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THE RAND CAPITALISTS AND THE COMING OF THE SOUTH AFRICAN WAR, 1896-1899

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The exploitation of the Transvaal's Witwatersrand gold fields after 1886 stimulated political and economic developments which were to transform the South African Republic (the least developed of the South African states and colonies) and ultimately the entire subcontinent. The intrusion of a large, alien Uitlander population was the most noticeable dimension of change. In the chronically tense relations between Afrikaners and immigrant whites and in new divisions which began to appear in both communities are to be found the political consequences of the gold discoveries.

The effects of the burgeoning mining industry spilled across the frontiers of the South African Republic to embroil neighbouring states and colonies. Bound ever more closely economically by a common dependence on Witwatersrand markets, the Orange Free State and the British coastal colonies, the Cape and Natal, were induced to reconsider their relationship with Kruger's republic and with each other. Inter-state political and commercial rivalries were stimulated as the Transvaal, realizing an ambition of longstanding, sought to bolster its independence by securing access to port facilities free from colonial and hence Imperial control. A new urgency and a new bitterness were added to the competition of the Cape and Natal for the trade of the interior. By the end of the 1880's, rival railway lines were reaching out from several coastal points toward the borders of the Transvaal. Bicultural relations among South African whites were similarly affected by the chronic antagonism which developed in Uitlander-Boer relations. This was most obviously the case in the Cape where, by the end of the century, the English and Afrikaans-speaking populations were moving increasingly into opposed political camps.

With strategic interests in Southern Africa to protect and with a growing number of British subjects resident in the Transvaal, the British government was involved with these affairs from the beginning. Since 1806 broad Imperial considerations had been thought to dictate control of the coasts, but such factors did not operate in the interior where, from the 1850's, a policy of limited intervention had been devised as the most effective means of balancing the need for stability and order with the demands of Imperial economy. Long before gold had begun to transform the South African Republic this

policy had begun to crumble. But with the emergence of the Transvaal as the major source of South African wealth and power another, central dimension was added to the problems of the high veld. To this challenge the attention of Imperial statesmen was increasingly directed in the closing years of the century.

Imperial concern for the shifting balance of power in South Africa was most clearly and forcefully expressed by Alfred Milner who arrived at Cape Town as governor and High Commissioner early in 1897. Backed by the Secretary of State, Joseph Chamberlain, and prepared by a brilliant administrative career both in Egypt and in the United Kingdom, the new High Commissioner was moving into what was then the most sensitive and important post in the gift of the Colonial Office. Surprisingly in view of his later policies, Milner acted with caution and circumspection during his first year at the Cape, convinced at that stage that given time a more liberal régime might emerge dominant at Pretoria. Events within the Transvaal in 1897 suggested that conciliation might avail more than a high, hard line against the government of the republic. Faced with economic depression in the mining industry as well as with growing discontent among the Uitlanders and apparently also among the Boers, Kruger seemed to be in a weak position. Moreover with a presidential election slated for early 1898, it would have been certainly ill-advised, as Milner saw, to launch an Imperial diplomatic offensive immediately. The only result of such precipitate action could be to strengthen the position of the beleaguered State President and to embarass his electoral opponents. Thus Milner waited, convinced during his first year that a substantial shake-up was likely in the Transvaal

By early in 1898, however, he had decided that his optimism was totally misplaced. Reform efforts within the Transvaal had failed almost completely, and Kruger had won easy re-election. Reversing his policy, Milner drew extreme conclusions from these events, and in a famous despatch of February, 1898 he argued the case for direct Imperial intervention. Reform in the Transvaal or war were the stark alternatives which he placed before officials in the Colonial Office.² In London, however, Chamberlain had replied requiring continued adherence to a cautious policy. For a variety of reasons he warned his chosen agent that only gross provocation on the part of the Transvaal government could justify embroiling the Empire in yet another crisis in southern Africa. Milner was forced to wait, but he did so reluctantly and with every determination to exploit the first opportunity for intervention in Transvaal affairs.

The occasion presented itself improbably in a sordid incident in the back streets of Johannesburg late in 1898. The shooting of the Uitlander, Thomas Edgar, by a Transvaal policeman provoked the aggressively pro-Imperial South African League to a new militancy in the cause of reform. To charges of police brutality and gross interference with basic civil rights were added, after the acquittal of the policeman involved, allegations of corruption in the administration of justice. These matters were further combined with complaints on issues which had long stood between the republic and the Uitlanders. By March of 1899, the League was demanding not merely the redress of specific grievances arising out of the Edgar case but a general reform of Transvaal administration, including above all, an immediate and substantial extension of the franchise.

Some months were required, however, before this situation could be exploited in the way Milner had planned. The High Commissioner was on leave in England at this stage, and his place had been taken by Sir William Butler, Commander of Her Majesty's forces in South Africa. Butler who believed that it was no part of his office to aggravate an already tense situation acted firmly to curb Uitlander agitation. Specifically he declined to receive a petition worked up by the South African League which requested Imperial support against the Transvaal government.³

A crisis was not prevented; it was only delayed. Milner returned to Cape Town in February, 1899, and a second Uitlander petition was forwarded with his approval at the end of March. The famous Helot despatch followed in May, and later in the same month Milner met Kruger in the abortive Bloemfontein Conference. Milner was now pressing direct intervention in Transvaal affairs, and, acting through his agents, he had assumed control of the Uitlander movement. On this occasion he carried the cabinet with him, although with various doubts and hesitations about what was being forced upon them from South Africa.⁴

The ambivalent attitude of the cabinet and even of the Secretary of State are among the factors which gave substance to recent interpretations stressing the role of Milner in the coming of the war.⁵ What remains to be explained, however, is why he was able to exercise such decisive influence over the course of South African affairs at the end of the century. He himself was well aware that his plans could not go forward without substantial local collaboration. Since the governments of the two colonies and both republics worked to compose Anglo-Transvaal differences he was peculiarly dependent on the Uitlander community in the South African Republic. This was more the case since

with the exception of Uitlander grievances, the case for intervention was very weak, a fact which the High Commissioner recognized. It rested essentially on the London Convention of 1884, the instrument which had provided a revised definition (amending the Pretoria Convention, 1881) of the international status of the republic and of its relationship with Britain.⁶ The agitation which developed in Johannesburg as the aftermath of the Edgar incident offered an opportunity to intervene in Transvaal affairs for reasons which transcended the narrow grounds offered by the London Convention.

What marked out this agitation from earlier campaigns for reform was not only that the Imperial government was backing more openly the reform demands of the South African League and of the Chamber of Mines, but also that the foreign population of the Transvaal seemed more united in support of reform than it had been before. Specifically divisions which had earlier plagued the mining industry had lessened, and several leading capitalists had resumed political activity to a degree unknown since late 1895 when the Jameson Raid conspirators in Johannesburg had suffered ignominious defeat. More surprising still was the support of the white mine workers for the political demands of the League. Their earlier involvement in political agitation had not been great, and in view of the later record of labour relations of the mines, it is surprising to see them cooperating closely with capitalist-backed reform efforts.

Suspicions concerning the genuineness of this agitation gave rise to charges that the pre-war crisis in South Africa had its origins in conspiracy. One of the first to come forward with a theory of this kind was J.A. Hobson, writing in a series of articles to the *Manchester Guardian* in 1899 (later published as the *War in South Africa, its Causes and Effects*⁷). In contrast to recent historiography which has centred on the conduct of Anglo-Transvaal diplomacy, Hobson concentrated heavily on the Transvaal itself. Through an examination of the Uitlander community, he sought to detect the forces which drew Britain toward involvement.

As is well known he stressed the major formative role of the Rand magnates in the crisis. Unlike his classic statement on Imperialism,⁸ this earlier volume was less concerned with the metropolitan aspects of the expansion of finance capitalism as with a somewhat superficial examination of the effects of that expansion in South Africa. While not discounting the political grievances of the Uitlanders, nor ignoring the role of Milner and Chamberlain, Hobson argued that both the general Uitlander population and the Imperial government had been manipulated by the mine owners. His conclusion was unequiv-

ocal: "We are fighting in order to place a small international oligarchy of mine owners and speculators in power at Pretoria".9

This "small confederacy of international financiers", he suggested, "working through a kept press", deliberately fomented the war in order to increase mining profits. 10 Hobson quoted some of the capitalists themselves to show that they expected substantial increases in profits once a more efficient and less corrupt administration was established in the Transvaal. Substance was lent to his allegations of a mine owners conspiracy by these statements which suggested that even one-time allies of the republic believed that once it was overthrown there would be a minimum addition to dividends of two-andone-half million pounds sterling: "Here is something worth spilling the blood of other people for". 11 Hobson particularly stressed that the insatiable demand for cheap African labour, the successful administration of which the government had been unable to provide, constituted a key reason for mining industry dissatisfaction with Kruger's government.¹² Interference with the independence of the Transvaal, he warned, would only be a first step in organizing the labour supply.

Since African labour was largely recruited from the neighbouring Portuguese territories, it was to be expected that the Imperial government would presently be pressured into further "political interference with countries which lie outside our present possession and control." Similarly, he argued, substantial savings were expected in the costs of white labour. Heretofore, the necessity of maintaining a common Uitlander front against the government had constrained the capitalists from reducing white wages. Once a government sympathetic to capital was established in Pretoria, however, a swift and large cut in white wages was sure to follow. These were the motives which had impelled the capitalists to plunge "South Africa into temporary ruin in order that they may emerge victorious . . . holding the treasures of South Africa in the hollow of their hands". 14

What Hobson was unable to do was to show that in fact the Imperial government was acting deliberately as the agent of the Johannesburg financiers. He saw that the degree of discontent among the Uitlanders had been exaggerated, and he realized that neither the foreign population nor the British government was likely to be the prime beneficiary from what was becoming, as he wrote, a prolonged and costly conflict. On the other hand, he knew that the mining industry expected to realize substantial increases in profits once Kruger's government had been displaced. He was thereby led to assume that the mine owners must have been behind the crisis, since, rationally, they were the ones most likely, as he saw it, to benefit from it.

This sleight of hand on Hobson's part has not passed unnoticed by historians.15 Recent specialists particularly have tended to discount his arguments often after only cursory examination.¹⁶ Professor Le May argued that the theory of a capitalist conspiracy must be discarded because "it is too smooth and rounded to fit easily into the jagged background of events and personalities". 17 By this he meant that Hobson had failed to take into account that "whatever the ambitions of some of the capitalists may have been, they were not a homogeneous group, nor were they united in purpose". The most that they wanted, he added, was "the coercion of Kruger in their interests". War was too risky for the capitalists because it would involve, at the minimum, temporary suspension of mining operations, and, at the worst, heavy damage to expensive equipment and mining shafts. Moreover, it was not, he insisted, the capitalists who took the decisions. Imperial statesmen, who did take the decisions, were not thinking of profits and dividends when they prepared to go to war but of the "political supremacy of Britain in South Africa". 18

J.S. Marais also emphasized that the capitalists were far from a united group. They could agree, he suggested, in pressing reform upon Kruger and his advisers, but not in going beyond that to an attack on Transvaal independence. Marais did of course recognize the central role of the capitalists in the Jameson Raid, but he showed that it was precisely the degree of capitalist disunity which was underlined by the Raid. After the Raid, even the most active and forward of the conspirators reverted to a cautious policy. When these men did emerge to take an active part in the reform campaign of 1899 they did so as "men under orders", as the "instruments of British policy". 19 In this way, Marais and Le May reinforced their contention that it was not the Randlords but British officials who were the dynamic force in the prewar crisis. They did not deny that the tensions and rivalries within the subcontinent were real and dangerous. Such problems lent a new urgency to the South African situation as it appeared to statesmen but by themselves could not have produced a war. The war came about, in the view of the Marais group,²⁰ only when Imperial statesmen, concerned with the position of the Empire world-wide, sought to shape the local situation in conformity with their perception of broad Imperial interests. The overriding aim was to consolidate, to federate and so to transform South Africa into a source of strength rather than of chronic weakness for the Empire.21

The interpretations of Hobson and Marais indicate the poles of historical explanation between which scholarly debate on the origins of the war has fluctuated. Brief mention should be made of the theory of "reactive imperialism" because it constitutes an attempted synthesis of

the economic and the political-strategic interpretations.²² The deepseated forces of Imperial expansion, Robinson and Gallagher, agreed, were in the 1890's as throughout the century, in South Africa and around the world, economic and in a lesser and derivative sense strategic. As with Egypt in 1882, however, it was a local crisis in the Transvaal rather than wider considerations which prompted the Imperial government to intervention. Circumstances combined further to make the Uitlanders the pivotal group in the area, the only group which statesmen could hope with confidence to make into allies.²³ As to why the Uitlanders should have wanted, for their part, an alliance with the Imperial government, Robinson and Gallagher had little that was original to contribute. The reader was left with the political and economic grievances which this group was known to harbour against the South African Republic. Yet it is clear that these grievances were seriously felt by only a small proportion of the population, and they had been insufficient before 1899 to promote a sustained, broadlybased reform movement within Johannesburg.

None of the explanations which have been sketched above is entirely satisfactory because in each one dimension of the problem has been stressed at the expense of others. Professor Marais and Le May, for example, who argued for the primary role of Milner and Chamberlain in the coming of the war, based their accounts heavily upon imperial sources. However, rich, these records could give only a partial, and in some respects, a misleading picture of the tripartite relationship between London, Johannesburg and Pretoria. Not only is the role of imperial officials inevitably exaggerated in these records but also by themselves they give a necessarily one-sided view of the policies and motives of the various alignments within the Transvaal. They reveal only what imperial officials knew or hoped to be true about these policies and motives.

The emergence of an effective reform campaign among the Uitlanders is not to be explained solely by reference to the machinations of Imperial officials in South Africa. That indeed was widely believed at the time, and it is an interpretation readily drawn from official records. But it is contradicted by what survives of the correspondence of the Uitlander leaders themselves. Some of the leaders did see themselves as the agents of British policy. The officers of the South African League fell for the most part into this category. Their influence and importance, however, can be exaggerated, for the League, in the Transvaal at least, had been before 1899 a weak and somewhat ineffective movement. It was transformed into a powerful instrument in that year partly (as Professor Marais has argued) because more strongly backed

by Conyngham Greene and Edmund Fraser, the British diplomatic representatives in Pretoria.²⁴ As important in the resurgence of the League was that it gained the forthright backing of influential elements among the capitalists. These men brought great financial resources, political skill (in the case of the pivotal figure of J.P. Fitzpatrick), effective instruments of propaganda (in the shape of a powerful Englishlanguage press) and access to sources of information which were together quite beyond the capacities of the League to mobilize and which were instrumental in the success of its efforts to arouse a substantial segment of the foreign population against the Transvaal government.

In giving this support to the League and in co-operating at the same time more openly with the Imperial government the capitalists were not acting passively as the mere instruments of Imperial policy and the creatures of Imperial officials.²⁵ They had a very strong appreciation of their own interests, and an equally strong inclination to take whatever action was necessary to protect them. Issues of political rights and political allegiance were relevant to their calculations only so far as they were considered to affect the economic position of the mining industry. What would and what would not affect the health of the industry was not a judgement they were willing to turn over to "the superior political wisdom of the professional statesmen" or to anyone else.26 Their actions in 1899 as before that date were based on an assessment of their position in Johannesburg and on an attempt to analyse the policies and likely future intentions of both the Transvaal and Imperial governments. They moved to support the League and the Imperial government after considering the risks of that step and of the alternative courses of action which were open to them.

It is equally misleading, when explaining the outlook and motives of the mine owners, to focus exclusively, as Hobson tended to do, on the balance sheet and on immediate calculations of profit and loss. Such considerations were certainly kept well to the fore by the capitalists, but they were carefully weighed with political considerations, for these had, at times, a powerful potential effect on the economic well-being of the industry. The mining industry had worked successfully, albeit with considerable difficulty, with the Transvaal government for nearly fifteen years by 1899. The record of that relationship, while giving ample evidence of hostility and antagonism, also shows equal evidence of cooperation.

Certain reforms had been effected by the intercession of the Chamber of Mines with the Transvaal government and certain government policies had been modified or moderated in the interest of the mines. Individual companies had been able to win concessions from the

government which helped to compensate for the more restrictive aspects of its policies. Even those companies publicly most hostile to the Transvaal government had been at pains to establish personal contact with government officials, and these contacts had produced substantial benefits for them. This applied before 1895, and it also applied in the more difficult and strained circumstances following the Jameson Raid. The Transvaal government was far from a monolith and far from oblivious to the needs of the mining industry, something that was clear to the leading capitalists.

By 1899, the organization of the Witwatersrand industry was complex, and it was far from the united entity — the "small international oligarchy" — which J.A. Hobson has described. Recent explanations of the conflicting alignments in the industry have tended to focus on political factors and on differences of national allegiance. Indeed it is conventional to distinguish between the "Anglo-Saxon" companies and the so-called "Cosmopolitans". The former included that substantial component of the Witwatersrand industry grouped around Rhodes and Beit, while the latter was made up of capitalists who were either personally hostile to Rhodes or who as German nationals were supposedly sympathetic to German rather than British influence in southern Africa.27 At moments of crisis in the Transvaal when the political issues could not be avoided, the mining industry did tend to divide in this way. The Jameson Raid found Rhodes's Goldfields company and the Wernher, Beit group with their allies ranged against a number of firms which either maintained a careful neutrality or which were aligned overtly with the republic. Similarly the outbreak of war in October, 1899 found the industry at odds much as the Raid had divided it.

Yet to confine an analysis of mining industry intra-relationships to these crises is to distort the differences among them and to ignore the degree to which mining in the Transvaal required industry-wide consultation and cooperation. "If the 'Anglo-Saxons' were backing reform, the 'Cosmopolitans' were supporting Kruger". 28 This statement purports to summarize the political division within the industry on the eve of the Jameson Raid. In fact these terms are seriously misleading as a description of the membership of various firms, as a means of distinguishing between their respective policies and as a description of their modes of operation. Take, for example, the Wernher, Beit group, supposedly one of the most "Anglo-Saxon" of companies. Wernher and Beit were both German by origin, and Beit became a naturalized British subject only in 1898. Hermann Eckstein, the founder of the company in Johannesburg was also German. His brother Friedrich became a member of the firm. Georges Rouliot, an important partner in the Johannesburg branch and later President of the Chamber of Mines

was and remained a French subject. J.B. Taylor and J.P. Fitzpatrick were both Cape colonials. Indeed only Lionel Phillips and Samuel Evans (who joined the company in Johannesburg in 1898) were originally from the United Kingdom.

It might be objected that the term is meant to describe company policies rather than personnel. Though there is no doubt that the Wernher, Beit group raised large amounts of capital from British sources, it never lost important connections with European financial circles. Indeed, in its origins, this firm had derived from Jules Porges and Company, the Paris-based diamond company. After Porge's retirement, Wernher and Beit re-established the firm under the new name with a London head-quarters. Yet as late as 1895 Julius Wernher emphasized the continuing importance of the continent: "Paris is still the Mill through which most things have to go". Financial connections in Paris were matched in this company by its ties with German banks. 30

In the same way, the political outlook of the Wernher, Beit partners eludes any simple classification. Through the influence of Alfred Beit and later J.P. Fitzpatrick, the company was drawn into support of various of Rhodes's enterprises, including the revolutionary conspiracy of 1895. In 1899 the firm gave important backing to the Transvaal policies of Milner and Chamberlain. Not all of the partners. however, approved of these activities. At various times Hermann Eckstein, J.B. Taylor and Lionel Phillips expressed considerable distrust of Rhodes. In London, Wernher was no lover of "showy schemes". After 1895 Georges Rouliot and Friedrich Eckstein, the senior partners in Johannesburg, resisted the designs of Fitzpatrick and Samuel Evans to involve their company in renewed political activity. When the senior Eckstein partners did give their reluctant consent in 1899, they did so for reasons which had nothing to do with the blustering imperialism which formed Fitzpatrick's political ideas at that time.

The term "Cosmopolitan" is similarly inadequate to describe the policies and interest of those companies which have been identified with it. The A. Goerz Company, for example, is supposed to have been among the "Cosmopolitans". As Marais has pointed out, it took no part in the Jameson Raid. After the Raid, representatives of Goerz and Company joined with others to constitute the Association of Mines, a rival organisation to the Chamber. The motive for this is action often has been described as political revulsion from those companies which had conspired against Transvaal independence. Amandus Brakhan, Johannesburg representative of the Goerz group, however, explained the emergence of the Association in a different way. According to him, the

members of the Association believed that they would be able to get considerable concessions from Kruger's government if they dissociated themselves from those rival companies which had been compromised by Jameson's blunder. By late 1897 Brakhan and other members of the Association had been disabused of this hope. The result was the reunification of the companies in the Chamber of Mines.³³ In the 1890's hope of economic advantage rather than political differences was largely responsible for company rivalries.

Outside the context of the mining industry, the white population of the Rand was most prominently divided by class divisions—particularly those between the mine owners and their white employees. The commercial interests in the city—the larger retail merchants, wholesale agents and importers—also had interests which divided them from the mining magnates. One can read little about these tensions in accounts of the pre-war period in the Transvaal.³⁴ The main reason for this is that class divisions had not caused serious trouble in the city before 1900. There was nothing to approximate the industrial organisation and agitation, the work stoppages and political activism of white labour in the period after 1907. By contrast there was little of such activity before the war.

Although strikes did occur before the war, they were invariably short-lived and normally confined to one mine or to the mines of one company. Efforts to establish white unions in the mines all failed to secure widespread or sustained support in this period. The relatively high wage levels and the deliberate policy of most of the companies to avoid wage reductions (and more importantly, substitution of black for white labour) help to explain labour's relative quiescence. Nevertheless. the potential existed in Johannesburg at this time for industrial unrest, and it was seen to exist both by the capitalists and by supporters of the government. That government supporters realized the possibility of exploiting incipient class divisions in order to undermine the Uitlander reform movement is indicated by the editorial policy of the semi-official newspaper, the Standard and Diggers News, at several critical moments in the 1890's. Ultimately these efforts by the editors of the *Diggers News* contributed to results the very reverse of the intended ones. Instead of provoking class tensions within Johannesburg this paper was in part responsible for the emergence of a more united Uitlander reform movement. Important mining firms were prompted to work for unity on the political grievances of the new population. Not only were the political issues which stood between Johannesburg and Pretoria capable of uniting more of the Uitlanders but also it was precisely these political issues on which the magnates could be seen to be at one with the larger community.

Before 1899, what most of the companies had tried to do was to retain their independence and as much freedom of action as possible. Thus they are to be found at times cooperating with the Transvaal government, at times criticizing its policies severely and at times cooperating with the Imperial government when it appeared willing to press the need for economic reform on the Transvaal government. They sought at the same time, however, to avoid permanently committing themselves to either government in ways that might limit their freedom of action. Such a policy seemed to promise maximum benefits and minimum risks, but in the year before the war, for a variety of complex reasons it became untenable.

It had become apparent by early in 1899 that the Imperial government was moving to assert its authority against the Transvaal, and this was one important element in their calculations. Acting through the British agent in Pretoria, Chamberlain sought in January, 1899 to coordinate an Imperial protest against the dynamite monopoly with parallel action by the Chamber of Mines (now reunited after the split in the industry which had followed the Jameson Raid). J.S. Marais has argued that the success of this move was of decisive significance. It amounted, in his view, to a reconstitution of the reform movement of the Jameson Raid period, and it brought the magnates back into political activity and within the ambit of Imperial control. Jo

What must be added, however, is that most of the magnates were wary of such cooperation. Their support was forthcoming in part because recent events in the Transvaal suggested to them that, without Imperial intervention, their long term financial interests might be endangered. Late in 1898 at the very close of the Volksraad session, the government imposed a new five per cent gold profits tax. This measure and other new taxes introduced at the same time were levied without warning and without the prior consultation earlier promised.³⁷ Equally disturbing were rumours that the dynamite monopoly was about to be extended (even though the existing contract had ten years to run) and evidence that the Volksraad was sympathetic to the illicit liquor sellers who swarmed on the Rand.³⁸ Drunkenness among the African mine workers, stemming in part from failure to enforce the republic's liquor law, had long been a subject of criticism by the Chamber of Mines. The next session of the Volksraad, it was feared, would bring new measures inimical to the interests of the mines.39

More alarming still was the editorial policy of the pro-government, English-language Standard and Diggers News. Published by a person said to be close to President Kruger⁴⁰ and in receipt (so it was thought) of government subsidies, this morning paper had long plagued the

mining industry.41 At moments of crisis in Transvaal affairs, it had repeatedly sought to divert attention from government deficiencies by intemperate attacks upon the mine owners. In this way the editors could also hope to arouse anti-capitalist feeling in the city and so to prevent Uitlander solidarity in the cause of reform. The renewed hostility of this paper seemed to coincide exactly with the mounting political tension which followed in the wake of the Edgar incident. To a greater extent than previously the editor gave prominence to every issue which might divide the capitalists from their white employees and from the merchants of Johannesburg. Leader after leader attacked the mining magnates for their lack of public spiritedness, 42 for their neglect of the welfare of Johannesburg,43 for their aggressive and aggrandizing policies aimed at total monopoly control of Transvaal wealth and total subordination of all of its inhabitants.44 The only effective challenge to capitalist domination, the paper suggested, would be an alliance of the ordinary people of Johannesburg with the burghers and government of the republic.45 By ceasing to agitate for political rights, Johannesburg could encourage the government to strike hard against capital, the real enemy.⁴⁶ On the other hand, the government was reminded that it had a responsibility and an interest to remedy the grievances of the ordinary working people.⁴⁷ Since the basic grievances, in the view of the Diggers News, were economic rather than political, relief could be accomplished by higher taxes on the mines and tax concessions for the other classes in the city.⁴⁸

What the Standard and Diggers News was setting out in its leader columns during the crucial months of late 1898 and early 1899 was a new vision of Transvaal society. The editors were calling for the creation of a kind of petty-bourgeois society, in which sturdy and independent burgher pastoralists would make common cause with independent workmen and small-scale businessmen in Johannesburg. Ultimately, it was suggested, the giant mining and financial houses would be disestablished and the economy returned to the hands of those who had been the victim of the big interests.

When the number of leaders published by the paper on divisive economic issues of this type is compared with the number of leaders on the major political issues then pending between the Imperial government, the Uitlanders and Kruger's republic, its emphasis on the former is strikingly revealed. On Imperial policies toward southern Africa the Diggers News printed fewer than ten editorials in the four months after November 1898. Similarly on what become the major political issue in December and January, the Edgar case, the Diggers News carried ten leaders. In the same period twenty-four leaders appeared on the insecure position of the white working class, a similar number on

the special grievances of the merchants of Johannesburg against the mine owners and twenty-seven leaders on the monopolistic tendencies, the defective organization and the lack of civic spirit of the mining companies themselves.

What developed during these months was a struggle to control public opinion on the Rand. The Standard and Diggers News backed apparently by the government pitted itself against the South African League and the capitalist-controlled, evening paper, the Johannesburg Star. The latter paper was giving the same weight to Uitlander political grievances (charges of police brutality, lack of civic rights, demands for the franchise and so on) as the Diggers News was devoting to its anti-capitalist attacks.

While it is impossible to measure the influence of the *Diggers News* with any degree of precision, there is sufficient material for a tentative assessment. Samuel Evans, who was employed in the Johannesburg offices of the Wernher, Beit, H. Eckstein group and who had special responsibility for the newspapers controlled by the company, estimated that it sold 7,500 - 8,000 copies per day in early 1899.⁴⁹ This figure should be compared with the daily scale of the Johannesburg *Star* which he estimated at 11,000. The *Diggers News* was widely circulated on the Rand, and between October, 1898 and April, 1899 it had the morning market to itself.

Perhaps the most convincing evidence of the impact of this paper is revealed in the concern and hostility with which senior members of the Wernher, Beit firm viewed its activities. Georges Rouliot, a partner in the Eckstein subsidiary of the company and President of the Chamber of Mines warned his principals in London as early as mid-December, 1898 that "The Standard and Diggers News is bound to work some changes in the opinions of miners and middle class decent people". One week earlier his junior colleague, J.P. Fitzpatrick, had alluded to the same danger. He warned Julius Wernher of the bitterness and distrust of capitalists which had developed in Johannesburg. Like Rouliot, Fitzpatrick attributed this to the Standard and Diggers News. Both men urged that the company give serious consideration to the implementation of countermeasures in order to offset this propaganda.

Three weeks later on January 9, Rouliot again took up the subject in a long letter to London. By this stage he was even more convinced that the *Diggers News* was "unquestionably doing a lot of harm." ⁵² This was particularly the case because of a stock market slump which had settled on the Rand and which of course tended to exacerbate feelings of resentment toward the mining companies. Such economic conditions, he suggested, "suits the government very well as it tends

to prevent a further influx of foreign population and tends to create a split among those that are here". Rouliot went on in the same letter to explain the implications of these considerations for the mining industry:

This was a shrewd assessment indeed, and it helps to explain why his company and others were drawn into renewed political activity on the side of the South African League. Like most of his colleagues Rouliot was uninterested himself in the political issues, but he was already aware by January, 1899 that abstention from involvement in the reform campaigne, now mounting in intensity, could be used against his firm.

Rouliot's concern for the potential hostility of the South African League was not without foundation. A few weeks before the President of the Chamber of Mines warned his principals of the danger that the mining industry might be isolated in Johannesburg, League officials were writing to Conyngham Greene of their suspicions of capitalist intentions:

We see that the Rand mining financiers anticipate with great uneasiness the introduction of that political liberty, that municipal honesty, and that judicial and legislative purity which distinguish the growth of a people on Anglo-Saxon lines, and that they view with strong distaste the probability of the Imperial authorities having more or less of a say in the internal administration of the two Boer republics. And we suspect these feelings to be so strong as already to have led the 'big houses' into active intrigue with the Krugerite gang in Pretoria, to the end of finding a common scheme of action, without making the bond between them too apparent.⁵⁴

It is not improbable that Rouliot and his associates were informed by the British Agent of the substance of the views of these League officials. Certainly it appears from this and other correspondence from Dodd and Ogilvie that the League was using allegations of capitalist untrustworthiness in order to prompt the Imperial government to more positive action in support of the Uitlanders.⁵⁵

Moreover, from the point of view of the mine owners there were definite advantages to giving at least tacit support to the League. The most important reason was that the agitation of the League on political issues focused attention away from those economic issues (depression, unemployment, white mine wages) which could divide Uitlander from Uitlander and on to those issues which stood between the mining industry and the whole Uitlander population on the one hand and the Afrikaner government on the other.

By early 1899 it had become too dangerous for those mining leaders who wanted economic reform to appear to be opposed to or simply uninterested in the political demands asserted by the League. If capital was not to be isolated in Johannesburg, the economic grievances and the demand for political rights had to be handled together. Thus when the Kruger government did, in March 1899, offer to negotiate the economic grievances of the industry on condition that its leaders disavow the campaign for political reform, it is not surprising that the latter refused.⁵⁶ The negotiators on the side of the mines refused to pursue the negotiations unless they were given the assurance that any agreement reached would be placed before and would require the approval of the city's political leaders.

Two additional factors help to explain this reluctance of the mining companies to act independently of the South African League. The first of these was the role which Sir Alfred Milner was playing in the developing crisis. He was already known as a resourceful and potentially dangerous High Commissioner. It was also clear to the industry through Fitzpatrick, who was at this time in close contact with Imperial officials, that the High Commissioner was committed to the cause of political reform in Johannesburg.⁵⁷ Thus disavowal of League activities would imply also disapproval of what the High Commissioner was attempting to do in South Africa. The second factor which helps to explain why the mining companies rejected government overtures to negotiate a settlement is that by 1899 the government's expression of a desire to negotiate reforms was simply not believed. It was regarded as too inefficient and corrupt to implement successfully the reforms which the industry considered important. Moreover, cases of "arbitrary legislation" in the past made some of the capitalists suspicious of the government's good faith. Smuts and Reitz, the State Attorney and State Secretary, were regarded as sincere and well-meaning and genuinely committed to reform; but it was believed that they had little influence with Kruger. 58 An agreement with the government concerning economic reforms was thus rejected first because it would have involved disavowing important groups in Johannesburg and possibly incurring the hostility of Imperial officials at the Cape; and secondly, because such an agreement offered no prospect of permanence.

Officers of the South African League, on the other hand, worked hard to incorporate capitalist support for their movement. This was particularly the case after the gold profits tax was enacted in November. The economic grievances of the mining industry had constituted an important part of the League platform since its inception. By December 1898 the League was using every opportunity to stress the identity of interests between the magnates and the politically aggrieved Uitlanders. After the imposition of the gold tax, for example, the League portrayed the capitalists as "the martyrs of patriotism". 59 Doubtless an awareness that industry leaders were flirting with the government in Pretoria was an important incentive to action in this direction. 60

During the first six months of 1899 Rouliot and his colleagues took a number of steps which together significantly strengthened the campaign of the League and thus the hand of Milner and the Imperial government. It appears that this decision was taken in large part because of their assessment of their position in Johannesburg. Once committed in this direction, however, Rouliot, Fitzpatrick and other leaders fell increasingly under the influence and direction of Milner and his agents. Fitzpatrick who had long been convinced of the need of direct Imperial intervention began to consult with the British Agent and the High Commissioner on a regular basis, and in spite of his junior position and lack of financial expertise he came to have great influence in determining the response of his firm to the political crisis.

One of the first moves initiated by the company was an effort to improve their paper the Johannesburg Star as an effective spokesman for their interests. Dissatisfaction with the editorial direction of the Star went back to 1897,61 but it was only in early 1899, in direct response to the propaganda of Diggers News that serious efforts were undertaken to secure a more effective editor. In January, W.F. Monypenny was appointed at an annual salary of £3,000, just double what one member of the company had earlier suggested was the maximum salary of the position.62 After the arrival of Monypenny, complaints about the ineffectiveness of the Star ceased.

It is perhaps a measure of the concern of the partners of this Company that their efforts to counteract *Diggers News* propaganda went well beyond the appointment of a new editor of the *Star*. When the J.B. Robinson-owned Johannesburg *Times* failed in October, 1898, it left the *Standard and Diggers News* as the only English language

morning paper published in the city. Rouliot and his colleagues began immediately to canvass the possibility of establishing a competitor. Fitzpatrick wrote that such a step would be "very desirable". 63 while Rouliot believed that it was "imperative that a good morning paper should be started to counteract the bad work done by the Diggers News". 64 Accordingly arrangements were made to take over the printing equipment of the Times, and on April 10, 1899 the Transvaal Leader made its appearance under the editorship of R.J. Pakeman. The Leader quickly established a reputation as a more outspoken advocate of the Uitlander cause even than the Star.

One more example may be given to show that, while the mining industry did not create Uitlander grievances nor the reform agitation, it contributed substantially to the effectiveness of the campaign. During the negotiations of March 1899 which had followed the Kruger government's offer to compromise the outstanding issues between the mining industry and Pretoria, the capitalist representatives, led by Fitzpatrick had insisted that the Uitlander community as a whole be consulted before any general settlement could be reached. Their fear of course was of being accused of "selling out" to the government. A number of devices were suggested as means of consulting popular opinion. Though the affair of the "Great Deal" (as it was called) failed and the negotiations collapsed in a welter of accusations and counter-accusations, it was decided to go ahead with the proposed meetings. They were organized behind the scenes by local representatives of the Wernher, Beit interest in cooperation with two or three other large firms. After consultation with Milner, Fitzpatrick proposed that the meetings be held on mining company property at various centres along the Rand.65 Attendance mainly of white mine workers would thereby be assured. This turned out to be a brilliant device. The mine workers — who had not previously been involved in Uitlander politics as a group — were now incorporated into the reform campaign. The meetings also promoted that appearance of spontaneity which helped to give substance to the reform demands. It was more difficult for critics of the South African League to allege that the agitation was artificially concocted. The mine workers' meetings were presented by the League, by the Star and the Leader and by the Imperial government as evidence that the Uitlander community was seriously concerned about reform and that there was growing solidarity between and among the various groups composing it.66

Not satisfied with measures of this type, members of the company began to speak openly of the need for a united front among the Uitlanders. At the annual meeting of the Chamber of Mines in January, Georges Rouliot included in his address a direct attack upon the divisive policies of the Diggers News and a call for unity among all sections of the population.⁶⁷ Two months earlier the mining leaders had begun action to give concrete expression of their identity of interests with other groups in the community. Again the Wernher, Beit group took the lead. For several years consideration had been given to the establishment of a privately-financed council of education to provide adequate English-medium schools on the Rand, but little had been accomplished.68 Suddenly, in December, 1898 Fitzpatrick revived the issue, and in a letter to Julius Wernher in London, reaffirmed his growing fears of the strength of anti-capitalist feeling in Johannesburg. He suggested that it was "not only right but politic to give ransom", to give some public display of their interest in the welfare of the community.69 Briefly, his idea was to raise £100,000 through donations from the various mining houses and use the money to float the council of education. Initially some difficulty was experienced in securing contributions from the various companies, 70 but by March he was able to make a public announcement. Through the Johannesburg Star, extensive publicity was given to this "disinterested act of public munificence".71.

There is ample evidence here — in the education scheme, in the speeches and correspondence of Rouliot and Fitzpatrick, in the efforts to "improve" the Star, in the establishment of the Leader and in the organization of the mine workers' meetings — of the concern of mining leaders that the Uitlanders might follow the Diggers News into an alliance with the government directed against capital. The evidence suggests furthermore that concern about the insecurity of their own position in Johannesburg was a factor inducing several of the more timid of the capitalists to cooperate closely with the Imperial government and with the South African League. It is true that some of them had favoured close cooperation with the League and with Milner from an early date. In the firm of Wernher, Beit and Company, J.P. Fitzpatrick and Samuel Evans were the most prominent of these politicians. George Farrar, Chairman of the Anglo-French group and closely allied with the Wernher, Beit group also favoured close cooperation with the League.⁷² In following the advice of Fitzpatrick and Evans, the company was adopting the position of its most junior and in some ways least influential members. Neither of them was highly regarded for his financial acumen, and neither had contributed substantially to the key decisions which had made this firm the industry leader. Their attitudes upon the pending political and imperial issues were not shared by senior partners either in Johannesburg or London. Rouliot and Wernher were inclined toward extreme caution in this area, as was Freidrich Eckstein. In London even Lionel Phillips and

Alfred Beit, the Jameson Raid conspirators, were now more conciliatory and less aggressive in their attitudes toward the Transvaal than were Evans and Fitzpatrick.⁷³ The aggressive political stance of the firm in 1899 cannot be explained solely by the influence of Fitzpatrick or of Milner working through him. Other factors were pushing the company toward political activism: the hostility of the Transvaal government, of an important paper sympathetic to it and accumulating evidence of the importance that the mine owners be at one with Johannesburg.

Moreover the decision was not taken suddenly and decisively in January, as Marais has suggested, it was taken reluctantly and hesitantly. As late as March, 1899 Julius Wernher wrote from London of his view that "...our salvation is with the government [of the republic] to negotiate to obtain concessions, etc. and gradually wriggle in a better position". In May and June Rouliot was in Pretoria several times attempting to keep lines open to the government. What Wernher and Rouliot and others failed to recognize, however, was that the commitment to renewed political activity exacted a substantial price. Leadership in the reform movement passed increasingly into the hands of Milner who came to exercise a decisive influence over the political policies of the Wernher, Beit Company and its allies. Though unrealized at the time the decisions of early 1899 which led to this involvement marked a long step toward confrontation and war in South Africa.

NOTES

- ¹ Transvaal Archives, British Agent's Collection [hereafter, B.A.C.], vol. IX, A. Milner to C. Greene, 20 August 1897 (H.C. 417) and same to same, 20 November 1897 (H.C. 502).
- ² C. Headlam (ed.), The Milner Papers (London, 1931-3), 2 vols., Vol. I, pp. 221,222; E. Stokes, "Milnerism", Historical Journal, V (1962), pp. 52-53.
- ³ B.A.C., Vol. XII, W. Butler to E. Fraser, Acting British Agent, 4 January 1899 (H.C. 7). See also W.F. Butler, *Sir William Butler, an Autiobiography* (London, 1913), pp. 398-407.
- ⁴ J.A.S. Grenville, Lord Salisbury and Foreign Policy: The Close of the Nineteenth Century (London, 1964), p. 267.
 - ⁵ E. Stokes, op. cit., p. 53.
 - 6 J.S. Marais, The Fall of Kruger's Republic (Oxford, 1961), p. 210.
 - ⁷ London, 1900.
 - 8 Imperialism: a Study (London, 1902).
 - 9 J.A. Hobson, The War in South Africa, p. 197.
- ¹⁰ Hobson was able to quote in this connection capitalists who had long been critical of Kruger's government such as J.P. Fitzpatrick and the American mining engineer, John Hays Hammond as well as a man like J.B. Robinson who previously had been on good terms with the republican authorities.

- 11 Ibid., pp. 229-230.
- 12 Ibid., pp. 230-5.
- ¹³ *Ibid.*, p. 232.
- 14 Ibid., p. 240.
- ¹⁵ See D.K. Fieldhouse, "Imperialism': an Histiographical Revision", *Economic History Review*, second series, XIV (1961), pp. 187-209.
- 16 But see two important attempts to restate an economic interpretation of capitalist political alignments in this period. G. Blainey, "Lost Causes of the Jameson Raid" *Economic History Review*, second series, XVIII (1965), pp. 350-366; D.J.N. Denoon, "Capitalist' Influence' and the Transvaal Government During the Crown Colony Period, 1900-1906", *Historical Journal*, XI (1968), pp. 301-331.
- ¹⁷ G.H.L.LeMay, British Supremacy in South Africa, 1899-1907 (Oxford, 1965), p. 29.
 - 18 Ibid., pp. 29-30.
 - 19 J.S. Marais, op.cit., p. 324.
- ²⁰ In addition to the works cited see the following where similar conclusions are drawn concerning the decisive impact of British imperialism on South Africa. J. van der Poel, *The Jameson Raid* (Oxford, 1951); L.M. Thompson, *The Unification of South Africa* (Oxford, 1960); N.G. Garson, "British Imperialism and the Coming of the Anglo-Boer War", *South African Journal of Economics*, XXX (1962), pp. 140-153; C.F. Goodfellow, *Great Britain and South African Confederation*, 1871-1881 (Oxford, 1966).
 - ²¹ J.S. Marais, op.cit., p. 325.
- ²² R. Robinson and J. Gallagher with Alice Denny, Africa and the Victorians (New York, 1968, second edition).
 - 23 Ibid., pp. 459-60.
 - ²⁴ J.S. Marais, op.cit., pp. 163-4.
- ²⁵ It must be stressed that, while not all of the capitalists swung their support behind the league in 1899, several of the most influential did.
 - 26 Ibid., p. 324.
 - 27 J. van der Poel, op. cit., pp. 8, 80.
 - ²⁸ R. Robinson and J. Gallagher, op. cit., p. 422.
- ²⁹ R.V. Kubicek, "The Randlords in 1895: a Reassessment", Journal of British Studies, XI (1972) p. 95 n. 30.
 - 30 Ibid.
 - 31 J.S. Marais, op. cit., p. 62.
 - 32 Ibid., p. 162.
 - 33 B.A.C., Vol. XVII, C. Greene to A. Milner, 19 November 1897 (H.C. 671).
- ³⁴ An exception is M.F. Bitensky, "The South African League", unpublished M.A. thesis, University of the Witwatersrand, ch. V which does employ an analysis of the class structure of Johannesburg to explain the nature and extent of support for the South African League.
- ³⁵ Public Records Office (P.R.O.) C.O. 879/55/571, Chamberlain to W. Butler, 13 January 1899; J.P. Fitzpatrick Papers, Fitzpatrick to J. Wernher, 20 January 1899; Rand Mines Archive [hereafter R.M.A.], S. Evans to Wernher, Beit and Company, 16 January 1899.
- ³⁶ J.S. Marais, op. cit., pp. 244-5. Cf. R.H. Wilde, "Joseph Chamberlain and the South African Republic, 1895-1899", Archives Yearbook for South African History, 1956, Pt. 1, p. 86.

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- ³⁷ R.M.A., G. Rouliot to J. Wernher, 19 November 1898.
- 38 P.R.O., C.O. 879 55 571, E. Fraser to High Commissioner, 16 November 1898.
- ³⁹ R.M.A., G. Rouliot to J. Wernher, 10 December 1898.
- 40 E. Mendelssohn.
- 41 J.S. Marais, op. cit., p. 135.
- 42 Standard and Diggers News, 13 December 1898.
- 43 Ibid., 17 November, 15 December 1898, 14 January, 14, 16 February 1899.
- 44 Ibid., 5 January 1899.
- 45 Ibid., 21 December 1898.
- 46 Ibid., 4 January 1899.
- 47 Ibid., 21 November 1898.
- 48 Ibid., 14 November, 6 December 1898.
- ⁴⁹ R.M.A., H. Eckstein and Company to Wernher, Beit and Company, 12 June 1899.
- 50 Ibid., G. Rouliot to J. Wernher, 19 December 1898.
- ⁵¹ J.P. Fitzpatrick Papers, Fitzpatrick to J. Wernher, 12 December 1898.
- 52 R.M.A., G. Rouliot to J. Wernher, 9 January 1899.
- 53 Ibid.
- ⁵⁴ P.R.O., C.O. 879/55/557 (secret) T.R. Dodd and P.A. Ogilivie to C. Greene, 3 October 1898.
 - 55 Ibid., enclosures 1 and 2 in no. 105.
 - ⁵⁶ J.P. Fitzpatrick Papers, Fitzpatrick to J. Wernher, 4 March 1899.
- 57 Ibid., Fitzpatrick to Wernher, 30 January 1899; R.M.A., same to same, 20 January 1899.
- ⁵⁸ J.P. Fitzpatrick Papers, Fitzpatrick to A. Beit, 27 October 1898, to J. Wernher 28 November 1898, to J. Wernher, 4 March 1899; R.M.A., G. Rouliot to A. Beit, 19 November 1898, G. Rouliot to J. Wernher, 20 February 1899.
- 59 P.R.O., C.O. 879/51/543, p. 660. The phrase is that of E. Fraser, the acting British Agent.
- ⁶⁰ In October 1898, Samuel Marks and J.B. Robinson began efforts to bring the companies and the government together. They were finally successful in the negotiations which began at the end of February, 1899. J.P. Fitzpatrick Papers, Fitzpatrick to J. Wernher, 3 October 1898.
 - 61 Ibid., Fitzpatrick to A. Beit, 23 August, 18 October 1898.
 - 62 R.M.A., H. Eckstein and Company to W.F. Monypenny, 26 January 1899.
 - 63 J.P. Fitzpatrick Papers, Fitzpatrick to J. Wernher, 12 December 1898.
- ⁶⁴ R.M.A., G. Rouliot to J. Wernher, 9 January 1899, H. Eckstein and Company to Wernher, Beit and Company 29 October 1898.
 - 65 J.P. Fitzpatrick Papers, Fitzpatrick to J. Wernher, 19 April, I May 1899.
 - 66 Johannesburg Star, 21, 22, 25, 26, 27, 28, 29 April, 2, 11 May 1899.
 - 67 Ibid., 27 January 1899; Standard and Diggers News, 27 January 1899.
- 68 E.G. Malherbe, Education in South Africa (Cape Town, 1925), p. 273; J.W. Horton, The First Seventy Years, 1895-1965: Being an Account of the Growth of the Council of Education, Witwatersrand (Johannesburg, 1968), pp. 15-35.
 - 69 J.P. Fitzpatrick Papers, Fitzpatrick to J. Wernher, 12 December 1898.
 - 70 Ibid., Fitzpatrick to J. Wernher, 20 February 1899.

- ⁷¹ Johannesburg Star, 17 March 1899.
- 72 H. Webber, *The Grip of Gold* (London, 1936), pp. 95, 99-100.
- 73 R.M.A., L. Phillips to J.P. Fitzpatrick, 2 June 1899.
- ⁷⁴ Ibid., J. Wernher to G. Rouliot, 23 March 1899.