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by: Shula Marks

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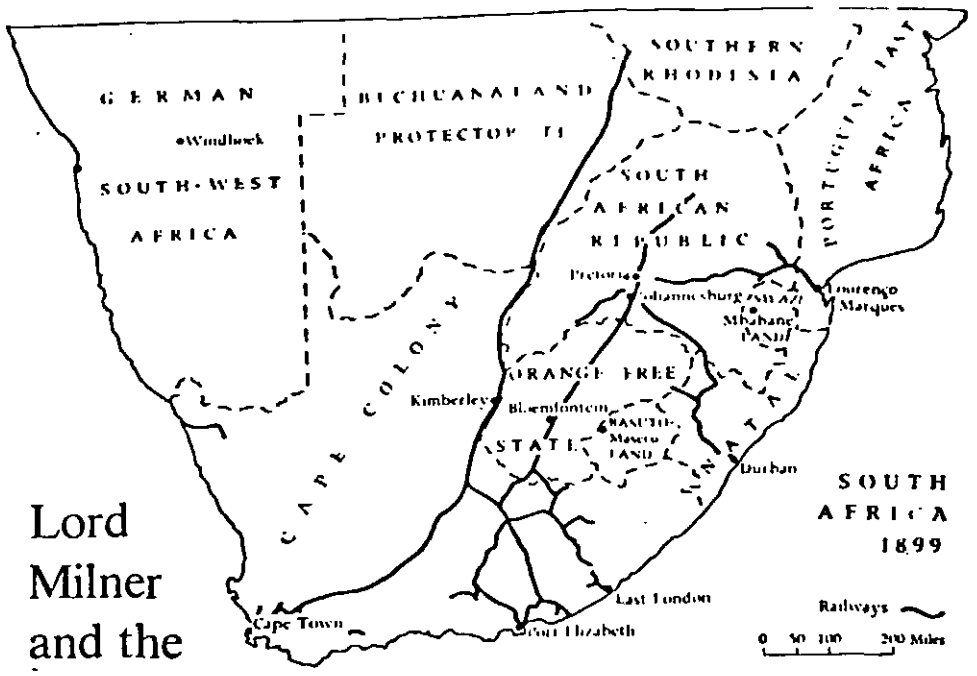

Lord Milner and the South African State

by Shula Marks and Stanley Trapido

'I think some future Mark Twain will fossick about among the foundations of the great future South Africa and write an adaptation of the lines on Italy and Michelangelo· "It seems to me that the Almighty fashioned South Africa upon plans supplied by Lord Milner!"'

J P Fitzpatrick to Lord Milner, 22 February 1905
in *Fitzpatrick, Selected Papers, 1888-1906*
Edited by A H Duminy and W R Guest,
Johannesburg 1976

'The Liberal who applauds the Union in one breath and denounces the war with the next, forgets that without the war Union itself would have been impossible. The achievements of the Union Parliament cannot be detached logically from the man whose administration revolutionised all existing standards of government in South Africa. The public services of today, the whole framework of administration, are in a very special sense Lord Milner's creation . . . The principles he laid down, the efforts he inaugurated, have passed into the hands of other men and are now reaping their peaceful fulfilment . . . To say that he made no mistakes would be to claim an inhuman standard of perfection for a man whose human qualities are the most obvious of any to his friends. But the new South Africa is in the main his monument, and opponents who repudiate his views continue to build on the foundations he laid and follow policies of which he, and he alone, is the author.'

Violet R Markham, *The South African Scene*,
London 1913, pp 147-8.

I

The years between 1886 and 1910 were amongst the most dramatic in the history of southern Africa. Mineral discoveries at Kimberley in 1868, followed by the more important discovery of vast seams of deep-level gold on the Witwatersrand in 1886, inaugurated an industrial revolution whose socio-economic and political repercussions constitute the major themes of Southern Africa's twentieth-century history. Whereas at the beginning of the period, the region was still composed of a cluster of British colonies, Afrikaner republics, African protectorates and kingdoms, by 1910 the entire area as far north as Katanga was under British rule, and the societies of the sub-continent were being increasingly meshed into a single political economy. It was a political economy, moreover, in which the vision expressed by Sir Alfred Milner in 1897 of 'a self-governing white community . . . supported by a well-treated and justly governed black labour force from Cape Town to the Zambezi' was being given effect — even if there is room for doubt about the precise definition of 'well-treated and justly governed'.

A major colonial war (familiar to most as the Boer War) — perhaps the costliest in lives and money during the 'scramble' for Africa — against the Afrikaner republics, as well as numerous 'little wars' against African people, had led to the creation of a new colonial state south of the Limpopo. Moreover, with the unification of South Africa in 1910, boundaries were drawn and a state system brought into being whose characteristics were to provide the foundation for the capitalist development of South Africa and imperial ambitions in the region for the next half-century and more. From this point of view, the conventional literature which dwells on the 'failure' of British policy in the period after the South African war, and bemoans the 'price' paid by blacks for British 'magnanimity' to the ex-Boer republics, is beside the point.[1] The goal of British policy in Southern Africa — whatever the rhetoric of the war years — had little to do with granting Africans political rights, or with 'freedom and justice'. Imperial goals are determined by the interests of imperial ends: in the case of southern Africa, there was no intention to change the property relations already existing in the region, though the war and the reconstruction which followed it were intended to transform the nature of the class structure of the territory by hastening the development of a capitalist state, which would be more fully capable of fulfilling the demands of the mining industry.

In the run-up to the war, in the construction of this new state and in drawing up an imperial blue-print for the region as a whole, Sir Alfred Milner, British High Commissioner for South Africa and the Governor of the Cape and Transvaal between 1897 and 1905, played a significant role. Yet its character has been persistently misunderstood by the historians. Milner the man has been overestimated; while on the other hand the nature of 'Milnerism'[2], as an expression of late-nineteenth-century imperialism at both the ideological and practical level, has been underestimated and indeed virtually unexplored. That this should be so is perhaps not entirely surprising. As Geoffrey Barraclough pointed out in his presidential address to the Historical Association of the United Kingdom in 1966,[3]

> The fundamental postulate of western historiography . . . is that history is the key to the explanation of events . . . The result has been to affect the historian's attitude to his work in three ways: first an obsession with causality, or what Marc Bloch once called the vain pursuit of 'the idol of origins'; secondly, an almost

> neurotic absorption in questions of motivation; and thirdly a dogmatic concentration on the particular and individualistic aspects of history rather than on trying to discover such common features . . . as can be discerned in past events . . .

Barraclough could have been writing specifically with the literature on late-nineteenth and early-twentieth-century South Africa in mind, where there has been an 'obsession' with the immediate causes of the Anglo-Boer war, rather than with the structural context within which it occurred; and 'an almost neurotic absorption' in the questions of the individual motivations and personalities of Rhodes, Chamberlain and Milner without at any point locating them in an analysis of late-nineteenth-century imperialism. Thus GH Le May in his critical study *British Supremacy in South Africa, 1899-1907*, in analysing the 'causes' of the war, revealingly entitles his chapter 'Sir Alfred Milner's War'. For Le May, the conflict was simply the product of Milner's calculations, *his* determination to put *his* 'grand design' into practice.[4] Similarly Leonard Thompson in the *Oxford History of South Africa* explains the war in terms of the pressure the colonial based South African League was able to exert on Lord Salisbury's government (without actually analysing the nature of the League or its socio-economic interests, for which see below p 67), and of the personal decisions of Milner and Chamberlain:

> Milner had a stronger will than Chamberlain. Consequently the Colonial Secretary and the High Commissioner jointly carried Britain into a war with the Afrikaner republics. Milner inflated the jingo forces and blocked the moderating forces inside South Africa and presented Chamberlain with arguments for intervention . . . [5]

Most recently, and most explicitly, Shannon in his *Crisis of Imperialism* places the 'blame' for the war squarely on Milner's personality:

> Milner saw further than most men, but he saw narrowly. He despised the evasions and compromises inherent in political life which Chamberlain had to stoop to . . . He was the purest specimen of the intellectual ruthlessness and the claims for the prerogative of informed intelligence fostered in Jowett's Balliol.[6]

As a result, Shannon argues, Milner quickly concluded that a radical reversal of the current situation which was likely to lose South Africa for the empire, was crucial, and he set about — one would believe almost single-handed — 'to push matters to a crisis point'.[7] And, again, after the war — though admittedly here he would appear to be interpreting Milner's own views on the subject (and probably correctly), 'For Milner, compromise and reconciliation after the war was no better than compromise and reconciliation before the war. He wanted not merely to defeat the Afrikaners, but to get the Afrikaners to admit their defeat in an unconditional surrender. The annexed Transvaal was at last the blank page upon which Milner was to write what he wished'.[8]

Thus, not only is the war conventionally seen as the outcome of Milner's personal preoccupations; the settlement after the war, and what is widely regarded as its failure, is also put down to his misjudgment. Shannon attributed this 'failure' to Milner's notion that the Transvaal was a 'blank page'. Donald Denoon, taking his title for his work on the reconstruction period in the Transvaal from

Robinson and Gallagher's dictum that 'the empire went to war in 1899 for a concept that was finished, for a cause that was lost, for a grand illusion',[9] attributed the 'failure' of the reconstruction period to Milner's political miscalculations, which effectively united the Afrikaners against him, while bitterly dividing his potential British allies.[10] Yet at another level it can be argued that Milner succeeded in southern Africa better than he (with his deep suspicion of Afrikaner leaders) realised. Together with his administrative coterie of young Oxford graduates — contemptuously dubbed the Kindergarten at the time and the name stuck[11] — he laid the foundations for a state which not only reflected the demands of twentieth-century British imperialism but also fulfilled them.[12] Moreover the fact that this state, and indeed the whole sub-regional economy of southern Africa wrought in these years, was characterised by far greater intervention in the lives of its inhabitants, and by a racist ideology of segregation, was not simply the outcome of the idiosyncracies of a single individual, but has to be located in the context of late-nineteenth-century British history and its articulation with the imperatives of southern African capitalist development.

II

When in 1897 Milner was sent to South Africa as Governor of the Cape Colony and British High Commissioner with responsibilities for the whole of southern Africa, he had already had a varied career. The details of this are well known, though their significance is often missed. Here only the broadest outline must suffice. Born in Germany in 1854, of English parents, Milner was educated in Germany and at King's College London, before a brilliant career at Balliol College Oxford brought him in contact with the world of Jowett and John Ruskin and with the social reformer, Arnold Toynbee, who remained a major influence over Milner's life and thought long after his early death.

After an unsuccessful attempt to stand as parliamentary candidate, for the Liberal party, Milner followed Chamberlain in his break with the Gladstonian liberals, and in 1887 became Private Secretary to his friend and mentor, Lord Goschen, when the latter became Chancellor of the Exchequer in Lord Salisbury's Tory cabinet. In 1889 he accepted the position of Financial Adviser to Lord Cromer's administration in Egypt, and followed this with five years as Chairman of the Board of Inland Revenue (1892-7) before his posting to South Africa, to the most challenging and delicate imperial mission of the time. His appointment was widely acclaimed by men of every political persuasion: if anyone could solve the South African conundrum it would be Milner, the 'model civil servant'.[13]

Despite this widespread contemporary approval and acclaim, the historians of southern Africa have largely persisted in seeing Milner as some kind of single-minded maverick, whose unEnglish dogmatism drew Britain into an unnecessary and unwanted war, and South Africa into a hazardous peace and reconstruction. Apart from Bernard Semmel's pioneering work on the background of imperial ideology, Milner has been portrayed outside of his social context for far too long.[14] The historians of southern Africa have, by and large, ignored the extent to which Milner's ideas were in tune with those of his contemporaries in the late 19th century, while even Semmel does not explore in any detail the relevance of these ideas for Milner's role in southern Africa. What is very clear from Semmel's

account, however, and from the recent most illuminating article by Anna Davin in *History Workshop* on 'Imperialism and Motherhood',[15] is the extent to which Milner's ideas corresponded with the increasingly pervasive ideology of social imperialism: an ideology which cut significantly across party affiliation, and, as Milner himself realised, was at times closest to Fabian notions about the need for greater state responsibility, national efficiency and planning; they were widely shared too by the Liberal Imperialists and Unionists who so enthusiastically supported Milner's appointment as High Commissioner. Social imperialism was not only linked with a nexus of ideas about Britain's imperial role, but as Davin points out, tended in turn to go with 'ideas about the imperial race and the threat of its diminishing vitality' and the crude eugenics of Karl Pearson and the social Darwinists. Indeed Sidney Webb's approving quotation of Asquith could as well have been written by Milner:

> ... Mr Asquith is on the right track. What is the use of Empire (he asks) if it does not breed and maintain in the fullest sense of the word an Imperial race? What is the use of talking about Empire, if here, at its very centre, there is always to be found a mass of people, stunted in education, a prey to intemperance and congested beyond the possibility of realizing in any true sense either social or domestic life.[16]

As, in their different ways, Semmel and Gareth Stedman Jones[17] have shown, the ideology of social imperialism arose out of on the one hand the anxieties and fears of the middle class in the 1880s confronted by the long depression and the rising tide of working-class discontent and militancy which erupted in 1886-7; on the other through the growing awareness during the 1880s and 1890s that British economic supremacy was being increasingly challenged by Germany and the United States, at almost every point. His links with Toynbee and Goschen brought Milner to the centre of those most concerned with the situation both at home and abroad. Moreover, they were to influence his outlook on South Africa profoundly, both in his determination to maintain what was termed 'British supremacy' — a formula we must come back to — in the run-up to the South African war, and in the way in which he tackled the establishment of a new state in South Africa after the war.

There were more immediate ways in which these linkages were important to Milner's position on South Africa in the 1890s, and our analysis of the origins of the South African war. Since JA Hobson's *The War in South Africa* (1900), much ink has been spilt by historians arguing this vexed issue with varying degrees of plausibility and success. The most recent of these has been Alan Jeeves, who has attempted in his important article 'The Rand Capitalists and the Coming of the South African War, 1896-1899', to bring together the two existing strands in the debate.[18] While he accepts the conventional wisdom that the war was Milner's war, fought to maintain imperial dominance in southern Africa (at risk because of the new power of the South African Republic under Kruger to attract all Afrikaners into a republic outside of British control, which in turn would threaten the vital sea-route to India — the Robinson and Gallagher thesis), he argues that the war was only possible because Milner was joined by powerful allies from within South Africa: the mine magnates. Briefly he sees their reasons as a desire to end the uncertainty wrought by imperial interventionism in South Africa, and the Republic's decision to impose fresh taxation on the industry, and the apparent connivance

of the Kruger regime in the campaign being mounted by the anti-capitalist newspaper, the *Standard and Diggers News*, to play upon white working-class resentment.

This argument does not go far enough in its analysis either of imperial interests in the late 19th century, or of the motives the magnates had for war. Nor does it perceive the connection which we believe existed between the two. Indeed it is one of the major weaknesses of the literature on late-nineteenth-century imperialism that the notion of 'imperial interests' is rarely examined, and the rhetoric about 'British supremacy' is taken at its face value.

None of the imperial statesmen who used the term in the late 19th century saw any need to spell out exactly what they meant by British supremacy in South Africa, and indeed they would probably have incorporated a number of divergent if not contradictory strands within the somewhat vague concept for which they were nonetheless in the South African case fully prepared, if all else failed, to go to war. This does not, however, let the historian off the hook. We need at least to try to tease out some of the embedded implications of the 'New Imperialism' of the late 19th century, even though here we can do no more than examine what seem to us, in the South African context, some of the most obvious components. Fundamental to Britain's position in the late 19th century was its place at the heart of the international money market. As Eric Hobsbawm has pointed out, at the very time that Britain was faced with the intractable problems of modernizing its industry in the face of American and German competition and its own falling productivity, it was able to find in the 'New Imperialism' a cheaper and more convenient alternative, at least temporarily:[19]

> To retreat into her satellite world of formal and informal colonies, to rely on her growing power as the hub of international lending, trade and settlements, seemed all the more obvious a solution because, as it were, it presented itself... In essence what happened, therefore, was that Britain exported her immense accumulated historic advantages in the underdeveloped world as the greatest commercial power, and as the greatest source of loan capital...

This position as the centre of the world's money market depended in the final analysis on Britain's unique financial institutions, and on an international trading currency — sterling — whose importance was assured by the preparedness of the British banking institutions to defend it with gold. Yet the precariousness of Britain's gold reserve was only too starkly revealed at the very time of the major gold discoveries on the Rand, when in 1890 Baring Brothers, the most powerful of the British merchant banks, threatened to collapse, and was only rescued by the decisive action of the Chancellor of the Exchequer, Lord Goschen, and the Governor of the Bank of England. From this time on, in a period when most of the remaining countries of the world were attempting successfully or unsuccessfully to transfer to gold-based currencies, there was concern in the city of London about the very narrowly-based nature of the British gold reserves. At the same time, from 1896 onwards, the increased economic expansion in world trade led elsewhere to an expansion in the supply of money and, as the economist de Cecco has pointed out, therefore a demand for 'an unceasing supply of gold and a standard policy (by these countries) to defend their existing gold stock from calls made on it from abroad'. With the concentration of gold in the vaults of central banks, moreover, gold reserves become 'a piece in the international power game, a mythical symbol'; and

their decrease is seen as a sign of financial insecurity and financial weakness. 'This', he continues, 'is exactly why monetary authorities, during our two decades (1896-1914) could not tolerate any reduction in their gold reserves and tried (in best mercantilist fashion) to boost them by all available means'.[20] The transformation of the international monetary system into a gold exchange standard which took place during this period was therefore of the utmost importance to those statesmen concerned with Britain's imperial position. It could hardly have been lost on Lord Milner, with his close friendship with Goschen (himself a merchant banker of some renown) and after his own career at the centre of the British financial establishment.

Although after the Baring crisis the Bank of England doubled its gold reserves to reach £49 million in 1896, repayment of the Chinese war indemnity (1896-8) reduced them to nearer £30m. This was of particular concern with the switch in India to a gold standard and the increasing clamour there for a gold currency. Significantly among the papers of Patrick Duncan, Milner's Private Secretary at the Inland Revenue Board (1894-7) and later Treasurer of the Transvaal (1901-3) is a file devoted to the Indian gold currency controversy in the '90s — of moment to financiers and imperial strategists alike. By 1899 it seemed the Bank would give way to Indian demands, and throughout the spring and summer of 1899 British financiers were calling for an increase in the gold reserve — and it was the theme of the Chancellor of the Exchequer's speech to the Lord Mayor's Banquet that year. This is not necessarily to say that the Bank of England itself saw matters this way; indeed it seems that the Bank was satisfied it could control reserves by manipulating the discount rate. Nevertheless, in a period of increasing international political and economic insecurity, there were powerful voices in the city who saw the position of the gold reserves as a very major concern. By October, Britain, 'the leading monetary power in the world' was at war with the South African Republic, 'a country producing the greater proportion of the world's supply of gold', a truly 'exceptional circumstance' as the November *Bankers' Magazine* ingenuously noted.[21]

We are not of course arguing that insecurity over the gold reserve was what pushed Britain into war in 1899. A complex number of factors combined to make war seem increasingly the way forward. As van Helten shows, the squeeze on British manufacturing markets was also significant, and undoubtedly insecurity over the future of the sub-continent played its part.[22] Yet none of these had the same force as insecurity over the mining industry, and in the tense period of the 1890s imperial statesmen could not afford to run the risk that the future of the South African industry would be jeopardised by a regime which it believed — rightly or wrongly — was incapable of securing the long-term interests of the mines, and which might well ally itself with Britain's rivals.

Gold, we should add, was not only seen as essential for international trade, but it was also regarded as the ultimate military defence of all the European continental powers. With gold they could secure the provisions and weapons of war when all else failed. The 'warchests' held by France, Germany, Austria-Hungary and the Russian Empire all exceeded British holdings of gold. But unlike Britain the European powers did not permit the more or less free flow of gold. Britain was alone in not having a war chest. The true significance of having a 'friendly' government in power in South Africa can best perhaps be seen on the outbreak of World War I, when, according to Arndt, the government of South Africa immediately:

> called a conference of bankers, mining houses and merchants. Following the

> conference, negotiations were completed between the Bank of England and the Union Government by which the Bank would take over the entire gold output of South Africa on behalf of the British Government. The local banks were to make advances to the mines upon the deposit of gold with the Union Government. The banks in turn were to obtain the equivalent from the Bank of England in London.[23]

Under the circumstances, Le May's remark that 'Chamberlain and Milner when they pushed Kruger into war were not thinking of gold-fields but of the political supremacy of Britain in South Africa' begs the question. His notion that Milner, 'for all his remarkable abilities as a financial administrator' did not 'possess a grasp of the submerged implications of economic theory' is unhelpful and arises from the reading of voluminous but narrowly-conceived sources.[24]

III

In their anxiety to escape the allegedly crude and mechanical interpretations of Hobson in *The War in South Africa*, on the one hand, and to rescue the Afrikaner state from accusations that it was 'a medieval race oligarchy' incapable of meeting the demands of the mining industry on the other,[25] the historians have thrown out the baby with the bathwater. Instead of trying to see what both sets of antagonists were saying behind the rhetoric, they have substituted a rarified interpretation of historical events based on the whims and fancies of individuals.

When Milner was appointed High Commissioner of South Africa, the South African Republic was already the single largest producer of gold in the world — providing between a fifth and a quarter of the world's supply. Of the gold produced in the Transvaal, about 50 per cent was produced by a single group of companies— Wernher-Beit and Eckstein[26] — and about a half of the remaining 50 per cent was produced by Rhodes's Consolidated Gold Fields and George Farrar's Anglo-French Company, which in addition had very close ties with Wernher-Beit and Eckstein — or as it was popularly known, Corner House. As we shall see, it was no coincidence that it was the leading members of these three groups who were largely responsible for the 'Jameson Raid' (the abortive coup against the South African Republic at the end of 1895, led by Rhodes's lieutenant, Leander Starr Jameson); for the agitation leading up to the South African war — and for the importation of Chinese labour after the war, a point to which we will return. Historians have made much of the fact that there were always divergent views expressed within the mining industry: some have attempted to explain these in terms of the differences in national ownership, others, following the pioneering work of Geoffrey Blainey, in terms of the difference in interest between deep-level and outcrop mining groups.[27]

Attempts to topple Blainey's edifice have certainly knocked one or two holes in the fabric of his argument. Nevertheless, as Richard Mendelsohn points out in a fresh look at the arguments on both sides, the fundamental point made by Blainey — that the Jameson Raid was mounted for very specific economic reasons, and that the distinction between those who participated and those who did not has to be sought in their different economic interests—has survived.[28] We are not concerned here with the Jameson Raid — and unfortunately Mendelsohn does not extend his scope beyond the Raid — nevertheless, we would extend his findings in

respect of the Raid both to the war and to the major divisions in the reconstruction period. That is, the chief difference between the conspirators and those who stood outside the conspiracy was that

> the former were committed by 1895 [a key date by all accounts] to long-range mining programmes while the latter were either preoccupied with stock jobbing or were content with modest holding operations. This meant that the conspirators stood to gain far more over the long-term than the rest from the replacement of a self-willed and frequently obstructive Boer government by one more easily manipulated by the mining industry.[29]

Mendelsohn's conclusions arise from his looking again and sceptically at the views of the historians about the political motivation of Rhodes and the psychological motivation of Alfred Beit for engaging in the Raid. As he points out, the usual explanations in terms of Beit's dependence on Rhodes seem 'unlikely in view of Beit's very skilful and highly successful pursuit of his financial self-interest over the years'; a man of his position is unlikely to have so forgotten himself that 'he joined the conspiracy without fully first considering its economic implications and the possible financial advantages it offered his firm...'[30] The recently published correspondence of the magnates Percy FitzPatrick and Lionel Phillips[31] both clearly reveal that it was above all the Wernher-Beit and Eckstein companies who saw the necessity of forging the closest links with the imperial power, in their efforts to secure change in the South African Republic. The extent of their power and influence has until quite recently been neglected by historians preoccupied with the much more politically colourful and histrionic Rhodes: though there were observers at the time like John X Merriman, later to become Prime Minister of the Cape, who perceived clearly enough the overwhelming economic preponderance of this single partnership.[32]

It would be advisable to recall some of the dimensions of this power before we take too seriously the views of RV Kubicek, the major economic historian of this period, about the dependence of the mining houses on the state after the war, and the 'failures' of Wernher-Beit and Company as a result of their involvement in imperial politics: he concludes a recent article for example on 'Finance Capital and South African Goldmining 1886-1914' by asserting that 'the Randlords' quest for wealth would have been better served by cultivating international investors than British imperialists'.[33] We believe this encapsulates a fundamental misconception about the nature of the relationship between the state and capital, a point to which we will return. It also effectively blurs the extent of Wernher-Beit domination in South Africa in the 1890s and 1900s. Before the war, as we have seen, they were producing something like 50 per cent of the total output of the Rand. According to the group's historian, AP Cartwright, by 1910:

> the group might well have claimed that it was the fifth province of the Union of South Africa. The combined budget of Wernher-Beit and Company, Eckstein and Company and the Central Mining and Investment Corporation was bigger than that of either Natal or the Orange Free State. Its mining organisation on the Rand was the biggest industry in the country employing more men and certainly producing bigger profits than the amalgamated railways and harbours of the four provinces.[34]

Apart from its interest in the gold-mining industry and its large stake in the diamond monopoly, de Beers, it was the largest land-owner in the country; it was a large shareholder in the South African National Bank, the Pretoria Portland Cement Company, the Argus Printing Works and the Cape Times, and had investments in various forms of urban development and transport as well as in the coal mines of Natal, Swaziland and the Transvaal.[35] With its millions invested in South Africa, it is not surprising that the leading Directors of Corner House should have felt an acute concern with the nature of political developments in South Africa, especially the Transvaal, both before and after the war; what is surprising, perhaps, has been how long historians have obscured this and misconceived its nature.

As the first major company to recognise the potential of the deep-level mines on the Witwatersrand and to pioneer their development, Wernher-Beit were, from the early 1890s, aware of the need for state assistance on a large scale if they were to solve the economic and technical problems involved in this new form of mining, with its vast capital costs and its insatiable demand for a labour supply which the South African Republic was unable to meet. The decision to mine not only deep-level mines but low-grade ores made the issue of costs quite central to the major groups,[36] and it is clear that this decision had been taken by 1895. Although the mining magnates through the 1890s had their links with the Kruger government and had perforce to seek state assistance at a variety of levels,[37] in general they found this woefully wanting. To our mind, this constituted the crisis of the 1890s for the mine magnates and is the key to understanding both the Raid and the war.

At the end of the 19th century, a peculiar disjuncture existed between the enclave capitalist mode of production based upon the most advanced and sophisticated technology and huge concentrations of European finance capital (which arose quite dramatically and suddenly in the middle of the veld of the Transvaal as a result of the mineral discoveries), and political/state power which remained in the hands of Afrikaner notables, themselves largely dependent on their landholdings.[38] The form of the state in the late-nineteenth-century Transvaal still reflected the preindustrial agrarian society of the Afrikaners, and the sudden intrusion of masses of capital and the demands of development were not, in the first instance, unlike the effects of multinational corporations on third-world countries today. Although Kruger tried, through his concession policies, to create an independent industrial base,[39] in fact these attempts simply led to an increase in the possibilities of corruption of the small bureaucracy emerging out of the class of notables, most members of which still retained the ideology, lifestyle and kinship obligations of the earlier agrarian mode of production. Although there were very real signs in the 1890s that the South African Republic was capable of 'reform', that is, 'modernizing', and that individual Afrikaners were undoubtedly making the transition to capitalism,[40] it was an earlier entrepreneurial and individualistic form of capitalism which was remote from the world demanded by the new concentration of economic power on the Rand, and the demand of the mining magnates for a new form of centralized and effectively coercive state apparatus.

Through the 1890s the demands which the major mining houses were making on the Kruger republic really added up to this. In 1895 Jameson's abortive raid was designed to substitute a different political authority over the Transvaal. Once that desperate attempt had failed both the imperial authorities and the mineowners determined that any attempts to bring about internal reforms, whether they were to be peaceful or not, would need a mass basis to be effective. Hence their

support for the South African League with its programme of radical reform under British supervision. There were, of course, moments when it appeared as if the impetus for reform was coming from within the Afrikaner ruling class in the republic. Much, for example, has been made of the Report of the 1897 Industrial Commission headed by one of the most influential of Afrikaner leaders, Schalk Burghers. Milner read the report with enthusiasm; 'it shows a breadth of view, a liberality of judgement, and a force of expression, which, if of genuine Boer origin, give me quite a new idea of the *niveau intellectuel* (intellectual level) of the Boer'[41] His enthusiasm was misplaced. The republic, lacking the expertise to deal with the complex technical and financial questions, had been provided with advisors by the mining industry and as the British agent in Pretoria soon informed Milner, the report was the work of 'the mining industry'.[42] The public mood for most of 1897 among the Uitlanders was, however, one of optimism about the possibilities of reform. The manifest inability of the republic to implement the Commission's report, and the reelection of Kruger in the 1898 presidential election, led to the renewed agitation which was to lead ultimately to the declaration of war in 1899.

Although much of the rhetoric before the war focussed on the rights of the Uitlanders, ('outlanders' or non-Afrikaner whites) in the South African Republic, who were aliens excluded from citizenship, a rhetoric necessary as both Chamberlain and to a lesser extent Milner realised, if the movement for reform and possibly war were to be justified both to the British public and world opinion — most historians are agreed that Kruger was right when he burst out at the Bloemfontein Conference (May 1899) that it was not the franchise but his state that the British wanted. It is the recognition by Milner and others that Kruger was unable to provide the kind of state which the mine magnates needed if they were to run an efficient capitalist undertaking in the Transvaal, that we see as lying behind the alarums and excursions of these years.[43] There is no indication at the outset that Milner and Chamberlain had a clear conception of precisely what this would mean. Indeed, it is somewhat surprising, indeed alarming, to find, as late as September 1899, that Chamberlain was still hazy about precisely what should be demanded from the Boers — apart from a general recognition of British suzerainty.[44]

Yet if Chamberlain and Milner were satisfied before the war with the rhetoric of vaguely defined phrases about suzerainty, the mine magnates had a far clearer perception of their interests. Certainly the historian has to take care in reading the words of the Randlords, many of which undoubtedly were designed to sway the British public, the share market or the Colonial Office. Nevertheless, it would be foolhardy to ignore the very hardheaded evidence given for example by the mining engineers of the Chamber of Mines to the 1897 Transvaal Industries Commission. Most interesting from this point of view was the far-reaching evidence submitted by one William Hall, State Engineer for the State of California, who had been brought by the major mines on the Central Rand to advise them on problems of water supply.

Hall was one of a very large number of American mining engineers working on the Witwatersrand in the 1890s. By 1895 at least half of the new gold mines were managed by Americans and the chief engineers of both the Wernher-Beit group and Rhodes's Consolidated Gold Fields, were Americans.[45] These engineers had not only had wide experience in the American West, Latin America, and Asia, but contemporaries saw them as a 'new industrial intelligentsia, standing between capital and labour and peculiarly fitted to resolve the nation's social conflicts'.

Engineers in America were in the forefront of the opposition to 'partisan' 'corrupt' and 'inefficient' government. Above all they sought the interventionist state of the 'experts'.[46] Transported to South Africa they very quickly became critics of the inefficiency of the Transvaal government 'the dynamite monopoly, the necessity of bribery, and the general inability of the Boers to understand capitalism, industrialization and progress'.[47]

Hall saw the crucial importance to the mining industry of bringing down the cost of reproducing its labour force if the low grade mines were to be developed — something which became a priority from the mid-1890s. His recommendations thus went all the way from suggesting the need for increasing the population through immigration, improved farming methods to reduce the cost of food, afforestation and improved transport, to ideas about sewage disposal and water supplies. Like other witnesses before him, he pointed out the very low proportion of married men in the white work force, which he attributed to the high cost of living in the Transvaal. This in turn he related to the inadequacies of local agricultural production: its methods he said were wasteful and the market price of produce 'excessively high'. 'How' he asked, 'is it possible under such conditions to bring down the cost of mining the Rand to what it should be?'[48]

At the same time, Hall showed the connections between the state of agriculture and the general administrative problems in the Republic:

> If the present system of administering government affairs should be kept up, it would take a very large proportion of able-bodied burghers of the Republic simply to administer the laws. This could not be, and at the same time establish a revenue system which would relieve the mining industry and permit the development contemplated. The expense of the administration would advance proportionately to the development and would arrest progress. Moreover the advanced agriculture necessary to advance the mining industry could not itself be accomplished were the burghers nearly all occupied in public service... [49]

Three conclusions he thus found unavoidable:

1 The burgher population must increase proportionately even more rapidly than the mining population;
2 the administration of laws on the Rand must be greatly changed; or
3 there can be no very great advance, no matter what reliefs be granted in the way of cheaper dynamite and cheaper transportation, and grievances will continue to exist.

He concluded:

> The administration of kaffir labour and of all mine labour matters... will have to be left to mine managements under some Government law, which would make all of them come in and stay in it for their own good... The anomalous condition of 50,000 to 70,000 white people and 250,000 blacks, including city populations massed in a limited area and wholly governed and kept in order, even as to local matters by guards and administrative officers drawn from a sparse agricultural population cannot be made to work.[50]

IV

Given the very clear perception and breadth of the demands which were being made there was no way in which Kruger could produce the reforms demanded without giving away, as he realised, 'his state'. What is striking is to find that it was these recommendations of the mining engineers of 1897 which were translated into practice by the social engineers of the post-war period. Almost all of Milner's policies, most of them conceptualised and defended by him in terms of 'racial' politics (that is Boer-British numerical balances) such as immigration, land settlement schemes, and so on, were foreshadowed in Hall's evidence. Not always of course in their finest detail: policy has to be implemented in a real world of conflict and competition. And the real world had been dramatically changed by the disruption, destruction and bitterness created by the war. In some respects the economic conditions which came with the peace were notably different to those which existed before the war. The price of gold, when measured against the cost of stores, fell between 1899 and 1908, and while speculative capital, which had been an essential part of the mining industry before the South African war, made one brief appearance, in 1903, it then shied away from the goldfields.[51] Nevertheless the one overriding anxiety of the mining houses remained: the widespread existence of low grade ore which could only be mined if the whole cost structure of the industry was significantly changed. Still in a number of areas the mine magnates were making demands of the state which Kruger could not fulfil — and which, despite their short-term disagreements with the reconstruction regime[52] Milner was bent on securing. As important was that Milner's successors, first Lord Selborne,[53] and then more significantly the Afrikaner-led cabinet of the self-governing Transvaal, [54] were equally determined to maintain these essential conditions in which the mining industry could thrive.

There is not space here to elaborate on these at any length. Let us simply set out the demands of the pre-war period and then look at some of the most crucial changes inaugurated during the reconstruction period. Foremost among the demands was the call for the transformation of the machinery of state; for a modern bureaucracy, particularly a Native Affairs Department, an effective police force and an uncorrupt judiciary. Next was the call for the elimination of the concessions policy and the operation of free trade with reduction and elimination of tariffs. Third, there were the calls for the mechanisms to control and direct labour. Fourth, there was the need to ensure the reproduction of the work force both black and white, and associated with this the need to reduce the cost of essential foodstuffs, housing, and to ensure health and sanitation. Fifth, the magnates themselves sought a ring-keeper who would reduce and eliminate competition among themselves, and between themselves and commercial farming and commercial capital. Sixth, to reinforce the coercive machinery of state and to reduce the need for it, they sought institutions which would create ideological supports for the new economic order. These included a compliant press as well as a suitably adapted educational system. The reform of the educational system, we should add, was essential if the stabilization as well as the reproduction of the white working class was to be achieved.

Of these, the most readily remedied, and certainly amongst the most publicized grievances, related to Kruger's concessions policies, in particular the dynamite monopoly and the railway concession granted to the Netherlands South Africa

Railway Company, both of which bumped up crucial costs: indeed the accountants of Wernher-Beit and Company had worked out to the last penny exactly how much these monopolies were adding to the costs of gold production and presented their figures to the Industries Commission as well as to Lord Milner.[55] Clearly, although individual capitalists were not averse to making the most of the concessions while they existed, in the overall interest of accumulation, what the magnates wanted was the establishment of conditions for the free movement of goods within the region. Hence their opposition to the concessions policy; hence their interest in unification.

Far more complex and related to most other aspects of policy were the labour needs of the mines; indeed these can be seen as the most important demands being made by the industry upon the state. Paradoxically this issue was not only the one in which the Kruger regime seemed both unable and unwilling to assist the mining companies, but it also revealed the companies' need to have a strong state to prevent their setting their own short-term interests against the long-term interests of the industry. Hall, it will be remembered, had argued that on the matter of labour recruiting what was required was a law 'which would make all of them come in and stay in it for their own good'. This observation was born of the experience of the 1890s when attempts by the Chamber of Mines to coordinate recruiting, impose a maximum average wage and prevent the poaching of labour from one mine to the next constantly broke down. The same problem was to recur after the war, when the magnates — Wernher-Beit in particular — appealed for state intervention to impose some uniform action on the industry's labour recruiting policies. As had been the case before the war, the Robinson group had broken rank with the mine-owners' recruiting organisation, the Witwatersrand Native Labour Association (WNLA), threatening as a result to raise the price of labour. The most striking testimony to the effectiveness of the reconstruction regime came after responsible government had been established, when in 1908 the Minister of Mines in the first Transvaal cabinet, Jacob de Villiers, and Jan Smuts (who had been Kruger's Attorney-General and was later to be Prime Minister of South Africa) helped pave the way for a reconciliation between the Robinson group and the Wernher-Beit Company. 'I shall be only too delighted' wrote the Wernher-Beit group's leading spokesman, Lionel Phillips, 'if I can arrange something by which peace is restored and unity of action once more secured. Smuts and de Villiers both urged me to go and see Robinson; the former said "I believe if you would go and see the old man you could smooth over all the difficulties." '[56] As a result of the Botha government's efforts the Robinson Group rejoined the Chamber of Mines in September 1907 and WNLA in January 1908. Smuts drafted the terms of the settlement and Selborne concluded a despatch on the matter by noting that his government had 'arranged to keep a general control over the work of the Witwatersrand Native Labour Association'.[57]

So pressing had been the Chamber of Mines' demands for labour before the war that the liberal anti-imperialist JA Hobson was persuaded that Britain's war aim could be reduced to the 'one all-important object' of securing 'a full, cheap, regular, submissive supply of Kaffir and white labour'.[58] Given the suddenness and speed with which the mining industry grew up, it needed a state to create its proletariat, very unlike the situation in the older industrial societies, although not unlike that in the twentieth-century colonial world. From the point of view of the Chamber of Mines, the weaknesses of the Kruger administration related to its inability to enforce controls over the drunkenness and desertion of the existing work force, to impose a

uniform policy in terms of recruitment on the industry, and above all to lower the costs of the reproduction of both the white and to some extent the black working class. On every one of these issues, the Milner regime took action in the post-war period, with a greater or lesser degree of success. Sometimes it was a matter of administering existing laws more efficiently (as with pass laws or prohibition); more often it involved large-scale social engineering.

One of the most dramatic examples of social engineering, as Peter Richardson's work has shown, involved the securing of a huge army of Chinese workers. This in spite of the fact, realised at the time, that the Chinese labour policy threatened to jeopardise what have conventionally been seen as Milner's political objectives. Chinese workers were required to replace Africans who resisted post-war attempts both to reduce their wages and to have imposed upon them new technology and production routines. These had become necessary if the mines were to make use of low grade ore to which they had committed themselves in their pre-war speculative operations. Employing Chinese workers involved, between 1903 and 1907, the huge task of recruiting 60,000 men and transporting them 12,000 miles to the Witwatersrand. In the short term they added to the cost structure, yet by substituting Chinese for cheaper black labour it became possible to work lower grade ore and still make a profit. Chinese labour was more expensive because the combined cost of recruiting, transport, wages, food, social infrastructure and accommodation exceeded the cost of African labour.[59]

There were, however, a number of conditions which contributed to the greater profitability of Chinese labour power. To begin with they were contracted for much longer periods than African workers, three years against six months. Because they were on the mines for this much longer period they were able to acquire the skill and experience to use the more efficient hand drill rather than the compressed air drill used by the short-term African workers. The hand drill permitted much narrower stopes — the work place from which ore is extracted — reducing working costs and enabling the companies to mine much lower grades of ore than had been economically possible before the South African War. This was because essential to narrow stoping and hand drilling was an additional degree of coercion which was absent from the relationship even between African workers and mine management. Short-term African workers resisted the unpleasant and arduous conditions of hand drilling by the simple expedient of desertion. The inadequate policing of the South African Republic could do little to stop this. Chinese workers, who were banned from working outside of the mine to which they were assigned, let alone outside mining, were confronted by the more thoroughgoing police force of the new regime. The greater coercion provided by the new state as well as the inability of the Chinese workers to find refuge beyond the purpose-built mine compounds, meant that they had little alternative but to remain at their place of work.[60]

This coercion also meant that their labour could be distributed in a more rational way and they were systematically sent to the working (rather than the developing) mines of the more profitable groups, who in practice controlled the Chinese labour schemes.[61] But it was not only the new effectiveness of the state in the Transvaal which made it possible to employ Chinese labour profitably. It was also its capacity to call on the Imperial state to negotiate Chinese recruitment.[62] Not only could the South African Republic not have undertaken the international negotiations itself; it is also doubtful whether it could have placated white public opinion. (It should, however, be noted that opposition to Chinese labour brought the former Boer

generals to create a populist Afrikaner organisation, Het Volk (The People). With this development British strategy for incorporating the citizens of the ex-republics changed and eventually internal self-government was conceded to them.[63]) The impact of Chinese labour on the working conditions of the Transvaal mines outlasted their presence. African workers, reduced in importance for almost five years, found their bargaining power undermined when economic necessity returned them to the lower wages and more difficult working conditions which had, by 1908, become the norm.[64] Moreover, the success of Chinese labour, shortlived as it was, was not only to undermine the bargaining position of black workers but also to ensure (notwithstanding the high rate of white unemployment on the Rand at the time, and Milner's desire to swamp Afrikaners demographically) that white workers would not be used in unskilled non-supervisory work. For ideological justification Milner turned to the arguments of the eugenics movement to bolster his case:

> Our welfare depends upon increasing the quantity of our white population, but not at the expense of its quality. We do not want a white proletariat in this country. The position of the whites among the vastly more numerous black population requires that even their lowest ranks should be able to maintain a standard of living far above that of the poorest section of the population of a purely white country... However you look at the matter, you always come back to the same root principle — the urgency of that development which alone can make this a white man's country in the only sense in which South Africa can become one, and that is, not a country full of poor whites, but one in which a largely increased white population can live in decency and comfort. That development requires capital, but it also requires a large amount of rough labour. And that labour cannot to any extent, be white, if only because, pending development and the subsequent reduction in the cost of living, white labour is much too dear.[65]

The mine-owners were equally clear that a mass substitution of white for black unskilled labour was unacceptable, and this for two related reasons. The majority of the Afrikaner unemployed in the towns were seen as unacceptable because they were too proletarianized. Unlike the Africans they might have replaced they were landless, and the wage they required had to provide not only for their own keep but also for their families' subsistence and reproduction. Nevertheless, some of the earliest Afrikaner miners were, like their African counterparts, migrant labourers.[66] In the months immediately after the war, however, when they were faced with a great shortage of labour, and at the same time, with large numbers of unemployed white workers in the towns,[67] the Johannesburg representatives of the mining companies contemplated the use of a limited number of unskilled white workers. The London principals warned against their employment and Percy Fitz-Patrick writing to Julius Wernher in London, assured him that he recognised

> as a cardinal and acknowledged fact... the appalling position that we should be in if we were to work towards Mr Seddon's New Zealand ideal or the 'working man's paradise' and have this industry throttled by labour unions. I never for one moment forget this danger... Nothing will persuade me that white labour can displace black here... [68]

But even if white labour were not to displace black, it could not itself be

dispensed with. And this posed a danger which had been revealed by the weakness of the Kruger state. This was seen most dramatically when in 1897 the Robinson group of mines declared a lock-out against their own men — an action they felt themselves more capable of undertaking than the other mining groups because they were less concerned with maintaining cross-class Uitlander unity in the face of the Afrikaner state — and found themselves at the mercy of strikers who destroyed extensive company property because the South African Republic's police could not hope to protect the far-flung mines.[69] In the pre-war period anti-capitalist feelings among white workers were extremely strong. Percy FitzPatrick, we now know, wrote sombrely of 'the bitterness of feeling and the distrust of the capitalists which obtain here'.[70] The need to defuse this hostility was doubly necessary because after the failure of the Jameson Raid both the British government and the mine magnates recognised that any future attempt to confront the Kruger regime would have to have the mass support of the working class. The South African League, which was brought into existence in 1897, was an attempt to build a political coalition upon a working class base. Because substantial parts of the working class and the immigrant petty bourgeoisie were significantly threatened by the South African Republic's policies, the League's programme drew a sympathetic response.[71] Nevertheless the Kruger regime also attempted to obtain working class support, and the subsidy it provided for the *Standard & Diggers News* was the source of that paper's anti-capitalist posture.

When the war was over the British army, the local town police, and soon the Union Defence Force (that is the South African army) would safeguard mining property. But this defence was poorly undertaken if left only to the coercive powers of the state. The incorporation of white workers was essential if the new state was to ensure that capitalist property relations would go unchallenged. Equally both the Afrikaner party, Het Volk, and the rival political associations representing the mine owners (Progressive Association) and the commercial and professional middle classes (Responsible Government Association) saw the need to get white working class support.[72] The result, when responsible government was finally conceded to the Transvaal, was a franchise which admitted virtually all adult white males. If white workers were not subjected to the same degree of exploitation as were black workers, this was because their manifest capacity for militant action was both feared and where necessary deferred to.

At the same time the anti-capitalist class consciousness of white workers had to be blunted by other means. Before the war the mine-owners had seen the *Standard & Diggers News* as a major source of working class mistrust and antagonism. They had also known that a hostile state could both foster (with subsidies) newspapers sympathetic to it, and close down, or at least interrupt, the printing of those to which it was hostile. Now the situation was reversed. Not surprisingly the *Standard and Diggers News* was closed down with the British occupation of Johannesburg in 1900.[73] Under the new order the press was to help create those attitudes to mining property which would make the white working class accept them as legitimate. The *Star* had been the magnates' main newspaper before the war, but partly because of ineptitude, partly because of harassment, and no doubt largely because the *Standard and Diggers News* presented a clear alternative, it was most ineffective. With the coming of the new state the *Star* was given a clear run to establish its ideological hegemony. The *Star*, it should be said, belonged to the Argus group of newspapers which in their turn were a subsidiary of the Wernher-Beit group. When Basil

Worsfold was employed by the Argus group the parent company dispensed with the formality of separate notepaper in giving their new editor his instructions:

> We do not think it is the wish of the Company to lay down any specific lines upon which it is their desire that you should edit the paper referred to, but, generally speaking, the proprietors are desirous of supporting the Imperial and Local Governments in their work of administration in the Transvaal, and in their general policy regarding the South African Colonies.
>
> As you are aware, in the present condition of South Africa the Mining Industry is of paramount importance, the prosperity of the country being practically dependent upon its expansion and success. You would, therefore, be expected in general to support the policy of that Industry as formulated by the Chamber of Mines.[74]

In spite of this brief, or because of it, Worsfold came into conflict with his employers because he defended a series of measures taken by the administration at which his employers in the Chamber took offence. Within a very short while he was to resign as editor.[75]

At a whole variety of other levels, which have recently been most notably explored by Charles van Onselen,[76] the state and the mining industry intervened in these years to shape the geography of class on the Witwatersrand. These interventions ranged all the way from transforming municipal government and fiscal policies to housing and sewers. Most were related to the need to reduce the costs of the white working class by stabilizing it on the Rand. Thus, among the first schemes blessed both by Chamberlain and Milner and by the mining magnates (who with Lord Rothschild also financially backed the scheme) was to import women domestics to the Rand from the United Kingdom. This project had the virtue of simultaneously 'releasing' black males from domestic service to work in the mines, and of supplying a potential source of wives for the white working class: which would both stabilize the workforce and provide for its domestic labour needs more cheaply.[77]

One of the most important long-term interventions by the state in the period of reconstruction was its attempt to reduce the very high death rate which resulted from working and living on the mines. The Witwatersrand Native Labour Association reported these deaths as 'wastage' but the Chamber moved in only in a dilatory way to reduce this even though it was in its own interest to do so. The state to begin with acted with some circumspection. There was no conflict between its paternalism and its desire to reduce the mortality rate on the one hand, and on the other its promise to shelter the industry from adverse publicity and its willingness to forgo improvements in low grade mines or in mines nearing the end of their productive lives. In spite of this forbearance, however, the industry did little to improve conditions and in 1905 the state found it necessary to enact the Coloured Labourers' Health Ordinance. This prescribed minimum conditions for maintaining health in compounds and gave the Native Affairs Department power to enforce compliance.[78]

A further way of cheapening the cost of labour (white as well as black) was, as Hall had pointed out, through a transformed agriculture.[79] Again at almost every level in agrarian society the post-war administration attempted to introduce far-reaching changes. Not all its policies were immediately successful: war, drought and cattle disease were obstacles. Nor can rural social relations be transformed by administrative fiat. Yet in the long run the intervention of the regime was to be

decisive in a number of areas. After the war (and sometimes before it was over) the state made itself felt in the rural society and economy, but it was always constrained by the need to strike a balance between economic necessity and political possibility.

Departments of state were created with the specific task of directing and guiding the rural economies to a more productive condition. Both colonies were given Land Boards — which grew out of the exigencies of reconstruction — and these soon became departments of land with a general responsibility for transforming the arable and pastoral economies by advancing social, technical and scientific changes on a scale never before envisaged in any of the states of South Africa. The Transvaal acquired a commissioner of Lands from the Western Australian government and a director of agriculture from the Colonial Office. Both men saw their task as depending on the state and having long-term consequences which could not be measured by any immediate return on the large amounts of capital being invested.[80]

> If the agriculture of a country is to be developed [wrote FB Smith who came to head the department of agriculture], it must be by radical measures . . . With the exception of Great Britain where centuries of experience and enterprise of private individuals and societies have atoned for the shortcoming of the government . . . the condition of the agriculture of a country can be gauged with a fair degree of accuracy by the quality of its Department of Agriculture.[81]

Science began to play a part in the agriculture of the new colonies such as had never been possible before. We have only to compare the way in which rinderpest, swine fever, and East Coast fever were dealt with before and after the war to recognise that we are dealing with administrations of a qualitatively different order.[82] Yet it would be wrong to see this merely in terms of technological inputs. For the new state, the primary task was to transform social and political relationships. To do this involved a variety of strategies, not all of which achieved the same long-term success, but collectively they contributed to bringing a new rural order into being. The best-known of these various schemes were the attempts to bring English-speaking settlers to the rural Transvaal and Orange River Colony. This was the least effective of all the attempts at social engineering and probably owed as much to the eagerness of the land companies (many closely associated with the mining houses) to realise at least a part of their assets, as it did to the political and social considerations of the Milner administration.[83] But for all that the settlement schemes did not achieve Milner's objectives, they did bring over a thousand rural households to the new colonies, and no proper measurement has yet been made of the effect which this had on the economy. Quite apart from the £500 on average which each settler brought in savings, their presence also encouraged a general and perhaps incalculable assistance to the countryside which might not otherwise have been proffered.[84]

In seeking its economic objectives the colonial state hastened the establishment of local agricultural societies, setting them into being as well as financing them. Although a few such societies existed before the war they had limited their activities to arranging local shows. Now they joined in seeking scientific and technical solutions to farmers' problems as well as proposing administrative and political objectives.[85] Quarantine committees, launched to place some of the responsibility for controlling animal diseases upon rural society, had a similar effect to the

agricultural associations of strengthening the notables of the countryside.[86]

The condition of the rural white poor had reached a point of crisis before the war. The government of the South African Republic had attempted to alleviate their condition in a number of ways without being notably successful in any one of them.[87] After the war the incoming regime inherited a situation exacerbated by physical destruction as well as the weakening of communal obligations and commitments. What were therefore essentially schemes for famine relief were also seen to present the possibility of shifting political allegiances. The best-known of these was the Burgher Land Settlements which made the white poor the 'Bijwoners [share-croppers] of the State'.[88] It may be that these schemes failed, as Richard Solomon, the Attorney General of the Transvaal, suggested in 1906, because unlike the urban social change which the regime was forwarding, rural schemes had not been studied sufficiently before being put into operation.[89] There was, indeed, no rural Toynbee Hall to use as a model. It was more likely however that the rural poor were not transformed into sturdy yeomen because they lacked the resources essential for rural or any other enterprises. They could claim neither capital nor labour from the state or elsewhere, and as hardworking as the majority of participants were (stereotypes to the contrary), the Burgher Land Settlements failed because of these two critical shortcomings.

In any event the Burgher Land Settlements did not encompass all the poor and the drift to the towns continued, helping to swell the ranks of the unemployed, adding to the class of 'poor whites', 'breeding apathy, squalor, crime and discontent'. This created serious anxieties about the urban stability of the Transvaal towns. To meet such concern Lord Selborne, who replaced Milner as High Commissioner in 1905, proposed to cope with the disaffection of the poor, as well as that of the rural propertied, by attempting to revive at least a part of their previous class structure. In proposing a Land Bank he hoped to benefit the rural notables and to get them to accept the status quo. But he hoped also to recreate the system of clientage which had incorporated the white poor in an earlier period. The success of such a policy must be judged by both its long-term as well as by its short-term results. In the long term these poor could not be kept out of the towns and the effects of their proletarianization would be among the most dramatic known to South African history. Within the short term the outcome was nevertheless substantial. Het Volk, the organization which had originally emerged to meet the sharper (and on the whole less significant demands of Milnerism) accepted the concessions of Selborne — concessions he was able to make because he was operating in a different context — and rather than challenging the colonial regime became the 'willing ally' of both the mining industry and British imperialism. Yet these political and social successes, though they must be seen as preceding, are not to be separated from the success of the botanist and the veterinary surgeon. By 1908 the new seed, new methods of preparing the soil, inoculation, quarantining and stock improvement, had turned the agricultural and pastoral short-falls of the decade before the war into the surplus stocks of maize and beef of that year. The ex-republics rather than having to find imports for the Rand markets were now forced to find export markets for their own crops.[90]

One direction of social policy was to have very long-term and far-reaching consequences. Milner's administration set themselves against tenancy arrangements, whether for cash rents, sharecropping or even labour; they seemed determined to transform all black tenants into wage labourers. Although they were arguably

influenced by theoretical considerations about the superiority of wage labour, it is abundantly clear that they were primarily concerned to free potential black labour for the gold mines. It may be argued that the ex-republics had also sought to limit tenancy arrangements, but what emerges from an examination of their anti-squatting legislation is that the object was to redistribute labour—an object, however, attempted reluctantly and only in response to demands from poor farmers for a redistribution of labour. Such attempts were resisted by the Afrikaner political and administrative classes who had these measures foisted upon them, and it is not surprising that the anti-squatting legislation of the republics made little headway.[91] It was left to the South African Native Affairs Commission which in its report drafted one of the most far-reaching schemes of social engineering, to propose the elimination of all tenancy arrangements although it allowed labour tenancy as the most suitable bridge to the final stage of wage labour.

If the Milner and Selborne administrations had to come to terms with the realities of existing class relations in the countryside and worked within that framework in relation to white farming, to some extent the evolution of a policy of 'reserves' for African occupation, and indeed the territorial limits which were set to the future South African union in these years, were the result of a similar interaction between social engineering and the art of the possible. The utility of a policy which would maintain the 'reserves' in order to subsidize the cost of reproducing a migrant labour force was beginning to be appreciated both in official circles and in the intellectual groups which had evolved around some of Milner's advisors. Thus Lionel Curtis, who had been a member of the Kindergarten and was later to become influential within British domestic politics as an ideologue of empire, brought together a group of 'experts' to help him formulate policies for a future united South Africa. Among these was an accountant of one of the mining groups, Howard Pim, who as early as 1905 put forward a schematic statement on the potential role the reserves could play in subsidizing the true cost of the migrant's wage.

> let us assume . . . that the white man does turn the native out of one or more of his reserves . . . the native must live somewhere. We will suppose that he is moved into locations attached to the large industrial centres—a theory of native management which receives much support . . . In the location he is more closely huddled together than he would be in his own country, and finds . . . himself in surroundings in which his native customs have no place and he is compelled to purchase from the white man the food which in his own country he raised for himself. What the white man gains, therefore, is little more than the labour required to pay for the food which under natural conditions the native raised for himself . . . The white man has not yet shown that in South Africa his cultivation of the simple crops which the native requires can compete with native cultivation . . . For a time the location consists of able-bodied people, but they grow older, they become ill, they become disabled—who is to support them? They commit offences—who is to control them? The reserve is a sanatorium where they can recruit, if they are disabled they remain there. Their own tribal system keeps them under discipline, and if they become criminals there is not the slightest difficulty in bringing them to justice . . . As time goes on these location burdens will increase and the proportion of persons in the location really able to work will still further diminish . . . it is a fair assumption that at the outside one-fifth of the location population . . . is able to work. This means that the wages paid by

> the employers will have to be sufficient to support four other persons besides the workman . . . [92]

If Pim's position had not yet been generally accepted, the administration had nevertheless to accept the necessity of avoiding open confrontation in the countryside. For this reason it was extremely cautious in its responses to settlers' calls for outright expropriation of African lands in the Transvaal and Swaziland.[93] Contemplating a more gradual process of proletarianization than the immediate demands being made by settlers, members of the Kindergarten and others proposed a policy based on 'territorial separation'. This was most clearly enunciated in their far-reaching Native Affairs Commission. It was explicitly directed at formulating 'a uniform native policy' in view of the impending unification of the southern African territories, and aimed to produce a policy 'which would transcend Cape liberalism and the repressive policies of the Republics.[94] In a number of spheres, but particularly on land, its recommendations foreshadowed Union policy over the next quarter century and more.

This should not surprise us. As Martin Legassick pointed out some time ago, it was during the reconstruction period that many of the guidelines of twentieth-century segregationist policies were set out, both in relation to the town and countryside.[95] And these have to be related not only to Milner's particular world-view, so sketchily outlined at the beginning of this paper, but also to the far wider sets of assumptions held by the British rulers of South Africa at the beginning of the 20th century and their interaction with local conditions. Their ideas were drawn both from their reactions to class militancy in the United Kingdom, social Darwinism and the eugenics movement of the late 19th and early 20th centuries, and from the exigencies of colour and class in the South African context. Segregation thus posed the possibility of industrialization along lines of control while mitigating (it was believed) the harsher effects of an industrial revolution.[96]

The new state emerged as the guarantor of property rights, recognising the need to orchestrate economic policy, decisive in abolishing the remaining obstacles to labour recruiting, clearsighted in perceiving that capital needed to be saved from its own shortsighted tendency to bid up the price of labour, cognisant of the necessity to attempt to modify the most disruptive effects of industrial development and of having to provide efficient channels for transactions between states. In fact, in many ways these are roles which Robin Murray has suggested are required by the modern multinational corporation of the post-colonial state.[97] The reconstruction regime either played a key part in meeting these conditions or prepared the way for meeting them. The Kruger regime with its different economic constituency and rationale, might satisfy one or other of these conditions at any one time. It could not satisfy all of them all the time.

V

The state which was established in the last days of the war and which lasted until Milner's departure from South Africa in 1905, was in many ways a 'conquest' state. This gave the administration far greater powers to intervene and shape civil society than would otherwise perhaps have been possible (though even here, as we have seen, there were limits to the arts of the possible: South Africa was not a 'blank

page'). It also meant that for the years of the Milner administration it had far less 'relative autonomy' than is usual for a capitalist state: as Donald Denoon has shown, for example, there were far greater linkages between the actual personnel of the mining industry and the administration, and an even closer degree of day-to-day consultation between individual capitalists and departments of state than is normally found in a 'mature' industrial state.[98] This in turn was to have deeply divisive effects on the political community of the Transvaal, and ensured the victory of Het Volk in the 1907 elections. Nevertheless, by that stage 'reconstruction' could not be turned back. Despite an initial plummeting of gold shares when news of the victory reached a despondent British market,[99] the mine magnates, like the Kindergarten, were soon to realise the difference of the new dispensation. There were, moreover, advantages to be gained for both sides. Indeed, Smuts recognised this even in February 1906, when he approached Wernher to form an alliance on the grounds that 'their interests [were] in so many ways identical . . . as large property-holders'.[100] Now Het Volk dropped its demand for an immediate withdrawal of Chinese labour and accepted a phased and orderly repatriation. In return the mining houses showed a willingness to employ poor white Afrikaners.[101] In 1907 the industry felt itself able to confront the relatively expensive English-speaking miners whose skills were becoming replaceable or redundant. Management, therefore, raised the number of drills a white ganger was required to supervise, and when they struck work the mining companies responded by drawing on Afrikaners as strike breakers.[102] This was possible because Chinese and African miners were already performing the most substantial tasks of the mining production. The new Transvaal government feigned neutrality in the dispute but while it went through the motions of attempting to negotiate a settlement it called in British troops to back up the police giving protection to the strike breakers. It also ignored the evidence that mine managers were acting unlawfully by using unlicenced men to set off dynamite charges.[103] The strike was quickly broken and management seized the opportunity to reduce the number of skilled white workers and their wages. The last word can safely be left to Lionel Phillips, Johnannesburg Director of Wernher-Beit and Eckstein, writing to Julius Wernher shortly after the Het Volk victory and during the 1907 strike:

> The whole position is really getting topsy-turvy. A Boer government calling out the British troops to keep English miners in order while the Dutch men are replacing them in the mines . . . You may rest assured that we are taking every advantage of the strike to reduce working costs as far as possible.[104]

1 See, for example, PN Mansergh, *South Africa 1906-61: the price of magnanimity*, 1962.
2 Eric Stokes, 'Milnerism', *Historical Journal*, V, 1966.
3 *History and the Common Man*, p.10.
4 GH Le May, *British Supremacy in South Africa, 1899-1907*, Oxford 1965, chapter 1.
5 M Wilson and L Thompson, *Oxford History of South Africa II 1870-1966*, Oxford 1971 p.322. For a useful revision which shows that Chamberlain acted with the full backing of the cabinet, and that on occasion Lord Salisbury favoured even stronger action against South Africa than his colonial secretary, see Andrew Porter, 'Lord Salisbury, Mr Chamberlain and South Africa, 1895-9', *The Journal of Imperial and Commonwealth History*, 1, 1972.
6 R Shannon, *The Crisis of Imperialism*, 1976, p.329.
7 Shannon, *Crisis*, p.329.
8 Shannon, *Crisis*, pp.334-5.

9 R Robinson and J Gallagher with Alice Denny, *Africa and the Victorians: The Official Mind of Imperialism*, 1965 p.461.

10 D Denoon, *A Grand Illusion*, 1973. The rich texture of Denoon's work and his own reconsiderations (see below) nevertheless provide crucial insights into the nature of the reconstruction period.

11 The name was given to the group by the leading Cape parliamentarian John X Merriman, who asked in a speech to the Cape House of Assembly, 'was the idea to set up a sort of kindergarten of Balliol men?' Imperial historians have thought it important to show that most of Milner's recruits came from some other Oxford college. The age of the group was partly determined by the high cost of living in Johannesburg which would have made it difficult for officials with families to live in that city. This factor which went some way to determining their selection was, as we shall see, central to the task they had come to perform. JC Smuts, Kruger's former Attorney-General and during the war a fighting general, saw the kindergarten as so much pliant material in Milner's hands. He wrote to Emily Hobhouse:

> You know, it is such a comfort to have a little kindergarten show of dolls — all your own, moving at your sweet will, not asking inconvenient questions, not making factious opposition, and making only so much criticism as only dear and well-meaning friends (not sycophants) will make ... That is the way we are ruled here by the finest flower of Varsity scholarship.'
>
> JC Smuts to Emily Hobhouse, 28 Feb. 1904. *Selections from the Smuts Papers*, eds. WK Hancock and Jean Van der Poel, 4 vols. Cambridge 1966, p.152.

12 As Martin Chanock has recently observed, it has become 'a truism that Britain won the war in South Africa in 1902 only to lose the peace. The bulk of historical studies of the Anglo-South African relationship are built around this premise'. (*Unconsummated Union: Britain, Rhodesia and South Africa, 1900-1945*, Manchester 1977, p.1). Together with Chanock we disagree with this premise. For Milner's own pessimism about the prospects for British hegemony in South Africa after his departure, see W Nimocks, *Milner's Young Men: the 'kindergarten' in Edwardian imperial affairs*, Durham, North Carolina 1968, pp.72-5. The kindergarten had a more realistic appraisal:

> By the time Robinson and the kindergarden received Milner's letter advising them to quit 'flogging dead horses' and concentrate instead upon 'making the best of your own position under altered circumstances', they had, in fact become deeply involved in a scheme which they hoped might even yet bring to fruition the Milnerian dream of a unified South Africa ... (Nimocks, p.74)

13 Although he referred to himself as 'unmethodical and unpunctual': Milner to Goschen, 9 April 1890, Milner Papers, Letter 147, Box 7. For the details of Milner's life see, for example, the introduction to C Headlam, *The Milner Papers South Africa 1897-99* vol. 1, 1931 (hereafter Headlam); JE Wrench, *Alfred, Lord Milner: the Man of no Illusions*, 1958; and AM Collin, *Proconsul in Politics: A Study of Lord Milner in Opposition and Power*, 1964. There is a widespread belief that Milner was 'half-German' — a convenient way of disowning his allegedly 'unEnglish' dogmatism and ruthlessness. Only his paternal grandmother was German. The fact that he grew up in Bismarckian Germany and maintained his contact with it did, however, probably affect the way in which he conceived the role of the state. The influence of Bismarckian 'state socialism' on Milner is attested by contemporaries and has been alluded to by recent historians. See B Semmel, *Imperialism and Social Reform: English Social Thought 1895-1914*, London 1960, pp.18, 23, 180-5; Stokes, 'Milnerism', 52.

14 Chapter IX of *Imperialism and Social Reform* deals with Milner as the social-imperial idealist 'who, obviously disinterested and guided by sincere and generous sentiments ... succeeded in winning the respect even of his political opponents' p.177.

15 Issue 5, Spring 1978.

16 In the *Nineteenth Century and After*, Sept. 1901, quoted by Davin, p.18.

17 *Outcast London. A study in the relationship between classes in Victorian Society*, Harmondsworth 1976, chapter 16, esp. pp.308-12, Semmel, *Imperialism and Social Reform*, throughout, but esp. pp.21-2, 27.

18 A Jeeves, 'The Rand Capitalists and the Coming of the South African War, 1896-1899', *Canadian Historical papers, 1973*, pp.61-83, which summarizes much of the argument on this subject in his as yet unpublished doctoral thesis, 'The Rand Capitalists and Transvaal Politics, 1892-9' (Queen's University, Ontario, 1971).

19 EJ Hobsbawm, *Industry and Empire*, 1972, p.191. Tom Nairn *The Break-up of Britain*, 1977, p.23, makes the same point more polemically:

> Less and less able to compete with the new workshops of the world, the ruling elite compensated by extending control over the world's money market by building up a financial centre in the City of London. During the long period during which sterling was the world's main trading currency... these unique financial institutions remained at one level the nucleus of world capitalism.

While we do not defend so conspiratorial a view of the origins of these financial institutions, their significance must be stressed. And in the S African war it seems that Britain was defending not only her own interests but those of share capital in general. When it came to war, the German, French and American governments did not intervene on the Boer side — despite popular sympathy with the Republics and a virulent anti-British press. German magnates, French shareholders and American mining engineering interests all hoped that a British victory would ensure the future of capitalist development on the Rand. See for example J-J van Helten, 'German Capital, the Netherlands Railway Company and the Political Economy of the Transvaal', *Journal of African History* XIX, 1978, pp.386-8, 390; TJ Noer, *Briton, Boer and Yankee. The United States and S Africa, 1870-1914*, Kent, Ohio 1979, chaps. 2-4 (chap. 4 is called 'A British War for American Interests'); RV Kubicek, 'Finance Capital and S African Goldmining, 1886-1914', *Journal of Commonwealth and Imperial History*, III, 1975, maintains that French investors were, however, to be bitterly disappointed at the outcome. See also his *Economic Imperialism in Theory and in Practice. The case of S Africa Gold Mining Finance 1886-1914*, Durham NC 1979, which appeared after this article was completed.

20 M de Cecco, *Money and Empire*, Oxford 1974, pp.117-8: de Cecco provides the basis for much of this interpretation. See also AJH Latham, *The International Economy and the Underdeveloped World 1865-1914*, 1978, pp.41ff. on the relation of the gold and silver standard.

21 P Trewelha's unpublished master's thesis, 'The development of the world economy and the war in S Africa', Sussex 1970. The Bank did have a number of expedients it could deploy when the reserves fell too sharply; after reaching £30m it suddenly adopted a vigorous policy of market control and by late summer was 'in a strong position' — ie by the start of the war. (See TE Ashton and RS Sayers, *Papers in English Monetary History* 10, 'The Bank in the Gold Market, 1890-1914', RL Sayers, Oxford 1954, p.143.) The file on the Indian gold currency debate is in the Patrick Duncan papers, Jagger Library, Cape Town University, BC 294. A 38.6.1-5. There is some evidence that the file and clippings were originally Milner's, and the annotations may be in Milner's hand.

22 See especially his unpublished 'Milner and the Mind of Imperialism', given to seminar on Societies of Southern Africa in the 19th and 20th centuries, 1978.

23 EHD Arndt, *Banking and Currency Development in S Africa, 1652-1927*, Cape Town and Johannesburg 1928, p.423. See also de Cecco, *Money and Empire*, p.56.

24 *British Supremacy in S Africa*, p.8.

25 JS Marais's *The Fall of Kruger's Republic*, Oxford 1961, was probably the first scholarly and influential attempt to do this. But see also HJ and RE Simons, *Class and Colour in S Africa, 1850-1950*, Harmondsworth 1969, p.61:

> Few agrarian societies were so richly endowed or well equipped as the Transvaal for an industrial revolution. The republic attracted educated and professional men from Holland or the Cape... Left to itself, it would have developed an efficient administration... A war was neither inevitable nor necessary to modernize the republic.

26 M Fraser and A Jeeves, *All that Glittered. Selected Correspondence of Lionel Phillips, 1890-1914*, Cape Town 1977, p.9. Even before their deep-levels went into production, in 1895, 10 of the group's outcrop mines produced 32 per cent of the total gold output of the Transvaal, and distributed 45 per cent of the total dividend. R Mendelsohn, 'Blainey and the Jameson Raid: the debate renewed', *Journal of South African Studies*, VI, 1980 forthcoming.

27 GA Blainey, 'Lost Causes of the Jameson Raid', *Economic History Review*, XVIII, 1965; D Denoon, '"Capitalist influence" and the Transvaal government during the Crown Colony period, 1900-06', *Historical Journal*, XI, 1968.

28 Mendelsohn, 'Blainey and the Jameson Raid'.

29 'Blainey and the Jameson Raid'.

30 'Blainey and the Jameson Raid'.

31 Fitzpatrick: b. S. Africa; educated in England; began work as bank clerk 1880; 1885-7 drove waggons with stores for the smaller mining camps of the Transvaal. After discovery of gold went to Johannesburg; worked with fashionable hunting parties. His journalistic descriptions of his travels led H Eckstein and Co to employ him as head of their intelligence department in 1892. In 1895 was a leading conspirator in the Jameson Raid. Partner in H Eckstein and

Co in 1898 by which time he was already a confidant of Sir Alfred Milner. Early in 1899 he took part with others from the various mining companies in secret negotiations with the Kruger government. In return for a loan which the mining houses would secure for it, the Kruger regime would make a number of major reforms. The correspondent of the London *Times* was provided by FitzPatrick with the financial assistance needed to bribe the Boer official who leaked these confidential and delicately poised negotiations, bringing them to an end. In 1902 FitzPatrick was elected President of the Chamber of Mines. He became a member of first the Transvaal and then the South African Parliament. He was one of the members of the convention which drafted the South African constitution. He wrote a number of books including the polemic *The Transvaal from Within*, 1899, and the children's story *Jock of the Bushveld*, 1907. Lionel Phillips was born in South Africa. He joined JB Robinson in Kimberley in the 1870s and served him variously as editor of his newspaper, supervisor and then manager. He acquired a certificate of membership of the Institute of Mechanical Engineers while working for Robinson. In the 1880s he twice went bankrupt but he was able to make use of his former connections in diamond mining to become a mine manager once more. He participated in the amalgamation of the De Beers group working on behalf of Wernher-Beit and Co. By 1890 he was in Johannesburg as a mining consultant for the associated H Eckstein and Co. and was soon made a partner of that firm. In 1892 he became President of the Chamber of Mines and was a leading conspirator in the events which led to the Jameson Raid. He was sentenced to death but released after paying a £25,000 fine. From 1897 to 1906 he was in London and only returned to South Africa after the reorganisation of the mining houses he was associated with. Thereafter he played a leading role in transforming the relationship between the mining houses and the leaders of the Afrikaner governing party. AH Duminy and WR Guest, *FitzPatrick. Selected papers, 1888-1906* Johannesburg 1976; and M Fraser and A Jeeves, *All that Glittered* (see note 26 above).

32 John X Merriman, politician and later premier of the Cape, described the Jameson Raid as 'the great conspiracy in which Milner [sic, but he presumably meant Chamberlain] was the tool and Beit the brain, the fatuous ineptitude of Kruger the material,' Letter to Goldwin Smith, 1 Jan. 1907, Merriman Papers, cited in P Lewsen, *Selections from the Correspondence of John X Merriman*, Cape Town 1966, III, p.315. Similarly, in a major letter to Leonard Courtney which he intended for publication, Merriman referred to 'the Imperial idea' which came into being 'as the goldfields waxed . . . to receive its final development at the hands of Mr Chamberlain and Mr Beit with results that are written in blood and fire on the face of the unhappy country.' (Merriman Papers, 17 Nov. 1901, cited in Lewsen, p.317.) To these allusions, Lewsen notes,

> A Beit of Wernher-Beit and Company . . . Rhodes's partner in De Beers and the British South Africa Company, and his loyal — if at times timid — associate in his political projects. Merriman, who knew Beit from his Kimberley days, disliked him . . . and he frequently overstates Beit's political initiative.

We are in broad agreement here with Mendelsohn's views cited above.

33 RV Kubicek *Journal of Imperial and Commonwealth History*, III, 1975.

34 AP Cartwright, *The Golden Age: The Story of the Industrialization of South Africa and the part played in it by the Corner House Group of Companies*, Cape Town 1967.

35 Cartwright, *Golden Age*, p.18.

36 This point has now become a commonplace — see, for example, FA Johnstone, *Class, Race and Gold. A study of class relations and racial discrimination*, 1976, pp.15-20. For the additional reasons making 1895-6 a crucial turning point, see AH Jeeves, 'The control of migratory labour on the South African Gold Mines in the era of Kruger and Milner', *Journal of Southern African Studies*, II, 1975, pp.6-8, 10-12.

37 Jeeves, 'The control of migratory labour', pp.10-13.

38 S Trapido, 'The South African Republic: Class formation and the state, 1850-1900', in Collected Seminar papers, *The Societies of Southern Africa in the 19th and 20th centuries'*, Institute of Commonwealth Studies, London 1972, III; and S Trapido, 'Landlord and Tenant in a colonial economy:the Transvaal 1880-1910', *Journal of Southern African Studies*, V, 1978.

39 See, for example, C van Onselen, 'Randlords and Rotgut, 1886-1903: an essay on the role of alcohol in the development of European imperialism and southern African capitalism', *History Workshop*, 2, 1976, p.38. Trapido, 'Class formation and the state' (see note 38), p.60.

40 This, of course, is the burden of Marais, *The Fall of Kruger's Republic*, and Simons and Simons as quoted in note 24.

41 Milner to Conyngham Greene, 12 Aug. 1897, Headlam I, pp.82-3.

42 Marais, p.190.

43 Cf. 'The warnings Mr C and I gave you about the state of public opinion here have been abundantly justified. The publication of the Blue Book produced a great effect, but not so great an effect as we had hoped. The idea of a war with the S[outh] A[frican] R[epublic] is very distasteful to most people. Consequently the Cabinet have undoubtedly had to modify the pace that they contemplated moving at immediately after the Bloemfontein Conference...' Selborne to Milner, 25 June 1899, in Headlam I, p.445. 'And as far as home opinion is concerned the management of the controversy has been perfect. Seeing how hopelessly the British people were dead to the real issues four months ago, it is wonderful where they stand today.' Milner to Chamberlain, 27 Sept. 1899, in Headlam I, p.546.

44 See Chamberlain to Milner, 2 Sept. 1899, in which 'a list of things for which we might ask is set out in somewhat haphazard fashion'. Headlam I, p.546.

45 Noer, *Briton, Boer and Yankee*, p.31.

46 S Haber, *Efficiency and Uplift: Scientific Management in the Progressive Era, 1890-1920*, Chicago 1964, pp.9, 10, 55. See also Frederick William Taylor, *The Principles of Scientific Management*, New York 1967 and Harry Braverman's comments on 'Taylorism' in *Labour and Monopoly Capital: the Degradation of Work in the 20th Century*, New York 1974, pp.124-138. We are grateful to Colin Bundy for referring us to some of this literature.

47 Noer, *Briton, Boer and Yankee*, p.32. It is worth remarking that while the secondary literature on South Africa abounds with static attempts to discover the origins of racism in the attitudes of white miners drawn from Australia and California, there has, understandably, been no similar attempt to look at the role of mine managers, particularly those drawn from the United States. This is probably just as well since the primary significance of this group is not their national origin or their attitudes, but their experience of the methods and organization of highly concentrated capital, and the way this experience was put to work in similar conditions in the Transvaal.

48 *The Mining Industry, Evidence and Report of the Industrial Commission of Enquiry*, Johannesburg 1897, esp. p.421.

49 *The Mining Industry*, p.428.

50 *The Mining Industry*, p.429.

51 SH Frankel, *Investment and Return to Equity Capital in the South African Gold Mining Industry, 1886-1965*, Oxford 1967, pp.27-8; Peter Richardson, 'The recruiting of Chinese Indentured Labour for the South African Gold-Mines, 1903-1908' *Journal of African History*, XVIII, 1977, 87; Richardson, 'The Provision of Chinese indentured labour for the Transvaal gold mines, 1903-8'. Unpublished doctoral thesis, London 1978, p.56.

52 Much is made of these disagreements by Arthur Mawby in his 'Capital, government and politics in the Transvaal 1900-1907', in the *Historical Journal*, XVIII, 1974 in order to illustrate the independence of the administration from the mining industry. They ranged from disagreements over the tax structure of the industry to the delimitation of Johannesburg's municipal boundaries. Yet, we would argue, in all the cases cited, the disagreements in no way impaired the continued prosperity of the industry as a whole, and that in many cases they were part of the 'normal' conflict between the state anxious to secure the long-term interests of 'capital as a whole' and the immediate interests of competing capitals. As we have seen above, William Hall was perfectly aware of this particular role which the mining industry *required* of the state.

53 Selborne had been Tory Under-Secretary for Colonies between 1895 and 1900 and then First Lord of the Admiralty until 1905. In sympathy with Milner's overall policy, he acknowledged the importance of South Africa by giving up his post in the cabinet to become High Commissioner.

54 Self Government with white manhood suffrage was conceded to the Transvaal in 1907. Louis Botha, commander of the Boer forces in the South African War, became the first prime minister.

55 See also L Phillips (London) to RW Schumacher (Johannesburg) 31 December 1897: 'Reforms would, of course, cause many mines which cannot be worked at a profit today to return fair interest and would add greatly to the returns of the rich mines. When we realize that a shilling saved [per ton milled] means ultimately an extra 2½ millions [£s per annum] to a concern like the Rand Mines, then we appreciate the significance of good and economical management and good government...' (Fraser and Jeeves, *All that Glittered*, p.106). The importance of the evidence given by Rand Mines (that is Wernher-Beit and Company) to the

Industries Commission cannot be exaggerated — and it also reveals the extent to which they were setting the pace in the demands being made of the Kruger government. Thus on 7 May 1897 Percy Fitzpatrick wrote to Otto Beit in London:

> Apart altogether from what the Commission may or may not achieve, I think that it has done good in other ways. It has enabled us to state our case clearly... I cannot help noting that it is news to men like Barnato and Robinson that labour forms so important an item and that Railway Carriage adds largely to the cost of equipping a mine. Also that Albu never gave a thought to the earnings of the railway and its iniquities until he attended the Rand Mines meeting when you may remember, he was so astonished that he could not believe the figures given. It is no doubt a compliment that Albu should have based his evidence before the Commission on the Rand Mines address as did several others, but what has surprised me a good deal is that, excepting only Farrar, all the others here — Gold Fields [i.e. Rhodes], Robinson, Barnato, Albu, Brakhan, Dunning and Goldmann too — seem to have failed to go below the surface of things.. Having got them to face the dynamite, coal and railway questions as legitimate economic grievances, they went quite strong on them before the Commission... (Duminy and Guest, *Fitzpatrick*, p.101.)

56 L Phillips (Johannesburg) to Julius Wernher (London), 25 Feb. 1907, in Frazer and Jeeves, p.180.

57 Jeeves, 'The control of migratory labour', p.27.

58 *The War in South Africa*, 1900, p.230.

59 Richardson, 'The provision of Chinese labour', p.56.

60 Peter Richardson, 'Coolies and Randlords: The North Randfontein Chinese Miners "Strike" of 1905', *Journal of Southern African Studies II*, 1976, p.492; Peter Richardson, 'The Role of the State in the labour-market for the Gold Mines: the case of Chinese labour, 1903-7', unpublished paper presented to Conference on Southern African Labour History, University of the Witwatersrand, April 1976.

61 Richardson, 'The recruiting of Chinese Labour,' p.101. By far the greatest number of Chinese workers were employed by mines associated with the Wernher-Beit group of companies. In establishing the Chamber of Mines Labour Importation Agency, the London office of Wernher-Beit found the £100,000 needed for its preliminary expenses.

62 Richardson, 'Chinese indentured labour', (see note 51).

63 R Hvam, 'Smuts and the magnanimous gesture,' *Historical Journal*, VIII, 1965.

64 D Denoon, 'The Transvaal Labour Crisis, 1901-1906' *Journal of African History* VIII, 1967, p.492.

65 Reply to deputation from White Labour League, 2 June 1903, Headlam II, p.459.

66 Lionel Phillips (Johannesburg) to Messrs Wernher-Beit and Co, (London), 18 June 1906, in Frazer and Jeeves, p.164.

> At the Crown Deep at present Hallimond has 129 Dutchmen working. To keep this number constantly going he has about 250 on the books which goes to show that they only work half the time. Without doubt, however, this can gradually be improved, as it is not so much their disinclination for steady work as the fact that they are mostly married men who keep running off to spend a little time with their wives.

67 Not all the unemployed Afrikaners in the towns were men. Women were excluded from working in the mines in the Transvaal but came to the towns in search of work in service industries. Afrikaner women appear to have come on to the labour market sooner than African women because of both the distinction within their respective peasant societies between bride wealth (paid by the men's family in African society) and dowry (paid by the women's family in Afrikaner society) and a different division of labour within the family.

68 Percy FitzPatrick (Johannesburg) to Julius Wernher (London, 23 August 1902),in Duminy and Guest, *FitzPatrick*, p.342. For the debate between FitzPatrick and his principals in Wernher-Beit and Co. on the white labour issue see letters 152, 154, 157, 159 and 161 in *FitzPatrick*.

69 RK Cope, *Comrade Bill*, Cape Town 1943, pp.40-3.

70 FitzPatrick (Johannesburg) to Wernher (London), 12 Dec. 1898 in *FitzPatrick*, p.171.

71 MF Bitensky (May Katzen), 'The South African League. British Imperialist Organisation in South Africa, 1896-1899.' Unpublished master's thesis University of the Witwatersrand 1950, pp.60, 81-94. Republican legislation including measures such as the Aliens Immigration Act and the Aliens Expulsion Act caused considerable unease among Uitlanders. In addition economic life was made insecure by the speculative nature of much mining, and men were

constantly being made unemployed. Their unemployment was aggravated, as Milner told Chamberlain in May 1897, by the

> isolated condition of the Rand as a commercial centre, the great number of the unemployed have not the means to depart themselves to another labour market... those compelled to remain are likely to find themselves in a very serious condition indeed. (Bitensky p.87)

72 Le May, *British Supremacy*, pp.171-3; Elaine Katz, *A Trade Union Aristocracy*, African Studies Institute Johannesburg 1976 pp.63-4.

73 By contrast with the *Standard and Diggers News, Land en Volk*, which had been bitterly anti-Kruger, was allowed a secret subsidy by the Milner administration even though it transferred its hostility to the new government. To be anti-government was not, however, the same as being anti-capitalist.

74 MSS Brit Emp 402 Worsfold Papers Box 1/2 f 11; Wernher-Beit and Co to Basil Worsfold, 11 Dec. 1903. In library of Rhodes House, Oxford.

75 MSS Brit Emp 402 Worsfold Papers ff 55; Basil Worsfold to Chairman of Argus Group resigning post 12 Jan. 1905. (Rhodes House)

76 C Van Onselen, 'The Witches of Suburbia: Domestic Service on the Witwatersrand 1890-1914', unpublished paper presented to the Societies of Southern Africa Seminar, London 1978. Also R Davies, 'Mining capital, the State and Unskilled White Workers in South Africa, 1901-1913', *Journal of Southern African Studies*, III, 1976, pp.41-69.

77 Van Onselen, 'Johannesburg's Jehus, 1890-1914; An essay on cabs, cabbies and tramways...' and 'Ama Washa: The Zulu Washermen's Guild of the Witwatersrand, 1886-1914' provide vivid insights into the social history of Johannesburg. These and other essays on Johannesburg are to be published in a two-volume history of the city between 1890 and 1914, and will profoundly affect our understanding of the social history of the Rand.

78 Jeeves, 'The control of migratory labour', pp.16-18.

79 There was, of course, the alternative offered by black peasant agriculture, which had been the major source of local food production before the war. Trapido, 'Landlord and tenant'; Cf P Lyttelton Gell to Milner, 1 Feb. 1901 Milner Add. MSS. Eng. Hist. C687, Bodleian Library, Oxford.

> It is the future settlement of the open country in the conquered territories which presents such an 'impasse'. It seems to me that you have now no alternative but to establish the Natives on the land, as Tenants of the Crown. We know they have as a rule been the actual cultivators, and that in many cases they have worked upon a kind of metayer system [sharecropping] for a Boer proprietor. If the Boer is an obstinate rebel, what can be done except for the State to come into a direct connection with the cultivators and herdsmen. They are, I suppose, in possession. Let the State confirm them in possession and oblige them to pay to the State either in rent or kind or commuted service what they have paid to their Boer lord.

80 British Parliamentary Papers 1903 XLV Cd 1551, Papers relating to the Progress of the Administration in the Transvaal.

81 Parliamentary Papers 1903 XLV as above; 31 July 1902, pp.123-6: 'Experience had clearly proved that those countries which... have made the greatest progress in agricultural matters... are all notable examples of what can be accomplished by wisely directed State aid acting in conjunction with private enterprise...'

82 Van Onselen, 'Reactions to Rinderpest in Southern Africa 1896-9', *Journal of African History, 1972, p.482:*

> His Honour the President of the South African Republic gave his high authority to the efficiency of a somewhat complex mixture, consisting mainly of podophyllin, resin, tobacco, paraffin oil, and a decoction of an incense plant. The result of the publication of this remedy, I am credibly informed, was that the chemist's supply of podophyllin became exhausted.

83 Lionel Phillips (London) to H Eckstein and Co, 26 May 1900, Lionel Phillips to G Rouliot 9 Oct. 1901, in Frazer and Jeeves, pp.111, 112.

84 W Basil Worsfold, *the Reconstruction of the New Colonies Under Lord Milner*, London 1913, II, pp.2, 91-116. Violet R Markham, *The New Era in South Africa*, London 1904 pp.43-68.

85 LBD (TAD) 73A, 376/05. Minutes of District Advisory Committee, Krugersdorp (and Rustenburg). Transvaal Archive Depot.

86 British Parliamentary Papers 1904 LXI Cd 2104, p.998, Further Papers relating to the *progress of Administration in the Transvaal.*

87 AN Pelzer, 'Die "arm-blanke" in die Suid Afrikaanse Republiek tussen die jare 1882-1899,' *Historiese Studies* II, 1941; and III, 1942.

88 Milner Papers Box 236, Intermediate Report on Resettlement.

89 Transvaal Archive Depot, (TAD) Lt-Governor 135/No112/113 Richard Solomon to Lord Selborne 5 Jan. 1906.

90 Trapido, 'Landlord and tenant'; T Keegan, 'The Restructuring of Agrarian Class Relations in a Colonial Economy: the Orange River Colony, 1902-1910,' *Journal of Southern African Studies*, V, 234-254; T Keegan, 'Seasonality, Markets and Pricing: The South African Maize Trade in the Early 20th Century', unpublished seminar paper, Institute of Commonwealth Studies, University of London, May 1979.

91 BJ Kruger, 'Diskussies en wetgewing rondom die landelike arbeidsvraagstuk in die Suid Afrikaanse Republiek met besondere verwysing na die Plakkerwette, 1885-1889'. 'Unpub. Masters thesis, University of South Africa, 1965.

92 For an explicit statement of the role the reserves should play in subsidizing the reproduction of the black labour force, see Howard Pim,' Some Aspects of the South African Native Problem', *South African Journal of Science*, 4, 1905, cited in Legassick 'British hegemony and the origins of segregation in South Africa', unpublished seminar paper presetned to the seminar on 'Colonial Rule and Local Response', Institute of Commonwealth Studies, London, 1974. See also M Legassick and D Innes 'Capital Restructuring and Apartheid: a critique of a constructive engagement', *African Affairs*, Vol. 76, 1977, pp.465-6.

93 The need to avoid an African uprising was constantly before the administration, and partly explains their caution in responding to settler demands that Africans be expropriated and their land and labour released for exploitation. The Bambatha rebellion in Natal (1906) reinforced the message. See Shula Marks, *Reluctant Rebellion: the 1906-8 Disturbances in Natal*, Oxford 1970.

94 M Legassick, 'The Making of South African "Native Policy", 1903-23; the origins of "segregation"', Postgraduate seminar, Institute of Commonwealth Studies, London, 1972.

95 The above paper and two others were part of a series presented by Legassick on 'Ideology and Social Structure in Twentieth-Century South Africa'. They constitute a major contribution to the changing historiography of South Africa, and are part of the essential intellectual background to this paper.

96 For Milner's views on the harshness of the British industrial revolution, and the necessity for forms of state regulation 'and the self-imposed solidarity of individuals of the Trades Unions' to modify its effects, see his lectures to working men in the East End of London on 'Socialism and Robert Owen', republished in the *National Review*, March 1931, pp.348-50; and 'Robert Owen and Socialism', *National Review*, February 1931, pp.185-6.

97 *New Left Review*, no.67, May-June 1971, esp. 88-91. In the South African case, what Murray calls 'economic liberalization', the abolition of restrictions on the movement of people and goods, had a limited meaning for Africans, whose movements were still governed by the pass laws — demanded by the mining industry.

98 See D Denoon, 'Capital and Capitalists in the Transvaal in the 1890s and 1900s: a non-regressive revision', forthcoming and '"Capitalist Influence" and the Transvaal Government during the Crown Colony Period, 1900-1906' op. cit. Quite how close the relationship between Milner and Wernher-Beit and Company was is revealed in the letter from Lionel Phillips to W Reyersbach, 13 Nov. 1903:

> One thing we must always bear in mind in considering the action of the Government in the Transvaal, viz., that in refusing the offer of the Colonial Secretaryship, Lord Milner to some extent, was guided by our opinion and influence. (*All that Glittered*, pp.122-3).

99 In part a response to the uncertainty over the future of Chinese labour.

100 J Wernher to FitzPatrick, 6 Feb. 1906, *FitzPatrick* p.420.

101 Lionel Phillips to Julius Wernher, 3 June 1907, *All that Glittered*, p.179.

102 Simons and Simons, p.87.

103 Katz, p.138-9.

104 *All that Glittered*, p.179.