

Cecil Rhodes and De Beers Consolidated Mines Ltd.

by Dave Johnson

Diamonds were first discovered in alluvial deposits along the Vaal River in South Africa in 1867. Dry mining followed at the Kimberley, DuToitspan, De Beers, Bultfontein and Wesselton Mines. The first miners worked dry alluvial diggings, sifting the deposits for loose diamonds. These diamonds had been eroded out of the kimberlite pipe. The usually blue kimberlite turns yellow and crumbles easily when exposed to the atmosphere. The first miners looked only for the yellow deposits and ignored the lower blue material believing it to be worthless. Later finds proved these to be the richest grounds. The early "mines" were nothing more than a group of dry diggings worked in small plots akin to the early small placer claims worked along the streams of the American West.

Cecil J. Rhodes arrived in South Africa from England in 1870, at the age of 17. Rhodes had borrowed three thousand pounds from an aunt

and upon arrival began working at his brother's diamond diggings at Kimberley. Rhodes began investing in other claims within the De Beers Mine, named for the owner of the farm on which the mine was developed.

Rhodes and his partner, C. D. Rudd, worked to consolidate control of the De Beers Mine by persuading other miners to pool their interests. They formed the De Beers Company and by 1885 had grown to be the most important company in Kimberley. By 1887 Rhodes had brought together the biggest owners to form the Consolidated De Beers Company which controlled all



De Beer Consolidated Mines Ltd. token from Dutoitspan Mine.

the diggings of the De Beers Mine.

In 1888 Rhodes persuaded Barney Barnato, who controlled the extremely rich Kimberly Mine, to join with him to form De Beers Consolidated Mines Ltd. Soon mines like DuToitspan and Bultfontein joined De Beers.



De Beers Consolidated Mines Ltd. token from Bultfontein Mine.

By the age of 36, Rhodes controlled 90% of the world's diamond production.

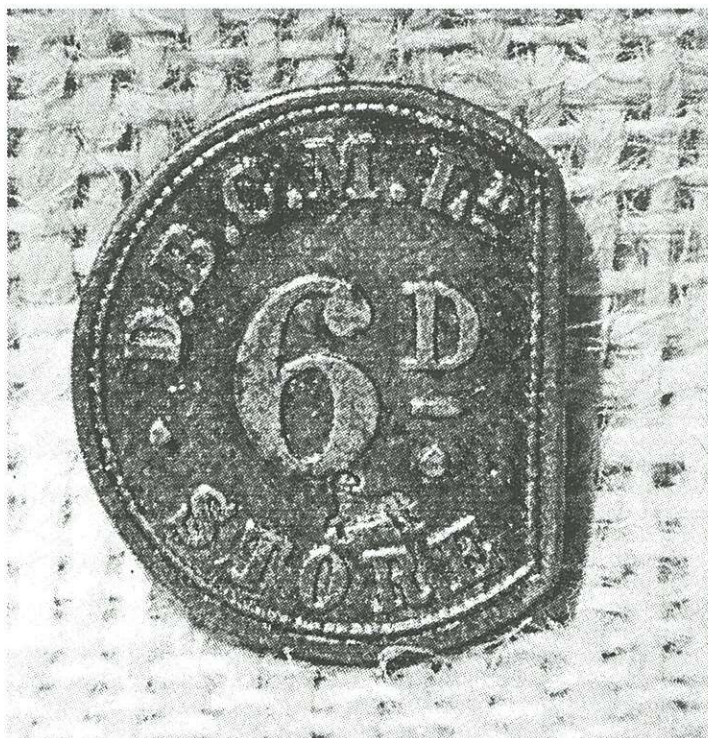
When deep shaft mines developed on the Rand, Rhodes and the directors of De Beers Consolidated started the Consolidated Gold Fields of South Africa. Rhodes alone was soon making 400,000 pounds a year from his share of the gold mines.

At the diamond mines the native workers lived in company compounds, later known as hostels. Mining company scrip tokens were issued and utilized in the diamond mines much as scrip tokens were used by U.S. coal mining companies.

Cecil Rhodes' wealth allowed him to become politically powerful in South Africa. In 1890 he became Prime Minister of the Cape, and used his office to benefit the mines and industry. He pushed the Glen Grey Act which was designed to force more blacks to leave their

land to become wage earners in the mines, railways and industry. The Act was also meant to break up traditional subsistence life by dividing tribal land and allowing individual families to own small farms and grow crops to sell. Rhodes tried to use his money and power to overthrow the Boer government of the Transvaal and replace it with a British colonial government which would support the mine owners' interests. When a Rhodes' supported attack on the Transvaal republic failed, Rhodes was forced to resign as Prime Minister of the Cape.

Rhodes used his wealth and influence to further his dream of expanding the British Empire in Africa. Botswana became a British colony through Rhodes' efforts through his British South Africa Company. The Matabele and Mashona peoples rebelled against the white settlers and their rebellion was put down by Rhodes' British South Africa Company Police. The territories were named Northern and Southern Rhodesia, in honor of Rhodes. Today these are Zambia and Zimbabwe. Rhodes died in 1902, a giant in the development of South Africa.



De Beers Consolidated Mines Ltd. token.