mine owners wanted to reduce wages, shortages of labour led many Chamber members to move away from the agreement. By 1893 the wage agreement fell apart completely. Due to gradual developments in the service sector of the economy in Johannesburg and Pretoria, African workers wanted to avoid the safety risks associated with deep-level mining¹⁶⁰. New workers to the mines would ask for the

¹⁵⁶ Welsh, Frank. *A History of South Africa* (2000: p. 316)

¹⁵⁷ Gilliomme, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

¹⁵⁸ Before decimalization in 1971 £ 1= 20 Shilling=240 Pence

¹⁵⁹ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 131)

¹⁶⁰ South African Chamber of Mines Annual Report for the year ending 1893 (1894: p. 11)

current increased wages, as opposed to the Chamber agreements that were at this point in time applied very loosely or not at all. At the Annual General Meeting on 26 January 1893, it was stressed that the average monthly payment had risen and stabilised at a rate of 48 Shillings¹⁶¹ (= £ 2.17s).

In order to combat the collective action of Africans from the Transvaal in asking for higher wages, the Chamber was convinced that the “inadequate” supply of labour could be replaced with a structured labour migration of African workers from Portuguese Mozambique and the Cape Colony, which was already by then being investigated¹⁶². These workers would then be bound to working agreements even before entering the Transvaal, reducing the scrupulous mine employers’ risk of getting involved in production-disturbing wage negotiations.

This increased dependence on a stable supply of labour led the Chamber to institutionalise the cause by establishing the Native Labour Department at the end of 1893. The Chamber had to lure labour to the mines while holding wage levels steady or lowering them further¹⁶³. A six-point charter was drawn up to outline the functions of the Native Labour Department¹⁶⁴:

- To provide the necessary funds for the carrying out of the proposals undertaken by the Native Labour Department.
- To send agents to arrange with various African chiefs for a supply of labour and to provide for their safe conduct.
- To supply the companies supporting the Native Labour Department with African labourers at a quota proportional to their Chamber membership subscription fees.
- The Native Labour Department does not bind itself to any agreements based on the length and pay of the employment of African workers.
- The Native Labour Department will not interfere with or molest any African labourers on their way to seek employment at the mines voluntarily and without the involvement of any labour agencies.
- All companies joining the Native Labour Department shall bind themselves not to purchase any African labour from any tout or labour agent.

¹⁶¹ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 81)

¹⁶² South African Chamber of Mines Annual Report for the year ending 1893 (1894: p. 11)

¹⁶³ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 131)

¹⁶⁴ South African Chamber of Mines Annual Report for the year ending 1893 (1894: p. 45)

As modern and enlightened as the codex was meant to be, it was only an internal obligation that looked good in an annual report and satisfied the investors in London. In reality, the Chamber was ruthless and deceitful in its recruitment drive. Working on commission, officials of the Chamber, personifying the image of urban wealth and modernity¹⁶⁵, developed their exploitive traits, recruiting in the most vulnerable of African communities. The Chamber only catered to the interests of its wealthy members and took no notice of the social destruction its labour recruitment policies had created in the rural African communities¹⁶⁶.

As structured as the recruitment plans of the Native Labour Department may have been, the Chamber could not implement all of them without the support of the Transvaal government. In this regard, the Chamber did attempt to convince the government in Pretoria on numerous occasions of its major recruitment drive that was planned to benefit the whole Transvaal economy. As John Stephens summarises it, the Transvaal government would however never be found “wanting for enthusiasm when called upon to exploit black people as ‘labour units’”¹⁶⁷. As Kruger associated the Chamber with being an extended arm of British imperialism, he would make sure to remain cautious of the Chamber’s attempt to involve the Volksraad in Pretoria in any of its financial or imperialistic ventures.

As fragile and cautious as the relationship between Kruger and the Chamber may have been, certain policies had been moderated or modified in the interest of the mines through the close cooperation of the Chamber with Transvaal government¹⁶⁸. It must however be stressed that the Chamber and the Volksraad agreed and were both for the gradual implementation of the pass system, which was to control the movement of African labourers, no matter where they came from. According to the Chamber, “the object of the new [pass] law was to bring the natives under effective control and reduce the risk of desertion to a minimum”¹⁶⁹. In reality, the pass law presented the Native Labour Department with a ‘tagging-system’, which allowed recruiters to identify existing workers and their employer, enabling them to look for fresh recruits that could be manipulated to join the workforce at even lower rates of

¹⁶⁵ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

¹⁶⁶ This impact will be discussed extensively in the social section of this investigation

¹⁶⁷ Stephens, John. *Fuelling the Empire: South Africa’s Road to War* (2003: p. 180)

¹⁶⁸ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 65)

¹⁶⁹ South African Chamber of Mines Annual Report for the year ending 1893 (1894: p. 45)

pay. For the Transvaal government, the pass system brought about a degree of control to the movement of African workers in the Transvaal. As many workers came from territories outside the Transvaal's jurisdiction, officials were able to manage the tax-paying African population. Although this is one issue the Transvaal government and the Chamber were willing to work together on, operation of the pass laws was difficult because of the lack of funds and the general inefficiency of the Transvaal administration¹⁷⁰, limiting the objective of a greater level of control over the movements of labour.

The Native Labour Department managed to continue to operate independently of the Chamber, supplying significant numbers of men to the Chamber's mines, and managed to form an agreement with the Portuguese authorities in Mozambique¹⁷¹, bypassing many Transvaal laws by recruiting from outside the Afrikaner or British spheres of influence. As successful as the diplomatic mission of the Native Labour Department to Mozambique was, the Native Labour Department was dissolved at the end of 1896 and the Rand Native Labour Association was to continue the work in establishing the Chamber's monopoly on labour recruitment from Mozambique¹⁷².

It must also be stressed that it can be misleading when explaining the political lobbying of the Chamber to focus only on economic interpretations of profit and loss¹⁷³. Although the Randlords always put their cost structure in front of politically-motivated decisions towards the Transvaal government, mutual cooperation between the two parties was critical to the political stability on the Rand. With the Chamber representing the interests of many foreign mineworkers, *the Uitlanders*, it was of utmost importance that the political integrity of the Transvaal government would not become overrun by the Randlords' personal ambition.

2.8 London, Johannesburg and Pretoria: *linked by politics, separated by gold*

As Wolfgang Mommsen investigates in his theoretical analysis of Marxist approaches to imperialism, he goes on to quote Rudolf Hilferding, a renowned Austrian Marxist theorist, who maintained that imperial expansions of all types (be it capital exports,

¹⁷⁰ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 131)

¹⁷¹ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 82)

¹⁷² Jeeves, Alan. *Migrant Labour in South Africa's Mining Economy: The Struggle for the Gold Mines' Labour Supply 1890-1920* (1985: p. 189)

¹⁷³ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 65)

take-overs of foreign markets, territorial expansions, and military mobilisation) increases the pace at which capitalism expands¹⁷⁴. In South Africa, the way financial interests were transformed into imperial territorial interests, as represented by powerful mine-owners who were largely idealised by personal imperialist agendas, be it capital or territorial, would rapidly shape the future of the Rand and Southern Africa, and link the local to the global by means of organised capital networks. If capitalism was the engine of success for driving the capital-hungry mining industry, it was equally the economic system that would unite personal financial objectives with imperialist territorial ambitions of the British Empire. Within just a few years, the Witwatersrand mines had become the world's largest source of gold, shifting the economic core of the country from the British Crown, namely the Cape Colony, to an independent republic in the north-east of South Africa¹⁷⁵.

For the financial hegemony of the British Empire of the late-Victorian era to remain intact, the economic developments in a small corner of South Africa was no matter to be played down. The rapid economic growth and subsequent political confidence of the Transvaal began to interfere with imperial policy in Africa. British capital that was entering the Transvaal was not only a by-product of capital markets and direct British investments, but also of imperialist policy towards South Africa. In this way the British Empire began indirectly to impose its rule on the small Afrikaner ruling class, whose tight grip on the Rand and unfavourable treatment of Natal and the Cape Colony distorted regional engagement of European powers, involving a small Afrikaner-led financial power in a network of European imperialists in Africa. British capital required the intervention of the Empire to 'pacify' those whose land and resources were being exploited¹⁷⁶.

From a strategic perspective, Johannesburg and Pretoria began influencing local, regional and global economics in very different ways. As all political power of the Transvaal resided in Pretoria, just about all the economic power of the Transvaal was firmly centred in Johannesburg¹⁷⁷. Johannesburg had quickly become a cosmopolitan city with a large and influential population of foreigners, *the Uitlanders*. In the 1896 census, the white population was made up of 6 205 Afrikaners, 16 265

¹⁷⁴ Mommsen, Wolfgang. *Imperialismstheorien* (2nd Ed.) (1980: pp. 33-34)

¹⁷⁵ Gilliom, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

¹⁷⁶ Koeber, Richard/Schmidt, Helmut. *Imperialism: The Story and Significance of a Political Word, 1840-1960* (1964: p. 266)

¹⁷⁷ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 180)

British citizens and 15 612 British subjects from the Cape Colony¹⁷⁸. The finances generated by the foreign community for the Transvaal fiscus experienced an enormous rise with the development of the gold industry. In 1882 the *Uitlander's* contribution to state finances was £177 000, and by 1889, this figure had risen to £ 1 500 000¹⁷⁹.

The large majority of the foreigners in Johannesburg were of British heritage. As English was widely spoken and understood, the Boers regarded all *Uitlanders* as English¹⁸⁰. Fearing a British stronghold in the economic heart of the Republic, Kruger denied Johannesburg normal forms of local government that operated in other villages and towns of the Republic¹⁸¹. Besides an economically orientated Diggers Committee, that later evolved into the Sanitary Committee, the local government was far from what Johannesburg had needed¹⁸². As ambivalent as Kruger's and the Volksraad's attitude towards the political status was, the constant fear of British imperialism in the Republic left Johannesburg tied-up in a bundle of bureaucratic red tape.

With the uncertain political status of the *Uitlanders* in Johannesburg paying advantage to Kruger in Pretoria, the revenue and taxes from the industrial wealth generated in the gold fields was to make the Transvaal not only more modern, but also more self-sufficient and confident to pursue its own diplomatic course¹⁸³. In the early 1890s, in a bold move much to the discontent of British subjects in the Transvaal, Kruger sought to develop closer relations with Germany. Kruger was well aware of the industrial might of Germany and German colonial ambitions in Africa. Kruger relied heavily on economic cooperation between Berlin and Pretoria, which eventually led German expertise and capital in assisting the formation of the National Bank of the South African Republic in 1894¹⁸⁴. Kruger was convinced that the closer ties with the powerful German state would offset Pretoria's constant fears of British imperial expansion into the Transvaal.

Although British officials in London were very concerned about Kruger's meddling in international politics, they were well aware of Transvaal's dependence on British capital coming out of the City. The British parliament went as far as to

¹⁷⁸ Welsh, Frank. *A History of South Africa* (2000: p. 302)

¹⁷⁹ Welsh, Frank. *A History of South Africa* (2000: p. 301)

¹⁸⁰ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 199)

¹⁸¹ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 199)

¹⁸² Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 199)

¹⁸³ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

¹⁸⁴ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

approach powerful individuals in an attempt to remind Kruger of his need for British capital. As already addressed, this dependence was evident when in 1892 official state support was given to the Rothschilds when they sought City support in raising a £2,5 million loan for the Transvaal that Kruger needed for the construction of the railway link to Mozambique¹⁸⁵. The terms of the loan were set out to keep Kruger from interfering in regional British aspirations in Southern Africa. With the growing bad sentiment towards British subjects in the Transvaal, British imperialism in Africa needed to combine politics and economics in a way that would not disturb the sensitive state of the gold market in the City.

As questioned by Bernhard Makhosezwe Magubane¹⁸⁶, “can one really understand South African history without understanding the role of those who were the beneficiaries of African exploitation and dehumanization in the mines and farms (?)”¹⁸⁷. The fluctuating manifestation of financial and political power that had engulfed the Rand created a flow of capital and people that the southern part of the African continent had never witnessed before. As the history of this exploitation and dehumanization at the hand of European capital had dominated the development of historiographical debates in South African social sciences throughout the turbulent and polarising academic traditions of apartheid South Africa academia, a new framework needs to be applied to this transcontinental socio-economic debate. At the beginning of the 1990s, approaching the end of apartheid, historians of South Africa learned much from specialists in other disciplines, from historians in other parts of the world, and most importantly from historians in other parts of Africa¹⁸⁸.

Liberal historians, often represented by their views in *The Oxford History of South Africa*, have abstracted the economic and political relationship between Johannesburg, Pretoria and London from the project of creating a white dominion, and tended to argue that racism is incompatible with economic growth, and that embracing capitalism would have led to racial and social amalgamation¹⁸⁹. The obstruction to this capitalist development is represented by Afrikaner power in Pretoria.

¹⁸⁵ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 322)

¹⁸⁶ See Magubane, Bernhard Makhosezwe. *Whose memory- whose history?* In: Stolten, Hans Erik (Ed.). *History Making and Present Day Politics* (2007)

¹⁸⁷ Magubane, Bernhard Makhosezwe. *Whose memory- whose history?* In: Stolten, Hans Erik (Ed.). *History Making and Present Day Politics* (2007: p. 252)

¹⁸⁸ see Smith, Iain. *The Revolution in South African Historiography* (1988)

¹⁸⁹ see Thomson, Leonard/Wilson, Monica (Eds.). *The Oxford History of South Africa* (1969)

Marxist historians have been able to use this “top-bottom” liberal view of South African history as a base for socio-economic critique, dedicating particular interest to the processes of social stratification and class formation in a multi-racial, industrial and capitalist society¹⁹⁰. In Magubane’s view, proudly referring to Frantz Fanon, “the African since the advent of the Age of Europe and capitalism has constituted the wretched of the Earth”¹⁹¹. As important “interactions” of transcontinental capital and its effects on the people was to the liberals, Marxist thinkers applied the transcontinental relationship of power and capital to the scarification of South African society, using “class” as their social unit of analysis in the bottom-up study of South African people¹⁹².

In an attempt to apply the conceptual framework of the liberal and Marxist historiographical schools to the amalgamation of financial and political networks between Johannesburg, Pretoria and London, I took guidance in the most comprehensive grand narrative of South African society in the post-1994 era, namely the *New History of South Africa*¹⁹³. Professors Gilliomee and Mbenga coordinated a team of 31 South African historians to develop a new grand narrative of South African social and economic history, concentrating on new methodological approaches and historiographical developments¹⁹⁴. The conceptualisation of many original sources and secondary literature paints a new picture of New South Africa’s past, forming links between South Africa’s industrial past and the social consequences economic development had brought about. It is with this methodological global historical perspective that I analysed the politico-economic processes of the transformation, leading me to a bi-causal relationship between European capital diffusion and growth in the Transvaal’s fiscus, as well as the links between European economic influence and Afrikaner protectionism.

As the global networks of capital linked to social capital, the South African reality of 19th century Johannesburg brought on a new transcontinental power struggle between Pretoria and London. As divided as historiographical traditions in South Africa may be, one can still conclude that the economic gains of industrialisation in

¹⁹⁰ Smith, Iain. *The Revolution in South African Historiography* (1988: p. 1)

¹⁹¹ Magubane, Bernhard Makhosezwe. *Whose memory- whose history?* In: Stolten, Hans Erik (Ed.). *History Making and Present Day Politics* (2007: p. 252)

¹⁹² see Bozzoli, Belinda/Delius, Peter. *Radical History and South African Society* (1990: p. 19)

¹⁹³ see Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

¹⁹⁴ see book website: www.newhistory.co.za

South Africa would soon test the political core of power relations between Afrikaner political ambition and British economic influence.

2.9 The City under pressure: *loyal to the Crown, dependent on the Rand*

By the 1890s, many of the ruling elite in Britain were wary of the country's potential financial weakness as exposed during the banking crisis of 1890, when Baring, one of the leading banks in the City of London, had to be rescued from liquidation by the Bank of England¹⁹⁵. The regular biweekly shipments of gold to London from the Cape Colony provided London with the security needed by which the City banks could maintain the supremacy of the pound sterling without building up a surplus of gold in the vaults of the Bank of England¹⁹⁶. The stability of this equilibrium was dependant on a secure and reliable transfer of gold for the global monetary market. During the late 19th century, and especially after the significant growth of production coming out of the Rand, in addition to the substantial Californian and Australian outputs, fears arose about a possible over-supply of gold¹⁹⁷.

The constant fears of an oversupply of gold came to influence the greater monetary course of the British economy in the 1890s. As Russell Ally summarises in his investigation of the City of London and the gold standard in the 1890s, "the maintenance of the gold standard was indispensable to the City of London's welfare and the prosperity of the nation as a whole"¹⁹⁸. According to Ally, the ideological division that was present in the British parliament could not decide who should take the responsibility of protecting the country's gold reserves and to what extent the gold reserves were adequate to give Britain the leadership of the international monetary system¹⁹⁹.

The question historians have also had to address is not necessarily who was to take charge managing Britain's monetary intentions, but if it was at all possible. The gold market had always been an international one, with free access open to all buyers

¹⁹⁵ Ross, Robert. *A Concise History of South Africa* (2008: p. 75)

¹⁹⁶ Ross, Robert. *A Concise History of South Africa* (2008: p. 75)

¹⁹⁷ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 261)

¹⁹⁸ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 17)

¹⁹⁹ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 17)

and sellers²⁰⁰. In theory, this also meant that any country fearing an oversupply of gold could have manipulated its interest rates to issue money and compensate for an increase in gold²⁰¹. Within the imperial context, these fears manifested themselves further away from the City of London than expected, putting the concerns over gold supply and the practicality of the gold standard in question. In order to stabilise the rapid devaluation of the Indian Rupee, as a response to a rapid rise in inflation brought about as a result of falling silver prices (caused by increased gold production and global tendencies to switch to the gold standard) and poor monetary policy, the imperial government closed the Indian silver mints²⁰². The problem remained a potential threat to the global confidence over the future of commodity-based monetary systems. This problem remained on the agenda of global monetary developments until 1898, when the Rupee was officially pegged to the gold standard, just in time before the problem was to threaten the further existence of the gold standard and the City of London's financial interests²⁰³.

But what did the Indian crisis mean for the City? The Indian episode showed the City bankers just to what extent gold had begun to influence global monetary policy and the fragility of global finances that came with it. Monetary policy, the influence of the City and the future of imperial finances would consolidate the mixed views over the gold standard in the shape of the City-based Gold Standard Defence Association, which had been given the blessing by officials at the Treasury and the Board of Trade to advocate the power of the gold standard²⁰⁴ as the official imperial position on the future of monetary developments within the Empire.

As investigated by Niall Ferguson, the financial developments in Britain at the end of the 19th century had changed British economic policy to the extent that “financial rather than industrial domination of the world economy had secondary positive outcomes alongside the primary outcomes of ensuring that investors got their interest and principal”²⁰⁵. The transition changed the face of economic power in the imperial capital. The growth and influence of the service sector, as based on foreign

²⁰⁰ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 261)

²⁰¹ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 261)

²⁰² Balchandran, Gopalan. *Power and markets in global finance: the gold standard, 1890-1926* (2008: p. 318)

²⁰³ Balchandran, Gopalan. *Power and markets in global finance: the gold standard, 1890-1926*. (2008: p. 319)

²⁰⁴ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 144)

²⁰⁵ Ferguson, Niall. *British Imperialism Revised: The Cost and Benefits of 'Anglobalization'* (2003: p. 20)

investments, gave way to the dominance of a non-industrial economic and political elite²⁰⁶. With the influence of the City firmly stretching beyond the financial institutions, a new capitalist network would determine the future of the Empire with the 20th century just around the corner. With the finance sector dictating future of the Empire and the City's confidence in the reliability of the gold standard, the gold-based monetary policy would put Britain's metropolitan economy and its imperial economic policies to a hard test.

The new financial dominance came not only with the prospects of political and economic power, but most importantly, with responsibility and loyalty to the Empire. Britain would base the defence of its monetary stability in the event of gold supply fluctuations on its position as a creditor nation²⁰⁷ and financial hub of European imperialism. As important as lending services were to the City, the City did not provide the Empire with protection of the pound sterling. The strategic role of the currency would depend more and more on maintaining London's position as the world's main gold market²⁰⁸. Linking this to the developments on the Rand, Ally states, given the pressure on the Bank of England in managing the pound sterling as a global currency, it is reasonable to assume that the Bank had a significant interest in controlling the vast and critical supply of gold from the Transvaal Republic²⁰⁹. By 1895 British politicians did not necessarily favour direct action with respect to securing control over the Transvaal gold, but did have a major interest in ensuring that conditions for the production of gold were favourable to imperial policy, directing gold to the London market, and not an imperial rival such as in Berlin²¹⁰.

South African gold would now not go unnoticed and would not be left to privateers to take control of. As no British politician or financial magnate was prepared to explicitly call for direct action to be taken in the Transvaal, the political rhetoric of the Empire remained at preserving British dominance in Southern Africa²¹¹. The evolution of British imperialism in Southern Africa would need a much

²⁰⁶ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 183)

²⁰⁷ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 261)

²⁰⁸ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 20)

²⁰⁹ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 20)

²¹⁰ Ross, Robert. *A Concise History of South Africa* (2008: p. 76)

²¹¹ Ross, Robert. *A Concise History of South Africa* (2008: p. 75)

more discreet course of action, eliminating an explicit London imperative, and utilising British expertise on-site on the Rand.

2.10 Privatising imperialism: Rhodes' financial ambitions on the Rand and loyalty to the Empire

As analysed by John Hobson in his extensive study of imperialism, only one fixed rule of action seems to exist in promoting colonial links to the colonial core. This rule of action is “to promote the interests of the colony to the utmost extent, to develop its scheme of government as rapidly as possible, and eventually to elevate it from the position of [political] inferiority to that of association”²¹². The British colonial effort in London needed to facilitate this metropolitan link at a much higher administrative level than just the flow of capital to the Rand. The idea that the Transvaal had to be governed in a way as to cater to British mining capitalists had to be translated into politically acceptable terms, combining imperial strategy, individual talent and institutionalisation²¹³.

The basis for imperial expansion and greater institutionalisation of colonial ambition in Southern Africa north of the Vaal River had already been established in 1889, in granting Cecil Rhodes the royal charter for the British South Africa Company²¹⁴. Linking metropolitan goals with economic institutionalisation via private persons in the form of a chartered company had by the end of the 19th century become a strategic instrument of imperialism²¹⁵. As described by Wolfgang Mommsen, the role of Cecil Rhodes and his British South Africa Company can be seen as a special case of sub-imperialism, where an individual links personal imperial ambitions to the greater imperialist goals of the metropolitan imperial core²¹⁶. As the wealth of the Transvaal attracted British capital and trade opportunities, Kruger's aggressive stance against Britain made it increasingly difficult for the British administration to direct the Transvaal into the British sphere of influence in Africa²¹⁷. British ruling classes turned

²¹² Hobson, John. *Imperialism: A Study* (1905: p. 99)

²¹³ Ross, Robert. *A Concise History of South Africa* (2008: p. 77)

²¹⁴ Buckle, George Earle. *The Letters of Queen Victoria: Vol. I 1886-1890* (1930: See introduction to Chapter 5. pp. 461-464)

²¹⁵ see Chapter V: *Der koloniale Staat* in Osterhammel, Jürgen. *Kolonialismus: Geschichte, Formen, Folgen* (2008: pp. 55-77)

²¹⁶ Mommsen, Wolfgang. *Imperialismustheorien* (2nd Ed.) (1980: p. 85)

²¹⁷ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 325)

their attention to the African expertise of Rhodes, a passionate imperialist and advocate of the 'British race', who epitomised many of the qualities British high-society saw as noble and loyal to the British cause. Oswald Spengler, in his highly acclaimed and controversial interpretations of world history, even went so far as to compare Rhodes to an 'occidental gentleman' in the Roman imperial tradition, who understood the importance of territorial and financial success²¹⁸.



The Rhodes Colossus. The famous satire drawing from the British Punch magazine that was drawn and published in 1892 after Rhodes announced his plans to extend a cable telegraph line from Cape town to Cairo. Source: Cape to Cairo. <http://www.tothevictoriafalls.com/vfpages/devel/capetocairo.html>. Accessed on 15 October 2011.

When it came to combining imperial politics and private wealth, Rhodes was the master of the game. Rhodes became member of the Cape parliament in 1880, a post that opened him up to many new imperial projects. His power was now not only confined to the diamond fields of Kimberley and through his new post he was able to acquire influential allies²¹⁹. By 1893, Rhodes had become the most powerful and influential Briton on the African continent. Rhodes, simultaneously the Prime Minister of the Cape Colony, Chairman of De Beers, Chairman of Goldfields and operational leader of the British South Africa Company, won widespread support

²¹⁸ Spengler, Oswald. *Der Untergang des Abendlandes: Umriss einer Morphologie der Weltgeschichte*. (Ungekürzte Sonderausgabe. 1993: pp. 52-53)

²¹⁹ Davidson, Appolon. *Cecil Rhodes and his time* (English Translation by Christopher English (1988: p. 69)

from the British rulers in London²²⁰. Rhodes had proven his imperial ability in being able to combine political with economic resources in his imperial effort to the north of the Transvaal, where as already noted, he had hoped to find the *Second Rand*. His opportunistic strategies and use of military means to boost the fortunes of Goldfields and the British South Africa Company brought Mashonaland²²¹ and Matabeleland²²² under British control between 1888 and 1893²²³, in a ruthless campaign, using trickery and imperial intimidation to dispose the Ndebele people, who until then had managed to govern one of the greatest civilisations in Southern Africa.

Rhodes's City connection, in particular his association with the Rothschilds, and the powerful Corner House partnership of Wernher Beit, placed him well to take advantage of many financial and political opportunities coming out of London²²⁴. This metropolitan connection gave Rhodes important access to the upper echelons of the British ruling class and especially the Liberal Party, as governed by William Gladstone until 1894, who epitomised the financial drive of London in the later 19th century. After the Liberal ministry in London was voted out of power in the British Parliament in 1895, a leadership shuffle paved the way for Rhodes' enormous support in Southern Africa.

The new Conservative and Liberal-Unionist government under Lord Salisbury led to many changes in the imperial structure of governance. Most importantly, Joseph Chamberlain, until then closely linked to Rhodes' economic initiatives via his position as President of the Board of Trade, opted to take the Colonial Office, as he was a great believer in the future of British imperialism and economic potential of the British Empire overseas²²⁵. With Chamberlain at the helm of the Colonial Office and Rhodes's Chartered Company representing just to what extent the Empire was willing to go to facilitate financial backing for British imperialism, the two 'gentlemen' began to dominate domestic and international public affairs, symbolising Britain's close cooperation on public and private imperial affairs. On 9 February 1896, the New York Times even noted that "means have been found to strike a balance between the exigencies of Chamberlain's political career and the colossal political, financial and

²²⁰ Welsh, Frank. *A History of South Africa* (2000: p. 313)

²²¹ Modern day Northern Zimbabwe

²²² Modern day Western Zimbabwe

²²³ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 323)

²²⁴ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 323)

²²⁵ Welsh, Frank. *A History of South Africa* (2000: p. 314)

social influences that the [Rhodes'] Chartered Company in its defence"²²⁶. The means that the article was referring to was that "Kruger and his Boers [were] marked for the sacrifice" to satisfy the political and financial ambitions of Chamberlain and Kruger²²⁷.

The coincidence of Mr. Chamberlain's long and elaborate official statement appearing at the same hour as the news of Rhodes's swift return helps to answer the question. Means have been found to strike a balance between the exigencies of Chamberlain's political career and the colossal political, financial, and social influences that the Chartered Company is able to command in its defense. A compromise has been arranged, and, apparently, the scheme adopted is big enough to afford ample elbow room for both Rhodes's and Chamberlain's ambitions. When two such predatory geni combine to work together, it may be assumed that some third party is to pay the bill. In this instance it scarcely needs a prophetic eye to discern the probability that Kruger and his Boers are marked for the sacrifice.

(Excerpt of New York Times article from 9 February 1896. *Britain and the Boers. Chamberlain and Rhodes agree, and Kruger is their victim.*)

As Lenin, ever so critical of Chamberlain summarised, Chamberlain preached of imperialism as the true and wise application of the political economy, stressing the importance of competition that Britain had to face from Germany, the USA and Belgium²²⁸. Chamberlain considered the rise of the Transvaal as an economic power, producing a quarter of the world's gold supply to not only be a threat to British imperialism in Africa, but Britain's position as a global power²²⁹. The British administrative fears in the metropolitan capital needed to be calmed and the Transvaal needed to be aligned with Britain's greater African imperial policies.

²²⁶ Unknown London correspondent. New York Times: *Britain and the Boers. Chamberlain and Rhodes agree, and Kruger is their victim* (9 February, 1896)

²²⁷ Unknown London correspondent. New York Times: *Britain and the Boers. Chamberlain and Rhodes agree, and Kruger is their victim* (9 February, 1896)

²²⁸ Lenin, Wladimir. *Der Imperialismus als höchstes Stadium des Kapitalismus* (Ergänzte Übersetzung aus dem Russischen 1946: pp. 96-97)

²²⁹ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 366)

2.11 Kruger's fears and the Jameson Raid: *militarisation of the Rand*

President Kruger was well aware of the political developments in Britain and became increasingly fearful of British attempts to interfere with the political and economic future of the Transvaal. Kruger recognised that it was the tax revenue coming from the gold mines that was the basis for Transvaal's increasing economic prosperity²³⁰. Kruger, increasingly dependent on conservative Afrikaners and their disapproval of mining labour policies, needed to support the mining industry in a way that would appease the discontented Randlords and defuse the emotional Afrikaners²³¹.



Paul Kruger in 1898. Source: This day in South African history.
<http://www.sahistory.org.za/pages/chronology/thisday/1898-03-14.htm> Accessed on 8 May 2011.

By the end of 1895, Rhodes, fearing an escalation of Kruger's anti-British policies and his neglect of British citizens' interests in the Transvaal, began to actively plan the downfall of the republic²³². Rhodes saw his power in the Cape, the Matabeleland and Mashonaland as the key to putting pressure on Kruger. He soon

²³⁰ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 207)

²³¹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 207)

²³² Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 82)

began to rally his imperial contacts, with clear intentions of taking British power into the Transvaal.

In London, Chamberlain was careful to avoid any official links to Rhodes and his intentions in Southern Africa, but was well aware of the developments taking place and wanted to make the most of the imperial opportunity Rhodes had presented²³³. The British were conscious of Kruger's links to Germany and knew they needed to act quickly and efficiently in order to avoid any diplomatic and military threats Germany could pose. Rhodes, economically firmly established on the Rand with his Consolidated Goldfields, was convinced that a coup in the Transvaal would need to involve the Corner House by combining economic and political intentions for the Transvaal²³⁴. The Randlords, at that time still not entirely convinced by Rhodes's ambitions, were however united in their economic outlook, that with efficient government in the Transvaal, the cost of labour, explosives, coal, machinery and other strategic imports could be reduced by 15-20%²³⁵. With Chamberlain in London, Rhodes in Cape Town, Sir Leander Starr Jameson administrating the Matabeleland in Bulawayo and the British Randlords in Johannesburg, the scene was set for an imperial coup that was intended to replace the Afrikaner government with British administration that would cater to British imperial interests in Southern Africa and especially on the Rand.

The plan was to stage an *Uitlander* rebellion in Johannesburg, which would create the conditions for a British force to 'liberate' British nationals from the political and economic humiliation of the Afrikaners²³⁶. The planning and execution of the rebellion was to be carried out by Jameson, Rhodes's loyal business associate and administrator in Matabeleland, to the north of the Transvaal.

The whole rebellion and raid, that soon came to be known as the Jameson Raid, was a major political blunder for British colonial administration in Southern Africa. The *Uitlander* rebellion came on 29 December 1895, too late to have any significant impact on internal politics of the Transvaal. Afrikaner security forces quickly managed to round up and arrest the rebels. On the 2 January, the whole rebellion was broken up. Kruger was not prepared to have any political intrusion in

²³³ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 91)

²³⁴ Lang, John. *Bullion Johannesburg: Men, Mines and the Challenge of Conflict* (1986: p. 92)

²³⁵ Blainey, Geoffrey. *Lost causes of the Jameson Raid* (1965: p. 359)

²³⁶ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 207)

his Republic and would now send Britain and Europe a clear message about his grip on the Transvaal and its wealth.

Although there is still much historical speculation around the interest groups that had planned the Jameson Raid, the publication of economic historian Geoffrey Blainey's thesis in 1965 has in many respects sent historians of Southern Africa to consider the historiography of British engagement in Southern Africa at the end of the 19th century from two different schools²³⁷. Blainey's thesis states that the Jameson Raid was secretly supported by British Colonial Secretary, Joseph Chamberlain and mine owners, who had a significant stake in the capital-intensive deep level mines of the Rand²³⁸. The first school that had emerged in the wake of this thesis was that of historians emphasising the political motives of British imperialism, looking at political and institutional factors of government and its administration. The second school follows the Hobson-Lenin tradition of investigating the structural context of Britain's financial hegemony and the dominance of the international monetary market looking to secure a stable economic environment on the Rand²³⁹. Blainey's thesis definitely links to the Hobson-Lenin theoretical approach of linking capital to the greater imperialist expansion and stays away from political theorising of leadership in the metropolitan capital and often conflicting colonial policies in the colonial territories. Although both academic schools present us with very different historiographical approaches, it is still academically consistent to state that the way the Raid was executed had an enormous impact on polarising British and Afrikaner interests in Southern Africa, giving all Europeans and neo-Europeans in Southern Africa clear signs of an up-and-coming war.

2.12 Gold: *paving the road to the War*

As argued by Blainey, the major shift from outcrop mining to deep mining on the Rand changed the relationship between the Transvaal state and capital, social relations and technological innovation of the gold industry, capital accumulation and the

²³⁷ Katz, Elaine. *Outcrop and deep level mining in South Africa before the Anglo-Boer War: re-examining the Blainey thesis* (1995: p.304)

²³⁸ Blainey, Geoffrey. *Lost causes of the Jameson Raid* (1965: p. 352)

²³⁹ Katz, Elaine. *Outcrop and deep level mining in South Africa before the Anglo-Boer War: re-examining the Blainey thesis* (1995: p. 304)

transformation of Rand capitalism²⁴⁰. The sensitive coexistence of these factors could not exist side by side with British imperialist policies that manifested themselves in the execution and aftermath of the Jameson Raid, creating a state of fear and apprehension to what could 'loom' around the corner.

For the British, the consequences of the Raid were diplomatically inconvenient and embarrassing. If things could not get any worse, besides the Raid and the disorganised proceedings around the legal trials of the perpetrators, the massive loss of cattle through the rinderpest and the anti-British rebellion in Rhodesia, produced a very dismal state of affairs for British interests in the Transvaal²⁴¹. For many African leaders, the rinderpest was not just a 'white man's disease' but a socio-political transformation that together with the Raid, meant a gradual end to some of the last administrative freedoms some African communities had. African leaders in the Transvaal, Rhodesia and Basutoland were fed up with the Anglo-Boer rift, and the loss of thousands of cattle was attributed to white skirmishes on the Rand.

The ever-confident Rhodes tried to shake off his involvement in the plot, but soon had to resign as Prime Minister of the Cape and never really managed to recover his political power and influence²⁴². The colonial phenomenon, a man who was adored and idealised by European colonialists, did not achieve the deeds the propaganda machines of the mother countries in Europe had foreseen²⁴³. Rhodes had lost his touch in Africa and the British needed new partners in Southern African imperialism.

Amidst clear suspicions of a possible renewal of conflict with the British, the Transvaal reaffirmed its defensive alliance with the Orange Free State²⁴⁴. Although the relationship between the Transvaal and the Orange Free State had been divided on a number of diplomatic issues concerning economic unions with the British, the two Boer republics were united against any external threat to their independence and signed a new military treaty in 1897, committing the republics to mutual military support.²⁴⁵ Unity and the tradition of independence from the British would soon once

²⁴⁰ Katz, Elaine. *Outcrop and deep level mining in South Africa before the Anglo-Boer War: re-examining the Blainey thesis* (1995: p. 305)

²⁴¹ Fitzpatrick, James Percy. *The Transvaal from within* (1899: p. 294)

²⁴² Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 207)

²⁴³ Davidson, Appolon. *Cecil Rhodes and his time* (English Translation by Christopher English. 1988: pp. 394-395)

²⁴⁴ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 208)

²⁴⁵ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 208)

again test Afrikanerdom at its ideological core. The Boers knew their sole existence would be threatened, and the future of the Afrikaners depended on unity of the two Boer republics.

By the end of 1897, the year of Queen Victoria's Diamond Jubilee, Britain reigned supreme over the largest empire in world history²⁴⁶. Britain had led the imperial territorial expansion during the European partition of Africa that became known as the 'Scramble for Africa'²⁴⁷ and South Africa was not left out of the imperial equation. Chamberlain could not be slowed down in his imperial and personal objectives for Southern Africa. Quickly turning his back away from Rhodes, Chamberlain continued exerting diplomatic pressure on Afrikaner power in Pretoria²⁴⁸. Under Chamberlain, the Colonial Office tried to use old and reliable partners in the City, such as the Rothschilds, to limit the Transvaal's access to British and indirectly, European capital²⁴⁹. The Rothschilds, who once made their mark in the Transvaal with a generous loan for the Delagoa railway connection, were now trying to divert capital away from Kruger. As influential the Rothschilds were in London and Paris, they could not stop capital coming from Britain's biggest imperial threat, Germany. The proof of that was exposed in the Transvaal raising a £2 million loan from Germany, which was used to support the Republic's defence and foreign policy²⁵⁰.

Capital was not the only help Kruger's government was able to gain from Germany. Having heard about the Raid, Kaiser Wilhelm sent Kruger a telegram congratulating him on his efforts against British imperialism and offered to send marines to Pretoria, an offer that was strongly rebuked by the Kaiser's grandmother, Queen Victoria²⁵¹. The Government helped Kruger to obtain the latest Maxim guns and much of the Essen company Krupp's latest weaponry²⁵². With the Transvaal now firmly influencing the European balance of power, the British quickly rallied France, Russia and the United States to recognise British hegemony in Southern Africa²⁵³. With European politics now divided by a neo-European occupational state, Britain

²⁴⁶ Ferguson, Niall. *Empire* (2002: p. 240)

²⁴⁷ Ferguson, Niall. *Empire* (2002: p. 240)

²⁴⁸ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 209)

²⁴⁹ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 325)

²⁵⁰ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 325)

²⁵¹ Welsh, Frank. *A History of South Africa* (2000: p. 319)

²⁵² Ferguson, Niall. *Empire* (2002: p. 272)

²⁵³ Welsh, Frank. *A History of South Africa* (2000: p. 319)

and the Transvaal would have to efficiently use all of their possible tactics to gain the upper hand in the colonial future of Southern Africa.

Kruger was well aware of the fact that the foreign-owned mines were and would remain a double-edged sword. On the one hand, he knew the Transvaal's future looked dismal without the growth in taxable revenue coming out of the mines (see table below). On the other hand, Kruger knew giving the Randlords too much economic and political freedom would invite further imperial provocations from the British.

Revenue and Expenditure of the South African Republic (1881-1899)

Fiscal Period		Revenue (£)	Expenditure (£)
Aug 1881	Dec 1881	37908	33442
Jan 1882	Dec 1882	177407	11446
Jan 1883	Dec 1883	143324	184344
Jan 1884	Mar 1884	44557	18922
April 1884	Mar 1885	161596	184820
April 1885	Mar 1886	177877	162709
April 1886	Dec 1886	196236	154636
Jan 1887	Dec 1887	637749	594834
Jan 1888	Dec 1888	884440	720492
Jan 1889	Dec 1889	1577445	1201135
Jan 1890	Dec 1890	1229061	1386461
Jan 1891	Dec 1891	967192	1350074
Jan 1892	Dec 1892	1255830	1187700
Jan 1893	Dec 1893	1702685	1302054
Jan 1894	Dec 1894	2247728	1734728
Jan 1895	Dec 1895	2923648	1948249
Jan 1896	Dec 1896	3912095	3732492
Jan 1897	Dec 1897	3956402	3898816
Jan 1898	Dec 1898	3329958	3476844
Jan 1899	Dec 1899	4087852	3951234

Source: (Revised by author for publication in July 1899) Fitzpatrick, James Percy. *The Transvaal from within* (1899: p. 71)

With much political tension in the air in the aftermath of the Raid, the Randlords, supported by the Chamber of Mines, took a bold decision to reduce African labourers' wages by 30% in April 1897²⁵⁴. Although, as shown before, the application of the wage cut was interpreted in many ways and implemented in even fewer, the Randlords sent Kruger the message that the financial future of the Transvaal would be determined by them.

²⁵⁴ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 197)

In November of 1898, Kruger's government thought it was once again time to show the Randlords Pretoria was not going to take any economic collusion lightly and imposed a 5 % tax on all mining profits without any warning or consultation with the Chamber of Mines. The Chamber reacted quickly by protesting to the Pretoria administrators and showing their discontent by publishing the severity of the economic controls from Kruger in local and European newspapers²⁵⁵.

The press was one of the most important political tools in the contest between the Randlords, the *Uitlanders* and Kruger²⁵⁶. Hobson had stressed that newspapers of the South African Press and the City exercised significant influence on imperialism by promoting the interests of the financial classes who were responsible for the majority of the press's profits, by way of business profits generated from advertising columns²⁵⁷. The fate of the *Uitlanders* and their discontent with the political and economic regulations of Kruger's government was made visible to the powerful financial circles of the London²⁵⁸, rallying support for a direct intervention from British administrators in Southern Africa. The British colonial administration in London would now become involved in a dilemma of British patriotism and republican runaways on the other side of the world.



Satirical drawing of Paul Kruger 'harassing' *Uitlanders*. Source: Unknown British newspaper. Second Anglo-Boer War. <http://www.theoldscholar.net/BoerWar/Prelude.html>. Accessed on 8 May 2011.

Alfred Milner, the South African high commissioner and Prime Minister of the Cape Colony since 1897, strongly disapproved of Afrikaner claims to republicanism

²⁵⁵ South African Chamber of Mines Annual Report for the year ending 1898 (1899: pp. 12-13)

²⁵⁶ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 199)

²⁵⁷ Hobson, John. *Imperialism: A Study* (1905: p. 54)

²⁵⁸ *The Transvaal Uitlanders' Grievances*. Evening Post (25 October 1897: p. 5)

and was wary of the rise of Afrikaner nationalism in the aftermath of the Jameson Raid²⁵⁹. Milner was very quick to sympathise with the mine owners and soon worked very closely with them, believing only a strong mining industry was the key to a new 'British South Africa'²⁶⁰. For the Randlords, Milner soon became the symbol of their future in the Boer Republics. Caught between local hostilities coming from Pretoria and pressures from the Imperial Government in London, the Rand capitalists put all their hope into Milner²⁶¹. Turning this case into an imperial campaign for civil liberty and political freedom, Milner began to put greater pressure on Kruger's government in Pretoria²⁶². This new relationship would elevate the political and economic worries of the *Uitlanders* to a major diplomatic rift between the South African Republic and the British Empire.

In 1898 the *Uitlanders* organised the South African League to unite themselves in their cause for more economic and political freedoms, with the core of its activities based on the campaign for British supremacy throughout Southern Africa²⁶³. Milner would use their grievances for a 'marketing campaign' against Kruger, over-emphasising the role of the League and its problems. Milner also hoped that with the Transvaal elections scheduled to take place later in 1898, those members who were entitled to vote, could swing the leadership of the Republic into the hands of more liberal Boer politicians, creating a political climate favourable to a British takeover²⁶⁴.

Within the Afrikaner community, Kruger was stronger than ever. For the Boers, Kruger had represented a powerful leader who was able to hold the Republic together after the imperial threat of the Jameson Raid was eliminated. Riding on this wave of local support, the regulations preventing the majority of the *Uitlanders* in taking part in the elections led Kruger to a landslide victory. With a very regulated right to vote, the electorate was very small, allowing Kruger to win with a total number of 12,858 votes²⁶⁵.

After Kruger had won the elections, the British had to adopt a far more risky approach. By this time, the British were convinced that intervention would be

²⁵⁹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 209)

²⁶⁰ Wheatcroft, Geoffrey. *The Randlords*. (1985: p. 198)

²⁶¹ Kubicek, Robert. *Economic Imperialism in Theory and Practice: The case of South African Gold-mining finance 1886-1914*. (1979: p. 14.)

²⁶² Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 209)

²⁶³ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 197)

²⁶⁴ Cain, Peter/Hopkins, Anthony (Eds.). *British Imperialism 1688-2000* (2002: p. 325)

²⁶⁵ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 197)

necessary to avoid the diplomatic failures of the past²⁶⁶. The need for respectful negotiation came not only from British colonial moderates, but also reformists in the Transvaal and Orange Free State who wanted to avert war at all costs²⁶⁷. The pragmatic situation would also test the colonial imperative in the relationship between Chamberlain and Milner. In March 1898, Chamberlain had stressed that peace in South Africa was of greatest importance to the development of the Empire in Southern Africa and urged Milner to follow a very careful and passive stance towards Kruger's policies in the Transvaal²⁶⁸. Chamberlain had never visited Africa²⁶⁹, leaving Milner to formulate many of his own approaches to managing the tension coming out of the Transvaal.

Milner would soon be presented with the opportunity to implement a direct approach. The shooting of Thomas Edgar in December of 1898 by a Transvaal policeman encouraged the pro-imperial South African League to take a new military stance to the fate of foreigners in the Transvaal²⁷⁰. By March of 1899, the League and the Chamber of Mines were firmly united in their cause to readdress specific problems arising out of the shooting incident and most importantly, a general change of attitude of the Transvaal administration towards the mine owners and *Uitlanders*²⁷¹. Chamberlain was confident of victory if any attack from the Boers came. Chamberlain went as far as taking a possible war far into all corners of the Empire by securing offers of military assistance from Canada, New Zealand, West Africa, the Malay States, Victoria, New South Wales and Queensland²⁷². With many diplomatic mishaps arising in the following months, it became a question of time before a military conflict would break out.

²⁶⁶ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 253)

²⁶⁷ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 209)

²⁶⁸ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 261)

²⁶⁹ Welsh, Frank. *A History of South Africa* (2000: p. 321)

²⁷⁰ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 57)

²⁷¹ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: pp. 57-59)

²⁷² Ferguson, Niall. *Empire* (2002: p. 272)



Patriotic headlines in New Zealand. Source: Evening Post. 29 September 1899: pg. 2

By the second half of 1899, British imperialist and Afrikaner republicans had come to a political stalemate, leaving Milner to conclude that only a military solution came into question for the British in South Africa²⁷³. During the course of the year, the British War Office managed to send 10,000 troops to protect strategic military and industrial positions in Natal²⁷⁴. The British had for a long time tolerated and respected many of the Afrikaner diplomatic attempts to avert conflict, but time began to run out for the Boers.

On 10 October 1899 President Kruger's and Orange Free State President Marthinus Steyn's ultimatum to London was officially rejected²⁷⁵. Determined to take the first move, the two Boer Republics declared war on Britain on 11 October 1899.

The outbreak of the war cast a long shadow on the history of South Africa, Africa and the British Empire. The economic, social and political impact the war would eventually have on all South Africans created the structural vacuum that would lead to a new socio-political momentum, creating the framework for the 20th century, which would polarise South African society to levels never experienced before.

In 1965 Geoffrey Blainey wrote that as fundamental as gold was in agglomerating the socio-economic factors for the war, the historiographical traditions with respect to the analysis of the financial motives of the Rand gold magnates has been brief and generalised²⁷⁶. As divided as liberals and Marxists have remained in methodological approach since both historiographical schools established themselves

²⁷³ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 209)

²⁷⁴ See *Preparing for a small war* in: Pakenham, Thomas. *The Boer War* (1979: pp. 82-99)

²⁷⁵ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: pp. 209-210)

²⁷⁶ Blainey, Geoffrey. *Lost causes of the Jameson Raid* (1965: p.352)

in South African academic institutions, both schools still find it plausible to state that the last thing Rand gold capitalists wanted was a war²⁷⁷. The liberal school saw the South African gold industry as part of a greater (expanding) British Empire, placing South Africa and the peripheral Boer republics within a grand narrative of British economic history. It was with this grand imperial vision that many liberal historians (including De Kiewiet) portrayed British economic policy towards South Africa as having many shortcomings and policy failures, but gave praise to high motives of a structured, liberal, institutionalised and well-administered greater South African economy²⁷⁸.

For Marxist historians, any sort of appeasement with colonial policy had no place in South African historiography. South African history needed to be traced to its roots and represented as a class struggle in a class-ridden society created by the unequal dimensions of international and South African capitalism²⁷⁹. Heavily influenced by British leftist such as Eric Hobsbawm, South African Marxists such as Legassick, Marks and Bozzoli went out to place gold within a polarising chain of events that displaced the supposed 'positive effects' imperial capital was intended to bring to the gold mines and the communities dependent on it.

As theoretically different historiographical schools have approached the role of gold in the South African economy and society, the relationship between capital, mining practices and diplomacy has in many ways gone beyond the social meso-level of discourse, leaving the mining communities integrated into a greater macro analysis of economic reasoning. It is with this in mind that I will break down the macro level into much smaller social units in section II of this investigation, linking the people behind gold, capital and the South African War to a far more decentralised social investigation.

2.13 Consolidating the argument: *African wealth and a European war*

The causality of the events that took place between the arrival of Milner in the Cape and the outbreak of war has become an issue of much controversy and debate for

²⁷⁷ see *The British Gold Imperative* in: Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: pp. 260-263)

²⁷⁸ Visser, Wessel. *Trends in South African Historiography and the Present State of Historical Research* (2004: p. 7)

²⁷⁹ Visser, Wessel. *Trends in South African Historiography and the Present State of Historical Research* (2004: p. 10)

scholars of African and Imperial history alike. The war that broke out in 1899, altering African and global history, was not only a war designed by the policies of Milner, Chamberlain or Kruger, or only a product of imperialists sympathetic to the economic needs of the Randlords, as many Marxist historians have claimed²⁸⁰.

Fundamental to the methodological value of the investigation, the importance of history and historiographical schools, with specific attention being paid to the debate between liberal and radical historians, addresses new approaches in dealing with South African economic history. Although the methodological divisions between liberals and radicals may not entirely show the structural differences at the theoretical core of the economic debate, they do isolate a number of fundamental academic approaches. As liberals addressed the notion of “segregated” history by rejecting racial discrimination as far back as in the 1920s, they did not entirely rise up to the challenge of studying the social stratification and economic marginalisation²⁸¹. For Marxist revisionists, the links between imperialism, colonialism and African submission governed their stance on studying the impact of the mineral revolution in Southern Africa.

The liberal and radical historiographical traditions that came to an epistemological clash in the late 1960s and early 1970s do not entirely represent the broad spectrum of historiographical approaches applied in the study of South African economic transition. For conservative counterfactual historians, in my example represented by Niall Ferguson, history was far more politicised than socio-economic historians may want to see. The Afrikaner states had to lose their independence at all costs, even if it meant war²⁸². For many imperial nostalgists, the war had to be fought to ensure democratic freedoms for the *Uitlanders* and that the gold mines of the Transvaal remained safe in the ownership of their capitalist owners²⁸³.

For more traditional Marxists, represented in the early-20th century by Hobson, the way capital linked to the demand for cheap labour and Kruger’s inability to provide administrative reforms to cater for cheaper labour was the tipping point of British efforts to begin the war²⁸⁴. From Hobson to Hobsbawm, the war had been

²⁸⁰ Welsh, Frank. *A History of South Africa* (2000: p. 321)

²⁸¹ Visser, Wessel. *Trends in South African Historiography and the Present State of Historical Research* (2004: p. 6)

²⁸² Ferguson, Niall. *Empire* (2002: p. 271)

²⁸³ Ferguson, Niall. *Empire* (2002: pp. 281-282)

²⁸⁴ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 60)

significant in outlining the economic roots of British empire-building in the development of capitalism²⁸⁵. If gold had linked South Africa to the dynamics of global capitalism at the end of the 19th century, then it was British capital that created the dependant financial relationship that was far too important for the Empire to leave in under the hospice of Kruger and his Boer republic.

As it has been argued in my thesis, political development in the Transvaal and Britain, were often in conflict with the financial needs of the capitalist system connecting London to the Rand and vice versa. The lethal mixture of labour exploitation, conflicting dependence on foreign capital, personal agendas of influential individuals, imperial policy and Afrikaner nationalism descended onto the gold fields of the Rand, changing the fate of Southern Africa and bringing about a tragic end to the British imperial century. Paid by British taxpayers, fought by soldiers from all over the Empire, but only benefitting a small financial elite, represented by figures such as Rhodes and Rothschild²⁸⁶, the war took the exploitation of African mineral wealth to a new financial and social low. Before war broke out, Kruger told an American journalist, the price of war Britain would need to pay to take the independence of the Boer states was far beyond anyone's imagination²⁸⁷. As many historiographical schools have debated and will carry on doing so, I follow Eric Hobsbawm in stating, "whatever the ideology, the motive for the (South African) war was gold"²⁸⁸.

²⁸⁵ Porter, Andrew. *The South African War and the Historians* (2000: pp. 636-637)

²⁸⁶ Ferguson, Niall. *Empire* (2002: p. 280)

²⁸⁷ Gilliom, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 210)

²⁸⁸ Hobsbawm, Eric. *The Age of Empire: 1875-1914* (1987: p. 66)

3. Social Factors

3.1 Johannesburg: “*Egoli, the city of gold*”

As influential as the economic development of the Rand may have been in establishing the South African Republic as a global economic player, later leading to the Republic’s demise as a consequence of British imperialism, the true impact of South African gold influencing the fate of the country and its people can best be studied through the social transformation the valuable commodity exerted on the Rand and its surroundings. Many studies have hypothesised the links between economic and social development, but never before in world history had a mineral discovery transformed a secluded, rural backwater and shaped a new country at such a rapid pace²⁸⁹. With the core of the transformation taking place in and around Johannesburg, the city would soon reflect the way South African society had changed and would carry on doing so.

With contradiction and speculation determining the initial years of the city’s development it quickly became a guessing game to determine the true origins of the name, Johannesburg, which was given to the city. Some have claimed that the name was a tribute to Stephanus Johannes Paulus Kruger, the birth name of President Kruger, but an additional two ‘Johannes’s’ laid similar claims²⁹⁰. Of all the names associated with the town at the time (mostly of Biblical or anti-Semitic origins), be it Joeys, Judasburg, Jewhannesburg or Joburg, the Zulu name of ‘*Egoli* (sometimes written as *Igoli*), the city of gold’, seems to best illustrate the foundations the city was based on²⁹¹.

Fathered by gold and mothered by money, Johannesburg’s impatient and demanding parents wanted to push their child into the world as soon as it could walk²⁹². The original tented camp attracted diggers, miners, labourers and entrepreneurs from all over Southern Africa and the world. By 1893 the community of 3,000 diggers that established their camp around the main reef in the early 1880s had

²⁸⁹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 200)

²⁹⁰ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 2)

²⁹¹ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 2)

²⁹² Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: p. 2)

grown to a town of 100,000 residents²⁹³. Out of the 100,000 just about a half were white, with only 6,000 being South African-born Afrikaners²⁹⁴.

The society was male dominated, with a ratio of only one woman for every 98 men²⁹⁵. With males and masculinity governing the social order of Johannesburg, the city quickly developed into a society where strength, opportunity and the constant quest for economic and political power regulated the inflow of new fortune-seekers.



A 1888 postcard showing the tented field along the main reef. Source: Unknown postcard. www.nazarethhousejohannesburg.org/pages/history-of-our-home.php. Accessed on 10 July 2011.

As in any frontier town, the beginnings were very difficult. After the initial discoveries of alluvial gold, tents and a few baked-brick houses with tin roofs were put up²⁹⁶. Located 55 km away from the Transvaal capital of Pretoria, Johannesburg had to be integrated into a greater Transvaal economic chain, where capital and produced goods, energy resources and building material could be supplied to the growing commercial centre. With no clear sign of the immense wealth of the Rand besides the many contradictory reports evident in the early 1880s, the city took on a slow development attracting mostly adventurers and rugged gold-seekers with little to lose. As described by one adventurer from the Cape Colony, Johannesburg was like a “Monte Carlo superimposed on Sodom and Gomorrah”²⁹⁷.

The dusty streets of Johannesburg were soon crowded with diggers, mine workers, businessmen, gamblers and prostitutes. During the first significant boom

²⁹³ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914*. New Babylon (1982: p. 2)

²⁹⁴ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 200)

²⁹⁵ Ross, Robert. *A Concise History of South Africa* (2008: p. 74)

²⁹⁶ Bryant, Margot. *Taking Stock: Johannesburg Stock Exchange: the first 100 years* (1987: p. 3)

²⁹⁷ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 2)

increasing numbers of prostitutes made their way to Johannesburg with the figures increasing further with the opening of the railway connection from Delagoa Bay. Initially the prostitutes came from the Cape and Natal, with the later influx coming out of Europe and New York City²⁹⁸. An 1895 survey counted 97 brothels of various nationalities (36 were French, 20 German, and 5 Russian²⁹⁹).

As dubious as many of these alternative economies were, there was a clear sign that the service industry would profit immensely from the discovery of gold. The combination of trade in sex and alcohol accompanied by the predominance of the male working population created a distinctive pattern of settlement close to the point of sale of these activities³⁰⁰. The activities of the informal economy created a pattern of settlement where many white miners would be settled in large boarding-houses close to the commercial areas, while many wealthier members from the expanding white population were able to move into small houses in the suburbs of Jeppe and Fordsburg³⁰¹, creating the basis for the urbanised South African white middle class.



Johannesburg city centre in the late 1890s. Source: South African History Online. <http://v1.sahistory.org.za/pages/places/villages/gauteng/johannesburg/index.php?id=12&page=0>. Accessed on 15 October 2011.

The new suburbia that quickly grew around the city created a new living structure that needed to be integrated into the already-implemented racial segregation.

²⁹⁸ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 293)

²⁹⁹ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 293)

³⁰⁰ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: p. 18)

³⁰¹ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: p. 18)

Johannesburg's geographic position high on the ridge created the impression of an island surrounded by two seas of people³⁰². The larger sea was that of the indigenous Africans made up of the Pedi, Sotho and Tswana (ethnic) groups who had lived on the upper plateau of the Transvaal for centuries before the Boers arrived³⁰³. The locations or 'townships' for the masses of African workers were situated to the north-west and east of the main reef³⁰⁴. The Chamber of Mines admitted that the townships presented a very unhealthy living condition, but still left plenty of room for the expansion of the city to the north of the reefs for the more 'respectable' (white) residents³⁰⁵.

For the thousands of African mine workers, the hard working life had very little sense of adventure and romanticism. The African migrants were settled in large compounds, which were designed not only to isolate the workers away from the greater commercial life the white mine workers were taking part in, but also to maximise control and enforce a rigorous and often humiliating living system. With the compound manager's office in the middle of the courtyard, lock-up dormitories, a 3.5-meter tall compound wall and only one entrance to the housing complex, housing was arranged around a system of forced discipline³⁰⁶. The movement of these labourers on the Rand and throughout the Transvaal was controlled and limited using the pass system, which allowed only those labourers in the possession of a valid pass to move freely in Johannesburg, and between the goldfields and the villages of their origin³⁰⁷.

For many workers, the sheer climatic and housing change from their villages would prove to have a high impact on their overall ability to work and live in Johannesburg. With Johannesburg being located 2000 metres above sea level, frost and occasional snow combined with the confined living conditions of the compounds led many African labourers to contract pneumonia and tuberculosis at very high rates compared to their white working colleagues³⁰⁸.

³⁰² Wheatcroft, Geoffrey. *The Randlords* (1985: p. 5)

³⁰³ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 5)

³⁰⁴ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 2)

³⁰⁵ South African Chamber of Mines Annual Report for the year ending 1890. (1891: p. 17)

³⁰⁶ Gilliomme, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 204)

³⁰⁷ see South African Chamber of Mines Annual Report for the year ending 1890. (1891: p. 72)

³⁰⁸ Ross, Robert. *A Concise History of South Africa* (2008: p. 73)



African workers in a compound. Circa 1890. Source: South African History Online (Apartheid Repressions Project).

<http://home.intekom.com/southafricanhistoryonline/pages/specialprojects/apartheid-repression/pass-laws.htm>. Accessed on 15 October 2011.

The history of industrialisation presents us with many examples of labour forces living in terrible conditions. Be it in Britain in the late 18th century, the United States in the 19th or in the Soviet Union throughout the 20th century, the sheer expansionary nature of industry held the standards of living for the workers to a bare minimum³⁰⁹, integrating their physical labour into the economic value chain and at the same time, marginalising their social evolution to the peripheries of the capitalist economy. What makes the compounds that constituted the basic living conditions for the gold revolution of Johannesburg a very specific case is that the worker's burden was magnified by a culture of racism and the physical burden of African workers working harder for minimal wages³¹⁰. The compounds were not only used to facilitate a culture of submission, but a strategic tool in limiting African urbanisation to the needs of the mining sector.

In order to service the expanding suburbia, plans for a suburban tramway were drawn up in the late 1880s. In September 1889 the *Johannesburg City and Suburban Tramway Co. Lt* was floated on the Johannesburg Stock Exchange³¹¹. Capital was

³⁰⁹ Feinstein, Charles. *The Economic History of South Africa* (2005: pp. 111-112)

³¹⁰ Feinstein, Charles. *The Economic History of South Africa* (2005: p. 112)

³¹¹ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: p. 9)

raised quickly³¹², with most of the shares being bought up by the usual suspects such as the Wernher, Beit and Co. partnership and N.M Rotschild & Sons of London. The suburban tramway opened its service in February 1891, at the peak of the financial recession, servicing a line of 4.75 miles between the suburb of Jeppe on the east Rand and Fordsburg in the west.³¹³ Although (due to the recession) the tramway opened at the worst time possible, its service encouraged urbanisation and a gradual settlement of the suburbs further away from the reef and its auxiliary commercial centre.

With the crisis over by the end of 1891, and confidence restored in the future of deep-level mining, huge amounts of capital began to descend on Johannesburg. Virtually overnight, mushrooming towns such as Johannesburg, Krugersdorp and Boksburg, were turned into the largest, wealthiest and fastest growing markets in sub-Saharan Africa³¹⁴. With large amounts of capital being unevenly distributed between the rich European, neo-Africans and the indigenous Africans, Johannesburg soon became the scene of a battle of conflicting class and racial interests in which the main winners and losers were drawn from Europe, the Transvaal and Mozambique³¹⁵. Although this class society presented Johannesburg with great economic and social differences, it was not a rigid cast society, and the city was a place to which men would come with no questions asked, regardless of their background³¹⁶.

As rough and rugged of an image the city had created, order was well maintained by the South African Republic Police force. One British reporter visiting the city in November 1895³¹⁷, even went out to state that Johannesburg presented the visitor with an orderly society with ordinary (white) miners, business employees and clerks enjoying high wages, giving them no reasons for unrest or revolt against Kruger's government officials³¹⁸.

The way the development of Johannesburg was polarised by the impact of gold created the social impetus for the turbulent future of South Africa. Gold's role as a social catalyst of transformation was not only evident in the urban development of

³¹² South African Chamber of Mines Annual Report for the year ending 1890. (1891: pp. 27-28)

³¹³ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: p. 47)

³¹⁴ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: p. 47)

³¹⁵ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: p. 47)

³¹⁶ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 4)

³¹⁷ This statement does support the lack of interest and support in the Jameson Revolt that would break out just a month later.

³¹⁸ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 318)

the city and its surroundings, but also in the greater social context of Southern Africa. With economic, political and racial divisions creating a complex class system, the multi-layered South African society of the late 19th century will be studied further through its links and relationship to gold.

3.2 The Rand: *transforming African society*

When linking the exploitation of labour to European capital in orthodox Marxist tradition, the fate of African workers in Southern Africa accurately illustrates how European-led economic incursions into the Transvaal goldfields would change the political and economic freedom of existence for millions of indigenous Africans. The process of colonializing Southern African states was continuous from the late 1830s, but took on rapid acceleration in the 1870s³¹⁹. As Europeans colonialists were not always necessarily ready to demonstrate the use of force and violence to subdue Africans and quickly turn them into European subjects, new alternative methods of colonial expansions, such as infiltration, propaganda, bribery and corruption, were applied³²⁰. European traders, farmers and administrators spread the need for paper money by encouraging individual consumption, trade and created indebtedness through the spread of loans, thereby undermining traditional economic patterns³²¹.

As discussed by Belinda Bozzoli, the main difficulty that arises with most studies of paid African labour in Southern Africa at the end of the 19th century is that African workers do not necessarily constitute a working class, but rather a class in the “process of formation”³²². The notion of a capitalist system that is still not fully formed leads the study into the characterisation of the classes that interact during the formation of a capitalist system³²³. This concept is further complicated by the dynamics of migrant labour and their constant coming and going to and from Johannesburg, the capitalist core of the developing gold mining sector. Bozzoli stresses further that the difficulty with classifying classes within a mature capitalist society must be acknowledged before attempting to conceptualise Marxist criteria for

³¹⁹ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948* (1992: p. 74)

³²⁰ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948* (1992: p. 74)

³²¹ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948* (1992: p. 74)

³²² Bozzoli, Belinda (Ed.). *Town and Countyside in the Transvaal* (1983: p. 40)

³²³ Bozzoli, Belinda (Ed.). *Town and Countyside in the Transvaal* (1983: p. 40)

a developing class of African workers who are still new to the materialism brought about by the 'new capitalist system'³²⁴.

Many Marxist historians have shown (Shula Marks, Belinda Bozzoli and Alan Jeeves) that Afrikaner and British economic policy toward the Africans would enforce critical long-term social consequences. As noted by Paul Rich, the notion of possessory segregation and the subsequent geographical distribution of population groups based on racial and ethnic lines, the urbanisation of the Rand based on white economic needs and an allocation system which ensured a cheap supply of African labour for mining (as well as agriculture and later the manufacturing industry) were all formulated as part of social engineering, gearing Europeans for greater economic and social expansion into Southern Africa³²⁵.

Although these incursions on traditional economic, political and religious values were not taken lightly, Africans were structurally and technologically limited in their resistance. Europeans acted ruthlessly in dividing up Southern African states into complex political units, forcing them to pledge their allegiance to the Empire or after the Great Trek, to the Afrikaners in the east. As stated by Frantz Fanon, this force of submission by white colonialists led Africans to an immediate confrontation with the colonial order of things, bringing about a permanent state of tension³²⁶. A number of campaigns, some more successful than others, were led by African societies to put pressure on European infringements. In the end, during the most successful of all resistance campaigns, during the Anglo-Zulu War in 1879, European brutality shown in the killing of prisoners, extensive burning of villages and slaughter of cattle, destroyed the economic basis on which indigenous Southern African society operated on³²⁷.

In the Transvaal, extensive networks of African trade were still existent in the 1870s. The Tswana people (made up of the Kwena, Ngwaketse and the Ngweto) in the north, the North Sotho (made up of the Venda and Tsonga) in the north and the Pedi in the east, traded in hunt products such as ivory, hides and ostrich feathers³²⁸. Agricultural products such as maize and meat allowed them to engage in the diamond

³²⁴ Bozzoli, Belinda (Ed.). *Town and Countyside in the Transvaal* (1983: p. 40)

³²⁵ Rich, Paul. *Milnerism and a Ripping Yarn*. In: Bozzoli, Belinda (Ed.). *Town and Countryside in the Transvaal* (1983: pp. 413-414)

³²⁶ Fanon, Frantz. *The Wretched of the Earth* (1963: p. 52)

³²⁷ Osterhammel, Jürgen. *Die Verwandlung der Welt* (2009: pp. 700-701)

³²⁸ Bundy, Collin. *The Rise and Fall of African Peasantry* (1979: pp. 200-201)

trade, supplying the markets of Kimberley and Natal with their produce³²⁹. By 1878, the African population of the Transvaal numbered 250 000 peasant farmers using family labour and local knowledge to much greater efficiency compared to their rural Afrikaner competitors, who were mainly stock farmers³³⁰.

As growing markets in the Cape, Natal and Kimberley encouraged surplus production, the shift to more efficient farming methods added to the gradual decline of traditional African agriculture. Many Africans from the Transvaal had also made their way to the diamond mines of Kimberley as wage labourers, bringing back modest sums of capital and most importantly, weapons back to their villages. The brief period of economic confidence was however short-lived and in 1879, the British led military campaigns in occupied-Transvaal conquered the Tswana, Sotho and Tsonga territories, setting African societies on a forced course away from agriculture and towards proletarianisation³³¹.

The discoveries of gold on the Rand were soon to add to the complex nature of African labour migration patterns. The first wave of surface mining in the mid-1880s had assigned small groups of African labourers, living on the outskirts of the new reefs, to minimum-paying jobs of unskilled assistance in digging and washing out of gold-bearing gravel³³². As the mines went underground, the sheer labour-intensive nature of the Rand ore put pressure on industrial developments. The economic pressure from the white workers at the mines added to the incentive of developing new labour policies on the Rand. The solution to the woes created by the white miners was found in the development of a production process, which exploited the growing supply of cheap unskilled labour whilst limiting the extent of white employment to production sectors with the greatest geological difficulties³³³.

The first humble sums of capital that made their way back to the villages of the Transvaal were invested in the purchase of land. After 1886 the Boers of the Transvaal were far more willing to sell off their land to Africans as they could get a

³²⁹ Bundy, Collin. *The Rise and Fall of African Peasantry* (1979: p. 201)

³³⁰ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 204)

³³¹ Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: pp. 22-23)

³³² Richardson, Peter /Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Ed.). *Industrialisation and social change in South Africa* (1982: pp. 77-78)

³³³ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Ed.). *Industrialisation and social change in South Africa* (1982: p. 81)

much better price for it than from poor Europeans looking to settle down in the rural parts of the South African Republic³³⁴. As the forms of residence varied significantly with respect to the land on offer, where Africans were allocated to reserves they remained active in a mostly subsistent agricultural system, adjusting their production to meet demands for the variable tax system³³⁵. Although the sheer contractual complexity of land ownership by Africans was in many cases concealed by white middlemen, it was estimated that as much as a quarter of a million acres of land could have been privately owned by Africans in the Transvaal before the outbreak of the South African War³³⁶. Parallel to this private development, most Africans in the South African Republic came under the control of wealthy European landowners and many mines investing their profits in cheap and abundant land, as offered for sale by the government in Pretoria. This was a vital development in the future of Africans as over a half of all indigenous inhabitants of the Transvaal found themselves living on white-owned private land by mid-1895³³⁷. These Africans were now forced to pay rent by working on the land or selling their own produce in order to live in their own ancestral homeland, resulting in a complex feudal system that only a small number of Africans was able to escape³³⁸.

From the fourth quarter of the nineteenth century onwards, the British and the Boers had assumed that once they had conquered a territory they had the means to determine African behaviour³³⁹. A large body of legislature drawn up to support the economic cause of the mines, thereby economically alienating thousands of Africans from traditional sources of income, would soon change the way African society took control of its economic and social structure. The main question of a labour supply to the mines of the Rand was actively raised in 1890, when the Randlords became determined to learn from policy failures of Kimberley and apply efficient solutions to the, at the time, geographical limitations that deep-level mining was beginning to present. Many influential members of the Chamber of Mines began to show anger over the unpredictable supply of labour coming out of Natal and the Cape Colony. During the course of the same year 85 Rand mines, employing a total of 10 265

³³⁴ Bundy, Collin. *The Rise and Fall of African Peasantry* (1979: p. 204)

³³⁵ Allen, Victor. *The History of Black Mineworkers in South Africa*. Vol: 1 1871-1948 (1992: p. 81)

³³⁶ Bundy, Collin. *The Rise and Fall of African Peasantry* (1979: pp. 204-205)

³³⁷ Bundy, Collin. *The Rise and Fall of African Peasantry* (1979: p. 205)

³³⁸ See *Ruin of Peasant Agriculture*. In: Allen, Victor. *The History of Black Mineworkers in South Africa*. Vol:1 1871-1948 (1992: pp. 79-90)

³³⁹ Allen, Victor. *The History of Black Mineworkers in South Africa*. Vol: 1 1871-1948 (1992: p. 79)

African workers, forwarded a collective plea to the Chamber to organise a supply of an additional 2 000 African workers³⁴⁰.

3.3 African workers go underground: *deep-level revolution and the demand for labour*

Although the Transvaal had a large African population, there were very few Africans living on or near the Rand³⁴¹. Before the deep-level revolution, African labourers would come to Johannesburg as casual labourers for a few months, earning just enough money to buy a few cattle before returning home. After the mines went underground a whole new scheme of labour and wages needed to be implemented. The Chamber of Mines needed to actively recruit large numbers of labourers to appease its impatient members.

It became clear by 1893 that the Chamber of Mines had to concentrate on trying to secure a consistent and regulated supply of labour to the mines³⁴². The search was taken beyond the borders of the Transvaal and the British colonies of Natal and the Cape and into territories of other European imperial powers. In 1894, the Native Labour Department even developed a strategy to invite labour from Portuguese West Africa, the Congo Free State and Cameroon³⁴³. With racial rumours and prejudice such as “the natives of Zululand, Basutoland, Swaziland and Natal are fine workers, but can seldom be persuaded to go underground, while the Bechuanas and Cape Kaffirs (sic!) are capricious, and form a very small proportion of the supply”³⁴⁴ prominent in the Randlord-circles, sources of labour from beyond the Afrikaner Republics and British territories were encouraged. As the table below displays, the majority of the mineworkers recruited from ‘abroad’ came from Portuguese Mozambique. This policy came by way of the 1896 Agreement that the Chamber had signed with the Portuguese administration in Mozambique in September³⁴⁵. Large-scale recruitment was made possible by the completion of the Lourenco Marques railway to the Rand in 1895³⁴⁶.

³⁴⁰ South African Chamber of Mines Annual Report for the year ending 1890 (1891: p. 61)

³⁴¹ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 129)

³⁴² Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948* (1992: p. 154)

³⁴³ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948* (1992: p. 154)

³⁴⁴ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 232)

³⁴⁵ South African Chamber of Mines Annual Report for the year ending 1896. (1897: p. 5)

³⁴⁶ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948* (1992: p. 154)

**Native Labour Association's statistics about the origin of the recruited workers
November 1896 - December 1898.**

Mozambique	32 271
North Transvaal	12 535
Zulu and Swaziland	511
Basutoland and Cape Colony	5 963
Bechuanaland and Marico	2 068
Rhodesia	263
	53 611

Source: Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 232)

It was also no coincidence that the major drive for a new supply of labour for the Rand had begun in 1896, a time where the Randlords' and Afrikaner republicans' economic goals were diverging. The Chamber of Mines was very vocal in reporting a significant shortage of labour³⁴⁷, while at the same time the Transvaal-sympathetic South African Mining Journal was convinced that there was a surplus of African labour on the Rand³⁴⁸. What made this time so favourable for the Chamber in its recruiting drive was the already-mentioned major rinderpest that peaked between 1896 and 1897, spreading through much of eastern Southern Africa, killing 90% of the cattle and extending the zone of the deadly tsetse-fly infestation into the populated valleys of the Limpopo valley in the northern parts of the Transvaal³⁴⁹. The rinderpest had in many ways crippled the basic economic foundations on which many Southern African societies were based on. With no cattle to be had as part of the deeply rooted tradition of the exchange of cattle for women through the bridewealth system³⁵⁰, African men became economically vulnerable and were easily persuaded to join the wage-pay of the Rand.

This economic transition amongst the breadwinners began, in many ways, the agricultural degeneration of rural societies in the Transvaal³⁵¹. The rinderpest led to re-adjustment and re-alignment in the labour market, which in return manifested itself

³⁴⁷ See Native Labour in South African Chamber of Mines Annual Report for the year ending 1896. (1897: pp. 4-6)

³⁴⁸ Katz, Elaine. *Outcrop and deep level mining in South Africa before the Anglo-Boer War: re-examining the Blainey thesis* (1995: p. 318)

³⁴⁹ Ross, Robert. *A Concise History of South Africa* (2008: p. 73)

³⁵⁰ Ross, Robert. *A Concise History of South Africa* (2008: p. 73)

³⁵¹ Bundy, Collin. *The Rise and Fall of African Peasantry* (1979: p. 188)

in an increasing degree of ethnic specialisation on the Rand³⁵². This was most evident in the more 'proletarianised' communities from southern Mozambique³⁵³, which already had experience in various forms of wage labour implemented by the Portuguese administration. The more dependent the community was on cattle, the more vulnerable the men were to economic migration to the Rand³⁵⁴. Men from the Zululand and the Transkai became heavily dependent on wage-labour to provide for their communities and adjust to the new economic trends that were being led by the commercial framework of the Rand.

As investigated in the economics section of my thesis, recruitment of labour involved a highly illicit scheme of touts, brokers and mining 'officials' who used many tricks and scams to entice African men to the mines. Even though the political engagement of the Afrikaner government in the recruitment may have been passive, Pretoria was well aware of the many agreements the Chamber of Mines had made with various chiefs and administrators in the South African Republic and abroad.

The Transvaal government wanted to encourage the movement of migrants into the South African Republic, but the Boers, controlling vast territories, were anything but satisfied with the movement of migrants en route to the mines³⁵⁵. With the expanding rail network of the mid-1890s still not being able to service most rural areas, many migrants who could afford the train fare had to make their way to stations, which were often hundreds of kilometres away from their villages. Others, with no money for the train, would cover the journey into the South African Republic and further to Johannesburg, by foot. The migrants would travel in large groups to protect themselves against attacks from wild animals such as lions, leopards, elephants and rhinoceroses³⁵⁶.

Once at the mines, the workers were integrated into a complex rotation system, preventing them from perfecting enough skills in one production process and thereby demanding higher wages³⁵⁷. They were told just enough to function underground, given no opportunities to form trade unions and were prevented from

³⁵² Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon I and New Nineveh II* (1982: pp. 7-8)

³⁵³ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: pp. 7-8)

³⁵⁴ Ross, Robert. *A Concise History of South Africa* (2008: p. 73)

³⁵⁵ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948*. (1992: p. 154)

³⁵⁶ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948* (1992: p. 149)

³⁵⁷ Gilliomme, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

fully understanding the economic structure of the mining industry³⁵⁸. This lack of information was strategically implemented to prevent any form of collusion between the labourers, leaving wages flexible, and in a position where the Randlords could push them further down if a need arose.



African workers entering a deep-level shaft. Late 1890s. Source: Mindat Directory.
<http://www.mindat.org/photo-158996.html>. Accessed on 10 July 2011.

The submissive system of intimidating labour practices was best reflected in the hostel barracks or ‘compounds’ to which migrants were assigned. The sheer structure and layout of the living quarters, with the compound manager placed in the centre of the building, was conditioned to maximise control and implement a system of fear³⁵⁹. With men being confined to minimum space and mobility, the only leisurely activities they had would take place in the compounds. African miners quickly learned about the ‘bad habits’ of their white co-miners and took their excessive consumption of alcohol and tobacco back to the compounds. As a result, African workers spent more of their money on intoxicating substances, saving less of their wages than their better-paid white colleagues³⁶⁰.

³⁵⁸ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

³⁵⁹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 204)

³⁶⁰ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: pp. 7-8)

Even in the first Chamber of Mines report for the year 1890, much was made of the excessive consumption of alcohol of the African workers on the Main Reef. It was stated that the sale of alcohol to Africans on the Rand had brought on a great loss and annoyance to the mining industry³⁶¹. As troublesome as the issue over alcohol remained for the productivity of the mines and the social degradation it led many African miners into, the class alliance fostered by powerful members of the Randlords and Kruger's government was largely ignored due to the high direct profits which alcohol and its taxation could yield³⁶².

As indifferent and ambiguous as Kruger's government was about the flows of African labour, from 1896 to the outbreak of the war, the main system of submission employed by the government to control labour on the Rand was that of the pass laws³⁶³. Although various alternative forms of a controlled movement of Africans were already implemented in Natal and the Cape Colony, the pass laws in the Transvaal would display just to what extent the political outcomes of the gold revolution would trickle down into African communities. The first pass laws were introduced to the Rand in the wake of the Jameson Raid and the mild recession the raid had brought about³⁶⁴. According to the Chamber "the main objective of the Pass Law was to establish a complete system of control over the natives at the mines, so that they could be traced from place to place from the date of their arrival on the gold fields to that of their departure"³⁶⁵.

It must here be made clear that there were two forms of passes in use in the Transvaal. Even before undertaking the journey to the Rand, Africans had to first acquire a pass from the district colonial officer or traditional chief or headman, which would then be exchanged for a travel pass at the local magistrate's office for the price of 1 shilling³⁶⁶. The travel pass was in many ways a product of the London Convention of 1884, which required that the South African Republic controlled the movement of all ethnic groups residing within its borders³⁶⁷. Although Kruger was

³⁶¹ South African Chamber of Mines Annual Report for the year ending 1890 (1891: p. 78)

³⁶² Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon* (1982: pp. 6-7)

³⁶³ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: p. 35)

³⁶⁴ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: p. 35)

³⁶⁵ South African Chamber of Mines Annual Report for the year ending 1898 (1899: p. 5)

³⁶⁶ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948* (1992: p. 149)

³⁶⁷ Gilliomme, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 202)

strongly against such direct control of all people in the South African Republic, he eventually strongly advocated the pass system to please his voters during his final electoral campaign of 1898.

The employment pass on the Rand was solely a product of the extensive lobbying by the Chamber of Mines. The mining pass laws attached themselves deeply into the psyches of urban African men, who were now being referred to (according to the pass) as boys³⁶⁸. The main function of the passes being to control the movement of labour between employers on the Rand, the pass also served as a statistical document, allowing the government to keep track of the amount of formally employed Africans, and as a record of profession, allowing a controlled specialisation of labour.



African mineworkers with a white supervisor. Late 1890s. Source: South African History Online. <http://www.v1.sahistory.org.za/pages/library-resources/onlinebooks/Luli/Gold-and-workers/Menu.htm>. Accessed on 11 July 2011.

Although the pass laws were directed at industrial workers, they also applied to many labourers working as servants in the suburbs³⁶⁹. Many Africans, especially the Zulu, were employed as house servants, cooks, gardeners and security guards, working in wealthy households of the white upper and middle classes. As these workers lived isolated from the cultural fusion that was taking place in the mining compounds, they lived a very different life style, often lonely and abused by their housemasters, who were not always proficient in adhering to the weekly pay-days.

³⁶⁸ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914*. New Nineveh II (1982: p. 36)

³⁶⁹ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914*. New Nineveh II (1982: pp. 7-8)

The way gold mining brought about wage-labour led many Africans to an even further loss of political and economic sovereignty³⁷⁰. The white-run capitalist system created a system that introduced Africans to a money-based commodity market, increasing their demand for consumer goods, with the negative purpose of financing Afrikaner republicanism and British imperialism³⁷¹. The rapid integration of Africans into the gold mining industry prevented many people from choosing where they lived, where they worked and on what their hard-earned money would be spent. As much as gold integrated Africans into the capitalist economy, the economic system brought about a gradual decline in African's social and cultural identity, leaving traditional values in conflict with the demands of the capital and labour intensive gold-based resource economy.

Even though there was a significant lack of original sources to be found in the Transvaal which could illustrate to what extent African worker consciousness was influenced by the gold mining revolution, the black elite of the Cape Colony was well aware of what social struggle Africans in the South African Republic were facing. The most significant member of this missionary-educated elite was John Tengo Jabavu, a late 19th century black intellectual, owner and editor of the eastern Cape newspaper *Imvo Zabatsundu*³⁷². Jabavu stressed that the new economic order was altering rural and tribal affairs while loyalty to the tribe remained the paramount political sentiment³⁷³. Although at times supportive of some British policies for Africans in Southern Africa, Jabavu concluded that the developments in the South African Republic had sown the seeds of a war of races that would dominate the future of Southern Africa³⁷⁴. With the benefit of historical hindsight one can say that Jabavu's political writing at the end of the 19th century accurately predicted the racial showdown that the social transformation had been developing. It would be very foolish to now deduce that gold and the development of the gold industry were the sole determinants in the future racial polarization. It is however anything but foolish to deduce that gold had in fact created an irreversible economic empowerment, changing the Africans position in the core (the Rand) and peripheral spheres (rural

³⁷⁰ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948* (1992: pp. 187-188)

³⁷¹ See *Migrant Labour System*. In: Allen, Victor. *The History of Black Mineworkers in South Africa. Vol: 1 1871-1948* (1992: pp. 186-190)

³⁷² Gilliom, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 208)

³⁷³ Walshe, Peter. *The Origins of African Political Consciousness in South Africa* (1969: p. 586)

³⁷⁴ Walshe, Peter. *African Political Consciousness in South Africa* (1969: p. 587)

economies) of economic participation, leaving Africans torn between rural tradition and false hopes of the white-governed exploitative labour system of the Rand.

3.4 The British citizens: *torn between Empire and golden hopes*

The main direct involvement of Britain and British subjects in the Transvaal gold had begun with the first annexation of the Transvaal by the British in 1877. Even before the main discoveries of 1886, it was British gold from the Empire that had been used to stabilise the Transvaal economy between 1877-1880³⁷⁵. As radical pro-British South African historian James Fitzpatrick had assessed before the outbreak of the South African War, the years of British occupation in the Transvaal had given the Boers plenty of economic benefits such as paying of debts, restoring credibility in trade and credit, and securing Transvaal territory with help of numerous military campaigns by British forces³⁷⁶. However after Kruger had restored Transvaal's independence from the Crown by the end of 1881, the future for British citizens in the Transvaal looked uncertain.

After the main gold discoveries of 1886, a clear economic and territorial interest had once again shifted in the direction of the Transvaal. In 1888, 44 mines were in operation, financed by mostly generous British investments, creating a nominal capital of £7 million with an output of £1 million³⁷⁷. It must however here be differentiated between the British capitalist and the British labourer. The former will be discussed in the *Randlord* section of this social investigation.

The technical difficulties of deep-level mining, the scale of investments it demanded and the initial absence of a skilled African labour force meant that the first stage of capital accumulation on the Rand would need an introduction of skilled immigrant workers to perform specific tasks of production and oversee production³⁷⁸. Many British, European, Australian and North American miners used this opportunity to take their sought-after skills to the rapidly-growing mines of the Rand. With the criteria for citizenship, in theory and practice, still very vague at the time, labour and

³⁷⁵ Fitzpatrick, James Percy. *The Transvaal from within* (1899: pp. 24-25)

³⁷⁶ Fitzpatrick, James Percy. *The Transvaal from within* (1899: pp. 24-25)

³⁷⁷ See Chapter 8: *the Story of Gold*. In: Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 200)

³⁷⁸ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: p. 81)

national identity became a problem on which many disputes of the 1890s would be based on.

The notion of British, British citizens and British subjects does bring up many irregularities and inconsistencies throughout many investigations on British imperialism on the Rand. As already addressed in my thesis, the Afrikaners used the term “English” as a very generic reference to most white non-Afrikaners who used English as their primary language in commerce and urban life. As described by John Hobson, it would have been a very difficult task to determine the true number of British (or ‘English’ to the Boers) in the Transvaal, as it was not clear if the British were united in race, language, or sympathy towards the British Empire³⁷⁹. When using such broad categories for nationality, (on the Rand) the British would certainly include many thousands of Dutch, European Jews, Germans and Americans³⁸⁰. When basing nationality on being a subject of the Empire, the list of British would have also included large numbers of Australians, Canadians, Irish, New Zealanders and Indians. It should therefore not come as a surprise that the number of British in the Transvaal by 1899 varies between 30 000³⁸¹, 70 000³⁸² and even 100 000³⁸³. As varied as these statistics may be, it is however very safe to conclude that the British made up the majority of European foreigners in the Transvaal.

White skilled labour, of which the British made up the significant majority, was divided into craftwork, which was done in the mines, but was not necessarily a specific part of the mining profession, and specialised work associated with metal-yielding mining in hard rock³⁸⁴. The first category of direct involvement was made up of professionals such as boilmakers, brass finishers, bricklayers, carpenters, electricians and machinists. The second category, made up of professionals with trades which were auxiliary to the metal-recovery process, consisted of amalgamators, assayers, engineers machine drillers, pumpmen and time-keepers³⁸⁵. With no real regulation of professional standards being employed by the government of the South

³⁷⁹ Hobson, John. *The War in South Africa: its causes and effects* (1900: pp. 244-245)

³⁸⁰ Hobson, John. *The War in South Africa: its causes and effects* (1900: pp. 244-245)

³⁸¹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 200)

³⁸² Fitzpatrick, James Percy. *The Transvaal from within* (1899: p. 219)

³⁸³ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 245)

³⁸⁴ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: pp. 82-83)

³⁸⁵ see section IV Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: pp. 82-85)

African Republic, the British population quickly became regarded as the only professionally trained workforce on the Rand.

With at least a quarter of the Transvaal's population being made up of British citizens by the early 1890s, the British population would play a critical role in the social transformation of the Rand. They were recruited from the coal mines of Cumberland and tin mines of Cornwall, with many shaft sinkers coming from Lancashire and artisans from industrial factories of England and Scotland³⁸⁶.

A significant number of men made their way to the Transvaal via the Cape, where many tried their luck in the diamond industry in Kimberley. Some were just ordinary British agricultural labourers who settled in the Cape after their service with the Royal Navy. Many of these British men were able to invest the little money they brought with them to the Rand in a gold plot on the outskirts of the main reef as privateers, or joined established mining corporations in great numbers.

The demographics also included many scrupulous moneymen, con artists and criminals³⁸⁷ who used the initial social disorder that was created by the gold discoveries to their financial advantage. By 1893 gold theft and the illicit trade had become such a problem for the Chamber of Mines that a plea was made to the Volksraad in Pretoria to establish a special detective task-force to combat the rapid increase in gold-related crime³⁸⁸.

In the early years of gold production on the Rand, the social composition of the labour force was made more interesting for the reason that Afrikaners, or even African-born Europeans, were virtually not involved in the mining industry³⁸⁹. This came about largely due to the Afrikaner's lack of expertise in the mining industry and limited their minor involvement in the mining industry to positions of overseers or foremen. The technological changes and rise in African labour after the new cost structure involved with underground mining had stabilised, limited their employment to a minimum.

The rapid rise in the amount of African labourers on the Rand after the deep-level revolution also came as a major threat to many British mineworkers. Many British mineworkers were well overqualified for basic manual labour in the mines, but

³⁸⁶ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 156)

³⁸⁷ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 200)

³⁸⁸ South African Chamber of Mines Annual Report for the year ending 1893 (1894: p. 9)

³⁸⁹ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: p. 81)

did expect to receive much higher wages for their skills. English-speaking artisans such as engineers, plumbers, carpenters, builders, drillers and supervisors often worked side-by-side with their African colleagues, demanding wages for skills their jobs in the mineshafts never required³⁹⁰. This development had created a sense of 'structural insecurity' for those without adequate skills who could be replaced by lower-paid black workers³⁹¹. In October of 1896 the Chamber of Mines even received an appeal from the Council of Education to enrol its uneducated young English-speaking mineworkers in courses such as chemistry, physics, and mathematics, given by lecturers from England³⁹². With rising costs of living, many British workers saw the prospects of a dismal economic future in the Transvaal with wary eyes and looked for support from the British-backed institutional network on the Rand.

However the Chamber did not differentiate its wage-reducing policies by race and it held the displacement of British miners into higher-paid employment as inefficient³⁹³. The white man saw his livelihood threatened by two enemies: the mining capitalist and the African worker³⁹⁴. The vulnerability of African workers on the Rand made it possible for British miners to collude against them as influencing the mining magnates was far too great of a challenge. This constant fear of a social decline for British miners led the industrial unions and institutions to push for job reservation and regulation that secured training and apprenticeship for whites only³⁹⁵.

With institutional support, British miners were able to maintain their status quo in the mines as the Native Labour Association gradually introduced the 'job colour-bar'. The first colour-bar was introduced to secure the demand of skilled white labour and was applied for the first time in 1893 when African workers were prevented from taking employment in the specialist field of blasting³⁹⁶.

As deep-level mines went in search of deeper reefs, the proportion of jobs under the surface for white workers decreased³⁹⁷. In 1897 84% of white miners were

³⁹⁰ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 203)

³⁹¹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 203)

³⁹² South African Chamber of Mines Annual Report for the year ending 1896 (1891: pp. 243-244)

³⁹³ Hobson, John. *The War in South Africa: its causes and effects* (1900: pp. 268-269)

³⁹⁴ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 251)

³⁹⁵ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 203)

³⁹⁶ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: p. 86)

³⁹⁷ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: p. 83)

involved in underground mining, with the proportion being reduced every year³⁹⁸. Later by 1907 only 45% of white workers were working underground. This period of labour transformation shortly before the South African War and straight after, created the basis for mass employment of African labour in the underground shafts and the subsequent polarisation of professional labour and the African workforce.

The typical British mine workers on the Rand had their interests backed by the imperial government, the South African League and the Chamber of Commerce. Although British labourers were not always supportive of the Chamber of Mines, which many saw as a British capitalist enclave with little interest for their personal well-being, looking to replace them with cheap African labour, there was strong support of the South African League up until the Jameson Raid³⁹⁹. The South African League (originally the Anglo-American League) was run by British men from the middle-class, looking out for the rights of British and other English-speaking workers on the Rand⁴⁰⁰, put under pressure from Kruger's government in Pretoria.

After the Jameson Raid, British miners' pleas took a turn for the better. As already discussed, Kruger's government in Pretoria was always very sceptical of the Randlords' demands for more stable and cheaper sources of labour. In 1896 Kruger did however recognise the significant importance of white miners as future voters of the Transvaal by introducing pass regulations for African workers on the Rand.⁴⁰¹ It was also in Kruger's interest to support British miners in an effort to prevent British militarism in Johannesburg, which became a problem with unemployed miners in 1897⁴⁰².

British workers were not solely employed in the mining industry. The rapid growth that Johannesburg experienced during the deep-level revolution of 1892 increased the demand for white servants as 'cooks-general' in the middle to upper income suburban homes, or as cooks and servants in hotels and large boarding-

³⁹⁸ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: pp. 83-85)

³⁹⁹ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 59)

⁴⁰⁰ Hobson, John. *The War in South Africa: its causes and effects*. (1900: pp. 201-203)

⁴⁰¹ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914*. *New Babylon*. (1982: p. 13)

⁴⁰² Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914*. *New Babylon*. (1982: p. 13)

houses⁴⁰³. The constant growth of Johannesburg and its white suburbia throughout the early 1890s had increased the demand for specialist house servants to the extent that the Witwatersrand Boarding-House Keepers' protection Association organised a campaign to import specialist house staff from London in 1897⁴⁰⁴. After 1897 the trend was reversed and British house staff lost their domination of Johannesburg's suburbia, giving way to cheaper, and by late 1897, experienced African workers.

As for the mine owners' economic grievances, the impact Kruger's policies had on the production costs of deep-level mines contributed greatly to the significant rift that had developed between mine owners, British labour and African workers. It is not clear if mine owners exaggerated their need for unskilled labour⁴⁰⁵. What is however clear is that British miners did feel intimidated by the social transition that was taking place due to the economic demands of deep-level mining. The significant wage reduction for African mine workers, as organised by the Chamber of Mines in January in 1897, considerably reduced working costs without an accompanying drop in labour supply⁴⁰⁶. Although faced with these economic challenges, British miners did not show the initiative that would politicise their collective discomfort with their fate on the Rand. Ordinary miners, business clerks and employees were all enjoying relatively high wages and did not want to see the Republic done away with⁴⁰⁷. There were no signs that British miners wanted to see a British flag hoisted in Johannesburg⁴⁰⁸, and British miners were left to themselves to seek their own solutions with the help of institutions such as the South African League.

The rise of job protection for British miners was governed by crude capital accumulation and racism that spread through South African white society⁴⁰⁹. At all professional levels of mining and suburban employment, African workers were seen as a threat to the economic and social security of white labourers. Although it must be said that the origin of wide-spread racism in South Africa that developed through much of South Africa's history and manifested itself constitutionally during Apartheid

⁴⁰³ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon*. (1982: p. 18)

⁴⁰⁴ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon*. (1982: p. 18)

⁴⁰⁵ Katz, Elaine. *Outcrop and deep level mining in South Africa before the Anglo-Boer War: re-examining the Blainey thesis* (1995: p. 318)

⁴⁰⁶ Katz, Elaine. *Outcrop and deep level mining in South Africa before the Anglo-Boer War: re-examining the Blainey thesis* (1995: p. 324)

⁴⁰⁷ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 318)

⁴⁰⁸ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 318)

⁴⁰⁹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 203)

cannot solely be based on economic principles of the mines, it is safe to conclude that the gold discoveries on the Rand galvanised white society to the extent that segregation became the first government-supported labour initiative which would only escalate after the South African War.

3.5 The Randlords and *Uitlanders*: capitalist visions and pragmatic politics

The new economic and social conditions that resulted from the mining capitalist revolution on the Rand went a long way to explain the dramatic shift in Britain's policy towards the South African Republic⁴¹⁰. From a political point of view, the economic prospects of the Rand put diplomatic pressure on the London Convention of 1884, which dictated "the continued assertion of suzerainty" between Britain and the South African Republic⁴¹¹. It was precisely during this period that the major discoveries of gold on the Rand raised many doubtful questions about the independence and sovereignty of the Transvaal by the Chamberlain administration. Under this state of affairs Kruger's administration quickly deduced that Transvaal's independence would be in constant danger⁴¹². Keeping this political threat in mind, the history of tense relations between Afrikaners and immigrant whites (of which British constituted the significant majority) added new divisions to be found as political consequences of the gold discoveries⁴¹³.

As stressed throughout my investigation, the critical factor in the wave of socio-economic unrest that followed the discovery of gold was largely brought about by Rand magnates in their attitude towards the economic development of the Transvaal, the South African Republic and Southern Africa. What drove this social and economic transformation was the Randlords' ability to cooperate and collude in areas of greatest significance to their personal goals. As there was no competition between the mining corporations for a market⁴¹⁴, the companies concentrated their collective action to cut costs at all corners.

⁴¹⁰ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 15)

⁴¹¹ Hobson, John. *The War in South Africa: its causes and effects*. (1900: p. 150)

⁴¹² Hobson, John. *The War in South Africa: its causes and effects*. (1900: pp. 150-152)

⁴¹³ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (1996: p. 55)

⁴¹⁴ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 201)

Many of the powerful diamond men from Kimberley had moved to Johannesburg by the 1890s⁴¹⁵, and were quickly united due to their former contacts and economic cooperation. The ability to unite common goals and strategies for their economic cause was the key to the Randlords' economic success on the Rand. With the powerful institutional support of the Chamber of Mines, the Rand capitalists had the institutional framework they needed to address all of their concerns over labour, commercial law and commercial security.

The Randlords were most certainly unique in their social class and ability to distance themselves from other white immigrants on the Rand. When it came to unity with broader objectives of the immigrant communities on the Rand, capitalists took little notice and were very poorly represented in political initiatives such as the Transvaal National Union that was launched in 1892⁴¹⁶. In the early 1890s, Randlords, convinced of their financial future after the capital explosion that came with deep-level mining, slowly began to join political movements and offer financial support to reformist and progressive Boer politicians⁴¹⁷, whom they saw as men with a firm belief in the success of mining as the economic future of the South African Republic.

The Randlords knew that their successful enterprises needed to find a political balance between their mines on the Rand, Kruger's government in Pretoria and the capital connections that were dictated by the City of London. Alfred Beit proved to be a prime example of how these three facets of Rand capitalism could be connected together. To spread his risks and maintain lucrative relationships with all three interest blocks, Beit engaged in a major international 'marketing campaign'. In Paris and London he was able to involve the capital services of the Rothschilds⁴¹⁸. In Johannesburg he managed to distribute shares to other Randlords and business allies, including the influential editor of the *Star* newspaper, Francis Dormer⁴¹⁹. In Pretoria, Beit was able to secure the loyalty of the Transvaal's state secretary, William Leyds, and the chief justice of the Transvaal High Court, John Kotze⁴²⁰. The ability to network between the political and financial centres, on a transcontinental basis, enabled many capitalists to limit and manage the threat of escalating British and South African diplomatic tension.

⁴¹⁵ Wheatcroft, Geoffrey. *The Randlords*. (1985: p. 138)

⁴¹⁶ Fitzpatrick, James Percy. *The Transvaal from within*. (1899: p. 118)

⁴¹⁷ Fitzpatrick, James Percy. *The Transvaal from within*. (1899: pp. 118-119)

⁴¹⁸ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 303)

⁴¹⁹ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: pp. 302-303)

⁴²⁰ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: pp. 302-303)

As not all Randlords were British, or were loyal to the British Empire and the imperial imperative in Africa, space was created for other capitalist-minded social groups to make their mark on the Rand. One of the wealthiest and influential social groups to make its mark on the Rand and the future development of South Africa was the Jewish community of Johannesburg. As noted by John Hobson, Englishmen such as Rhodes and his financial partner Rudd were eventually outsmarted by a small group of international financiers, with names such as Marks, Eckstein and Barnato, who were “chiefly German in origin and Jewish in race”⁴²¹.

The Jewish community of Johannesburg was unique amongst Jewish communities throughout the world as its members joined others to become the founders of a city⁴²². Before the discovery of diamonds in Kimberley, the Jewish community in South Africa was made up of around 4000 Jews, mostly of German and English origin⁴²³. The diamond and gold revolutions attracted many new arrivals, this time mostly from the German Empire, Eastern Europe and the Baltic. Although the official census of 1896 only recognised 6253 Jews in Johannesburg, the active population was most twice as large⁴²⁴.

Unlike Jewish immigrants in New York or London at the time, the Johannesburg community was able to avoid manual labour, being dictated by the racial order of the economy and the availability of unskilled African labour⁴²⁵. Jewish merchants soon formed the backbone of the new urban middleclass, establishing good contacts to rural Boers, and in the process, creating new economic chains that would feed the gold economy of Johannesburg with produce from the Transvaal’s peripheries.

Many of the Jewish entrepreneurs, present from the very beginning of industrial development on the Rand, rapidly established themselves as influential members of the emerging capitalist class⁴²⁶. Contrary to much of the anti-Semitic propaganda going around the Rand at the end of the 19th century, only a few Jews became Randlords. The wave of Jewish immigrants that arrived after the deep-level

⁴²¹ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 189)

⁴²² Kaplan, Mendel/Robertson Marian (Eds.). *Founders and Followers: Johannesburg Jewry 1887-1915* (1991: p. 17)

⁴²³ Kaplan, Mendel/Robertson Marian (Eds.). *Founders and Followers: Johannesburg Jewry 1887-1915* (1991: p. 118)

⁴²⁴ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 190)

⁴²⁵ Gilliom, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: pp. 276-277)

⁴²⁶ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon*. (1982: p. 73)

boom, found it very difficult to establish themselves without help from the Afrikaner ruling class and access to capital. For most of them this meant little or no connection to the powerful Randlords who made their fortunes using closed networks based on trust, political opportunism and loyalty to the Afrikaners or the British Empire. Jewish plot salesman were able to have a significant impact on the gold rush in 1886, but many without links to capital in Europe found the going tough after the deep-level revolution and without prospects of a stable formal employment, were forced into the ranks of many white *Lumpenproletariat*⁴²⁷, who established themselves in communities on the outskirts of Johannesburg with just about no ideological links to the class struggle that was taking place along the main reef. These economically and socially marginalised people, formed a whole new urban development based on illicit trade and economically insignificant services.

Capitalist Jewish links to Johannesburg made significant strides in helping to establish the Johannesburg Stock Exchange, with Jewish community members such as Carl Hanau, Edouard Lippert, Albert Levy and the Langermann brothers⁴²⁸. In May 1892, A.R. Goldring became the secretary of the Chamber of Mines⁴²⁹ and was quickly dispatched to Pretoria in September to secure underground rights for Chamber mines which were struggling to cope with the Gold Law which dictated the underground possession of reefs as set out by Kruger's government⁴³⁰.

The two most significant Jewish Randlords who used their contacts on the Johannesburg Stock Exchange to the best advantage were Barney Barnato and Sammy Marks. Barnato, a member of the Cape Parliament as of 1889, settled his business interests with the establishment of the Johannesburg Consolidated Investment Company⁴³¹. Barnato was able to link his political contacts in the Cape with his investment partners on the Rand, creating a chain of companies, dealing with commercial property and finance around the mines.

⁴²⁷ in my investigation conceptualized as social groups with no commercial access to the main capital-driven Rand economy, marginalized into the underground, often illicit, economy. Many of these poor Europeans found themselves in trades such as bar keeping, prostitution and repair services.

⁴²⁸ Kaplan, Mendel/Robertson Marian (Eds.). *Founders and Followers: Johannesburg Jewry 1887-1915* (1991: p. 36)

⁴²⁹ South African Chamber of Mines Annual Report for the year ending 1892 (1893: p. 16)

⁴³⁰ South African Chamber of Mines Annual Report for the year ending 1892 (1893: p. 7)

⁴³¹ Kaplan, Mendel/Robertson Marian (Eds.). *Founders and Followers: Johannesburg Jewry 1887-1915* (1991: p. 36)



Barney Barnato. Source: Mining Weekly. <http://www.miningweekly.com/article/the-foundations-of-the-great-barnato-2011-05-06>. Accessed on 11 July 2011.

What Barnato was able to do with the support of his contacts in the Cape, Sammy Marks was able to do in the Transvaal. As early as 1881, Marks had already visited Kruger in Pretoria, discussing the possibility of sizable investment in the newly independent Boer republic⁴³². Marks made his fortunes realising government contracts for the Transvaal. The first and most important of these was the liquor concession he purchased from Kruger's government, opening a large distillery that soon came to be known as the *Eerste Fabrieken* (Dutch: First Factory). Marks also went on to dominate the coal industry and advised Kruger on the railway projects to Delagoa Bay.

Marks was able to expand his business interests through his close relationship to Kruger of whom he had said to have "pleasant recollections of the Grand Old Man of the Transvaal with his keen, though bucolic, intellect, his frugal manner of living, his power of repartee and his sturdy character"⁴³³. This ability to dominate industries that came with the subsequent expansion of gold mining, established Jewish Randlords not only as capitalists, operating within networks between the City of

⁴³² Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: pp. 276-277)

⁴³³ Kaplan, Mendel/Robertson Marian (Eds.). *Founders and Followers: Johannesburg Jewry 1887-1915* (1991: p. 213)

London, Johannesburg and Pretoria, but as integral political pawns of the 1890s conflict, where their loyalty to the Empire or the Republic would be tested.



Sammy Marks's *Eerste Fabrieken*. Source: South African Coin Museum. http://www.sacoin.co.za/coin_topic8.html. Accessed on 11 July 2011.

Jewish or gentile, the capital revolution had galvanised the Randlords into an economically and politically superior social class. Convinced by their ability to change the economic fate and influence the political course of Southern Africa, the Randlord's ability to unite under a common identity was prevented by a number of issues that would determine the future of Southern Africa and the British Empire.

As determined as the Randlords were to expand and maintain their grip on the capital coming in and out of the mines and Johannesburg, their political stance was anything but homogenous. Throughout the 1870s and 1880s South African mining magnates were celebrated by capitalists for their economic foresight, but by the 1890s, they had become objects of widespread resentment and dislike in Britain and Europe⁴³⁴.

The main line of division was drawn up by the Randlord's mixed attitude towards the Transvaal's European immigrants, the *Uitlanders*. Ever since *Uitlanders* began to flood into the "City of Gold", Johannesburg bubbled with justified and unjustified resentments⁴³⁵. The mix of nationalities that *Uitlanders* were made up of made it difficult to establish their identity between the British Empire and the South

⁴³⁴ Wheatcroft, Geoffrey. *The Randlords*. (1985: p. 202)

⁴³⁵ Wheatcroft, Geoffrey. *The Randlords* (1985: p. 153)

African Republic. The *Uitlanders*⁴³⁶ were made up of a string of international communities consisting of Americans, French, German, Italian, Portuguese and the British, who made up the majority. This argumentation was often supported by the prejudice to be found amongst the British elite due to the belief in the ultimate importance of race in political conflict (with the British and Afrikaners seen as races) and the notion that the social conflict in South Africa was between the British and the Afrikaners⁴³⁷.

Kruger only tolerated the *Uitlanders* who flooded the South African Republic as he considered them indispensable, but never trusted them, being convinced of their intent on overthrowing the Republic by any means⁴³⁸. Kruger went out of his way to attempt to divide the *Uitlanders* and limit their homogenisation. The Pretoria government introduced a very conservative school curriculum with Dutch as the medium of instruction⁴³⁹. In 1892 Kruger's government stopped issuing grants to schools in which Dutch was not the medium of instruction⁴⁴⁰. The Republic's modern system of social grants to parents limited *Uitlander* families to a subsidy of only 2 shillings per child, while allocating a generous sum of £90 to Afrikaner children⁴⁴¹.

The education system was however at the side-lines of Kruger's main policy in limiting the *Uitlanders'* influence in the Republic. The Kruger government recognised that it was the tax revenue of the mines and their mostly foreign workers who were responsible for the wealth in the Republic⁴⁴². Fearing that economic superiority would quickly turn into a political threat, Kruger remained firm on excluding the *Uitlanders* from most civil rights, most importantly, the right to citizenship and the right to vote. For Kruger's government any extension of rights to the *Uitlanders* meant a proportionate loss of independence for the Afrikaners⁴⁴³. This fear of *Uitlander* influence can be illustrated by how the South African Republic granted citizenship to foreigners. Shortly after the Republic regained independence from the British in 1881 foreigners were eligible for citizenship after one year of

⁴³⁶ The *Uitlanders* in my analysis are discussed with a distance to the British. The collective identity and group dynamics of the *Uitlander* community display significant differences and can not be studied parallel to the British community on the Rand, as this section will display.

⁴³⁷ Ross, Robert. *A Concise History of South Africa* (2008: p. 77)

⁴³⁸ Gilliomee, Hermann. *The Afrikaners* (2003: pp. 236-237)

⁴³⁹ Gilliomee, Hermann. *The Afrikaners* (2003: p. 237)

⁴⁴⁰ Gilliomee, Hermann. *The Afrikaners* (2003: p. 237)

⁴⁴¹ South African History Online. www.sahistory.org.za/pages/hands-on-classroom/classroom/pages/projects/grade11/lesson1/uitlanders.htm

⁴⁴² Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 207)

⁴⁴³ Fitzpatrick, James Percy. *The Transvaal from within* (1899: p. 117)

residence. In 1882 the right to citizenship was given after 5 years of residence. By 1890, South African citizenship could only be obtained after 14 years of residence, meaning that many of the miners who came to the Transvaal during the boom of 1886 and renounced their old citizenships from their home countries, were left stateless⁴⁴⁴. With the increased importance of gold came a progressive limitation of foreigners' rights. What is even more striking is that this citizenship rule also applied to white men born in South Africa, namely the Orange Free State, Natal and the Cape Colony, of whom many were Afrikaners⁴⁴⁵. As effective these legal limitations were to be, by 1896 there were already probably more *Uitlander* voters than Transvaal Afrikaner voters, who still made up the significant majority of rural farmers.

Although the *Uitlanders'* discontent towards these policies was clearly advocated by institutions such as the Transvaal National Union and the Afrikaner-sympathising Reform Committee, it was not until the Volksraad in the session of 1895 revealed their explicit policy and fixed determination to effect no reform that men began to talk of the revolutionary measures becoming necessary⁴⁴⁶.

Much has been made of the social and economic polarisation amongst the mining community, but it is still difficult to assess whether the political status of the *Uitlanders* was in fact influenced by the gold factor. To formulate a clear link to gold on the Rand, one has to establish the *Uitlander's* position between the mining magnates and Kruger's government. The Johannesburg *Uitlander* interests, guided and provoked by the imperialist press in Britain, began to campaign against what the press depicted as ill-treatment and explicit discrimination against the *Uitlanders*⁴⁴⁷. Although not all *Uitlanders* were British, and included many radical anti-capitalist miners and artisans who despised the British Empire even more than Afrikaner dominance, the *Uitlander* movement was represented as a unified imperial cause⁴⁴⁸. As the *Uitlanders* were anything but united in their cause and quest for more rights and economic privileges, the press used this to its advantage, portraying them as the political pawns of the gold revolution.

The strategic use of South African and British newspapers has sometimes been overlooked as much more credible primary sources were made available to historians.

⁴⁴⁴ Welsh, Frank. *A History of South Africa*. (2000: p. 207)

⁴⁴⁵ Fitzpatrick, James Percy. *The Transvaal from within* (1899: pp. 117-120)

⁴⁴⁶ Fitzpatrick, James Percy. *The Transvaal from within* (1899: p. 119)

⁴⁴⁷ Gilliomee, Hermann /Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 207)

⁴⁴⁸ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 207)

As investigated by John Hobson, this episode in South African history presents a unique example of a large press, owned, controlled and operated by a small body of men with the goal of bringing about a conflict, which would play to their business interests⁴⁴⁹. The Cape Times, by the 1890s the most influential newspaper in Southern Africa, had half of its shares bought out by Rutherford Harris, a close business associate of Rhodes and director of the British South Africa Company⁴⁵⁰. The Argus Group, consisting of the Johannesburg Star, the Bulawayo Chronicle, the Rhodesia Herald and the African Review was quickly bought out by Rhodes's other famous associates, namely, Eckstein and Barnato⁴⁵¹. Having the press on his side, Rhodes was able to infiltrate the Southern African and imperial newspapers, sending out his call for the support of the imperial capitalist.

Rhodes knew very well all of the *Uitlanders'* concerns and grievances, but he knew even better the complaints of the mine owners⁴⁵². With Rhodes well ahead of his plans in the run-up to the Jameson Raid, not only was there much tension amongst the Randlords, but also the *Uitlanders*, represented by the Reform Committee and the Transvaal National Union, were not really sure what they wanted from a possible British takeover of the South African Republic⁴⁵³. We can only assume that in the immediate future, it was far more important for the *Uitlanders* to prevent the fall of their wages, as *Uitlander* discontent was primarily economic⁴⁵⁴. The unity on the wage front was at least a significant step in the real economic value of their labour, and not the highly publicised political row over citizenship in the South African republic.

The need of maintaining a united *Uitlander* front against the government had constrained the Rand capitalists from reducing wages in the mines and other forms of industrial-scale employment⁴⁵⁵. This wage debate was however secondary to the main Randlord initiative, which was meant to be facilitated by the Jameson Raid in late 1896 and to replace Kruger's government with leadership that was to be more receptive to the needs of British business on the Rand⁴⁵⁶. Although the *Uitlanders*

⁴⁴⁹ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 206)

⁴⁵⁰ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 207)

⁴⁵¹ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 207)

⁴⁵² Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 225)

⁴⁵³ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 227)

⁴⁵⁴ Welsh, Frank. *A History of South Africa* (2000: p. 307)

⁴⁵⁵ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 61)

⁴⁵⁶ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 207)

were to play a critical role in the Raid, their planned uprising was virtually non-existent. Jameson, who had been charged with organising and executing the Raid would later defend himself on the premise that his motivation was solely based on an alleged letter⁴⁵⁷ he received from the *Uitlander* community, outlining their dismal prospects in the South African Republic⁴⁵⁸.

With the complete failure and embarrassment of the Raid for the British, the *Uitlander* community took the major share of the repercussions. Although Kruger was not entirely convinced by the role of *Uitlanders* in the Raid and was therefore merciful in the treatment of offending *Uitlander* rebels and conspirators, immigrant political threats were to be curbed⁴⁵⁹. Faced with economic depression in the mining industry as well as growing discontent among the *Uitlanders* and the Afrikaners, Kruger seemed to be in a weak position to fight political resentment on all fronts⁴⁶⁰.

For the British administration, the Colonial Office, supporting the excessive use of *Uitlander* rhetoric, turned the *Uitlander* cause into a noisy British campaign for civil rights and political freedoms⁴⁶¹. As later predicted by Hobson, the way the British administration used the *Uitlanders* to inflate their problems and refine them in a way most suitable for the imperial cause, would at most be of the greatest benefit to the Randlords. Either way, the prospects of war would have been economically and politically unsustainable for both the Randlords and the *Uitlanders*. Either the *Uitlanders* would become the dominant party, in which case the Randlords would rule Johannesburg like Kimberley, controlling the votes by economic force, or if the Boer reformists were to remain numerous, taking their political message to non-British *Uitlanders*, the British would find themselves outvoted at the polls, and once again be subjected to the practical control of their enemies⁴⁶². Not hiding his anti-Semitic tendencies, Hobson was convinced that the future of the Rand would either be dictated by an oligarchy of financial Jews or a restored Boer domination⁴⁶³.

Although much of this discussion has been based on a Marxist framework of financial and social capital, it must be said that little of the sources used have truly

⁴⁵⁷ Fitzpatrick, James Percy. *The Transvaal from within* (1899: p. 124)

⁴⁵⁸ Welsh, Frank. *A History of South Africa* (2000: p. 317)

⁴⁵⁹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: pp. 208-209)

⁴⁶⁰ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 56)

⁴⁶¹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 209)

⁴⁶² Hobson, John. *The War in South Africa: its causes and effects* (1900: pp. 309-310)

⁴⁶³ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 310)

concentrated on the production of gold and the control thereof. This lack of a formalised discussion on gold production within Marxist discourse is no coincidence, but a product of many (often inaccurate claims) by the liberal school in the 1960s. A significant attempt to address the issue of gold production was undertaken by liberal (at times right-orientated) Australian historian Geoffrey Blainey. Blainey claimed that financial capitalism had been so broadly analysed and defined that the true nature and dynamics of ownership of the deep-level initiative have been largely ignored⁴⁶⁴. As much influence as Blainey had in Marxist historical circles, his views about the impact of Kruger's policies on the production costs of deep level mines were by no means as severe as he had claimed⁴⁶⁵. In the 1990s it also became evident that the mining costs of deep-level mining stood in a similar relation to the greater profits that were made, falsifying Blainey's claim on the disproportional nature of the costs associated with deep-level mining.

It is with this in mind that liberal and radical schools have often used many politically disputable empirical sources to engage in academic warfare. Not underestimating the lack of information I was able to produce on the means of production of deep-level mining, I have avoided laying any claims to deep-level mining and a possible correlation to greater costs for the Randlords. With the last 40 years of research being unable to produce more credible data on gold production in deep-level mining, there is an academic need to reinvestigate the dynamics of production and the real (economic and social) cost structure it involved. What however remains within the scope and methodological approach of past research by the two historiographical schools, is that the Randlords and the *Uitlanders* formed a formidable threat to the economic power and political influence as envisioned by Afrikaner nationalists in the Transvaal.

The fate of the Randlords and the *Uitlanders* in the period before the war displayed just to what extent European presence in Southern Africa was able to influence the economic and political future of the African continent's wealthiest region. Their differences and similarities, united by gold and separated by social status, testing European capital and European labour on African soil, were carefully used by both British and Afrikaner administrations to turn the quest for the control of

⁴⁶⁴ see Blainey, Geoffrey. *Lost causes of the Jameson Raid* (1965)

⁴⁶⁵ Katz, Elaine. *Outcrop and deep level mining in South Africa before the Anglo-Boer War: re-examining the Blainey thesis* (1995: p. 306)

the gold fields into a political row that would put up British imperialism and Afrikaner republicanism in the biggest battle for the white man's control of Southern Africa. Having failed to gain the political control of Johannesburg and the outright support of Pretoria, the two social groups would remain pivotal to the course Southern Africa would take at the close of the 19th century. As concluded by James Percy Fitzpatrick, "someday a grubbing historian may read the back files of South African newspapers and marvel that such warnings should have passed unheeded"⁴⁶⁶.

3.6 The Afrikaners: *united in tradition, divided by gold*

The gradual rise of British imperialism in Southern Africa by the middle of the 19th century was not only a force of submission and displacement for Africans, but also for the first Europeans to have firmly established their existence in South Africa, the Afrikaners. Although the term Afrikaners became extensively used in the mid-20th century for the explanation of historical processes, which led to constitutionally-backed racial segregation, the Afrikaners had formed the backbone of European settlements in Southern Africa since 1652. Although integral to the administration of the Rand, the role of Afrikaners in the economic and social transformation of South Africa at the end of the 19th century poses many questions about financial logic and political consistency.

Afrikaners have received very mixed reviews in South African historiographical tradition. Liberal historians have focused on the Afrikaner's racial prejudices, their Calvinism and xenophobia. Marxist tradition has concentrated on explaining the class interest of Afrikaner people with respect to other class movements and Afrikaner nationalist historians have investigated the establishment of white supremacy and nationalist struggles against British imperialism, which had become a constant threat since the British takeover of the Cape in 1806⁴⁶⁷. Although Afrikaner history can often be understood as a concept of urban settlement and republicanism, it must be stressed that in many past and present historical works the terms Afrikaners and Boers are used interchangeably. Afrikaner historians wrote that the Boer race had taken its form in the 18th century, giving their socially distorted

⁴⁶⁶ Fitzpatrick, James Percy. *The Transvaal from within* (1899: p. 366)

⁴⁶⁷ see *Introduction* in Gilliomme, Hermann. *The Afrikaners* (2003)

lives a tenacity of purpose, power of endurance and self-respect⁴⁶⁸. By 1807 the Afrikaners were composed of Dutch (34%), German (29%), French (25%) and non-European (5%) communities⁴⁶⁹. This heterogeneous mix of people from different cultures and backgrounds was united in their hate of British rule and cultural hegemony in the Cape.

With the traditional homeland rooted in the Cape, by the end of the 18th century there was no single ethnic denominator with which the Afrikaners identified themselves. With the advent of British political dominance in the early 19th century, even though many Afrikaners were born in Europe, a strong sense of national character and uniform cultural identity was beginning to emerge⁴⁷⁰. This sense of national character and unity was fostered by language, namely the dialectic process High-Dutch went through in every generation, by the mid-19th century already displaying signs of a distinctive language that by the late 1920s became known as Afrikaans⁴⁷¹. With a clear sense of galvanising identity being threatened by British incursions into the agricultural hinterland, the Afrikaners made the most of their local knowledge to head off north and east to continue their national heritage as far away from British political and cultural pressure as possible.

After the First Anglo-Boer War, the Conventions of Pretoria in 1881 and London in 1884 had seemed to settle two critical questions that were to secure the political existence for Afrikaners in their independent Republics: there would be no South African Confederation of states and the Transvaal (or as the Afrikaners always maintained, the South African Republic) would be left to manage its own internal affairs⁴⁷². British colonialists stopped seeing the Afrikaners as a bunch of farmers with good marksman skills and saw them as a developing nation, with the Boer military power being called “the biggest unpricked bubble in the world”⁴⁷³. With the Transvaal state having its trade restored, enemies crushed (the Northern Transvaal groups of Secocoeni and Cetewayo) and its fiscal balance consolidated in a debt to England,

⁴⁶⁸ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 70)

⁴⁶⁹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 70)

⁴⁷⁰ see Afrikaners in Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: pp. 70-71)

⁴⁷¹ Fisher, John. *The Afrikaners* (1969: pp. 261-263)

⁴⁷² Le May, Godfrey. *The Afrikaners* (1995: p. 93)

⁴⁷³ Fitzpatrick, James Percy. *The Transvaal from within* (1899: pp. 41-42)

repayable when possible, the Afrikaners, firmly established in their republics, were full of confidence and hope for the future⁴⁷⁴.

The economic transformation for the Afrikaner community began in the 1860s, when diamonds, and then two decades later gold, were found parallel to the already well-established traditional subsistence farming⁴⁷⁵. Although Kimberley was quickly annexed by the Cape Colony, the mining revolutions had firmly integrated Afrikaners into the resource-based world economy⁴⁷⁶. It must also be said that as significant as these mineral transformations were for the greater economic development of European-dominated areas of Southern Africa, the Afrikaner community remained largely at the sidelines of economic prosperity, operating mainly in traditional agricultural professions and trades auxiliary to mineral mining.

The development of the gold industry would test traditional Afrikaner economic practices. The initial years after the discovery of gold proved to be politically difficult for the confident and charismatic President Kruger. He immediately realised that gold, which had saved the republic from its financial troubles, would threaten its very survival and the unity of the Afrikaner people⁴⁷⁷. The pace at which land-owning 'Burghers' in the Transvaal were able to adjust their agricultural production to the demands of the new gold centre, became a point at which Kruger began to question the unity on which urban and rural Afrikaners were beginning to differ on. As investigated by John Hobson, economically and politically powerful Afrikaners became so detached from Afrikaner society in the Transvaal, that the only place one could still meet a 'real Boer' was at the morning markets in Johannesburg, where they sold their agricultural produce to the hordes of foreigners who lived in luxury upon the natural wealth they extracted from the strip of land they mined vigorously⁴⁷⁸.

As complicated and differentiated as the pattern of industrial development in South Africa had been at the end of the 19th century, many global historians have sketched the process of class formation and class consciousness for the region as a whole⁴⁷⁹. The industrialisation of the Afrikaner community presents scholars with a

⁴⁷⁴ Fitzpatrick, James Percy. *The Transvaal from within* (1899: p. 45)

⁴⁷⁵ Osterhammel, Jürgen. *Die Verwandlung der Welt* (2009: p. 508)

⁴⁷⁶ Osterhammel, Jürgen. *Die Verwandlung der Welt* (2009: pp. 508-510)

⁴⁷⁷ Gilliomee, Hermann. *The Afrikaners* (2003: p. 236)

⁴⁷⁸ Hobson, John. *The War in South Africa: its causes and effects* (1900: p. 14)

⁴⁷⁹ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: pp. 111-112)

scaled-down version of global industrialisation factors within a specific community, in a very specific part of the world, challenging the values of its existence.

The proletarian origins of Afrikaners are rooted in the economic transformation of the Rand at the end of the 19th century. Although Afrikaners were not all enthusiastic about working in the mining industry, many became involved in the urban workforce that indirectly served the needs of the mines. This implication was such that the most Afrikaners who made their way to the Rand experienced a direct change in status from that of rural farmers to that of urban workers, and in the process, members of this new proletariat group became dependant on the state and on the many forms of welfare which was provided to those who did not find their luck in the commercial centre of Johannesburg⁴⁸⁰.



Drawing of a poor Afrikaner family in rural Transvaal. Late 1890s. Source: Ancestry 24. http://gallery.ancestry24.com/v/Photographs/People/boer_people.jpg.html. Accessed on 11 July 2011.

⁴⁸⁰ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: pp. 111-113)

By the 1880s, agriculture provided a livelihood for the greater majority of Afrikaners in the Transvaal⁴⁸¹. With the Transvaal forming the north-east border of the Afrikaaner expansion frontier, there was little room to adopt expansionary farming methods that went along with the Afrikaaner way of life since the Great Trek of the 1830s. A wasteful exploitation of agricultural resources contributed to a significant crisis of farming methods where overstocking and grass burning destroyed the natural vegetation and thunderstorms swept the topsoil away⁴⁸². The rinderpest of the mid-1890s could have also not come at a worse time, hitting livestock, the core of Afrikaaner agriculture, which was not as diversified as the family-run structure of African subsistence farmers⁴⁸³. As there is very little evidence as to what impact the rinderpest and the exploitation of agricultural resources had on the productivity of Afrikaaner farmers, one has to look at how Afrikaners saw their immediate future in the rural parts of the Transvaal in comparison to the riches everyone was talking about in Johannesburg.

As the gold revolution guided the economic course of the Rand, each successive year saw hundreds more Afrikaners taking the journey to the urban centre of greater Johannesburg. With no developed transportation network before the extension of the railway lines from the coast to the Rand 1892-95, the former rural farmers were well positioned to capture new business opportunities in the transport sector⁴⁸⁴. Although there is much disagreement over the figures in many original sources, data suggests that in its heyday before the mid-1890s, the transport sector provided thousands of impoverished Afrikaners with a lucrative source of income⁴⁸⁵.

In addition to the Afrikaaner domination of the transport sector, a significant contingent of rural Afrikaners joined the growing brick production industry. Just twenty-four months after the initial discoveries of gold in 1886, Afrikaners already arrived at work to make the bricks, which would help to transform Johannesburg from a mining camp into a more substantial town⁴⁸⁶. The Kruger government was very quick in seizing the opportunity to integrate poor Afrikaners into the, at that time,

⁴⁸¹ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 189)

⁴⁸² Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 189)

⁴⁸³ Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: p. 189)

⁴⁸⁴ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: pp. 114-115)

⁴⁸⁵ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: p. 115-116)

⁴⁸⁶ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: p. 116)

slowly-industrialising Rand by allowing many Afrikaner interest groups to purchase plots in the vicinity of clay riverbanks, where bricks could easily be manufactured. By the early 1890s, the government land bordering the Braamfontein spring to the south-west of the original Johannesburg mining camp gave rise to a local brickmaking industry which quickly became well known as a place of economic refuge for the many urbanising Afrikaner families⁴⁸⁷.

In order to slow down the gradual polarisation of Afrikanerdom, Kruger's government introduced a conservative education policy based on the teachings of the Dutch Reformed Church⁴⁸⁸. Kruger himself was extremely devout, using his faith to support his belief in the South African Republic as the manifestation of all Afrikaner values and traditions. Having accompanied his parents out of the Cape Colony in 1835 when he was only ten years old, being raised as a religious fundamentalist, who belonged to the 'Doppers', the most conservative branch of the Dutch Reformed Church⁴⁸⁹ and the Bible as just about the only educational tool Kruger ever had, the Afrikaner president went out of his way to implement rural Afrikaner traditions within state institutions. A comprehensive educational scheme was at first implemented on the Rand and in Pretoria, and was later extended to the rural parts of the Transvaal by the 1890s⁴⁹⁰, intended to facilitate a system of values that unified the Afrikaner settler ethos with the political needs of the South African Republic. Kruger's Department of Education was against all *Uitlander* attempts to expand education in English as, according to Kruger, this would have led to an eventual destruction of the Afrikaans language⁴⁹¹.

The Transvaal had been subjected simultaneously to an industrial revolution, a flood of migrants, an advanced form of capitalism and an indirect occupation by foreigners⁴⁹². The rise of economic prosperity within the Boer Republics and British-occupied territories would slowly lead to their own political marginalisation. Afrikaners soon became preoccupied with the fruit of their own labour, indulging in activities made possible by the *Uitlanders*, which according to Kruger were not part of the Afrikaner way of life. The *Uitlanders* and their machinery, their stocks and shares,

⁴⁸⁷ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Babylon I and New Nineveh II* (1982: pp. 8-9)

⁴⁸⁸ Gilliomee, Hermann. *The Afrikaners* (2003: p. 237)

⁴⁸⁹ Le May, Godfrey. *The Afrikaners* (1995: p. 93)

⁴⁹⁰ Fitzpatrick, James Percy. *The Transvaal from within* (1899: pp. 111-112)

⁴⁹¹ Gilliomee, Hermann. *The Afrikaners* (2003: p. 237)

⁴⁹² Le May, Godfrey. *The Afrikaners* (1995: p. 94)

their newspapers, music halls, race horses, bars and brothels, represented something that was seductive and unrighteous for the *Afrikaner Volk*⁴⁹³.

The *Uitlander* position within the industrialising society was powerful and most of all intimidating for Afrikaner consciousness. As Charles Van Onselen has analysed, “the absence of representation amongst the new urban bourgeoisie of the Rand was hardly compensated for by the existence of a ‘Dutch’ strand in the middle class comprised largely of attorneys, teachers, civil servants, legal agents, doctors, notaries, clergymen and traders⁴⁹⁴”. As this middle class was very small and to many extents well integrated within the British-dominated capitalist communities of the Rand, the majority of the Rand’s poor and uneducated Afrikaners were forced to establish themselves in the lower spheres of the urbanised economic structure⁴⁹⁵.

These social developments were not left unnoticed and Kruger’s government in Pretoria was very quick to develop policies that not only protected Afrikaner cultural interests, but also the economic premises on which Afrikanerdom in the Transvaal existed. The government acted directly to consolidate the political power of the farmers, by discriminating against foreign miners, a policy based mostly on the ever-changing conditions for citizenship in the Transvaal⁴⁹⁶. The Pretoria government encouraged a very unilateral form of development, handing out concessions to individuals and syndicates for the cultivation, manufacture and distribution of goods and services⁴⁹⁷. This very pragmatic approach to politically-motivated economic security created many local monopolies which in many cases stood in direct conflict with efficient development in the mines. The most widely-documented issues that the Chamber of Mines tried to put an end to were the activities of the Netherlands Railway Company⁴⁹⁸, the Anglo-German Nobel Trust⁴⁹⁹ and the Hatherley Distillery⁵⁰⁰ near Pretoria. Many historians have taken Kruger’s policies of economic nationalism as being the core of the argumentation within the context associated with the outbreak of the Jameson Raid in December of 1895 and the South African War in

⁴⁹³ Le May, Godfrey. *The Afrikaners* (1995: p. 94)

⁴⁹⁴ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: p. 113)

⁴⁹⁵ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: p. 113)

⁴⁹⁶ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948.* (1992: p. 141)

⁴⁹⁷ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948.* (1992: p. 141)

⁴⁹⁸ South African Chamber of Mines Annual Report for the year ending 1898 (1899: pp. 10-11)

⁴⁹⁹ South African Chamber of Mines Annual Report for the year ending 1893 (1894: pp. 92-94)

⁵⁰⁰ South African Chamber of Mines Annual Report for the year ending 1896 (1897: pp. 121-124)

1899, stressing the intentional use of Afrikaner nationalist rhetoric to maintain political power in Pretoria and economic interests in Johannesburg⁵⁰¹.

As unanimously as Kruger's policies in Pretoria were to reflect Afrikaner political, economic, social and cultural interests, the greater Southern African imperative illustrated a much different picture. Ever since the South African Republic regained its independence under Kruger in 1881, the wealthy Cape Afrikaners shunned the Transvaal's image as the main pillar of Afrikaner society. After the discovery of gold they did however respond with envy and awe, hoping that their conservative brothers and sisters would use the gold to guide the Republic to become a stable state⁵⁰². The Afrikaner Bond (founded in 1868 in the Cape Colony) saw Afrikaner survival and unity as best served by the British free trade system and a formalised integration of the two Boer republics into the British imperial system⁵⁰³. In this way the Afrikaner Bond tried to propose a customs union with the Orange Free State and the Transvaal in 1885 and 1886, an offer aggressively refused by Kruger⁵⁰⁴. Alfred Milner, the South African high commissioner and Prime Minister of the Cape Colony since 1897, had written to Joseph Chamberlain just before the Jameson Raid that "the Afrikaners in the Cape would no doubt be loyal if it were not for the two (Boer) Republics next door"⁵⁰⁵. Kruger, sensing a disguised political agenda coming from the Cape Afrikaners used the customs union episode and many other attempts to unify trade throughout Southern Africa to further intensify his efforts to strengthen the South African Republic as the only true Afrikaner state, representing all of the interests of Afrikaner people throughout Africa⁵⁰⁶.

The Jameson Raid would reaffirm Afrikaner suspicion of British imperial efforts and would greatly galvanise the Afrikaner stance in pushing for greater unity between all Afrikaner communities in Southern Africa. The Raid revitalised the seventy-year-old Kruger, who quickly embarked on arming the state and expanding the regular army⁵⁰⁷. As ambitious as the nation-building policies may have been, the economic foundation on which Afrikaners would prosper was put under significant

⁵⁰¹ Allen, Victor. *The History of Black Mineworkers in South Africa*. Vol:1 1871-1948. (1992: pp. 141-142)

⁵⁰² Gilliomee, Hermann. *The Afrikaners* (2003: p. 239)

⁵⁰³ Gilliomee, Hermann. *The Afrikaners* (2003: p. 239)

⁵⁰⁴ Welsh, Frank. *A History of South Africa* (2000: p. 305)

⁵⁰⁵ Fisher, John. *The Afrikaners* (1969: p. 150)

⁵⁰⁶ Gilliomee, Hermann. *The Afrikaners* (2003: pp. 239-242)

⁵⁰⁷ Gilliomee, Hermann. *The Afrikaners* (2003: p. 243)

pressure. The development of the deep-level mines, the significant increase in African unskilled labour, new rail links to the Rand and the surplus of labour during the recession of 1896-1897 all put Kruger's plans for the Afrikaners under significant pressure⁵⁰⁸. Thousands of Afrikaners on the Rand were out of jobs, being replaced by better skilled British workers or poorer-paid Africans, and began to question Kruger's policies and goals.

Using the unstable economic and social conditions to their advantage, the Randlords, operating first through the Transvaal National Union and later the South African League, believed this would be the perfect opportunity to gain support for their British cause in Africa⁵⁰⁹. The struggle for the support, loyalty and control of Johannesburg's unemployed became increasingly politicised, forcing Kruger and the Randlords to implement various social initiatives with the intent of attracting an undecided voter's pool. With the generous help of Lionel Philips, the Randlords established the Present Help League in 1895, establishing the Kelly's Relief Stores where poor whites, of whom Afrikaners made up the largest majority, could purchase basic necessities at discounted and subsidised prices⁵¹⁰.

Afrikaners became increasingly desperate for economic help and begin to lose their sense of a nationalist political agenda, as preached by their faithful Paul Kruger. As time went on, Afrikaners sought work in the Rand mines and even joined many British-led trade unions, whilst still putting faith in Kruger's government aid⁵¹¹. As mentioned throughout the discussion, it is noteworthy that Afrikaners were largely not involved in the gold mining industry. It must however be stated that throughout the recession, in the aftermath of the Jameson Raid, many companies such as the famous Wernher, Beit & Co. took on significant numbers of Afrikaner unskilled labour, advocating good results from the employment of Afrikaners⁵¹². The Boer leaders were not so firm against this development as their priority was to ensure that the Randlords were not to be able to generate an increase in political predominance in addition to

⁵⁰⁸ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: pp. 126-127)

⁵⁰⁹ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: p. 126)

⁵¹⁰ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914. New Nineveh II* (1982: pp. 126-127)

⁵¹¹ Fisher, John. *The Afrikaners* (1969: p. 246)

⁵¹² Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: pp. 81-82)

their financial power⁵¹³. As complicated and inconsistent as the loyalty of the Afrikaners may have been, the government in Pretoria spoke with the knowledge that the Transvaal Afrikaners were solidly behind it, dividing political and economic loyalty⁵¹⁴ between Afrikaner nationalism and British capitalism.

As investigated by John Hobson, the demands of the gold mining industry, growing within a very short space of time to extravagant proportions, could not accommodate a stable integration of the adjacent labour market⁵¹⁵. As much as the Jameson Raid changed the political landscape, Kruger was well aware of the need to sympathise with mining needs, as the state grew increasingly dependant on the economic power it was generating. Afrikaners, loyal to Afrikanerdom and their Republics, faced an uncertain future, trying to adjust to the pressures of urban life and growing British imperialism. As traditional and patriotic as rural life may had been, the urban and mineral transition sent many Afrikaners living on the peripheries of economic and political life into the core of a gold-platted battle between Afrikaner republicanism and British imperialism.

3.7 Society on the brink of collapse: *the social melting pot*

Throughout my investigation it has been stressed that no Southern Africans could avoid the social transformation as led by cattle diseases, poor agricultural management, territorial displacement, constant formal and informal conflicts between the Afrikaners and the British, *Uitlander* grievances, and the constant structural conflict between the rural and urban economies in the last 20 years of the 19th century that were all a by-product of the gold revolution on the Rand⁵¹⁶. With the South African Republic at the core of the transformation, the booming gold industry involved neighbouring states, colonies and protected territories, changing the fate of all people in Southern Africa.

As submissive and oppressive as relations between Europeans and Africans were, it was the bicultural relations among South African whites that would lead South Africa out the euphoria of economic boom into the perils of imperial conflict.

⁵¹³ Welsh, Frank. *A History of South Africa*. (2000: p. 359)

⁵¹⁴ Welsh, Frank. *A History of South Africa*. (2000: pp. 359-360)

⁵¹⁵ Hobson, John. *Imperialism: A Study* (1905: p. 225)

⁵¹⁶ see *The Convergence of Disasters* in Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948* (1992: pp. 185-186)

As Chamberlain had assessed the state of the South African Republic in 1898, reform in the Transvaal or war were the only alternatives which were to be placed before officials in the Colonial Office⁵¹⁷. The British administration knew well enough that the Transvaal government could once again provoke the Empire into yet another major crisis in Southern Africa⁵¹⁸. Political reforms were largely pushed for by the Chamber of Mines⁵¹⁹, the South African League and the *Uitlanders*, forming a non-unified front, with little momentum of convincing Kruger to accommodate political and social demands in the Republic's anti-British agenda.

Marxist approaches to South African history demonstrate a theoretical basis on which this duality of white interest (Afrikaners and British) attempted to attain hegemony in South Africa⁵²⁰. Bozzoli goes as far as to state that white society had its own history of military conquest and class struggle where the often conflicting relationships between farmers, mine owners and Rand capitalists makes it difficult to find consensus on white hegemony⁵²¹. It is therefore very problematic to combine British imperialism and Afrikaner nationalism in a common theoretical approach to the marginalisation of African society in Johannesburg and the greater Transvaal.

As effective as Marxist approaches have been in addressing the development of social and economic inequalities in South Africa, a macro-social collective approach to European imperialism can severely reduce the value of the dynamics found in South African class formation. Class formation can in many ways guide South African history into an era of common understanding, linking on often parallel development of European and African histories in South Africa. In my investigation, the attempt to forge the link between separate histories and the need for a 'common experience' of all South African has been augmented by the relationship to gold and its Marxist commodification of wealth, facilitated by the Rand capitalists.

The rise and influence of mining lobbyists would stir the social melting pot to the brink of political collapse. As investigated by Fitzpatrick shortly before the outbreak of the war, and Hobson shortly after the war, the 'gold-plated' social tensions present within Southern African society at the end of the 19th century tested

⁵¹⁷ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 57)

⁵¹⁸ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 57)

⁵¹⁹ South African Chamber of Mines Annual Report for the year ending 1899 (1900: pp. 194-195)

⁵²⁰ Bozzoli, Belinda (Ed.). *Town and Countryside in the Transvaal* (1983: p. 19)

⁵²¹ Bozzoli, Belinda (Ed.). *Town and Countryside in the Transvaal* (1983: p. 19)

the stability of the Empire and the distance imperialists were willing to go to secure favourable social conditions for capitalists expansion on the Rand. Fitzpatrick approached his analysis from a very pro-British and pro-unionist stance, emphasising the grievances and social limitations of the *Uitlanders*, calling for British intervention as the only solution for securing the rights of all inhabitants of the Transvaal⁵²². Hobson's investigation was largely based on his travels through the Transvaal and the Cape Colony where he stressed that the unsatisfiable demand for cheap African labour, the successful administration of which the Pretoria government was unable to provide, made up the core of the rift that developed between the British-backed mining industry and Kruger's administration⁵²³. Hobson went about with a different approach to Fitzpatrick, attempting to economically justify the much talked-about *Uitlander* grievances and how these linked to the economic and political factors that he believed were stable enough to create a peaceful and prosperous South Africa⁵²⁴.

What Fitzpatrick's political correspondences and Hobson's balance sheets were unable to show is how the socio-economic tension between the *Uitlanders* and the Afrikaners brought about an era of formal racial segregation, exploitation and displacement for hundreds of thousands of native Africans. Once the British and the Afrikaners had political control of Southern African territories by the end of the 19th century, they had the means to govern African lives to suit the needs of the white population, namely the rising need for wage labourers and servants in the growing industrial centres of the Rand⁵²⁵. As summarised by Victor Allen, "By the turn of the century African families had become so dependent upon cash remittances from wage employment that it was no longer sensible to talk of tribal economies as a distinct and autonomous mode of production"⁵²⁶. Gold and the economic pressures that came along with it, took African societies out of the agricultural comfort zone, leading to a gradual proletarianisation of the work force.

The constant need for more workers willing to work for lower wages, turned Africans not only into prisoners in their own land, but also into political pawns of a global gold industry, where cost-structures governed the level and intensity of human exploitation. The relative, and later complete decrease in the number of white miners

⁵²² see *In Earlier Days* in Fitzpatrick, James Percy. *The Transvaal from within* (1899: pp. 1-44)

⁵²³ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 60)

⁵²⁴ see *Preface* of Hobson, John. *The War in South Africa: its causes and effects* (1900)

⁵²⁵ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948* (1992: 186)

⁵²⁶ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948* (1992: 186)

on the Rand reflected more fundamental changes than those simply associated with a redistribution of skilled work⁵²⁷. This however did not come with social repercussions that in many ways later troubled South Africa throughout the distorted history of the 20th century. As effective wage-exploitation of African mineworkers was in marginalising the white manual labour force on Rand, the strategy stabilised and defined skilled work to the disadvantage of Africans. The skilled labour structure that evolved shortly before the war in the late 1890s recognised certain realities of economic and political power held by the white (mostly *Uitlander*) working class, as it served to maintain and reinforce a strict division of labour in the mining industry and its industrial branches, formally confirming the restriction of unskilled work to non-whites and the lack of solidarity between white and non-white workers⁵²⁸, a scenario that would be critical in the evolution of South African society in the 20th century.

As investigated by many social historians there was no simple balance between how Africans in the Transvaal were to be conquered and proletarianised for the needs of the industrialising economy⁵²⁹. The rapid social formation that took place after the discovery of gold and the subsequent industrial revolution that swept through the Rand altered the rural social formation of the region, leaving Africans desperate and confused in the new system. Those suffering the most from a quick transition into wage labour and the ravages of rapid proletarianisation were swept into the migrant labour system and carried to the cities and compounds⁵³⁰. As the rural parts of the Transvaal were quickly linked to the Rand by wagon transportation and later trains, Africans were able to put gains accruing from the industrial period towards land purchases and hiring⁵³¹.

As sound as the economic empowerment was intended to be the social implications were anything but free-market orientated, leaving many Africans stuck in a static and monotonous lifestyle. Many liberal historians praise the social dynamics associated with the financial empowerment of communities, but in the case of South

⁵²⁷ Richardson, Peter/Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Ed.). *Industrialisation and social change in South Africa* (1982: p. 85)

⁵²⁸ Richardson, Peter /Van-Helten, Jean Jacques. *Labour in the South African gold mining industry: 1886-1914*. In: Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: p. 86)

⁵²⁹ See *Introduction* in Marks, Shula/Rathbone, Richard (Eds.). *Industrialisation and social change in South Africa* (1982: p. 86)

⁵³⁰ Van Onselen, Charles. *Studies in the Social and Economic History of the Witwatersrand 1886-1914 New Nineveh II* (1982: p. 195)

⁵³¹ Bundy, Collin. *The Rise and Fall of African Peasantry* (1979: p. 205)

Africa, Africans were forced to give up their economic surpluses in form of various taxes and payments, making them both dependent and exploitable by wage labour and migration.

As social coherence and most elements of the subsistence economy declined in the rural areas, the authority of the traditional leader, the chief, was undermined⁵³², leaving the people to be administered and harassed by an Afrikaner political and British economic system. Africans had never entered wage labour by choice, but because of disruptive influences of colonialism and Afrikaner administration⁵³³. As useful as the migratory system might have been to Africans at first, once all African states had lost their political independence and were constantly being manipulated to serve the economic needs of the white population, the migratory economic system to the gold mines lost its usefulness and economic practicality for Africans⁵³⁴.

When taking the analysis back to the greater socio-economic collapse of late 19th century Southern Africa, as later represented by the South African War, the problems caused to the mining industry by Kruger's obstructive and often incompetent economic policies⁵³⁵, led Southern African society into a bicultural conflict between the Afrikaners and British, and the respective republican and imperialistic visions they had for Southern Africa. This bicultural and bi-ideological rift was further intensified by the Afrikaners' passive stance towards British campaigns against Africans in the Transvaal during the British occupation of the South African Republic, supporting British efforts to bring Africans under European control. Only once the Afrikaners' perceived to be at the receiving end of imperialism, once the Transvaal regained its independence under Kruger, were the Boers opposed to British imperialism⁵³⁶. This conflict of economics, culture and race was clearly summarised by the infamous Afrikaner General Jan Smuts in September 1899 when he wrote, "South Africa is on the eve of a terrible blood bath, from which our people will emerge either as an exhausted remnant, wood-cutters and water-carriers for a hated race, or as victors, founders of a United South Africa, of one of the great

⁵³² Gilliomee, Hermann/Mbenga, Bernard (Eds.). *New History of South Africa* (2007: pp. 204-205)

⁵³³ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948* (1992: p. 187)

⁵³⁴ Allen, Victor. *The History of Black Mineworkers in South Africa. Vol:1 1871-1948* (1992: p. 188)

⁵³⁵ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 290)

⁵³⁶ Stephens, John. *Fuelling the Empire: South Africa's Road to War* (2003: p. 290)

empires of the world, an Afrikaner republic, stretching from Table Bay to the Zambesi”⁵³⁷.

As complicated as the diplomatic history of the Afrikaners and British was, it was the *Uitlanders* who clearly represented the most formidable challenge to both ideologies trying to make the most of the gold discoveries on the Rand. As popularised by the extensive work of Hobson, it was the cunning work of many powerful Randlords who made it possible for the Imperial administration to treat the Afrikaners as a “compact body of obstinate and reactionary farmers, dominated by the personality of one strong and cunning man (Kruger), who is incapable of education and spontaneous progress (and) is largely a mischievous perversion of history and of present condition”⁵³⁸. The overcoming of this reformist pessimism and administrative backwardness was seen by the British Empire as a task of the *Uitlanders*, who would protect and expand their own economic interests and political agenda with the direct help and support of the Empire⁵³⁹.

The ambivalence of the Randlord-led *Uitlanders*, Afrikaner nationalism and British attempts to infiltrate the economic capabilities of the Transvaal combined together in a lethal concoction that would poison the end of South Africa’s dividing 19th century. As socially daunting as the task of managing a multi-racial society might have been in the 1890s, little was done to diffuse the fears of a major conflict.

Yet to limit the analysis of the gold mining industry’s intra-relationships to these social crises is to distort the differences among them and to ignore the degree to which mining on the Rand required industry-wide cooperation and political support from Pretoria⁵⁴⁰. With this gold-led industrial reach and ramification of capitalism in Southern Africa driving social and economic change, viewed against a wide historical and geographical backdrop⁵⁴¹, an extensive study of Southern African society will always have its structural pitfalls. It is with this regard that one can not draw away from the dominant force of capitalism on South Africa, heavily influencing the insignificant level of political freedom of Africans and the weak capacity (or total lack

⁵³⁷ Meredith, Martin. *Diamonds, Gold and War: The Making of South Africa* (2007: p. 415)

⁵³⁸ Hobson, John. *The War in South Africa: its causes and effects*. (1900: p. 15)

⁵³⁹ See *Chapter III: Personages and Parties in The Transvaal* in Hobson, John. *The War in South Africa: its causes and effects* (1900: pp. 15-21)

⁵⁴⁰ Jeeves, Allan. *The Rand capitalists and the coming of the South African War 1896-1899* (September 1996: p. 66)

⁵⁴¹ Bundy, Collin. *The Rise and Fall of African Peasantry* (1979: p. 246)

of interest) of the ruling white classes to engage in social dialogue with them. What however remains at the core of the debate is how gold, an influential determinant in the global British economy, localised and centralised the Transvaal as the social melting pot, where race and ideology exhausted the social structure, and not only determined the destiny of a country at the southern tip of Africa, but of the industrialising British Empire in a capitalist-driven world.

4. Conclusion

As Andre Gunder Frank once vividly stated, “There are no and have never been distinct pristine civilisations, societies nor even peoples. The very ideas are nothing but ideology, pure and simple although their use occults (that term is chosen deliberately!) a simple and complex reality”⁵⁴². In South Africa of the late 19th century, gold became the medium on which societies were transformed, and European and neo-African civilisations applied and constructed their political and economic ideologies to change the fate of a country and its people. The discovery of gold on the Rand and the rapid industrialisation that took place after 1886 was by no means a social experiment in the making, but a formidable case study of how economic wants surpassed social needs in an already fragile social environment. As intensive as the social conundrum of the Rand may have been, it was gold that drew South Africa out of the territorial obscurity to the front stage of global ideological and racial conflict.

As I have argued (throughout the investigation), the extent to which gold brought about institutional by-products, such as the Johannesburg Stock Exchange, the Chamber of Mines and the Native Labour Department to a gradual agglomeration of differences between Afrikaner nationalism and the British imperialism it was trying to combat, led to a clear and violent example of how progressive industrialisation led to a political collapse, and social ruin of an age-old traditional African society. As both political entities responsible represent the socio-economic dynamics of European and neo-African conquests in Southern Africa, it was my goal to illustrate how greed, ruthlessness and economically motivated loyalty would pave the road to the last clash of imperialism in the (long) 19th century.

Although it was never my intention to debate the causes and further consequences of the South African War, a clear link to the economic foundation of the conflict in the form of gold was made and argued for. From the British point of view, and its already complicated relationship with South Africa, the emergence of rival economic powers such as the United States and Germany in the last quarter of the 19th

⁵⁴² Frank, Andre Gunder. *Towards Humano- and Eco-Centrism: Unity in Diversity, not clash of Civilisations* (2001: p. 1)

century began to challenge its trading and financial supremacy⁵⁴³. As European and mainly British entrepreneurs saw the discovery of gold on the Rand as a blessing for their individual fortunes and those of the Empire, the reefs around Johannesburg soon became the Pandora's box of a country and its native people, trying to come to grips with the incursions and dispositions the economic forces of imperialism were exerting on them. Influencing British administration became the capitalist's only hope, and the political landscape between Johannesburg, Pretoria and London turned into the major political rift that in many ways would bring the rural landscapes of South Africa to the industrialising front of the British Empire. Many socio-economic factors influenced the complex and varied relationship between all groups of people living in late 19th century South Africa, but it was clearly gold that played a crucial role in intensifying British imperialism in Southern Africa between 1886 and 1899.

It would be very naïve and abstract for me to attribute the crude developments of the gold industry and the subsequent escalation of diplomacy between Britain and the South African solely to Britain's desire to gain control of the goldfields. As opportunistically as many British and European individuals used their financial connections in the City of London to maximise their share of the Transvaal gold industry, which quickly emerged as the world's largest gold producer, much of the political escalation must be attributed to the South African Republic's tentative attitude to economic development and its own nationalist political agenda.

While whites engaged in their own socio-political skirmishes, the African population was marginalised to economic and political infancy. As I have debated throughout the investigation, the racial structure of South Africa is most clearly constructed and explained in terms of economic growth associated with the development of the gold industry on the Rand. The way the rural economy was transformed and integrated into the booming financial and produce market of the Rand quickly gave way to a widening economic and cultural gap between urban and rural Africans, a structural problem that would, according to former South African President Thabo Mbeki, plague South Africa well into its post-1994 democratic future⁵⁴⁴.

⁵⁴³ Ally, Russell. *Gold and Empire: the Bank of England and South Africa's Gold Producers* (1994: p. 135)

⁵⁴⁴ see "The work and families of Migrants". In: Gilliom, Hermann/Mbenga, Bernard. *New History of South Africa* (2007: pp. 204-205)

The Liberal and Marxist debate that emerged in force in the 1970s gave way to a new scholastic tradition, polarising South African social sciences till this day. With liberal historians making significant headway in recognising the common history of all South African people, new research on specific links and interactions of the various social groups within the gold-driven economy needs to build on the liberal traditions that provoked the conservative status quo of apartheid academia. The Marxist argumentation about the sources of social polarisation and economic marginalisation in South Africa rested on a mix of theoretical, empirical and political arguments⁵⁴⁵. As conducive as Marxist academic traditions have been to reconciling South Africa's divided past, many macro-social approaches have overlooked the links between the rural and urban impact of economic empowerment as brought about by the discovery, sticking rather to a formalised anti-imperialist rhetoric of class struggle. With many questions still unanswered, the 'Liberal-Marxist debate' keeps South African academia searching in the nation's past, in an attempt to link conceptions of material value and capital to the reconciliation rhetoric of the 'New South Africa'.

As noted by Frank Welsh, "the combination of gold on the grandest scale, the might of the British Empire on its apogee opposing little Afrikaner communities, the first of the modern anti-colonial struggles is all too seductive"⁵⁴⁶ to global historians looking for transcontinental imperial links and connections. One of the major challenges in this investigation was the extensive convergence of historiographical traditions that I have tried to accommodate from a modern "New South African" perspective. As much as Marxist, liberalist, anti-imperialist and Afrocentric literature has influenced the rhetoric of my debate, a fair balance was created with the usage of British imperial revisionist literature and primary sources (mostly those provided to me by the Chamber of Mines) in the form of annual reports, legal documents and diplomatic correspondences. Being myself a product of the political transformation in South Africa during the uncertain years of the 1990s, I attempted, at all cost, to put all personal emotions and motives aside, leaving the divided history of all people of South Africa as the true inspiration behind my investigation.

I could not agree more with Nelson Mandela in saying that "the plundering of indigenous land, exploitation of its mineral wealth and other raw materials,

⁵⁴⁵ Seekings, Jeremy. *The Rise and Fall of Weberian Analysis of Class in South Africa between 1949 and the Early 1970s*. (2009: p. 879)

⁵⁴⁶ Welsh, Frank. *A History of South Africa* (2000: p. 323)

confinement of its people to specific areas, and the restriction of their movement have, with notable exceptions, been the corner stone of colonialism throughout the land”⁵⁴⁷. As violent as mineral revolutions were in financially facilitating the imperialist drive through South Africa, it was gold that led to the most formalised direct interventions in the lives and traditions of indigenous Africans at the end of the 19th century. Gold was the metal on which South Africa was built, exploited, tortured and overrun by Europeans.

As South Africans look at the terrors of the 20th century, united in shame, sorrow and reconciliation, gold still makes up the core of socio-economic discourse. As political parties, capitalist dynasties and foreign stakeholders continue to debate the future of the South African gold industry, we stand together side by side, looking into the golden future of the rainbow nation, never forgetting the blood-stained gold bars our country was built on.

Remembering Plato, “All the gold which is under or upon the earth is not enough to give in exchange for virtue.”⁵⁴⁸.

⁵⁴⁷ From the unpublished sequel to his autobiography but published in Mandela, Nelson. *Conversations with Myself* (2010: p. 395)

⁵⁴⁸ Plato. *The Dialogues of Plato: Vol. 5 of 5* (Classic Reprint) (2010: p. 299)

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