

## RHODES, RHODESIA AND THE RAND

by

I. R. Phimister

Recent historiography has suggested that historical interpretation of the various territories comprising southern Africa is enhanced if they are considered in the context of a "regional economic system embracing all of southern Africa". (1) This is of particular significance when it is remembered that Cecil Rhodes's three main financial interests lay in Kimberley diamonds, Witwatersrand gold, and Southern Rhodesian mines and lands. (2) These interests were closely interlinked and developments within one field of operations normally affected the others. For example, Kimberley capital financed much of the early development on the Rand and, to a lesser degree, both centres invested in Southern Rhodesian mining.

This paper will suggest that appreciation of the interaction between these financial interests is fundamental to an understanding of aspects of southern African history in the last decade of the 19th century. By outlining the history of one of Rhodes's interests, mining in Southern Rhodesia, together with his Rand investments, it is intended to provide a basis for a re-evaluation of Rhodes himself and a modification of existing analyses of the development of capitalist mining in Southern Rhodesia.

Lockhart and Woodhouse, referring to Rhodes and the future Southern Rhodesia, have written that he "was not primarily interested in the gold or diamonds he might find in the north ... Rhodes's real purpose, from which he never departed, was the extension of Cape Colony into Central Africa ... where men and women of the British race might work out a new destiny for themselves and their country". (3) Similarly, Leonard Thompson tells us that Rhodes "was not deeply interested in wealth as such: he was interested in power". (4) Underpinning these descriptions is the assumption that Rhodes is best interpreted as a politician who devoted his private fortune to the expansion of the British Empire. This type of analysis was somewhat refined in 1973 when Galbraith suggested that the element of "ego satisfaction"/"self realisation" was central to Rhodes's life. Rhodes, Galbraith claims, "succeeded in deluding himself, as he convinced others, that his cause was Britain when in fact his cause was Rhodes". But, for Galbraith, Rhodes's cause was realization of "himself through empire", a cause which "far transcended" the "business ends" of his associates. Galbraith's contribution to the debate, therefore, was that Rhodes assisted the expansion of the British Empire primarily for selfish, egotistical reasons, his "immortality would be Rhodesia". (5)

The one notable exception to both analyses is Blainey's penetrating study of the Jameson Raid. Blainey concluded that Rhodes "was pursuing his own financial interests in the Rand at the expense of a united, British-oriented South Africa" (6), and, presumably, at the expense of his untarnished "immortality". This conclusion is both supported and supplemented by this paper's examination of the origin of Rhodes's Rand interests and their interaction with his Southern Rhodesian investments. Rhodes emerges rather as a capitalist who, in many respects, utilized British Imperialism for the benefit of his private fortune.

Just as the perspective of a regional economic system provides for a re-evaluation of Rhodes, so it lends itself to reinterpretation of the development of capitalist mining in Southern Rhodesia. It has been claimed that the "most important single element which determined the nature of economic and political development in Southern Rhodesia, has been the overestimation at the end of the 19th century of its mineral resources on the part of the British South Africa Company and the persistence of such an overestimation for roughly 15 years". (7) The lengthy persistence of this over-valuation is attributed to the "political interruptions" of the Jameson Raid of 1895, the African Risings of 1896-7, and the Boer War of 1899-1902. (8)

Examination of the growth of capitalist mining in Southern Rhodesia combined with a regional analysis, however, suggests that Rhodes - and to that extent the British South Africa Company (BSA Company) - realized the comparative poverty of Southern Rhodesia's mineral resources by 1894-5, and that certain of the so-called "political interruptions" were in a number of respects a direct consequence of the failure of the "Second Rand" to materialize between the Limpopo and the Zambezi.

#### Rhodes and the Rand

The initial development of Witwatersrand gold after its discovery in 1886 was primarily undertaken by Kimberley capitalists. Of considerable significance for southern Africa was the fact that Rhodes, unlike magnates such as J. B. Robinson, hesitated. The recent failure of the Barberton goldfield and the crash of its stock exchange bred in Rhodes and Rudd a "settled conviction that, however rich a gold-mining claim might be on the surface, there was no guarantee that it would prove profitable at depth as the diamond-mines were proving to be". (9) Rhodes's hesitation and distrust of the new goldfield - an opinion shared by his mining expert (10) - combined with an element of ill luck to cost him dearly.

Their principal purchase in the west, Luipaardsvlei, was a low grade proposition though no one guessed it at the time. Their ground on Witpoortjie, the neighbouring farm, was situated on one of the great structural breaks of the Witwatersrand series. There was no trace of the reefs on the farms, Middelvlei, Droogeheuvel and Elandsvlei to the far west in which they acquired an interest. In the east, they were later to buy Rietfontein and Witkoppe and run into mining problems that baffled the mining engineers of the day. All in all, Cartwright concludes, Rhodes and Rudd "could scarcely have done worse had they deliberately set out to choose the most unpromising sections of the Witwatersrand on or near the outcrop". (11)

In February 1887, The Gold Fields of South Africa Ltd was registered in London with a capital of £250,000. Rhodes had earlier stressed that Rudd should obtain "us a good remuneration or else the Company is not worth working for", and this Rudd certainly did. The two partners were to get three-fifteenths of any profits the Company made, plus a further two-fifteenths in return for their services as managing directors. (12) But evidence of Rhodes's and Rudd's miscalculations was not slow in coming.

Early in 1887, one E. P. Mathers visited the Rand, where he saw a 20 stamp battery already at work on Luipaardsvlei. Of this purchase by Rhodes, Mathers observed that "it remains to be seen whether this clever speculator has not ventured too much on surface indications.... A test crushing of 50 tons from this reef returned 13 dwts. of gold to the ton". (13) Other returns were even lower, and these and subsequent crushings of the Luipaards Vlei Estate and Gold Mining Company showed the mine to be a low grade proposition incapable of producing profits comparable to rich outcrop mines such as the Robinson. With over £100,000 of Gold Fields' capital sunk in mining properties and machinery, Rhodes and Rudd sought escape from their faulty Witwatersrand investments by placing the rest of the company's capital in De Beers and Kimberley Central diamond shares. (14)

Clearly, Gold Fields of South Africa had failed to secure the rich outcrop reefs of the Rand, and it is in this context that Rhodes's grasp for the "northern goldfields" must be analysed. It was precisely because Rhodes had initially been unsuccessful on the Transvaal Rand that he sought a "Second Rand" north of the Limpopo to recoup his losses. In August 1888, following a particularly stormy annual meeting with Gold Fields shareholders at which which his brother had attempted to defend the managing directors' gyrations, Rudd explained to Curry that after "some discussion with Rhodes regarding The Gold Fields of South Africa we have come to the conclusion that our best chance of a big thing is to try and make some terms with Lobengula for a concession for the whole of his country". (15)

With consummate and enduring duplicity, Rhodes's emissaries obtained the Rudd concession on 30 October 1888, and news of this achievement was circulated to delighted Gold Fields shareholders the following month. (16) The grant of the Royal Charter for the BSA Company on 29 October 1889 cleared the way (17) for the subsequent expedition to Mashonaland, and, with the disbandment of the "pioneer column" at the end of September 1890, prospectors swarmed into the countryside to locate the "Second Rand".

#### Development and Disillusionment, 1890-1896/7

"Rhodes ... thought we were discovering a Wittewatersrand over again, that capital would pour into the country and the officials of his Company would be worried to death keeping check of the 50% streaming in like buckets of diamonds ..." (18)

Based on such an assumption, the Mashonaland Mining Regulations, No 1, 1890, were designed to promote the rapid development of gold mining by large companies, while ensuring the maximum benefit for the BSA Company. In order to

attract capital, the regulations embodies the American apex principle (19), but the Chartered Company reserved prior right to company flotation and claimed 50 per cent of such vendor's scrip. (20) Little wonder, then, that Rhodes happily informed the Duke of Abercorn that the system was "an enormous thing for the Charter", as it "practically means ... we ... shall get half the minerals of the country". (21)

Fired with enthusiasm, the prospectors spread over a wide area searching for gold: "Everybody was going to make money quickly and everybody meant to meet everybody else at Chicago [Trade Exhibition] - 'Chicago '93!'" (22) By the third week of October 1890, some 300 men were prospecting the country around forts Salisbury, Charter and Victoria, with particular emphasis on the Mazoe and Umfuli districts which Thomas Baines had described. Already 465 gold claims had been registered and shaft-sinking commenced. (23) The favoured region of Hartley Hills soon bristled with claim pegs and the firm of Johnson, Heany and Borrow confidently applied for water-rights for 1,730 head of crushing stamps. (24)

But this initial momentum swiftly collapsed with the onset of the rains, which severed communication with the south for three to four months. At the same time, the prospectors' gold fever was supplanted by malarial fever, which considerably hampered mining work. (25) The deteriorating situation compelled the Company's Administrator to write to Kimberley seeking urgent relief, as the "want of food supplies, tool and barter stuff for securing supplies, labour etc from Mashonas has been very serious [and] it has not only caused much discontent but retarded progress greatly". (26) In addition, many prospectors had been obliged by the terms of the mining regulations to assist the Chartered Company in its seizure of the reputedly rich Manica goldfields. Consequently, it was not until July 1891 that regular mining development was possible. (27)

Nevertheless, sufficient exploration had been undertaken to reveal features of a more durable nature. Problems encountered twenty years earlier on the Tati goldfield were found to be similarly characteristic of Chartered Company territory but on a more massive scale. Those prospectors who had dreamed of large-scale alluvial deposits soon learned better; one group in the Mazoe valley, after three days of strenuous work, were rewarded with only a quarter of a pennyweight of gold. (28) Others, who turned to reefs, were disturbed by signs of extensive pre-colonial goldworkings which fostered the uneasy suspicion that the "ancients" had "picked the eyes" out of the country. The first mining level of the Anterior Mine, for example, had to be made at 150 feet because the "ancients" had earlier removed all the gold-bearing quartz down to that level. (29) This feature was later considered to be a major obstacle to raising capital for Southern Rhodesia because, unlike the Rand, where the rich outcrops were untouched, development of Rhodesian mines necessitated expenditure of relatively more time and money before they could begin gold production. "The Rand", Wilson Fox lamented, "has been payable from the surface and in several cases the mines themselves have paid out of profits for practically the whole of their present magnificent equipment and development". (30)

Reopening of communication with the south in 1891 brought a certain renewal of confidence and numbers of fresh gold-seekers, including both individuals and companies. Kimberley and London capital was well represented in the latter expeditions, among whom were Lord Randolph Churchill, Albert Grey, Beit, Maund, and Major Brown of De Beers. (31) Even as the newcomers arrived, however, so discontent with the Chartered Company's 50 per cent clause was growing as miners realized the nature of Mashonaland goldfields. Not only were

they faced with the uncertainties of quartz reef mining, but reefs which had previously been worked imposed limitations on profitability and postponed hopes of swift returns. (32) The first reports by mining experts were similarly discouraging, especially that of Perkins, Churchill's engineer; and even the Chartered Company man, Rolker, was decidedly cautious in his assessment. (33)

Economic depression followed swiftly on the publication of these adverse opinions: "At present everything is stagnation. Economy the order of the day in every household.... The whole concern has the appearance of [an] enormous bladder unduly inflated & suddenly pricked. One might say that the experts were the people who have pricked it." (34) In Manica, the depression was so pronounced that many prospectors could only just purchase food, let alone develop their properties. (35) As a result, the BSA Company was compelled to reduce expenditure considerably, and this was done primarily by reducing the expensive police establishment. This in turn, as Ranger has explained, forced the Chartered Administration to rely heavily upon the settlers for a wide range of activities, including those of Field Cornets and the exaction of "fines". (36) Thus, the system of "administration" and the ensuing stream of abuses which ultimately culminated in the African risings of 1896-7 were in many respects a direct consequence of impecuniosity stemming from failure to discover a "Second Rand" in Mashonaland, and later, Matabeleland.

Continuation of exploration and development in 1892 seemingly confirmed the adverse reports of the mining experts. A gold production for that year of only 779 ozs served to show that wherever the "Second Rand" was, it did not lie within Mashonaland.

In May 1893, Jameson, the Chartered Company's Administrator, telegraphed London: "Everywhere new finds are occurring daily. Crushing everywhere successful. Wonderful developments in every district. Reefs certainly improve as depth increases." (37) But Jameson's extravagant language could not disguise the fact that in 1892 only two companies had been floated for work on mining claims. Although the first three months of 1893 saw the flotation of four more mining companies, all the BSA Company received was shares to the nominal value of £116,270. (38) With such meagre returns, the Chartered Company was sinking into debt as its "cash and reserve of shares were almost exhausted and it was living on a monthly subsidy from De Beers and other friends". (39)

Rhodes's faltering investment was further threatened in mid-July 1893 when the Ndebele raided in the Victoria district, particularly as the raid disrupted the labour supply of the only two producing gold mines in the country. With BSA Company finances already unsatisfactory, the mere hint of trouble with the Ndebele caused Chartered Shares to fall rapidly. (40) One magazine reported that the "difficulties" with the Ndebele around Victoria had "created a feeling of uneasiness, and Chartereds have suffered in consequence". (41) For a company in the parlous financial position of the BSA Company, it was clear that persistence of this "uneasiness" would mean its collapse, especially as no rich gold discoveries had been made in Mashonaland.

Initially, Rhodes and Jameson were reluctant to utilize the incident to countenance the invasion of Matabeleland, as both were highly conscious of the BSA Company's weak financial situation. But at a more significant level it was precisely because of the Chartered Company's financial weakness that war was seen as a solution to compelling and complex financial pressures. (42)

The successful dispersion of the Ndebele force in the Victoria district on the 18th July indicated the possibility of a cheap confrontation with Lobengula and, indeed, the subsequent campaign was fought as cheaply as possible by utilizing settler volunteers, with Imperial troops in Bechuanaland providing a valuable back-up. (43) From the end of July 1893, the Chartered Company set out to manufacture a war for the seizure of Matabeleland and at the same time the directors of the United Concessions Company (who owned the Rudd Concession) arranged that, if the previously postponed purchase of the Concession could be pushed through before the end of the year, they would raise a £170,000 loan for the BSA Company. (44)

As Jameson realized, "the getting Matabeleland open would give us a tremendous lift in Shares and everything else. The fact of its being shut up gives it an immense value both here and outside". (45) It would seem that the war with the Ndebele solved several problems: the "uncertainty" which was depressing Chartered Shares was ultimately removed, and it also provided access to the reputedly rich Matabeleland goldfields. Further, the conclusion of the war created a more favourable financial climate for purchase of the Rudd Concession, and by laying the basis for a rise in shares, offered the directors of United Concessions the chance of a reasonable profit. In this sense, Walker was correct in observing that from the end of July "it was either Lobengula's head or the Company's". (46)

Lobengula's head duly fell, and the Rudd Concession was purchased from the United Concessions Company at the price of doubling the Chartered Company's share capital. This time the Shareholders raised no objection, despite a temporary fall in share values, satiated as they were by the prospects of "two or three New Johannesburgs" in Matabeleland. The BSA Company was able to raise not £170,000 but a three-quarter million pound loan, interest first payable in January 1896. (47)

The sellers of the Concession received one million Chartered shares, their market value being just over one million pounds. Significantly, the controlling interest in United Concessions had been held by Gold Fields, Rhodes and his associates, and it is to Rhodes's Rand holdings that we must now turn.

Rhodes and Rudd had invested about four-fifths of Gold Fields of South Africa's capital in diamond shares and the BSA Company, in an attempt to compensate for their faulty Witwatersrand purchases. For a time it seemed as if even diamonds were a risky investment because the discovery of a new deposit obliged De Beers to spend £451,438 for control of the new mine. De Beers shares fell into temporary disfavour because of the risk that if new diamond mines continued to be discovered it would be very difficult to control output and keep the price of diamonds up. Because of Gold Fields close connection with De Beers, the former's prospects declined accordingly and in 1891 the company returned profits of only some £16,000 and no dividend. (48)

The managing directors' search for profits north of the Limpopo had already involved the increase of Gold Fields' capital to £370,000 by the creation of 120,000 £1 shares for the development of the Rudd Concession. (49) The extent to which the fortunes of Gold Fields were linked to those of the BSA Company was revealed by Rudd in January 1891: "... we have so far decided to concentrate all our forces in Mashonaland - both capital, engineers ... and everything else that can be brought to bear are to be sent up there in April.... This being the case

it is useless to pretend that we desire new business on the Rand because we have not the capital for it ..." (50)

With uncertainty shrouding diamond shares, the only alternative for Gold Fields was seemingly to exploit its interest in Mashonaland, and there all the promising-looking gold claims at this time were held by the firm of Johnson, Heany and Borrow. In a venture described by Cartwright as "a somewhat desperate effort to improve the look of things", Rhodes arranged to raise £130,000 through Gold Fields to work Johnson and Company's assets in conjunction with them. Gold Fields shareholders objected strongly to this latest proposition, and, of the 130,000 shares of the new issue offered to them, subscribed for only 44,000. (51) Here shareholders displayed considerably more acumen than the directors, because the venture was a financial failure.

Thus, by the beginning of 1892, Gold Fields' association with the BSA Company and its territory was proving distinctly unprofitable. Serious doubts had already been voiced as the richness of the goldfields, and Mashonaland itself was economically depressed. On the Rand, however, two developments had occurred which were to refocus Rhodes's and Rudd's attention on that goldfield.

Firstly, the MacArthur-Forrest cyanide process had solved the problem of extracting gold from pyrite ore, and at the same time had given the Rand mines a greatly improved return per ton. Of much greater long-term significance was the second development - the formulation of the "deep-level theory" and the beginnings of exploratory drilling. But, like many other mining companies and investors, Gold Fields did not initially accept the deep-level theory, even though their own consulting engineer, Tarbutt, was convinced of its viability and pegged numerous claims on his own account. (52)

Most of the deep-level claims were cornered by Wernher, Beit & Co., and it was only through the latter that Gold Fields was saved "from the ignominy they would have had to face had they been left out of the deep-level boom". In 1892 Gold Fields accepted a share in what was to become the immensely profitable Rand Mines Ltd, but there was good reason for Beit's apparent generosity. Development of deep level mines was obviously going to involve a considerable amount of capital, and this Beit hoped to raise on the London market in association with the influential Rhodes. (53)

Even as Rhodes and Rudd swung back to interest in the Rand, their hopes of buying more deep-level claims were frustrated by Gold Fields' unsatisfactory financial position. As Rudd explained to Curry in July 1892: "The fact is our total Mashonaland holding is discredited, our De Beers depreciated and the deep level interests are looked upon as speculative and visionary and with an utter absence of confidence and speculation generally ..." (54) The problem of raising capital was resolved by amalgamating the interests of Gold Fields of South Africa with three other smaller companies who held good deep-level interests. From this amalgamation, Consolidated Gold Fields of South Africa Ltd emerged in August 1892, with a capital of £1,250,000. (55)

The new company was heavily committed to the development of its deep-level interests, which, as noted, required extremely heavy capital investment. The close association of Gold Fields with the BSA Company was undisturbed by the amalgamation of August 1892, and was underscored from July 1893 onwards when

Consolidated Gold Fields shares began to fall in sympathy with Chartered's. (56) Undoubtedly, this factor gave Rhodes added (if not primary) incentive for manufacturing war with the Ndebele. (57)

The successful prosecution of the Ndebele War promised a marked improvement in the financial position of Rhodes's various interests, and for the BSA Company in particular the future looked bright. Mashonaland goldfields were almost abandoned as hopes of wealth were transferred to Matabeleland and capital raised. At the end of March 1894, the Chartered Company reported that "a sum of over half a million has, within the last few months, been subscribed in cash by independent Companies, as working capital for new mining ventures ...". (58) This trend was more than sustained, and in 1895 BSA Company directors stated that "many Development Companies have been floated, thus providing further large amounts of working capital for ... the development of the country". With about two hundred such companies in the country, BSA Company shares were quoted at £8.17.6. on the Bulawayo stock exchange. (59)

Between 1894 and early 1896 the mineral resources of Chartered territory were certainly overestimated by numerous companies and shareholders in a period characterized by speculation. The main reason for this speculation was not so much overvaluation of the territory's resources, however, but the important fact that the Rhodesian share-market was very closely linked to that of the Rand. In early 1892, Rudd had complained to Borrow that one of the reasons why it was so difficult to raise capital for Chartered territory was that "the Rand at present low prices offers such excellent opportunity for investment on a safe & remunerative basis, that no investor or speculator need go further ...". Once the "boom" came to the Rand, all that Rudd could hope for was that "then no doubt we shall get the reflected glory of the Rand in a substantial form, but this may be delayed a year or even two". (60) Blainey has explained that in the "long spells of cheap money that punctuated the decade 1886-95 Europeans invested more heavily in gold shares than ever before", and especially in the Rand, which was on the crest of a boom between 1894 and 1895. (61)

It is probable that much of the capital entering Chartered territory in these years reflected the prosperity of the mining regional economy as a whole. For example, the general prosperity enabled speculators to redirect capital for the partial resuscitation of the previously discredited Mashonaland goldfields. For Mashonaland miners this meant that a "great & beautiful change has come over the country & that is that now buyers run after claimholders whilst not long ago it was the other way round". (62) Such a development would not have been possible purely on the basis of overestimation, especially as no new startling gold discoveries had been made in Mashonaland.

This suggestion that the flow of capital represented something more than simple overvaluation of gold deposits is supported by two other features. In Mashonaland the failure of gold had increased the value of the other potential source of income - land - and speculation in land was accentuated after the occupation of Matabeleland. (63) Had the companies concerned felt confident in the territory's gold resources, it is unlikely that they would have indulged in land speculation to the extent they did, nor would the BSA Company have felt constrained to make lavish land grants to many companies in order to encourage investment. (64) Similarly, the settlers themselves had learnt from their Mashonaland experiences and were cautious about prospects in Matabeleland: "A lot of people are going to Matabeleland more because there is nothing doing here than that they expect to make much there." (65)



The two strands of overestimation and the prosperity of the regional mining economy ran together, manifesting themselves in incompetent, expensive managements and often in fraudulent company speculation, and both took advantage of the fact that ordinary British shareholders did not or could not always distinguish between "Kaffirs", the term for both Rand and Rhodesian mining shares. The Rhodesia Herald complained bitterly that for "nine months of each year the development of auriferous Mashonaland is gravely performed by cable and telegraph", and called repeatedly for the commencement of serious mining development. (66) Such behaviour was a further indication that speculation was riding on the back of Rand prosperity and that many companies had little faith in the territory's mineral resources. Indeed, as one visitor was informed, "when output begins speculation ceases". (67)

By this time, however, Rhodes no longer entertained any illusions as to where the "Second Rand" lay. He had asked John Hays Hammond, Consolidated Gold Fields' mining expert, to visit Southern Rhodesia and report on its mining prospects. Hammond's report, completed by November 1894, made it clear that Southern Rhodesian goldfields were no "Second Rand".

Hammond related that when he submitted his report, Rutherford Harris, the BSA Company's secretary, commented: "if we have to depend on Hammond's geological report to raise money for this country, I don't think the outlook is encouraging." But Rhodes was too astute a capitalist to disregard or attempt to contradict the report, which he allowed to be published. Instead, when addressing the fourth Annual Meeting of the Chartered Company in early 1895, he successfully distorted the tenor of the report and left a glowing impression of "hundreds of miles of mineralized veins", which had the shareholders cheering. (68)

"It was of supreme importance to Rhodes", wrote Hammond, "that my report be favourable - on my findings would hinge the investment or the non-investment of enormous sums of British capital for the development of the country." (69) Hammond overestimated the importance of his findings for Southern Rhodesia in the short-term; so long as the Rand boom continued and prosperity percolated through the regional economy (and so long as the true import of his findings continued distorted), so capital continued to be raised for Chartered territory. But for Rhodes, as a capitalist straddling three financial interests, the report undoubtedly was of supreme importance.

By 1894, the deep-level theory on the Rand had been proved beyond any doubt and the companies concerned were sinking more and more capital into the development of these mines. For Rhodes, Hammond's report must have emphasized that the true "Second Rand" lay in the deep-levels and not in Southern Rhodesia. (70) The failure of Chartered territory to provide immensely rich goldfields considerably accentuated Rhodes's interest in and dependence on deep-level mining, a point not mentioned by Blainey but one which supports his analysis.

Details of Blainey's study of the Jameson Raid are not repeated here; suffice it to say that a combination of the disadvantageous economic position of the deep-level Rand interests, together with the comparative poverty of his Southern Rhodesian investments, gave Rhodes sufficient motive as a capitalist to plan action against the Transvaal government. The progressive collapse of the boom in Kaffirs after September 1895, Blainey suggests, may have "accelerated plans for the revolt and made Dr Jameson more impetuous and Rhodes less cautious ...". The swift overthrow of Kruger, Blainey adds, "would loosen the economic yoke that

choked deep-level mines and would instal a sympathetic government that might revive the confidence of European speculators". (71) Inasmuch as the illusory prosperity of Chartered territory depended on the maintenance of the regional mining boom, this gave Rhodes added incentive for the Jameson Raid, especially as interest on loans raised for the BSA Company after the 1893 Ndebele War fell due on the 1st January 1896. (72) Far from the Jameson Raid obscuring over-estimation of the BSA Company's mineral resources, in a number of respects their comparative poverty contributed to its causes.

The removal of troops and police from Southern Rhodesia for the Raid presented the territory's African people with an ideal opportunity to rise against the settlers and the Chartered Company. Previous reference has been made to the "administrative system" which resulted, from financial stringency in the early 1890s, following failure to locate rich gold deposits. From this stemmed a wide variety of abuses which were not reduced but rather institutionalized when a rudimentary "Native" Department was set up in 1894. The comparative poverty of the mineral resources induced companies and settlers to indulge, among other activities, in land speculation and cattle confiscation, the latter in particular having a severe impact on the Ndebele, especially as it was accelerated in the months immediately preceding the risings. (73) These and other factors combined to produce the Risings, which, from a beginning in April 1896, persisted in various areas until near the end of 1897, and at their height, with the exception of the Umfali district, brought a complete halt to mining development.

#### Conclusion

In the introduction to his stimulating study on "Worker Consciousness", van Onselen emphasized that previous observations concerning African labour in Southern Rhodesia had in no case been "based on a thorough examination of African responses in a particular industry". (74) Remarkably, despite the considerable attention paid by historians to the career of Cecil Rhodes, it would seem that equally their studies have been based on no more than a cursory glance at Rhodes's financial interests, and especially the interaction between them. Rhodes's amalgamation of the diamond mines, certainly, has been written about extensively, but most historians have assumed that his success here was simply transferred to the Rand, or, at the very most, that he was frustrated in his desire to amalgamate the Rand mines as he did the diamond workings. Acting on the assumption that Rhodes's finances were securely based on the riches of Kimberley and the Rand, historians have then generally interpreted Rhodes's northern activities primarily in terms of the expansion of the British Empire, whether for reasons of southern African politics and/or for "ego satisfaction". (75) Only Blainey undertook the systematic probing of one of Rhodes's financial interests, but even he did no more than hint at the powerful links between Rhodes's main investments.

Probably elements of "self-realization" and commitment to imperialism were powerful influences in Rhodes's career, but, as Blainey and this paper have indicated, both were abandoned when they threatened to conflict with the demands of Rhodes's investments. Faulty investments on the Rand and the need to compensate for these provided Rhodes with the main impetus for his interests between the Limpopo and the Zambezi. Similarly, his cautious railway policies were primarily grounded on the necessity to succour prior capital investment and, later, on hopes of profitability. (76) While this paper does not claim to have examined thoroughly Rhodes's financial interests, it does seem that an economic

analysis goes some way to providing a basis for re-evaluation of Rhodes.

Because of the predominant economic position of the Rand, together with Rhodes's regional investments, this paper has further attempted to show that the development of capitalist mining in Southern Rhodesia is best understood in the context of the regional economic system postulated by van Onselen. It would seem that the limitations of previous studies are related to their interpretations being confined to a narrow territorial base. Detailed examination of the growth of capitalist mining in Southern Rhodesia, combined with appreciation of regional interests, has shown the overvaluation of mineral resources to have been of much shorter duration than some studies have suggested. Indeed, the "political interruptions" characteristic of the period were in many respects a consequence of realization of the comparative poverty of Southern Rhodesia's gold deposits.

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#### Notes

- (1) C. van Onselen, "Worker Consciousness in Black Miners: Southern Rhodesia, 1900-1920", Journal of African History, 1973, 14, 255.
- (2) G. Blainey, "Lost Causes of the Jameson Raid", Economic History Review, 1965, 18, 366.
- (3) J. G. Lockhart and C. M. Woodhouse, Rhodes (London: Hodder and Stoughton, 1963), p. 142.
- (4) L. Thompson, "Great Britain and the Afrikaner Republics, 1870-1899" in M. Wilson and L. Thompson (eds), The Oxford History of South Africa, II (Oxford: Clarendon Press, 1971), p. 306. See also L. H. Gann, Central Africa (New Jersey: Prentice-Hall, 1971), p. 82.
- (5) J. S. Galbraith, "Cecil Rhodes and his 'Cosmic Dreams': a reassessment", The Journal of Imperial and Commonwealth History, 1973, 1, 175, 185, 179.
- (6) Blainey, 366.
- (7) G. Arrighi, The Political Economy of Rhodesia (The Hague: Mouton, 1967), p. 19.
- (8) Arrighi, p. 19; C. Leys, European Politics in Southern Rhodesia (Oxford: Clarendon Press, 1959), p. 7.
- (9) A. P. Cartwright, Gold Paved the Way (London: Macmillan, 1967), p. 17.
- (10) Lockhart and Woodhouse, p. 125.
- (11) Cartwright, p. 23.
- (12) Ibid., pp. 26, 28, 32-3.
- (13) E. P. Mathers, The Gold Fields Revisited (Pretoria: The State Library, 1970), pp. 298, 269.
- (14) Cartwright, p. 45. See also Hans Sauer, Ex Africa (London: Geoffrey Bles, 1937), pp. 127-8, for Rhodes's doubts concerning the Rand as a field of investment at a time when the MacArthur-Forrest cyanide process was not employed.

- (15) Cartwright, pp. 45-6.
- (16) Ibid., p. 47; R. Brown, "Aspects of the Scramble for Matabeleland" in E. Stokes and R. Brown (eds), The Zambesian Past (Manchester: MUP, 1966).
- (17) For continued Company manipulation and distortion of Lobengula's "permission to mine", see J. Cobbing, "The Unknown Fate of the Rudd Concession Rifles", Rhodesian History, 1972, pp. 77-81; "Lobengula, the Chartered Company and the invasion of Mashonaland", unpub. research paper.
- (18) A. Darter, The Pioneers of Mashonaland (London: Simpkin, Marshall, Hamilton, Kent, 1914), p. 133.
- (19) The apex principle, or extra lateral right, allowed the claim owner to follow the gold reef in all its "dips, spurs and variations" outside the limits of the claim. By contrast, Transvaal mining regulations allowed only that gold within the claim boundaries to be worked, hence the importance of deep-level holdings.
- (20) Mining Regulations, B[ritish] S[outh] A[frica] C[ompany], Kimberley, 1890. See also BSAC, Memorandum by Mr H. Wilson Fox on Constitutional, Political, Financial and Other Questions concerning Rhodesia (London, 1912), pp. 185-6.
- (21) N[ational] A[rchives of] R[hodesia], LO 8/3/1, C. J. Rhodes to Duke of Abercorn, 31.3.1890.
- (22) Darter, p. 113.
- (23) NAR CT 1/1/3, Memorandum, A. R. Colquhoun to C. J. Rhodes, 17.10.1890.
- (24) W. H. Brown, On the South African Frontier (London: Sampson, Low, Marston, 1899), p. 122; Darter, p. 112; NAR CT 1/1/4, A. R. Colquhoun, Administrator, Fort Salisbury, to Secretary, BSAC, 21.11.1890.
- (25) Darter, p. 145.
- (26) NAR A 2/1/1, Administrator, Fort Salisbury, to Secretary, BSAC, Kimberley, 21.2.1891. For expression of prospectors' discontent and grievances, see NAR A 1/15/2, "Resolutions adopted at a Public Meeting held at Hartley Hills on the 27th December 1890".
- (27) BSAC, Report ... presented to the shareholders at the Second Annual General Meeting, 29.xi.1892, p. 18. Clause 4 of the mining regulations obliged prospectors to sign an undertaking to bear arms for the Company when called upon to do so.
- (28) NAR H Mss. TU 1/1/1, A. Tulloch, "The Rhodesian Dawn".
- (29) Rhodesia, 1, No 19, 19.3.1898.
- (30) NAR A 1/5/5, H. Wilson Fox to Earl Grey, 26.10.1903. Initially many companies did attract gullible shareholders by virtue of properties pegged on "old workings". Fox is not referring to deep-level Rand mines.
- (31) P. Fitzpatrick, Through Mashonaland with Pick and Pen, ed by A. P. Cartwright (Johannesburg: Ad. Donker, 1973), pp. 44-5.
- (32) The Chartered Company made two concessions to the evidence before it: on 7.5.1892 it abandoned its prior right of company flotation and, in an attempt to prove the payability of the quartz reefs, tightened up the mining regulations by insisting that reefs be opened up to and not at the 30-foot level. In other words, work was to be done in the reef and not beside it. See Fitzpatrick, p. 81; Wilson Fox, p. 186.
- (33) Lord Randolph Churchill, Men, Mines and Animals in South Africa, 3rd ed. (London: Sampson, Low, Marston, 1893), pp. 234-6; A. G. Leonard, How We Made Rhodesia (London: Kegan Paul, 1896), p. 313.

- (34) NAR H Mss. BO 11/1/1, Borrow to father, 26.11.1891. This economic depression was all the more pronounced because of financial gloom on the Rand in this period.
- (35) NAR LO 5/2/14, Report on Manika Gold Fields for August 1891, 7.9.1891.
- (36) T. O. Ranger, Revolt in Southern Rhodesia (London: Heinemann, 1967), p. 60.
- (37) NAR LO 3/1/13, telegraph, Jameson to BSAC, 20.5.1893.
- (38) BSAC, Directors Report and Accounts ... 31.iii.1892, op. cit., 31.3.1893.
- (39) E. A. Walker, A History of Southern Africa, 3rd ed (London: Longmans, 1964), p. 426.
- (40) African Review, 8.7.1893, and following issues. There is no evidence for the claim that shares rose at the hint of war. See Walker, p. 429.
- (41) African Review, 22.7.1893.
- (42) For discussion of these pressures, see Phimister, "Rhodes, Rhodesia and the Rand: mining in Southern Rhodesia, 1890-1902", unpub. University of Rhodesia research paper.
- (43) Ranger, p. 95; C. Headlam, "The Race for the Interior, 1881-1895" in The Cambridge History of the British Empire, VIII (Cambridge: CUP, 1963), p. 550.
- (44) Walker, p. 428; Africa (South) No. 459, 38, p. 52.
- (45) Ranger, p. 94.
- (46) Walker, p. 429.
- (47) Ibid.; S. G. Millin, Rhodes, Central News Agency Ltd (South Africa: 1952), pp. 204-5; African Review, 18.11.1893.
- (48) Cartwright, pp. 57-8.
- (49) Ibid., p. 51. It is not clear from the sources consulted whether any or all of the £120,000 so raised was used as capital or backing for the Central Search Association (the first "holding" group for the Rudd Concession), floated in May 1889 with a capital of £120,000.
- (50) Cartwright, p. 50.
- (51) Ibid., p. 58; NAR A 1/2/1, H. Curry to R. Harris, 20.6.1891. See also Frank Johnson, Great Days (London: G. Bell, 1940), pp. 195-7.
- (52) Cartwright, pp. 61-4.
- (53) Blainey, 354-5; Cartwright, pp. 64-5. Wernher, Beit had previously relied largely on French and German financial sources.
- (54) Cartwright, p. 67.
- (55) Ibid., pp. 67-9.
- (56) See, for example, African Review, 26.8.1893.
- (57) It should be remembered that Gold Fields also had the largest single interest in United Concessions.
- (58) BSAC, Directors Reports and Accounts ... 31.iii.1894.
- (59) BSAC, Directors Reports and Accounts ... 31.iii.1895; Rhodesia Herald, 30.3.1898.
- (60) NAR H Mss. BO 11/1/1, Rudd to Borrow, 5.2.1892.
- (61) Blainey, 352.
- (62) NAR H Mss. DA 6/1/1, J. J. Darling to brother, 13.10.1895.

- (63) R. H. Palmer, Aspects of Rhodesian Land Policy 1890-1936 (Salisbury: The Central Africa Historical Association, 1968), p. 8.
- (64) For example, the Matabele Gold Reefs and Estates Co Ltd held 221,000 acres of land and 488 gold claims; for this and other examples, see P. Stigger, "Volunteers and the Profit Motive in the Anglo-Ndebele War, 1893", Rhodesian History, 1971, 2, 21. It might be argued that companies speculated in land because of overvaluation of gold deposits, i.e. the hope that rich mines would enhance the value of surrounding land. This, however, is doubtful on two counts: firstly, the area of land likely to be affected by discoveries would be limited and certainly nothing like the 9,276,222 acres held by companies in 1899 - see Palmer, p. 9; secondly, it would not explain massive land speculation in Mashonaland after failure to discover rich goldfields.
- (65) NAR H Mss. DA 6/1/1, J. J. Darling to brother, 3.4.1894.
- (66) Rhodesia Herald, 16.3.1894.
- (67) H. C. Thompson, Rhodesia and its Government (London: Smith, Elder, 1898), p. 48.
- (68) J. H. Hammond, The Autobiography of John Hays Hammond (New York: Farrer and Rinehart), 2 vols, 1935, I, p. 278; BSAC, 4th Annual General Meeting, 18.1.1895.
- (69) Hammond, p. 276.
- (70) Ibid., pp. 291-4; see also R. Robinson and J. Gallagher, Africa and the Victorians (London: Macmillan, 1961), p. 418.
- (71) Blainey, 361.
- (72) Millin, 205.
- (73) Personal communication from Mr J. Cobbing.
- (74) van Onselen, 238.
- (75) See Gann, p. 83; Lockhart and Woodhouse, p. 158; Galbraith, 178, 176.
- (76) For details, see Phimister, op. cit.