

THE MINES.

IT IS SCARCELY MORE THAN HALF A CENTURY SINCE CAPITALISM ENTERED SOUTH AFRICA, WHICH IS UNIQUE FOR THE WEALTH AND VARIETY OF ITS MINERAL RESOURCES. TODAY, THE MINERAL PRODUCTION PER HEAD OF POPULATION IS THE LARGEST IN THE WORLD, AND OF THE TOTAL VALUE OF THE EXPORTS OF THIS COUNTRY, MORE THAN THREE QUARTERS ARE MINERAL. BESIDES BEING THE WORLD'S LARGEST PRODUCER OF GOLD AND DIAMONDS, THERE IS NO INCONSIDERABLE MINING OF COAL, COPPER, TIN, PLATINUM, ASBESTOS AND A GREAT VARIETY OF RARER MINERALS.

THE FIRST IMPACT OF CAPITALISM WAS OCCASIONED BY THE DISCOVERY OF THE RICH DIAMOND PIPES AT KIMBERLEY. THE PRIMITIVE ALLUVIAL DIGGINGS ATTRACTED THOUSANDS OF ADVENTUROUS DIAMOND SEEKERS FROM ALL PARTS OF THE WORLD, BUT AS THE SURFACE SOILS BECAME EXHAUSTED AND EXPENSIVE PLANT BECAME MORE AND MORE NECESSARY FOR FURTHER OPERATIONS, THE PROCESS OF WEEDING OUT INDIVIDUAL DIGGERS WENT ON AT A MORE AND MORE RAPID PACE, UNTIL BY 1885, THE FOUR LARGE DIAMOND MINES AT KIMBERLEY WERE IN THE HANDS OF LESS THAN A HUNDRED CONCERNS.

CECIL JOHN RHODES, EMPIRE BUILDER AND DOMINATING FIGURE OF DE BEERS MINING COMPANY, ALREADY CONTROLLED, BY 1887, THE DE BEERS MINE. THE FALL IN DIAMOND PRICES IMPOSED UPON THE INDUSTRY THE NECESSITY FOR TRUSTS, AND RHODES NOW PLUNGED INTO THE FINANCIAL BATTLE AGAINST BARNATO FOR THE CONTROL OF THE KIMBERLEY MINE, A FIGHT IN WHICH THE BACKING OF LORD ROTHSCHILD AND ALFRED BEIT GAINED HIM THE VICTORY. THE DE BEERS CONSOLIDATED MINES LTD, HAD BY 1890 ABSORBED THE KIMBERLEY, THE BULTFONTEIN AND THE DUTOITSPAN MINES. OTHER MINES WERE SIMILARLY SWALLOWED UP (WESSELTON, KOFFIEFONTEIN,) AND DE BEERS BECAME THE WORLD'S LARGEST PRODUCER OF DIAMONDS.

THE OTHER IMPORTANT MINES, THE JAGERSFONTEIN AND THE PREMIER APPEARED LATER IN THE MARKET, BUT DE BEERS FEARED MOSTLY THE DIAMOND PRODUCTION OF GERMAN SOUTH WEST AFRICA. THE MANDATE OVER SOUTH WEST AFRICA HELD BY THE UNION GOVERNMENT GAVE TO DE BEERS THE POWER TO RESTRICT OUTPUT AND CONTROL PRICES BY MEANS OF AN AGREEMENT AMONG ALL SOUTH AFRICAN PRODUCERS. THIS AGREEMENT EFFECTS A WORLD MONOPOLY IN DIAMONDS FOR BRITISH IMPERIALISM.

THE EARLY DAYS OF GOLD PRODUCTION ARE BUT A REPETITION OF THE SHARE SWINDLES, THE SPECULATIVE BOOM AND THE OVER CAPITALISATION THAT ACCOMPANIED THE BEGINNING OF DIAMOND PRODUCTION. THE CRASH OF 1889 NARROWED DOWN THE FIELD; THE EXHAUSTION OF THE OUTCROP NECESSITATED EXPENSIVE PLANT AND HUGE CAPITAL TO UNDERTAKE DEEP MINING AND SO, INEVITABLY EMERGED POWERFUL CORPORATIONS. THE FIRST 'MINING GROUP' RAND MINES LTD, (ECKSTEIN & CO) WAS FOLLOWED BY OTHERS; DIFFICULTIES IN OBTAINING SUFFICIENT NATIVE LABOUR BROUGHT ABOUT THE FORMATION OF THE CHAMBER OF MINES, WHICH EXTENDED ITS ACTIVITIES FROM RECRUITING CONTROL TO FURTHER AND DEEPER CO-ORDINATION OF THE INTERESTS OF THE MINE-OWNERS UNTIL IT ACHIEVED ITS PRESENT DOMINATING POSITION: A BLOODSUCKING OCTOPUS WITH ITS TENTACLES SPREADING TO EVERY CORNER OF THE SUB-CONTINENT, A POWERFUL MACHINE CONTROLLING EVERY PHASE OF THE NATIONAL, ECONOMIC AND POLITICAL LIFE OF SOUTH AFRICA.

WITH TERRIFIC RAPIDITY THE JOHANNESBURG MINING CAMP OF 1886 DEVELOPED INTO THE LARGEST COORDINATED INDUSTRIAL GROUP OF ITS KIND IN THE WORLD. THIS PROCESS HAS BEEN ACCOMPANIED BY VIOLENT SOCIAL UPHEAVAL, BY THE UPROOTING AND DISORGANISATION OF THE FORMER PLACID WAY OF LIFE NOT ONLY OF THE NATIVES, BUT ALSO OF THE WHITE RURAL POPULATION. THE JAMESON RAID, THE ANGLO BOER WAR AND THE REBELLION OF 1914 MARK SUCCESSIVE POLITICAL CRISES IN THIS CONVULSIVE INDUSTRIALISATION OF SOUTH AFRICA.

ALTHOUGH THE GOLD MINES ATTRACTED A LARGE AMOUNT OF FOREIGN CAPITAL TO WORK THE EXTENSIVE BEDS, AND ALTHOUGH PHYSICAL RESOURCES SUCH AS CHEAP AND PLENTIFUL COAL WERE NOT LACKING, THE GOLD ORES ARE NOT RICH, AND THE YIELD PER TON IS COMPARATIVELY LOW. THE REAL SOURCE OF THE WEALTH OF THE GOLD MINES IS THE CHEAP UNSKILLED LABOUR WHICH THE MINE OWNERS ARE ABLE TO OBTAIN FROM THE NATIVE POPULATION. THE NATIVE WORKERS, BEWILDERED BY THE SUDDEN TRANSITION FROM TRIBAL TO CAPITALISTIC CONDITIONS, AND COMPLETELY AT THE MERCY OF THE EXPLOITERS, PROVED FROM THE FIRST A DOCILE SLAVE, AND THE COMPETITION FOR NATIVE LABOUR WAS SHARP, NOT ONLY BETWEEN MINE OWNERS AND LAND OWNERS, BUT

BETWEEN THE DIAMOND MINES AND THE GOLD MINES, AND THE STRUGGLE DEPENDED IN ITS TURN ON THE VICISSITUDES OF THE WORLD MARKET.

THE DIAMOND MINES WERE IN A POSITION TO PAY HIGHER WAGES TO NATIVE WORKERS, SO THAT THE GOLD MINES WERE COMPELLED AFTER THE ANGLO BOER WAR TO TURN TO CHINESE COOLIE LABOUR WHICH THEY IMPORTED IN THE TEETH OF THE OPPOSITION OF THE WHOLE WHITE POPULATION. THE DIAMOND MINES HOWEVER, LOOKED TO THE UNITED STATES AS THE PRINCIPAL MARKET FOR THEIR STONES, AND WHEN THE CRISIS OF 1907 - 1908 IN THE U.S. DEPRIVED THE KIMBERLEY MINES OF THEIR LARGEST CONSUMERS, DIAMOND OUTPUT WAS CURTAILED AND NATIVE LABOUR SET FREE. THE GOLD MINES ABSORBED THE SURPLUS LABOUR AND NOW WERE ABLE TO YIELD GRACEFULLY TO THE LONG SUSTAINED AGITATION FOR THE REPATRIATION OF THE CHINESE. IN THIS MANNER THE WORLD ECONOMIC SITUATION REACTS SHARPLY AND DIRECTLY ON SOUTH AFRICAN ECONOMY.

THE CRISIS OF THE PAST FEW YEARS ON THE ONE HAND PRODUCED AN EXTENSION OF THE GOLD INDUSTRY THROUGH THE GOLD PREMIUM AND THE INCREASED PURCHASING POWER OF GOLD. ON THE OTHER HAND IT LED TO THE PARTIAL OR COMPLETE CLOSING DOWN OF THE DIAMOND MINES. NOW THAT BOTH THE DIAMOND MINES AND THE FARMERS CRIPPLED BY THE DEPRESSION WERE NO LONGER COMPETING FOR NATIVE LABOUR, THE CHAMBER OF MINES WAS ABLE TO ANNOUNCE THAT 'FOR THE FIRST TIME IN HISTORY' IT HAD ENOUGH AND MORE THAN ENOUGH UNSKILLED LABOUR FOR THE GOLD MINES.

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BUT WHEN ROOSEVELT'S POLICY OF INFLATION UNDER THE N.R.A. PARTLY RESTORED THE RATE OF PROFIT TO AMERICAN CAPITAL, AND BROUGHT KIMBERLEY'S BEST CUSTOMERS BACK INTO THE MARKET, THE DIAMOND MINES ARE REOPENING. INEVITABLY THE STRUGGLE FOR LABOUR ARISES AGAIN AND THE NEW DEAL MEASURES IN THE U.S. FIND THEIR DIRECT REPERCUSSIONS IN SOUTH AFRICAN ECONOMY AND POLITICS.

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