



Diamonds are forever



This edition of the *Journal* is dedicated to papers covering many aspects of the exploration, mining, processing, and beneficiation of diamonds: a commodity of great significance to the economy of South Africa for more than a hundred years.

Diamonds provide a unique source of interesting history in South Africa, and learnings from the early days of diamond mining are still relevant to the formulation of policy issues today, especially amongst artisanal, emerging, and junior miners.

The first known diamond discoveries occurred along the banks of the Vaal River, near Barkly West, in alluvial deposits, after the discovery of the Hopetown diamond in 1807. These alluvial deposits were worked on claims belonging to both black and white owners.

Diamonds were discovered in Kimberley after Erasmus Jacobs found a transparent rock on his father's farm in the Northern Cape, in 1867, on the Colesberg Koppie. This 21.19 carat diamond became known as the Eureka diamond.

After it became known that the alluvial tracts contained diamonds, and that the 'blue ground' of Kimberley was diamondiferous, the first major strike occurred in 1868. Once word was out, prospectors and entrepreneurs descended upon the area, one of whom was Cecil John Rhodes in 1870, who invested three thousand pounds in the Kimberley diggings: a princely sum in those days.

The real rush began in 1871, when Johannes and Diederik de Beer bought the Vooruitsig farm, in what was then the Orange Free State, and discovered diamonds on the land. The site of the farm became what is now the Big Hole, and the De Beers Mine.

In 1876 Barney Barnato bought four claims in the Kimberley Mine, and this became the basis for the formation of the Barnato Diamond Mining Company.

It is estimated that by 1873, some 50 000 miners were working approximately 1 600 claims over the area. These 10 m² claims were serviced by a criss-crossing network of ropes and pipes as the mining, through pick and shovel, saw the original koppie transform into a 240 m deep pit.

Not unlike today, the potential of wealth from minerals in the ground created tensions around land ownership, and rights to the minerals and claims.

According to 'The rock on which the future will be built', by Emelia Potenza (<https://www.sahistory.org.za/archive/all-glitters-rock-which-future-will-be-built-emilia-potenza>):

'After diamonds were discovered in the Northern Cape, a battle began about the ownership of the land. The Griquas and Tlhaping who occupied the area claimed exclusive rights to the area. In addition, both Boer Republics (the Transvaal and the Orange Free State) claimed rights to the area.'

A long argument between these parties followed until Sir Henry Barkly, the Governor of the Cape, was asked to mediate. He set up a committee headed by the Lieutenant-Governor of Natal, Robert Keate, to decide on borders. For seven months this committee heard evidence from all four groups who were making a claim. On the basis of this evidence, the committee decided who had rights to the land in an agreement known as the Keate award.

The Keate award favoured the Griquas' claim. This meant that the land which eventually contained Kimberley and the richest diamond fields in the world was given to the Griquas.

In the end this agreement helped the Griquas very little. Their leader, Nicholas Waterboer didn't have the power to control the diggers. In the early 1870s the population of Kimberley already numbered 30 000. There was intense rivalry between diggers as they fought over claims. This rivalry often led to racial conflict.

Waterboer asked for British help. Barkly took over the area in Britain's name in 1872. A few years later Waterboer was arrested and imprisoned for attempting to free some of his subjects whom he believed had been wrongfully imprisoned and badly treated by the British. Growing unhappiness over ownership of the land and the right to make claims on the diamond fields led to a rebellion in 1878. The Griqua and Tlhaping rose up against British rule and were crushed.'

Small-scale miners, who held one claim each, were made up of people from Europe, Griqualand, India, Malaya, and China, and they in turn used migrant labour from many tribal backgrounds, including San, Khoikhoi, Griquas, Batlhaping, Damaras, Barolong, Barutse, Bapedi, Baganana, Basutu, Maswazi, Matonga, Matabele, Mabaca, Mampondo, Mamfengu, Batembu, and Maxosa. These people constantly moved in and out of the diamond fields, and became easy targets for robbery, either on their way to take up work or on their way back home.

Dissent between the white claim-holders from Europe, America, and Australia, and the Griquas, Tlhaping, Malay, Indian, and Chinese holders, created racial tension that culminated in riots in 1875, based on a belief that African claim-holders were involved in illegal diamond buying. The British authorities responded by dispossessing and cancelling all claims owned by black people.

President's Corner (continued)

Between 1867 and 1877, world diamond production had increased by more than tenfold, with the majority of it coming from Kimberley. At this time, the pit had reached its economic limit, and mining had to progress to more expensive underground methods. As a result, by 1880, the diamond price collapsed, and the number of claims had reduced from 1600 to 400. This was also a time of war, with the Anglo-Zulu War in 1879, and, in 1880, the first Anglo-Boer War.

The diamond rush had clearly attracted many people from Europe, Australia, and America as prospectors and claim-holders. According to historian Charles von Onselen, it also attracted many colourful characters who saw the opportunity for a new life in a far-off land. Some of these were outcasts from Ireland and England, who came to the Transvaal and Free State republics to either avoid criminal prosecution at home and/or to feast on the riches of the diamond and new-found goldfields through highway robbery, safe-blowing, and fraud, stretching from Kimberley to Barberton. People such as Jack Mcloughlin and the McKeone brothers became legendary as folk heroes who, in Robin Hood fashion, supposedly stole from the rich and gave to the poor. Unfortunately, in reality they often stole from the poor, especially the migrant labourers, and rarely redistributed their new-found wealth, except to themselves.

The prevailing circumstances of the drop in prices (which created poverty among people who had to give up their claims), the consolidation of claims, and the aftermath of the wars created a perfect environment for these people, who became known as 'social bandits', until the advent of the railway curbed their horseback escapades, and forced them into exile or prison.

After these turbulent days, consolidation and expansion of the diamond industry continued, and apart from stoppages during the second Anglo-Boer War and the siege of Kimberley, and the first and second world wars, production increased to the record level of 9.7 million carats in 2017, with the discovery of new deposits such as Venetia and Finsch.

So what has happened to the small-scale miners and prospectors? While the consolidation of the industry has been the foundation for its growth since 1880, small-scale operators have found it increasingly difficult to survive.

The initial challenge faced by a budding small-scale diamond miner is that of gaining access to mineral resources, and being able to assess the quality of those resources for licencing purposes.

Further challenges faced by the small-scale and/or emerging miners include the need to comply with regulations and codes (such as the Kimberley Process) which, while absolutely necessary, does impact severely on the small operators in terms of cost. In this regard, safety and health and environmental considerations must be met. Sometimes the small-scale operator may find that, without having internal capacity for technical compliance, they have to pay consultancy fees that are excessive for the company's bank balance. This leads to another challenge, being one of funding. The small-scale alluvial diamond miner may find it extremely difficult, if not impossible, to fund a start-up venture, because of the requirement of large-scale bulk sampling.

The author was, at one stage, involved in helping to establish a small-scale cutting and polishing business plan. While this was unfamiliar territory, a steep learning curve on the complexities of diamond pricing, marketing, licencing, and supply chain management quickly illustrated the challenges faced by a small-scale, but good, business, stuck in a supply chain reliant on intermittent supply from small-scale miners, and the ability to sell into high-paying markets.

It feels like we have come full circle, from the small-scale claim days, through consolidation into major companies, and now back to the need to find ways to stimulate the small-scale and emerging mining sector and its value chain. Of course, nowadays this has to be done in a safe and responsible manner, taking into account social, economic, environmental, and legal perspectives.

Much very good work has been done through both the public and the private sectors in developing an environment in which this sector can flourish. This has been done through the DTI and the IDC, the Emerging Miners Desk of the Minerals Council South Africa, as well as in the private sector, for example Anglo American's Zimele Fund, the Tshikululu Social Investment Fund, and the Khula Enterprise Fund.

The Institute has provided conferences and seminars on the development of artisanal and small-scale mining in the past, and will continue to do so. Forthcoming events include a breakfast event on 18 February, and this area will be developed into a theme for the future, so that integration of much of the good work now being done can result in real and responsible developments in this area.

It is always good to learn from history, whether it be good or bad, and in this case we must remember the words of Karl Marx, who said 'History repeats itself, first as tragedy, second as farce'. Martin Luther King said 'We are not makers of history. We are made by history'.

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