

Gold and diamond mines

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diamonds Modern Africa is known for its huge mineral wealth, which overshadows all its other resources. In 1886 diamonds were discovered. The name De Beer became associated with the diamond find. De Beer was a Boer farmer whose barren farm had suddenly revealed that diamonds were beneath it. He soon sold his land and the diamond rush was on. H. V. Morton described it as the strangest looking trek in South African history. Sailors deserted their ships, soldiers their regiments, merchants their shops, clerks their offices, farmers their land, and the weirdest crowd ever seen in South Africa, good and bad, came over the mountains on horseback, on foot, in Cape carts, ox wagons, stage-coaches anything that would take them to the biggest lucky dip in history. " Kimberley became the world 's diamond capital. The place was named after the first earl of Kimberley (1826-1902), who was a British statesman and colonial secretary. The early years at Kimberley were a chaos of individual miners.

The thousands of men who had rushed there from all parts of the world each bought little claims and began to sink shafts. Not God, the " Rock of Ages', but the new source of hope became the rock " diamond. " When the newly discovered 83 carat diamond, which would subsequently be known as the 2 " Star of Africa," was held up before the House of Assembly in Cape Town, the colonial secretary declared, " Gentlemen, this is the rock upon which the future success of South Africa will be built. " But the diamond industry didn 't bring peace and happiness.

Instead, it established the future pattern of white employment in South Africa as surely as it was done for the blacks. Poor whites would always be protected from the competition of even poorer blacks by formal

jobdiscrimination. • In 1859 the first diamond discovery was made in South Africa; however South Africa's diamond heritage stems from a pretty little pebble picked up on the bank of the Orange River in 1867, not far from Hopetown. Erasmus Jacobs, fifteen years old and the son of a poor labourer, took it home as a plaything.

The stone was then given to a neighbouring farmer, Schalk van Niekerk, a casual collector of unusual stones. He in turn entrusted it to the trader John O'Reilly, who sent it (in an unsealed envelope!) to Dr. G. W. Atherstone, a Grahamstown physician and one of the few people in the Cape Colony who knew anything about minerals. The stone was judged a 'veritable diamond' of 21. 25 carats and valued at ? 500. Once cut, the stone weighing 10. 73 carats, was called The Eureka and is now kept at the Library of Parliament in Cape Town. The news triggered a flurry of excitement in the Hopetown area, but eager prospectors found only a few small stones to reward their efforts and drifted away disillusioned. The discovery must have been a hoax, it was suggested: everyone knew diamonds came only from India and Brazil! Almost three years later in March 1869, a Griqua shepherd named Booie, from the farm Zandfontein, picked up a pebble that caught his eye, he first tried to barter the stone for a place to sleep, then for breakfast – everyone turned him down.

He ultimately found his way to Schalk van Niekerk. By now Schalk had learned something of precious stones and bought it for virtually all that he possessed: 10 oxen, a horse and 500 sheep. The discovery of this stone set off the diamond rush that transformed South Africa from a struggling agricultural state to a leading industrial nation. Van Niekerk, in turn, sold it to

a firm of local jewellers for ? 11200. The 83. 50 carat diamond, to be named 'The Star of Africa' found its way to England, where it was bought by the Earl of Dudley for the then princely sum of ? 5000. Said Colonel Secretary Sir Richard Southey to his political colleagues, " Gentleman, this is the rock on which the future success of South Africa will be built. " How right he was, without the diamond finds there would be no Kimberley; without Kimberley there would have been no capital to financethe gold mines of the Reef; and without the Reef and its industries there would be no South Africa as we know it. Diggers flocked to the area and staked their claims along the banks of the Orange and then the Vaal River and its tributaries to the north.

They lived in tent communities in very harsh conditions; blistering heat during the day followed by icy cold nights. Most made little for their efforts, some made modest fortunes. It was only 30km's from the Vaal River where the first significant finds were made, dry diggings on three farms, one of which was called Vooruitzicht. This farm was bought ten years prior for only ? 50 by two De Beer's brothers who found themselves beleaguered by a swarm of gem-hungry diggers. They hurriedly sold it for ? 6300, a good profit but a drop in the ocean compared to the ? 0 million it would yield over the following years. Nearby was the discovery of 'Colesburg Kopje', site of the future Kimberley and the richest treasure house of high quality gem diamonds the world had ever known. The year was 1871 and the 'New Rush' had begun. The diggings attracted hordes of fortune seekers who came from all walks of life and many countries. By 1872 some 50000 men had encamped in the area. Soon the tents were replaced by corrugated iron and

mud-brick houses and rudimentary hotels, bars, brothels, banks, stores, a church, a school, the famed Kimberly Club and the stock exchange.

The haphazard nature of the diggings were dangerous and could not be worked at all during the rainy season until an enterprising 19 year old Englishman named Cecil John Rhodes imported a steam operated pump to keep the diggings dry. That inspiration in turn set him on the road to fortune; Rhodes became a well known, high powered businessman and more famously an explorer who funded some of his expeditions through his involvement in the diamond industry. Some time later, Rhodes had decided that consolidation was the key to the success of the diamond fields.

Along with his associates he linked hands with a hard-headed diamond buyer called Alfred Beit, and so the monopolisation process began. By 1885, with Rhodes as chairman, the De Beers Mining Company was the major claimholder in the De Beers mine (named after the original owners of the farm Zandfontein) and had complete control by 1887. Barney Isaacs better known as Barney Barnato had successfully plied his trade as a 'kopje-walloper' (under-the-counter middleman between buyer and digger) and a claim-dealing entrepreneur.

Like Rhodes, showing remarkable business acumen Barnato became a multi-millionaire, and within five years of arriving in Kimberley he controlled Kimberley Mine. Kimberley Mine has been closed for decades but is now a popular tourist attraction known as 'The Big Hole'. By 1889, the future of the diamond world depended on the outcome of a battle for total control between Rhodes' De Beers and Barnato's Kimberley Mines, each backed by powerful overseas interests. Rhodes emerged the victor, a cheque for ? 5

338 650 changed hands and the two mines were brought under the control of a few company, De Beers Consolidated Mines, the company which today, almost 110 years later still has its registered office in Stockdale Street, Kimberley. With Rhodes as chairman and Barnato and Alfred Beit as life governors De Beers Consolidate Mines won control of the other two major mines in the area and soon after a recently discovered fifth mine. Virtually the entire industry was united and the near monopoly was complete. In 1902 a young German-born diamond buyer arrived at Kimberley as the representative of a London diamond broking firm.

Ernest Oppenheimer's family had been involved in South Africa's diamond industry for many years. He decided to settle in South Africa and soon became mayor of Kimberley. In 1917, he moved to Johannesburg and was chiefly instrumental in founding Anglo American, initially a gold mining house but planned from the outset as a power in the diamond world. After the First World War, South Africa was granted a League of Nations mandate over German South West Africa (now Namibia), whose alluvial deposits now began to attract serious attention.

A syndicate, led by Anglo American, formed Consolidated Diamond Mines (CDM) in 1919 to exploit the deposits, and amalgamated eleven mines north of the Orange River. Later, when diamond discoveries were made in the Belgian Congo (formerly Zaire, now the Democratic Republic of Congo) and Angola, De Beers underestimated the significance of these developments, while Anglo American moved in. When huge deposits of alluvial diamonds were located in Namaqualand on South Africa's west coast and, in 1927,

near Lichtenburg in the western Transvaal, Oppenheimer's Anglo American again made its claim.

Oppenheimer was soon becoming the leading light in the diamond world, and in spite of opposition from De Beers directors who resented his swift progress was soon elevated to the board. As if to confirm his supremacy, Anglo American geologists working north of the Orange River found new deposits of gemstones even richer than those of Namaqualand. It was only a matter of three years before Oppenheimer was elected chairman of De Beers. Ernest Oppenheimer remained at the helm until his death in 1957, when his son, Harry, took over to run the giant conglomerate with outstanding success for the next quarter of a century.

Today it is run by Nicky Oppenheimer, who became chairman of De Beers on the 1st of January 1998. • • gold • The discovery of gold on the Witwatersrand in 1886 was a turning point in South African history. Far more than diamonds, this changed South Africa from an agricultural society to become the largest gold-producer in the world. Gold increased trade between South Africa and the rest of the world. For the main trading nations ie the Europe and the United States, gold was of value because their currencies were backed by gold. This was known as the gold standard.

Under the gold standard, these countries had to keep gold in a bank vault to the value of the currency they issued. For example, if the government of a country wanted to print more money, it had to buy gold to back that money. If that country did not produce gold itself, it had to import gold from another country. Under the gold standard the price of gold was fixed internationally. It was kept low as this benefited nations in Europe and the United States

amongst others. These strong nations did not produce gold and had to buy it from elsewhere to back their own currency.

In the 1930s many countries abandoned the gold standard. The effect that this had on the South African economy will be examined later on this feature. The Gold Rush Onsummer's day in 1886, two prospectors discovered gold on a Transvaal farm called Langlaagte. Gold was not new to the Transvaal. African had mined gold hundreds of years earlier. More recently, gold had been found in the Eastern Transvaal. In most cases this gold ran out, forcing small mining towns to close down. The gold found at Langlaagte was different. The gold discovered there ran for miles and miles underground, 'an endless treasure of gold'.

The Richest Gold-Mining Area in the World. Gold changed the face of the Transvaal. Before 1886 it was a poor, struggling Boer republic but ten years later, it was the richest gold mining area in the world. As news of the gold find spread throughout South Africa and the rest of the world, men made their way to the Transvaal. They walked, rode on horse back, or came by ox-wagon. Ships no longer passed South Africa on their way to Australia and New Zealand. Instead, boatloads of men arrived at ports and hurried to catch the next coach to the Transvaal, hoping to find the riches of their dreams. • • • • •

The importance of the gold-mining industry The South African goldfields, 1996 (click on the map to see it larger, and to do the next exercise) A few years after the discovery of gold on the Witwatersrand, a string of mining towns marked out the gold-bearing Reef. The map that follows shows that the gold-mining towns formed a curve starting from the East Rand in <https://assignbuster.com/gold-and-diamond-mines/>

Heidelberg, extending westwards across to • Krugersdorp and Randfontein. Later more gold mines were discovered further south and east. As a result of this 'endless treasure of gold', gold mining very quickly became the largest and most important part of the economy. • The world's gold production for 1930 Percentage of the world's gold produced in the Transvaal from 1895 to 1940

YEAR	VALUE (POUNDS)	TRANSVAAL (%)
1895	40843000	21
1901	90052312000	2
1905	77756000	26
1910	93332000	34
1915	97218000	39
1920	69739000	49
1925	80817000	50
1935	13168000	34
1940	173354000	34

4The nature of gold mining on the Witwatersrand The gold mining on the Witwatersrand had to soon evolve. The gold that was mined was very near to the surface of the ground. As with the diamond mining in Kimberley, the first stage of gold mining took the form of outcrop harvesting.

Under the supervision of a prospector, labourers would dig up the ground with picks and shovels in order to reach the gold-bearing ore. Deep-level mining Before long it became necessary to dig a lot deeper to reach the gold, even as much as a kilometre beneath the ground. This became known as deep-level mining. Deep-level mining required new and expensive machines. Machines were used to sink shafts hundreds of metres beneath the ground. By 1906 the Robinson Deep Mine just off Eloff Street in Johannesburg had become, at 800 metres, the deepest producing mine in the world.

Because of the heat and the gases underground, ventilation was necessary for people working at such depths. Also, the deeper the line was, the more water was encountered. Special pumps had to be imported to remove the

rather. Low-grade ore The rock from which the gold is extracted is called ore. The gold can be described as being 'trapped' in ore. A characteristic of the ore in the Witwatersrand is that it is low-grade. This means that a very large amount of ore always has to be dug up and crushed in order to get a small amount of gold.

Even today in some mines in Gauteng, as little as 3 grams of gold is obtained from 1 ton of ore. 'An endless treasure of gold' Although the ore is low-grade, the gold reef stretches for over 400 kilometres from Evander in Mpumalanga to Virginia in the Free State. This area produces most of the gold in the world. Depending on the gold price, people could carry on mining here years to come. The needs of the gold mines follows below. It shows the huge amount of money needed start a gold mine along with a supply of cheap labour. Without these, gold mining in South Africa would not have been profitable. • • • • • • • • • • The needs of the gold mines The problem of mining, since the discovery of gold on the Witwatersrand, has been to make the poor ore product profitable. Some historians believe that if such poor ore had been found anywhere else in the world, it would have not have been mined at all. The plentiful supply of cheap labour available to the gold mines in South Africa made this viable. Who invested money in the gold mines? The amount of money needed to develop a mine was very large. Most mines were owned initially by investors who brought money in from other countries, hoping to profit from the new mining industry.

This money was spent on things like importing special machines for sinking shafts in order to reach the gold-bearing ore in the depths of the earth. In addition, the mines needed people who were skilled at deep level mining.

These people were mainly immigrants and their labour was expensive. Skilled workers came from Australia, America, Eastern Europe and especially Britain. In Britain the tin mines in Cornwall were closing down the same time as the gold mines in South Africa were starting up. So many skilled miners from Cornwall came to work on the Witwatersrand.

Because of the gold standard, the price of gold was internationally controlled and remained fixed for long periods of time. This meant that an increase in working costs could not be passed on to the buyers by increasing the price of gold. It soon became clear that the only way of mining profitably on the Witwatersrand was to secure a very large supply cheap, unskilled labour. How the mines got their labour In order to be profitable, the mines needed an ongoing supply of cheap labour. The mine owners therefore had to think very carefully about when they would get labour from and how they would make it cheap. We must have labour. The mining industry without labour is as ... it would be to imagine that you could get milk without cows. ' President of the Chamber of Mines, March 1912 The problem that faced the mine owners was that there was no ready-made supply of workers whom they could recruit to work in the mines. They had to use many different methods to create and keep a supply of cheap labour. Workers in turn resisted these methods in various ways. Few Africans were willing to leave their fields to work underground. Most African farmers were not interested in working in the mines while they still had land.

Some, like the Pedi, had been prepared to work as migrants for short periods on the diamond mines in order to get money to buy farming implements, as well as guns to defend themselves. • • • • • Even mine owners

had to find a way of turning the migrant system into a cheap one. In the years between 1890 and 1899 the number of African mineworkers rose from 14 000 to 100 000. This section shows how mine owners managed to recruit those 100 000 migrant workers and how the migrant labour system was turned into a cheap one.

The governments (both Boer and British) and the mine owners worked together to guarantee the mines an ongoing supply of cheap labour. The conquest of the African kingdoms African independence was largely destroyed by the 1880s. Two examples of this were the conquest of the Pedi and the Zulu kingdoms. The methods used to force Africans to become migrant labourers included taking advantage of internal conflicts within African kingdoms. Going to war against the African kingdoms was another method used by both the Boers and the British. Once the African kingdoms had been defeated, the Boer and British governments taxes and land control measures left people with few options for survival except to seek work in the towns. • • • • • Control over land By the 1880s the Boers had formed governments in the Transvaal and the Orange Free State. The British ruled over the Cape Colony and Natal. The Boers and the British were slowly extending their control over the land and the people living in these areas. By 1900 most of the land in South Africa had been taken over by white farmers, mining companies, land companies and by the government. In the Cape and Natal in areas like the Transkei and Zululand, land still belonged to African farmers but there was much less of it.

There were some Africans involved in commercial farming in the Orange Free State and the Transvaal. But Africans did not farm their own land in these

provinces. Most of them farmed land that belonged to white farmers or unused land that belonged to land companies or the government. They were like the tenant farmers in Britain. Imposition of taxes Soon the Boer and the British governments started to impose taxes on their 'subjects'. They made new laws that demanded taxes be paid in cash and not in cattle. Africans had to pay a hut tax of R1 per year for every hut.

It took a man about three months on the mines to earn this and many men went to work on the mines to pay the hut tax. Every man over 18 years old, black or white had to pay a poll tax of R2 a year. Black unskilled workers were earning between 5c and 19c a day on the mines. They had to use most of this money to buy food and clothes for themselves. It therefore took them months of extra work on the mines to pay the poll tax. • • • • • The third form of tax was the labour tax. In the Cape, the then Prime minister, Rhodes, passed a law called the Glen Grey Act in 1894.

Among other things, this law forced all Africans in the Cape to pay R1 to the government every year. However, they did not have to pay this tax if they proved that they worked for wages for at least three months of the year. • Most African men therefore either had to: • earn money to pay the hut tax and the poll tax by selling produce, or working for a short time either on white farms or in towns, or avoid paying the labour tax by working for wages for short periods either on farms or in towns. In these ways thousands of men were forced to become migrant workers.

Most chose to go to the mines rather than to do farm labour because they could earn higher wages on the mines. They would go to the mines for specific lengths of time as short as three months or as long as two years

while their wives and children stayed at home keeping the farms going. As result more and more men were separated from their families for increasingly long periods. Rhodes claimed that these taxes were meant to encourage independent African farmers to work for wages and to use the cash that they earned to ay for 'wise and good government'. Early attempts at recruiting From Vusi goes back, Prezanian Comix/E.

D. A. Because of the very large supply of labour that the mines needed, the mine owners had to ensure that a sufficient number of men would spend enough time working on the mines every year. There was competition for labour between the richer mines and the poorer mines. The richer mines were usually able to attract workers by offering higher wages. At the same time, the very existence of the poorer mines depended on reducing working costs by keeping wages as low as possible. The mine owners solved this tension between the richer and the poorer mines by flooding the market with recruited workers.

These were workers who were encouraged to come and work on the mines by special agents or 'touts'. 'Touts' were paid by recruiting agencies for every worker they recruited. In this way mine owners created a situation where there were more workers than jobs so that workers would be forced to work for lower wages. The mining industry was a major taxpayer to the Transvaal. As a result, the Kruger government co-operated with the mine owners. Although the government was concerned to ensure that the mines did not take African labour away from Boer farmers, it did agree to recruit labour for the mines.

This included allowing foreign labour from neighbouring countries to work on the mines. The Kruger government also introduced and policed a pass system. Africans were required to carry passes, a form of document, which allowed them to • • • • • travel and find jobs only with the approval of the government or an employer. This was designed to control the number of Africans coming to the urban areas. The pass system remained in place in one form or another until 1986. • • The rinderpest Another blow to those farmers who were able to hold onto their independence came with the rinderpest epidemic of 1896-7.

This cattle disease reduced many herders to poverty and starvation and many were forced to seek work on white farms or in the mines. Explaining causes Many causes or reasons have been provided to explain why thousands of African farmers went unwillingly to work on the mines every year from the late 1880s onwards. Some of these causes may have had a greater effect on people's lives than others. Behind the scenes of the world of the workers 1897: Lord Miner became governor of the Cape Colony and British High Commissioner in South Africa. He was known for his dislike of Kruger, president of the Transvaal.

He also had a strong desire to expand Britain's sphere of influence in South Africa. 1899-1902: The South African War (previously called the Anglo-Boer War) broke out and lasted for three years. An important cause of the war was the struggle for control over the goldfields. The mines were forced to close during the war. Workers returned home. This affected productivity and cost the mine owners and the economy millions of rands. Some say the war paved the way for the Cape Colony, Natal, the Transvaal and the Orange

Free State to form one state. 1904-1908: South Africa had to be rebuilt or reconstructed after the war. As part of its reconstruction programme the government under Milner secured cheap indentured labour from China. This enabled the mines to lower wages and ignore the demands of Southern African workers for higher pay and better working conditions. Milner's reconstruction programme was similar in some ways to the Reconstruction and Development Programme (RDP). Milner's government had to tackle the task of rebuilding the country after the South African War.

Africans did not accept the loss of their land or the imposition of taxes, passively. But it was hard for them to fight back because of the strength of the British and the Boers. The development of the mining industry largely destroyed independent farming as a way of life. It changed previous patterns of trade to produce a new economy and a new political system. This new system was controlled by whites. And, particularly during the period from the 1860s to 1910, Britain (and internationally-based companies) had a great influence over the way the country was governed. • • • • •