HISTORY
The Industrial Revolution in Britain and Southern Africa from 1860

UNIT 3
Diamond mining in Kimberley
1867 onwards

Learner's Book • Grade 8 Term 1
IN THIS UNIT, YOU WILL LEARN ABOUT:

- Why diamonds are valuable
- British take-over of diamond-rich land in Griqualand West
- Diamond mining and the development of a monopoly.

Why diamonds are valuable
Diamonds are minerals that were formed hundreds of millions of years ago in the Earth's crust. Coal that has been exposed to extreme heat and pressure gets compressed and transforms into diamonds. This only happened in certain places on Earth and so diamonds are not found all over the world. This makes them very special and relatively rare.

Diamonds are the hardest substance on Earth. Only a diamond can cut another diamond. Most diamonds are very small; only one in a million is at least a carat (0.2 grams). Tiny fragments of diamond are used to create diamond-edged saw blades, which are used to cut diamonds, steel and glass.

Diamonds, when cut and polished, reflect light and make beautiful gemstones that are used in jewellery.

BRITISH TAKE-OVER OF DIAMOND-RICH LAND IN GRIQUALAND WEST

In 1867, at Hope Town along the banks of the Orange/Gariep and Vaal rivers, the first diamonds were found. As the news of these diamonds spread, many people called 'diggers' flocked to the river banks in search of diamonds.

Between 1870 and 1871, large amounts of diamonds were found in the dry areas away from the rivers on Boer farms. The diggers quickly moved there to continue their searches. Diamonds were very valuable and even a small one could be sold for a lot of money.

The area where the diamonds were found was occupied by many different groups at the time:

- Tswana-speaking groups occupied the land to the west of the Vaal.
- The Boers lived in the areas north of the Vaal (Transvaal) and between the Orange/Gariep and Vaal rivers (Orange Free State).
- The Cape Colony, controlled by Britain, was to the south of the Orange/Gariep River.
- The Griqua people settled to the north of the rivers.
When diamonds were discovered, there were arguments about who owned the land and had rights to the diamonds. The diamond fields were located partly on Griqua land and partly on Boer land (Orange Free State). The government had to become involved to settle disputes and make rules about issues such as who could search for diamonds and where, who had to build infrastructure and who could own claims and how many. In 1871, Lieutenant-Governor RW Keate awarded the diamond fields to the Griqua in a legal case. This meant that ownership of the land was officially declared for the Griqua. The decision became known as the Keate Award. The Boers were displeased and the Griqua turned to the British for protection from them. The area became a British colony. In 1880, it became part of the Cape Colony.
Activity 1

1. Where and when were diamonds first found in southern Africa?
2. Why do you think a court case had to happen in order to decide who owned the diamond fields?
3. Refer to sources A and B. Although some diamonds were found on Boer farms in the Orange Free State, Keate awarded the rights of the diamond fields to the Griqua. Why do you think he made that decision?
4. The Griqua were awarded ownership of the diamond fields, but they actually lost out in the end. Explain why.
5. Suggest two reasons why Britain wanted control of the diamond fields.

DIAMOND MINING AND THE DEVELOPMENT OF A MONOPOLY

Major diamonds were first discovered along the Vaal River, in the area near Barkley West (see Source B). Later, large quantities of diamonds were found at four separate extinct volcano pipes. The biggest of these later became known as the Kimberley Mine or Big Hole. The area was once nothing more than open land with a small hill. Eventually it became a thriving mining area with a large town.

One person, one claim

This site was worked by thousands of diggers who had claimed specific areas for themselves to dig on their own. These claims were officially the areas that could be dug only by that digger. If he was lucky, he would find a lot of diamonds on his claim. Each person was only allowed to own one claim of a specific size. This was done to be fair to those who had less money and could not purchase multiple claims.
What happened to black claim holders?
At first, the diggers that came to Kimberley were mainly black people from all over southern Africa. Only a third of the diggers were white people from the surrounding areas and some from America, Britain and Australia.

When it came to purchasing claims, more white people could afford it and so there were more white claim holders than black claim holders. In the 1870s, the British had gained control of the diamond fields and made it illegal for black people to own claims. The black diggers could not dig for themselves, so they had to work for white claim holders in order to earn money.

Problems relating to digging deeper
When diggers first staked their claims, they were quite close together to ensure they covered most of the area and did not miss anything. As they dug deeper, the thin walls between claims collapsed. It became difficult to haul soil and diamond-containing material out of the deep mines. The mineworkers had difficulty climbing down to the bottom of each pit. In the very deep mines, it also became very difficult to drain them of water. The wealthy owners of multiple claims had more success with overcoming these difficulties, as they could buy machinery. The less wealthy diggers who owned only one claim could not purchase machinery and had to go out of business.
Activity 2
1. Why were the original diggers only allowed to purchase one claim?
2. Refer to Source C. Explain what you can see in the image and the events that led to this image.
3. Refer to Source D. Explain how mining changed as time went on.
4. Refer to Source E. What happened to the claims as the mines got deeper?
5. Refer to Source F. In a short paragraph, explain how and why wealthy mine owners were able to run large mines.

The formation of companies
In the 1880s, as the mines got deeper, only wealthy diggers were able to continue operating their mines, as they needed machinery to get through rubble from collapsed walls. Some of the wealthy mine owners got together and formed companies. They had money from investors in Britain, America and Western Europe. Soon only a few large companies controlled all the diamond mines. As they mined more and more diamonds, the price of diamonds began to drop, as the supply was so high.

Cecil John Rhodes and Barney Barnato
Cecil John Rhodes was 17 when he arrived in South Africa in 1870. He had a company that pumped water out of mines and he made a lot of money. In 1871, the De Beers mine was discovered. In 1880, Rhodes formed the De Beers Mining Company and began buying up the claims in the De Beers Mine. In just a few years, he had bought all the claims and began buying claims in other mines. By 1885, he had control of three of the four mines in the area.
The fourth mine was owned by Barney Barnato, who had arrived in South Africa in 1873 – the year Rhodes bought his first claim. Barney joined his brother on the mines and within ten years he was a diamond millionaire. Barnato controlled his own company, the Kimberley Central Mining Company.
The formation of De Beers Consolidated Mines Limited
Rhodes and Barnato were competing against each other for monopoly control (total control) of all diamond mining in Kimberley. Because they had flooded the market and diamond prices were dropping, they decided to merge. Rhodes got a loan and bought out Barnato’s company. They formed De Beers Consolidated Mines Limited and the company controlled all the diamond mines at Kimberley. The number of claims at Kimberley went from 1 600 in the 1870s to just one.

Regulating the supply and price of diamonds
Because of this mining monopoly, De Beers was the only company that could trade or sell diamonds. Rhodes was careful about how many diamonds he would sell at one time – if too many were available, the price would fall. By limiting the number of diamonds available for sale, he ensured that they were in high demand and kept prices high. In this way he was able to make a lot of profit.

Rhodes knew that if mineworkers stole and sold diamonds, the price of his diamonds would drop. To prevent this from happening, he forced black mineworkers to live in compounds on the mines. They could not leave, so if they stole any diamonds they would not be able to sell them.

The cheque used to purchase Barney Barnato’s company for five million, three hundred and thirty eight thousand six hundred and fifty pounds.

Activity 3
1. Why did the competition between Rhodes and Barnato lead to the diamond market being flooded?
2. Why does a high supply of diamonds drive the price down?
3. Explain why Rhodes and Barnato had to join together.
4. In a one-page essay, explain how the Kimberley diamond fields went from being controlled by thousands of people to being owned by just one company.
5. Describe what you think life was probably like for the mineworkers in the De Beers compound and mines.
Image resource list

- Cover image: https://media-cdn.tripadvisor.com
- Image 1 page 2: http://www.diamond-blade.org
- Image 2 page 2: https://qph.ec.quoracdn.net
- Image 3 page 2: http://www.blackkeydiamonds.com
- Source A page 3: https://upload.wikimedia.org
- Source B page 3: http://www.sahistory.org.za
- Image 1 page 4: http://www.angryboar.com
- Image 2 page 4: http://i.imgur.com/zY68dsQ.jpg
- Source C page 5: http://www.debeersgroup.com
- Source D page 5: https://www.awesomestories.com
- Source E page 6: http://www.miningmagazine.com
- Source F page 6: http://www.debeersgroup.com
- Images 1, 2 and 3 page 6 and 7: http://www.debeersgroup.com
- Image 1 page 7: http://www.sahistory.org.za
- Image 2 page 7: http://www.kimberley.org.za