



'The rich live like princes, waited on by liveried flunkies, rushing about in their motor cars, entertaining, receiving, squandering money like water, growing richer day by day. What wonder that they care little for the condition of the poorer portion of the city?'

## Chapter Four The Randlords

Deep-level mining changed the whole system of gold mining on the Rand. It made mining very expensive. Today, it costs R60 million to start a gold mine – and that is before the first gram of gold is mined.

People needed huge amounts of money to start mining the gold which they would then sell at a profit. Money used in this way is called *capital*. (See the cartoons on this page for a simple explanation of capital.)

A capitalist need not be a mine-owner. He can use his capital to start factories, shops or other businesses.

But in this chapter we are talking about the early capitalists of those deep-level mines. Who were they and where did they get their capital?

**CAPITAL IS MONEY THAT IS USED TO MAKE MORE MONEY...**

**A CAPITALIST owns the capital.**  
I never knew that buying a mine would be so complicated.  
HE HAS THE MONEY TO BUY THE TOOLS AND MACHINES NEEDED TO START A MINE OR A FACTORY.  
HE THEREFORE OWNS THE 'MEANS OF PRODUCTION' - THE TOOLS, THE MACHINES - AND THE LAND FOR THE MINE OR FACTORY.

**ORDER**  
TO THE CORNER HARDWARE SHOP, LONDON.  
1 (one) x mineshaft  
5000 x Jackhammers  
1,000,000 x nails  
200 x picks  
2000 x shovels  
100 x mine's helmets  
Everything else needed to build a mine.  
Signed Alfred Snidgry  
ALFRED SNIDGRY SNIDGRY MINING CO.

HE ALSO USES THE CAPITAL TO PAY WAGES TO WORKERS AND MANAGERS. HIS MAIN AIM IS TO KEEP HIS EXPENSES LOW, IN ORDER TO MAKE A PROFIT. HE THUS PAYS HIS WORKERS AS LOW A WAGE AS IS POSSIBLE.  
200 STRONG BOYS - 2 bob a day!  
certainly, Mister Snidgry  
LABOUR SUPPLY OFFICE

YOU LOT OUT HERE - LINE UP OUTSIDE! TWO BOB A DAY!  
LABOUR OFFICE

GREETINGS, WOMAN. HOW FAR TO THE CITY OF GOLD?  
NOT FAR ENOUGH  
THE WORKERS DO NOT OWN THE MEANS OF PRODUCTION. THEY HAVE ONLY THEIR LABOUR TO SELL.

HE SETS THE WORKERS TO WORK, USING THE TOOLS HE HAS BOUGHT. HE HIRES MEN TO SUPERVISE THEM.  
How are things going, foreman?  
OH VERY WELL, THANK YOU SIR!

THE CAPITALIST THEN SELLS THE GOLD HIS WORKERS HAVE MINED, OR THE GOODS THEY HAVE MADE, FOR A PROFIT.  
I have spent £40,000 on machines and £60,000 on Labour. Other expenses were £30,000. We sold £190,000 worth of gold. That means a profit of £60,000! Not Bad!



## CAPITAL FROM THE DIAMOND MINES

The discovery of diamonds brought a great deal of capital to South Africa. People came from England and Europe with capital to buy land and dig for diamonds. Some people made fortunes from the diamonds that they and their workers mined. The diamonds were sold for high prices in Europe and the money came back to the mine-owners in Kimberley.

As the diamond mines grew bigger and deeper, the richer mine-owners bought out more and more of the smaller mines. Because they had the capital, they could pay experts to work out how to mine diamonds deeper down. They could also afford to buy machinery from Europe. Prospectors who had less capital and know-how could not compete with them.

Fifteen years after the discovery of diamonds, a few capitalists controlled the richest diamond mines in Kimberley. They joined together to form a powerful company, De Beers Consolidated Mines. De Beers controlled diamond mining in Kimberley.



*An early surface mine. Deep-level mining required much sophisticated machinery. The small miner could not afford this.*

When deep-level mining started on the Witwatersrand, the richest diamond mine-owners moved into gold mining. They brought with them considerable capital and experience of mining. They also brought ideas on how to control mine-workers in order to increase production, as you will see in this chapter.

## CAPITAL FROM OTHER COUNTRIES

The Kimberley mine-owners brought a lot of capital to the Rand, but it was not enough to

start this new industry of deep-level mining. So they started *mining companies*.

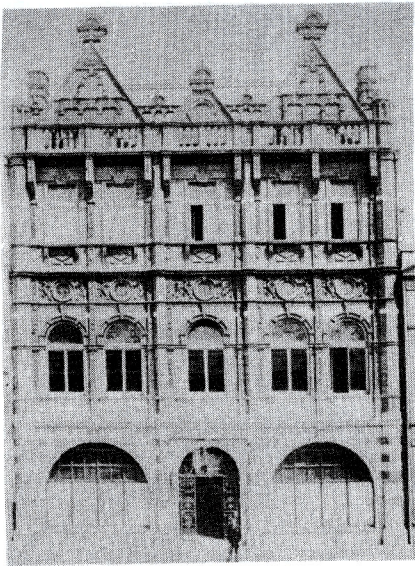
They invited people from other countries, especially Britain, to invest capital in their companies. These people then became *shareholders* in the companies and shared the profits from the mines.

But the richest capitalists, the 'Randlords', made sure that they owned most of the shares in their companies. In that way they never lost control of the gold mines.



*A lively scene in the Johannesburg Stock Exchange, where gold mining shares were bought and sold.*





*The Chamber of Mines, established in 1887.*

### THE CHAMBER OF MINES

The mine-owners did not only need capital to control the gold mines. They also needed careful organisation. They realised that South Africa must change in important ways if their mines were to be as profitable as they wanted them to be. To bring about these changes, the mine-owners needed a great deal of power.

A large part of this book is concerned with the ways in which the mine-owners gained the power and the profits they wanted. In doing so, they brought about far-reaching, in fact revolutionary changes in South Africa.

In the early years, the companies started many different gold mines.

Some struggled to make a profit because their ore was of poor quality, while other mines were doing very well. Some mines were having problems getting skilled miners; others could not find enough unskilled labour. The mines had different managers, and different management policies. Some mines were able to offer higher wages to unskilled workers, while other mines went short of labour.

It seemed clear to many mine-owners that one system was needed for all the gold mines. The mining companies needed to co-operate with one another in

order to get the most from their mines.

In 1887, the big mining companies formed a kind of mine-owners' association called the *Chamber of Mines*. The Chamber of Mines became a powerful organisation serving the mining companies and getting them to agree to common policies on wages, finding workers and how to deal with the government.

In later chapters we shall see many examples of how the Chamber of Mines used its power for the benefit of the gold mines and their owners.

### GOVERNMENT SUPPORT

Because the mine-owners controlled the gold mines, they also had power over the different governments of South Africa. (South Africa was divided into four states at the time; the Transvaal, Natal, The Cape and the Orange Free State.) The governments did well out of the gold mines, directly or indirectly, so it paid them to help the mine-owners to increase profits.

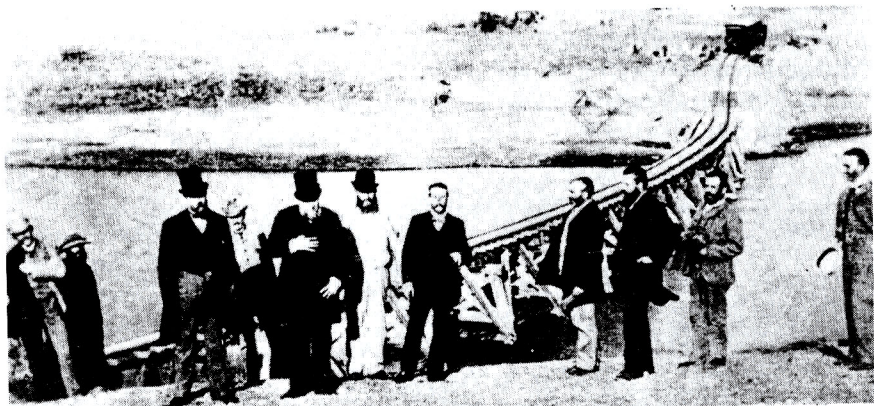
The Transvaal government

benefited most of all from the gold mines. In 1884, for example, it was a desperately poor state — with only a few cents left in the bank! Five years later it had more than R3 million from the mines in taxes, stamp duties from land and property sales, and mining and trading licences. The Cape and Natal governments more than doubled their income from taxing the ports and charging for transport on the railways. Even the Orange Free State benefited from the mines. Farmers were doing well and the value of their land rose.

The gold mines were vitally important to all the governments. The governments were prepared to help those who controlled the mines — the Randlords.

Some mine-owners held important positions in their governments. They could even change government policies when they wanted to.

One of the most powerful mine-owners, Cecil John Rhodes, used his power to help the mine-owners' interests. His story and picture are on the following page.



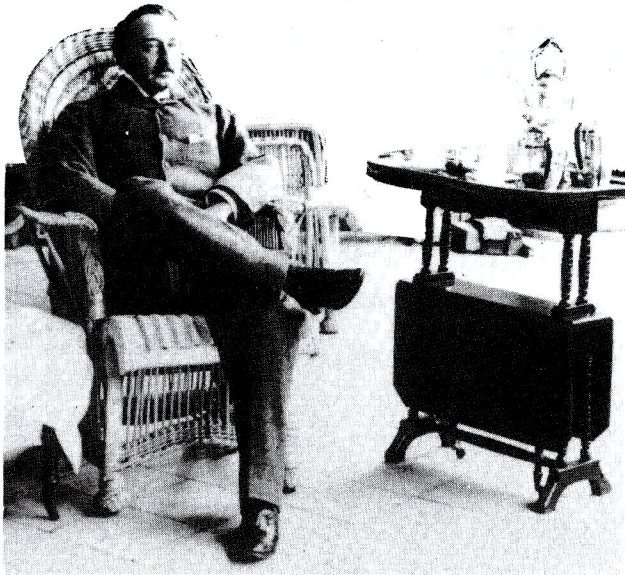
*President Kruger (with his hand on his chest) poses with government members of the Orange Free State and the Transvaal Republic to mark the opening of the first railway bridge linking the south to the Witwatersrand.*

- \* The Randlords were a small group of powerful mine-owners with experience of the Kimberley diamond mines.
- \* They were able to gain control of the gold mines with the capital they had gained from diamonds.
- \* They made themselves and the gold mines even stronger by forming the Chamber of Mines to look after their interests.
- \* Their control over the gold mines also gave them government support. Some mine-owners such as Cecil John Rhodes even had direct political control.

In later chapters we shall see how the powerful mine-owners and their organisation helped to bring about revolutionary changes in South Africa so that the gold mines could remain profitable.



# Cecil Rhodes – Mineowner and Empire Builder



Cecil John Rhodes was one of the earliest of the small group of rich and powerful mine-owners in South Africa.

He first came to South Africa from England in 1871 as a sickly boy of 18. He brought with him three thousand pounds which an aunt had lent him and started to work on his brother's diamond diggings in Kimberley.

Soon he was making one hundred pounds a week and in four years he saved enough money to buy up more diggings in the De Beers mine. Rhodes continued buying up diggings – together with his partner, C.D. Rudd, he was fighting against other rich mine-owners for control of the diamond mines.

By 1887 Rhodes had brought together the richest diamond mine-owners in Kimberley, in the *Consolidated De Beers Company*. The company had capital of nearly two and a half million pounds and controlled the diamond industry in South Africa.

When deep-level mining started on the Rand the directors of De Beers Consolidated were able to use their capital to start *Consolidated Gold Fields of South Africa*. Although it was less prosperous than other companies, the gold mines made huge profits for their owners. Rhodes himself was getting up to £400 000 a year from his share in gold.

But Rhodes was not only rich, he was also politically powerful. When he became the Prime Minister of the Cape in 1890 he helped to change laws in the Cape to benefit the mines and industry.

His Glen Grey Act aimed to push more blacks into leaving their land to become wage-earners on the mines and the railways. The Act also tried to break up traditional, subsistence life by dividing tribal land and allowing single families to own small farms, growing crops to sell.

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*Rhodes played a significant role in the production of ideas. He was chief or part-owner of The Star newspaper, the Cape Argus, the Cape Times, The Diamond Fields Advertiser, the Midland News and several influential newspapers in England.*

Rhodes wanted blacks to become industrialised and 'Westernised' as quickly as possible. His policy was 'equal rights for every civilised man south of the Zambezi'. But as more and more blacks got educated and earned wages, Rhodes changed the Cape Law to allow the vote only to those who owned property worth seventy-five pounds a year.

Rhodes did not have direct political power over the Boer republic of the Transvaal, however. He often disagreed with the Transvaal government's policies. He felt he could use his money and his power to overthrow the Boer government and instal in its place a British colonial government supporting mine-owners' interests.

In 1895 Rhodes supported an attack on the Transvaal republic. But it was a failure and Rhodes



*Rhodes' home in Rondebosch – one of his five residences.*

had to resign as Prime Minister of the Cape. (For more details on the quarrel between the Randlords and the Transvaal government, see page 58 on *The Anglo-Boer War and the Mines*.)

Rhodes also used his wealth to pursue his dream of expanding Britain's empire in Africa.

Botswana became a British colony through the efforts of Rhodes and his British South Africa Company police, accompanied by white settlers. The territory was named Mashonaland. They had hoped to start a 'new Rand' from the ancient gold mines of the Mashona, but the gold had been worked out of the ground long before.

The whites became farmers. When the Matabele and the Mashona rebelled against the coming of the whites to their land, the British South Africa Company police crushed them. The conquered lands were named Southern and Northern Rhodesia, to honour Rhodes. Today, these are the countries of Zimbabwe and Zambia.

Rhodes died in 1902, a millionaire many times over.



# What's in a Name?

There is a long and confused history of names for blacks in South Africa. It reflects the changing attitudes of whites towards blacks. Where do these terms come from?

In the period covered in this book, people spoke of *kaffirs*, *natives*, *niggers*, *boys*. Whites used these terms, but we find blacks referring to themselves as *natives*, too.

In the many centuries when Europeans were trading as equals with traders in Africa, they called these people *Africans*. By the 17th century, when Dutch and English settled in the Cape, they were referring to blacks as *kaffirs* (or *caffres*), after the Arabic word for *pagan*, or non-Muslim. (Of course, to the Arabs, Europeans were *kaffirs* too.)

In time, with the coming of the missionaries to Southern Africa and the conversion of many blacks to Christianity, the word *kaffir* took on an insulting meaning. By the beginning of this century, the cultured Englishman had dropped *kaffir* in favour of *native* – meaning one who is born in or belongs to a place. The English employers often spoke of black labourers as *boys* – ‘coloured’ workers were called ‘Cape boys’. This term *boy* seemed to them to justify their treatment of their employees.

‘The position of Kaffirs is in many respects analogous to that of the child,’ argued the editor of the *South African Mining Journal* in 1892, ‘and they require special control and supervision.’ No doubt it suited employers to think of themselves as the ‘fathers’ of black workers paying them low wages but at the same time ‘teaching’ them the ways of ‘civilisation’. (A great part of this book shows how employers controlled their workers on the mines, always finding many reasons to justify their actions.)

The word *native* remained the most popular name for blacks amongst English-speaking whites for a long time – they called themselves *Europeans*, in true colonial style, even when they had never been to Europe. But by the 1960s, when South Africa became a republic, it was beginning to dawn on many whites that the word *native* – or *naturel* – implied that whites did not belong to South Africa. If blacks were *natives*, then whites must be ‘foreigners’ or, at best, ‘settlers’.

The South African government officially adopted the term *Bantu* for blacks. However, as the word ‘*bantu*’ means ‘people’, and as blacks were not consulted on the question, most blacks rejected the term as being absurd and associated with the policy of apartheid.

The more liberal of the English-speaking South Africans at the time began to switch to *Africans*. Afrikaners, of course, could not use the term as they were already calling themselves Africans in



Afrikaans. When blacks were discussed in general, however, they were referred to as non-whites.

In recent years, more and more whites have become aware of the growing power of black consciousness. They are beginning to talk about *blacks* although they often mean by this, Africans only – they continue to refer to ‘coloureds’ and ‘Indians’ as well.

Although fashions in names change, in our racial society, the confusion remains.