

# Late nineteenth-century globalization: London and Lomagundi perspectives on mining speculation in southern Africa, 1894–1904

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## Abstract

*In southern Africa the portal of globalization opened by finance capital towards the end of the nineteenth century frequently turned on mining speculation. A particularly notorious case was that of the Ayrshire mine in Southern Rhodesia's Lomagundi district. Touted in its heyday as the richest gold prospect in the entire southern half of the continent, the Ayrshire's corporate existence was characterized by company-mongering and market manipulation in the City of London. Few of these concerns immediately impinged on indigenous interests. As interaction between the global and the local was sporadic and contingent, local politics of dynastic accommodation only gradually gave way to global dynamics of dispossession and accumulation.*

**Keywords** Ayrshire mine, British South Africa Company, City of London, gold, mining, speculation, Southern Rhodesia

One of many forces driving late nineteenth-century globalization was overseas mining investment channelled through the City of London. Averaging £8 million per annum in the 1880s, investment increased to £20 million each year for much of the 1890s, before dropping back to c.£10–15 million per annum between 1902 and 1914. Over the same period, its course encompassed gold in southern Africa, western Australia, and West Africa, copper in North America and Mexico, and tin in Nigeria. The nominal capitalization of the 8,500 or so mining and exploration companies registered in Britain at this time was c.£1,045 million, of which some £250 million was actually issued.<sup>1</sup> London's mining markets, however, were

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1 See, variously, Charles Harvey and Jon Press, 'The City and international mining, 1870–1914', *Business History*, 32, 3, 1990, pp. 99–102; John W. McCarty, 'British investment in overseas mining, 1880–1914', PhD thesis, University of Cambridge, 1961, pp. 3–6; Jean Jacques Van Helten, 'Mining, share manias and speculation: British investments in overseas mining, 1880–1913', in Jean-Jacques Van Helten and Youssef Cassis, eds., *Capitalism in a mature economy: financial institutions, capital exports and British industry*,

notoriously susceptible to professional speculation, ranging from market rigging based on insider knowledge which was not then illegal, through to the dealings of fraudulent promoters who were only rarely prosecuted.<sup>2</sup> Although contemporary voices were raised against ‘speculative booms, company mongering, unscrupulous promoters and stupid investors’, they went largely unheeded during the protracted Witwatersrand and ‘Westralian’ share manias of 1894–96.<sup>3</sup>

Nowhere was this particular ‘portal of globalization’<sup>4</sup> more evident than in the gold-mining industry of southern Africa, especially the region that eventually became Southern Rhodesia (colonial Zimbabwe). If it was not quite ‘stock-jobbing imperialism’,<sup>5</sup> then it was something very close to it. ‘The relationship between a good or bad sharemarket on the one side and a British Colony in the stage of tender infancy on the other is to be studied, if anywhere, in this country of Rhodesia’, declared one colonial newspaper. ‘Rhodesia is a country which, almost avowedly, is intended to be built up, or at least forced upward, by aid of gold mining and land dealing on the £1 share limited liability principle.’<sup>6</sup> Because the City of London’s focus of attention was on the stock exchange rather than on the development of the territory’s resources, on speculation rather than production,<sup>7</sup> the integration of sections of the Southern Rhodesian gold-mining industry into the world economy assumed an almost Potemkin-like form towards the end of the late nineteenth century. Appearance was everything. No less distinctive was the manner in which the region’s indigenous peoples inhabited this overlapping space. For them, much stayed the same even as the pace of change quickened.

In what follows, this article traces the uncertain juxtaposition of two very different points of spatial reference. Its specific focus is the origin, rise, and fall of the Ayrshire mine, touted in its heyday as the richest gold prospect in southern Africa. Set in motion by the global imperatives of the City of London, but refracted through the local concerns of the Lomagundi district and its immediate neighbours in what became north-east Southern Rhodesia, share-market manipulation after 1890 initially accommodated indigenous political autonomy. The first section traces the origin of the mine and its lack

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1870–1939, Aldershot: Edward Elgar Publishing, 1990, pp. 160–3; and Lance E. Davis and Robert A. Huttenback, *Mammon and the pursuit of empire: the political economy of British imperialism, 1860–1912*, Cambridge: Cambridge University Press, 1986, pp. 53–68. Certain of the issues discussed here are taken up in Ian Phimister and Jeremy Mouat, ‘Mining, engineers and risk management: British overseas investment, 1894–1914’, *South African Historical Journal*, 49, 1, 2003, pp. 1–26.

2 Van Helten, ‘Mining’, p. 167; Raymond E. Dumett, ed., *Mining tycoons in the age of empire, 1870–1945: entrepreneurship, high finance, politics and territorial expansion*, Farnham: Ashgate, 2008, pp. 23–4. More broadly, see David Kynaston, *The City of London, volume 2: golden years 1890–1914*, London: Chatto and Windus, 1995; Ranald Michie, *The London Stock Exchange: a history*, Oxford: Oxford University Press, 1999.

3 McCarty, ‘British investment’, p. 251.

4 Youssef Cassis, *Capitals of capital: a history of international financial centres, 1780–2005*, Cambridge: Cambridge University Press, 2006.

5 Sir William Harcourt, 8 May 1896, House of Commons, *Parliamentary Debates*, 4th series, vol. 40, col. 889.

6 *Rhodesia Herald*, 14 September 1898.

7 John S. Galbraith, *Crown and charter: the early years of the British South Africa Company*, London: University of California Press, 1974, pp. 126–7.

of development in the period up to the Shona Risings, or First *chimurenga*, of 1896–7. The second section focuses on the making of a market in the shares of the Ayrshire Gold Mine and Lomagunda Railway Company, and its powerful City friends, in the period from 1898 until 1901. The third part examines the ways in which political spaces occupied by local leaders and their followers retained precolonial dimensions during this same period. The fourth part accounts for City of London fortunes made and lost despite or because of the mine's failure in 1904, and the uneven and unrecognized extension in the same period of colonial rule over the Lomagundi district and its surroundings. A brief conclusion attempts to establish the nature and significance of points of contact between the universal and the local where globalization's portal was the financial sector.

The period covered falls largely between 1894 and 1904. Based on administrative, mining, and judicial records in the National Archives of Zimbabwe, this article also makes use of manuscripts held in Rhodes House, Oxford, as well as financial periodicals and newspapers housed in the British Library. Its starting point is Jürgen Osterhammel and Niels Petersson's injunction to analyse the world from below, but it does so not on the level of individual action, as they suggested, but through a single case study.<sup>8</sup>

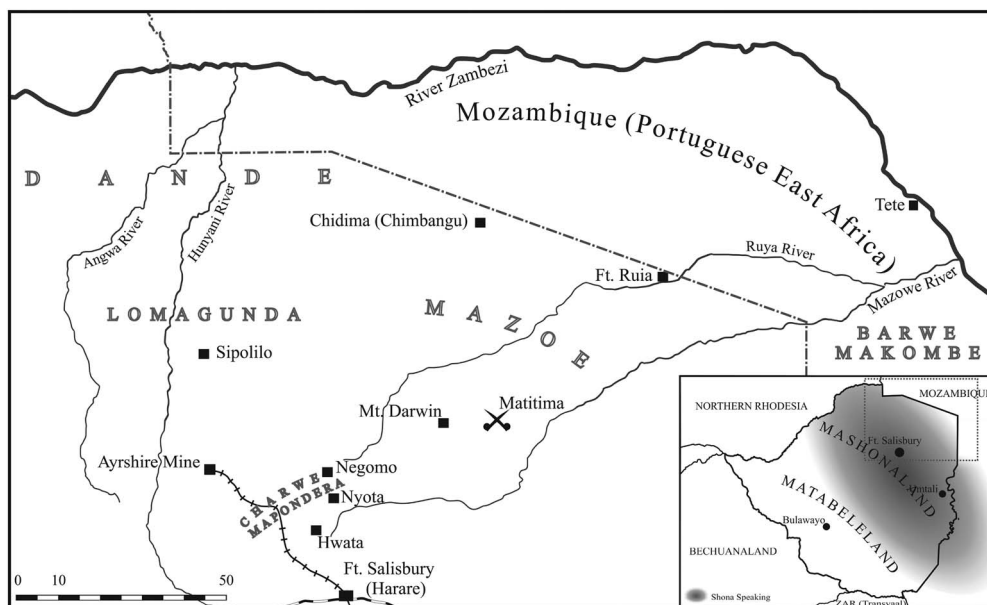
## Origins and lack of development

Towards the end of the nineteenth century, the southern African territory lying between the Limpopo and Zambezi rivers, bounded to the west by the fringes of the Kalahari desert and in the east by a Portuguese presence of sorts along the Mozambique coast and its riverine interior, was the object of increasing international interest. The first successful action was taken by adventurers acting with the backing of the British government. Yet for the inhabitants of northern Mashonaland, the arrival in September 1890 of the paramilitary expedition assembled in British Bechuanaland (modern Botswana) by agents working for Cecil Rhodes, a Cape-based diamond magnate, made hardly any difference to their daily lives. Only several hundred strong, the *varungu*, as they were called by the local Shona people, spread out from their base at Fort Salisbury. Splitting up into small prospecting parties, they looked to the surrounding Shona for food in exchange for trade goods. They particularly wanted help in locating so-called 'ancient workings', evidence, the whites believed, of the Land of Ophir and King Solomon's Mines, but actually opencast pits and shafts abandoned in some instances as recently as the 1850s by the local people once gold ore down to the water table had been removed.<sup>9</sup> Many people were prepared to do this in exchange for a blanket or beads. They were, moreover, long familiar with Portuguese trading posts on the Zambezi river. Alluvial gold won from the Mazowe river and other tributaries of the Zambezi was exchanged for manufactured goods brought from the Indian Ocean coast. Firearms were much prized,

8 Jürgen Osterhammel and Niels P. Petersson, *Globalization: a short history*, Princeton, NJ: Princeton University Press, 2005, pp. 21–2.

9 See especially, Roger Summers, *Ancient mining in Rhodesia*, Salisbury, Rhodesia: Trustees of the National Museums of Rhodesia, 1969; Ian Phimister, 'Precolonial gold mining in Southern Zambesia: a reassessment', *African Social Research*, 21, 1976, pp. 1–30.

Figure 1. Map of south-central Africa, c.1890–1904. Source: created by Helen Garnett, Department of Geography, University of the Free State, South Africa.



and their increased import during the 1880s had helped tilt the military balance against Ndebele raiders from the west. Against this background, the newcomers were initially ignored where they were not accommodated within existing economic and political frameworks.<sup>10</sup>

Centred on two huge precolonial Shona gold workings in the Lomagundi District some 80 miles north-west of Fort Salisbury (now Harare), what became the Ayrshire mine was pegged by a white prospector early in 1891 (see Figure 1). His claim was registered under mining laws fitfully enforced by Rhodes's British South Africa (BSA) Company, conditionally charged by a royal charter granted in 1889 to exercise 'legislative and executive power', as well as to maintain a police force and undertake public works.<sup>11</sup> After changing hands several times, the property was bought in June 1894 by the London-registered Lomagundi Development Company (LDC), half of whose shares were reserved for the Chartered Company, as the BSA Company was also called. Prior to that point, development on the Ayrshire had been confined to cleaning out the old workings, but a start was now made on draining water from the smaller of two precolonial shafts. By September, an additional three shallow shafts had been sunk and a small amount of cross-cutting and driving done. Assay values ranging between 0.5 ounces of gold per ton to more than 100 ounces not

10 David N. Beach, *War and politics in Zimbabwe 1840–1900*, Gweru, Zimbabwe: Mambo Press, 1986; David N. Beach, *Mapondera: heroism and history in northern Zimbabwe 1840–1904*, Gweru, Zimbabwe: Mambo Press, 1989.

11 Claire Palley, *The constitutional history and law of Southern Rhodesia 1888–1965*, Oxford: Clarendon Press, 1966, p. 38.

surprisingly attracted widespread attention.<sup>12</sup> Visiting mining experts from Europe and the Witwatersrand all included the Ayrshire on their itinerary. Notable among the latter was John Hays Hammond of Consolidated Gold Fields, who was quick to advise Rhodes that ‘the Ayrshire, Inez and Alice Mines hold out considerable promise’,<sup>13</sup> as well as J. A. Hatch and F. H. Chalmers, the Rand’s leading geologists at the time. Even their otherwise non-committal report noted additional assays ‘from 2 to 20 ozs and even in parts 160 ozs to the ton’.<sup>14</sup>

During the second half of 1894 and much of 1895, development proceeded in a leisurely manner. This was partly due to the Ayrshire’s failure to attract and retain African workers. In this respect, the mine was no different from the rest of the southern African gold-mining industry, where low wages and dreadful working conditions frequently resulted in acute shortages of unskilled black labour.<sup>15</sup> The local mining commissioner reported in July 1894 that ‘Very little work has been done this month owing to the scarcity of food and boys [actually adult men] ... In many instances boys have deserted their work and not returned ... The natives have either refused to part with their [maize] meal or have said that there is none available.’<sup>16</sup> But lack of mining development was attributable to more important factors. The first turned on the political and economic autonomy that the region’s African inhabitants continued to enjoy, unlike increasing numbers of their fellows further south. In the words of one official,

owing to the Native disturbances which have taken place ... during the past month there has been practically no work done in this district. The difficulty in obtaining boys to work on the various properties has become greater than ever. In fact there are no boys in the district at present within reach. Since the arrival of the Police force sent out from Salisbury the kraals [villages] have all been deserted and all [maize] meal has been either carried away or concealed.<sup>17</sup>

Over the next eighteen months very little changed. Chartered Company officials hoped that once the annual rains set in they would be able ‘to induce the natives to settle down again and by degrees consent to work for prospectors and others’, but acknowledged that for the time being ‘any attempt to approach them [the local Africans] would be most

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- 12 J. Percy Fitzpatrick, *Through Mashonaland with pick and pen*, Johannesburg: Argus, 1892, p. 91; J. G. Stagman, ‘The geology of the country around Sinoia and Banket Lomagundi District’, *Southern Rhodesia Geological Survey Bulletin No. 49*, Salisbury, Rhodesia: The Government Printer, 1961, p. 62; and Colin Black, *The legend of Lomagundi*, Salisbury, Rhodesia: North-Western Development Association, 1976, p. 12.
  - 13 Rhodes House, Oxford (henceforth RH), MSS Afr. S228, C10/1, J. H. Hammond to C. J. Rhodes, 27 October 1894.
  - 14 J. A. Chalmers and F. H. Hatch, ‘Notes on the geology of Mashonaland and Matabeleland’, *Geological Magazine (Decade IV)*, 2, 1895, p. 202; Charles S. Goldmann, *South African mines; their position, results and developments: together with an account of diamond, land, finance, and kindred concerns. Volume II: miscellaneous companies*, London: E. Wilson & Co., 1895–6, pp. 81–2.
  - 15 Among many others, see Frederick A. Johnstone, *Class, race and gold: a study of class relations and racial discrimination in South Africa*, London: Routledge and Kegan Paul, 1976.
  - 16 National Archives of Zimbabwe, Harare (henceforth NAZ), ML 3/1/1, Mining Commissioner, Lomagundi District, report for July 1894.
  - 17 NAZ, ML 3/1/1, Mining Commissioner, Lomagundi District, report for August 1894.

injudicious'.<sup>18</sup> Intermittent challenges to local Shona sovereignty were repulsed. Not surprisingly, in August 1894 a policeman attempting to round up forced labourers was shot dead.<sup>19</sup> A visitor to the Ayrshire mine admitted in April 1896 that

parts of the Lo Magondi district are unpopular with the Kaffirs even yet, possibly owing to recollections of some having at one time or another been knocked about by miners, some of whom, in the early days, seemed to be incapable of getting boys to work without kicking them. ... There has in the past been great scarcity of labour here, partly owing to the trouble between early miners and Kaffirs, and also to another fact. We are practically out of the limits of the late Matabele oppression, and the Kaffirs are a very independent lot, often demanding extortionate wages, though what they get is fair and ample.<sup>20</sup>

The following month another white miner was reported murdered.<sup>21</sup>

The second reason for the slow rate of shaft sinking had nothing to do with the local situation in Lomagundi and everything to do with the speculative imperatives of the City of London's mining markets.<sup>22</sup> After three years, the *Rhodesia Herald* complained in April 1894, 'we must ask if gambling in mining shares in London will ever be put aside for actual development of mines in Mashonaland'.<sup>23</sup> Because of speculation, London-based companies 'have thought of little save the number of square miles of territory they could get title to. The consequence is there are hundreds of mines commenced but no mines completed, there are miles of reefs, but not ten claims opened up sufficient to keep a 20-stamp battery going for six months.'<sup>24</sup> A leading mining periodical reflected that 'The primary object of many of those controlling ... Rhodesian mining and exploration companies was not so much the production of gold at a profit but the manipulation and off-loading of as large a quantity of scrip as possible on the public.'<sup>25</sup> The *National Review* acknowledged that

There is a certain deadly fascination in the game. It is so big, so thorough: half a dozen acres of desert land at one end and two hundred thousand pounds of English money at

18 NAZ, ML 3/1/1, Mining Commissioner, Lomagundi District, report for September 1894. See also NAZ, A2/1/6, P. Inskipp, Secretary to Administrator, to Lo Magundis, Native Commissioner, 3 December 1894; Harry Craufuird Thomson, *Rhodesia and its government*, London: Smith, Elder, & Co., 1898, pp. 234–5.

19 NAZ, CT 1/15/6, Mining Commissioner, Lomagundi District, to Acting Administrator, Salisbury, 14 August 1894. See also NAZ, ML 2/2/1, Mining Commissioner, Lomagundi District, to Registrar of Mines, Salisbury, 18 January 1896.

20 Harold Lincoln Tangye, *In new South Africa: travels in the Transvaal and Rhodesia*, London: Horace Cox, 1900, pp. 381–2.

21 NAZ, N1/1/5, A. J. Jameson to D. L. MacGlashan, 30 May 1896.

22 Apart from Robert V. Kubicsek, *Economic imperialism in theory and practice: the case of South African gold mining finance 1886–1914*, Durham, NC: Duke University Press, 1979, this crucial dimension of the early history of the southern African gold-mining industry has not been explored. In contrast, the contemporaneous 'Westralian' boom and bust is analysed in Alan L. Lougheed, 'The London Stock Exchange boom in Kalgoorlie shares, 1895–1901', *Australian Economic History Review*, 35, 1995, pp. 83–102. See also John W. McCarty, 'British investment in Western Australian gold mining, 1894–1914', *University Studies in History*, 4, 1, 1961–62, pp. 7–23; John Bastin, 'The West Australian gold fields, 1892–1900: the investors and their grievances', *Historical Studies: Australia and New Zealand*, 23, 1954, pp. 282–9.

23 *Rhodesia Herald*, 6 April 1894.

24 *Ibid.*, 20 July 1894.

25 *Mining Journal*, 16 May 1908.

the other ... The day of exposure must come, of course, some time or other; it will be bad ... for people who are in it, but it will be all right for those who have made their pile and cleared out.<sup>26</sup>

For the time being, though, all that was needed were sympathetic accounts by visiting journalists. A London *Times* correspondent who never went near the Ayrshire mine nonetheless commented favourably on its prospects. 'Of the more distant Lo Magundi district, we shall probably hear a good deal in the near future', he wrote in 1894. 'Some of the shrewdest miners in South Africa maintain that the richest reefs in all the Chartered Company's territories are those of this gold belt.'<sup>27</sup> With the fantastic boom in 'Kaffirs', the term for both Rand and Rhodesian gold-mining shares, still having several months to run in July 1895, indiscriminate investors were easily persuaded that fortunes awaited them in Chartered Company territory. Reassured by Rhodes's remarks at the BSA Company's Fourth Annual General Meeting that Rhodesia contained 'hundreds of miles of mineralized veins',<sup>28</sup> they snapped up shares with exuberant irrationality:

One of the [market] sensations of the week has been the spurt in Lomagunda Development Company shares owing to advices received as to the results in the Ayrshire reefs. Five shafts have been sunk, and a huge body of reef, in some parts as wide as 70 ft., has been proved to exist, and is reported to show an average of something over 1 oz. to the ton in assaying.<sup>29</sup>

'If it can be proved to continue in depth', concluded a report by the company's directors in June 1895, 'the future of the mine will be all that the most exacting shareholder could ask for.'<sup>30</sup>

This was precisely what the board of directors was in no hurry to do. The rest of the year passed with little evidence of progress. For all that the Ayrshire 'may turn out to be ... a marvellous mine', observed one mining correspondent, 'it seems to me a great pity so little effort has been used to do work on this mine; a tremendous amount of development work should and could have been done by now'.<sup>31</sup> An editorial lamented the fact that

there continues to be more talk and less work than in any progressive mining country would be considered quite the proper adjustment between mental scheming and actual manual labour ... the great portion of the mining and development companies owning reef ground in Rhodesia are not even attempting to work ... as long as Rhodesia is the football of speculators, big and little, nothing approaching sound development and progress can be anticipated.<sup>32</sup>

26 J. Y. F. Blake, 'Golden Rhodesia: a revelation', *National Review*, 27, August 1897, p. 846. See also P. F. Hone, *Southern Rhodesia*, London: George Bell and Sons, 1909, p. 245.

27 Edward F. Knight, *Rhodesia of to-day: a description of the present condition and the prospects of Mashonaland & Matabeleland*, London: Longmans, Green, & Co., 1895, pp. 94–5.

28 BSA Company, *Fourth Annual General Meeting 18 January 1895*, London: British South Africa Company, 1895, p. 10.

29 *The Statist*, 20 July 1895.

30 *African Review*, 28 December 1895.

31 *The Statist*, 21 September 1895.

32 *Rhodesia Herald*, 5 February 1896.

Orders for mining equipment eventually placed by the Ayrshire's directors were not chased up. 'An extensive outfit, including hauling and pumping gear, trucks and rails ... are now on their way from Johannesburg', reported the *African Review* in January 1896.<sup>33</sup> The fact that everything had to be hauled at great expense by ox-wagon went unsaid. In June, LDC shareholders were assured that 'work on your property has been carried on with energy since the date of the last report [a year ago]', with the mine 'thoroughly opened up by means of shafts, drives, crosscuts, trenches etc'.<sup>34</sup> The bottom line, however, was that, after nearly two years of development, the main shaft was only 150 feet deep, and, of that, 70–80 feet were accounted for by the depth of the precolonial workings already there. Wise after the event, observers belatedly realized that 'the real gold mine was at Home, in the pockets of the British public'.<sup>35</sup>

That same month the Shona Uprising (*chimurenga*) or, rather, many local risings (*zvimumurenga*) abruptly pricked what remained of London's speculative Rhodesian bubble in the aftermath of the failed Jameson Raid against the South African Republic (the Transvaal). Impatient for share market returns, the BSA Company and its threadbare administration in Fort Salisbury had given many local people ample cause to resist, without significantly diminishing their capacity to fight. Taken by surprise, many whites living at isolated farms and mines were killed. At the Ayrshire mine, the ten white miners employed there were warned on the night of 21 June by an African labourer from north of the Zambezi of an impending attack. Over the next five days, they slowly made their way towards Fort Salisbury. Hungry and thirsty, the survivors were eventually rescued by a BSA Company patrol 12 miles outside the town,<sup>36</sup> while, at the deserted mine itself, machinery was wrecked and huts were destroyed by insurgents.<sup>37</sup>

It was all part of a triumphant reassertion of the old world of Shona politics,<sup>38</sup> at one and the same time highly localized and thoroughly transnational. Two weeks after the risings began, the native commissioner for the neighbouring Mazoe District, H. H. Pollard, was caught and killed. This was done either on the orders of Charwe, medium of the Nehanda Mhondoro spirit, or by Hwata Chiripanyanga, an important chief whose western remit extended close to the LDC's claims. The eight black policemen accompanying Pollard were also captured. In office since the previous April, Pollard had become notorious through north-eastern Mashonaland for his heavy-handed methods. In the absence of any semblance of an established administration, Chartered Company raiding parties ranged far and wide extracting taxes and raising levies of forced labour. Yet Pollard operated very much within recognized political traditions. Sometimes working for himself and not for the handful of

33 *African Review*, 25 January 1896.

34 *Ibid.*, 26 December 1896.

35 Stanley P. Hyatt, *Off the main track*, London: T. W. Laurie, 1911, p. 114.

36 BSA Company, *The '96 Rebellions*, reprint of *The British South Africa Company reports on the native disturbances in Rhodesia, 1896–97*, Bulawayo: Books of Rhodesia, 1975, p. 101.

37 *African Review*, 29 September 1900. See also J. W. Gregory, 'The mining fields of Southern Rhodesia in 1905', *Transactions of the Institution of Mining Engineers*, 31, 1906, p. 6; E. A. Alderton, *With the mounted infantry and the Mashonaland field force 1896*, London: Methuen, 1898, pp. 229–32.

38 Terence Ranger, *Revolt in Southern Rhodesia: a study in African resistance*, London: Heinemann, 1967, p. 269.



officials largely confined to Fort Salisbury, he underpinned his power with various local alliances. In the far north, he married into the family of one Vicente Jose Ribeiro da Fonseca, an African-Portuguese *prazo*-holder who ruled, ostensibly on behalf of the Portuguese government, at Chidima on the Mukumvura river in the Zambezi lowlands (see Figure 1). Ribeiro's economic interests in the Mazowe valley dated back to the 1880s. Pollard's other alliances took the form of supporting one Shona group against the rest, the Hwata dynasty in particular receiving favourable treatment.<sup>39</sup>

The Lomagundi and Mazowe risings initially passed Pollard by. When they began, he was once again in the north of the two districts, probably on private business in what was notionally Portuguese territory. His party included carriers recruited earlier from Charwe's village. This had been done with her permission. On hearing of the risings, Pollard turned about, making his way more or less directly south towards Salisbury. Twice fired on, his group split up, Charwe's men running off and not being seen again. Soon afterwards, Pollard and what remained of his party were captured and taken to Charwe's village, close to Hwata's. According to most witnesses, Charwe first asked Pollard who he was, 'and then, far from accusing him of having taken tax, forced labor, and flogged people since April 1895, she simply asked what had happened to her carriers'.<sup>40</sup> His dismissive reply that they had run away caused great anger, but, even so, Charwe repeatedly denied that the order to kill Pollard came from her. 'I did not give the order. Why should I hide it if I did?'. Hwata Chiripanyanga, by contrast, always admitted that he struck Pollard with an axe but insisted that he did so at Charwe's command.<sup>41</sup>

While Hwata's motives must remain a matter of conjecture – he may opportunistically have seized the moment provided by the rising to free himself of dependence on *Kunyaira* (Pollard's Shona name) – it would seem that the latter had been caught up in the shifts and expedients of local Shona politics. Although the reason for Pollard's execution may have had something to do with his past actions on behalf of the BSA Company, there is no direct evidence for this. Believing that *zimurenga* fighting could be contained within existing norms, many people acted accordingly. Charwe herself subsequently sought and received help from Pollard's father-in-law, Ribeiro, with whom she had previously done business, but was taken in 1897 by *varungu* forces before his messengers could bring her to relative safety in Portuguese territory (see Figure 2). The black policemen captured with Pollard managed to buy their freedom by offering women to their captors. When Gumboreshumba, medium of the Kaguvi Mhondoro spirit, the other medium whom Chartered Company officials insisted was responsible with Charwe for the risings, eventually surrendered, he made it clear that he thought the slate could be wiped clean by the payment of compensation: 'I only want a place where I can live. If the government want[s] me to pay for these things I will pay with a young girl'.<sup>42</sup> These were not sentiments shared by the authorities in Salisbury. Both Gumboreshumba and Charwe were hanged in 1898, even as remaining centres of local resistance were starved and dynamited into surrender.

39 David N. Beach, 'An innocent woman, unjustly accused? Charwe, medium of the Nehanda Mhondoro spirit and the 1896–97 central Shona rising in Zimbabwe', *History in Africa*, 25, 1998, pp. 32–3.

40 *Ibid.*, pp. 37–8.

41 NAZ, S 2953, *Queen vs. Nianda, Gutsa, Zindoga and Wata*, 2 March 1898. See especially, R. H. Wood, 'The 1898 criminal sessions', *Heritage of Zimbabwe*, 8, 1986, pp. 47–58.

42 Beach, 'An innocent woman', pp. 33, 41.

**Figure 2.** Charwe, medium of the Nehanda Mhondoro spirit (front row, second from right), in Salisbury Prison, 1898. Source: National Archives of Zimbabwe.



## Creating an illusion

Handicapped by its remoteness, and starved of capital and labour in the aftermath of the risings, the Ayrshire mine languished along with much of the rest of Mashonaland's gold mining industry. LDC shares, priced at £6.10.0 in 1895, were marked at 17s. 6d. in March 1898.<sup>43</sup> Its cash reserves amounted to c.£6,000, two-thirds of which represented compensation paid after the risings by the Chartered Company.<sup>44</sup> 'Prospectors inform us', reported the *Rhodesia Herald*, 'that between the rebels and the forces sent out to subjugate them, most mining camps in Mashonaland have few or none of the assets which they had before the outbreaks.'<sup>45</sup> Local newspaper reports were all that shareholders in the LDC had to go by. There was very little other information to hand. Owing to a string of misfortunes verging on carelessness, the company's accounts had not been audited since January 1896. Apparently, one auditor had 'got very much in arrear with his work, became depressed, and shot himself'; when the accounts were finally prepared and forwarded from Salisbury to Bulawayo, 'the coach by which they were sent was raided *en route*, and the accounts scattered to the winds'. Since then, the risings had prevented anything from being done.<sup>46</sup>

The first signs of recovery in Rhodesia as a whole had to wait until the railway was pushed beyond Bulawayo in the course of 1898 and 1899. As machinery and crushing plant

43 *Rhodesia Herald*, 30 March 1898.

44 Richard Rous Mabson, *Rhodesian companies*, London: The Statist, 1899, p. 56.

45 *Rhodesia Herald*, 10 November 1897.

46 *African Review*, 2 January 1897.

could now be imported at reasonable cost at least as far as Matabeleland, some sections of the mining industry turned to the hard grind of extracting gold profitably. Others, however, clung to practices that had served them well in the past. Dozens of companies once again looked to the London stock exchange for fresh support for old fantasies and new schemes. Timing and context for both could hardly have been more auspicious. The years after the Baring crisis of 1891 had seen a dramatic falling off in capital flows but this was now beginning to change.<sup>47</sup> One London-based periodical noted that

Evidence has been accumulating during the past year that Rhodesia, as a mining country, will pay. ... There is so much uninvested capital in England that where a reasonable chance is seen for a fair return of money invested, the opportunity thus afforded will be eagerly taken hold of ... The New Year will, therefore, probably see a run on Rhodesian Shares. If this is so, we may also expect to see a large number of Companies floated, and amongst them will doubtless be many of the 'wild cat' order... There will be Companies formed for the purpose of exploiting gold, with no definite property in view, and others to take over improved claims, with vague engineer's reports attached ... and these should be carefully avoided.<sup>48</sup>

Of many such propositions, the most audacious was the one hatched by the Ayrshire mine's parent company and its largest single shareholder, the BSA Company.<sup>49</sup> Because local risings persisted in parts of northern Mashonaland until well into 1898,<sup>50</sup> the LDC was slower than most in starting up again. It was not until the beginning of 1899 that it signed an agreement with the Rhodesia Exploration and Development Company, a City operation in which the BSA Company and its friends were closely interested, and itself a holder of one-third of the LDC's shares,<sup>51</sup> to employ its well-known consulting engineer, Telford Edwards. Under Edwards' direction, a development programme was instituted, with the result that by the end of the year approximately 2,000 feet of exploratory work had been completed. Its findings were decidedly modest, but none of them gave the company's directors pause for thought.

By the time that the results reached London, the South African War had started. The Rand was at a standstill, and as all concerned with the Rhodesian part of the mining share market realized, if ever there was a moment to coax investors into returning to local issues, this was it. In the circumstances, it was easy enough to do. Despite having very little hard evidence with which to entice shareholders at the company's annual general meeting in December 1899, the directors of the LDC had no difficulty in carrying a motion to increase

47 Guillaume Daudin, Matthias Morys, and Kevin H. O'Rourke, 'Globalization, 1870–1914', in Stephen Broadberry and Kevin O'Rourke, eds., *The Cambridge economic history of modern Europe. Volume 2: 1870 to the present*, Cambridge: Cambridge University Press, 2010, p. 11.

48 *Rhodesia*, 7 January 1899.

49 For a preliminary sketch of the Ayrshire mine's financial history, expanded and revised in what follows, see Ian Phimister, 'Speculation and exploitation: the Southern Rhodesian mining industry in the company era', *Zambezia*, 30, 2003, pp. 178–89.

50 NAZ, LO4/1/2, report of Claims Inspector, Lomagundi, for year ending 31 March 1898.

51 *The Statist*, 27 July 1895.

its capital by £50,000 in order to buy up adjacent blocks of claims. Funds were also allocated for the purchase of a diamond drill.<sup>52</sup>

For much of 1900 progress at the Ayrshire was painfully slow. White miners dropped like flies from blackwater fever, a particularly virulent form of malaria. From near and far, African labourers gave the mine a wide berth where they possibly could. Malaria and dysentery were rife, and the number of desertions approached crisis proportions. With labour scarce, underground work had to be scaled back.<sup>53</sup> As mining development was not taken seriously, and the actual production of gold delayed as long as possible, the Ayrshire Gold Mine and Lomagunda Railway Company had no reason to concern itself with the systematic mobilization and retention of local black labourers. Management paid little attention to the conditions in which African workers lived and sometimes died. It bestirred itself only at times of crisis. None of the extravagant spending on mine plant trickled down to the Ayrshire's African labour force. Shareholders' meetings were routinely assured that expenditure on black workers was kept as low as possible.<sup>54</sup> Known to migrant labourers as *chimbadzi* (meaning small portions of food and money), the Ayrshire was perpetually short of labourers.<sup>55</sup> Whereas the proportion of Shona workers on mines of comparable size in Mashonaland ranged between 30% and 40%, on the Ayrshire it was 1%.<sup>56</sup> Although its terrible reputation spread over an ever-widening area, the mine made no attempt to improve working conditions or cultivate relationships with the inhabitants of the Lomagundi district. It simply responded by casting its recruiting net further afield. Before the uprisings of 1896–98, a minority of people had been caught by Chartered Company raiders and forced to work on the Ayrshire. But local societies were otherwise left untouched, as they had proved themselves capable of responding violently. Thereafter, mine operations barely impinged on the lives of the great majority of people. Largely encapsulated in a speculative bubble, the mine made few direct demands on the region's inhabitants.

In London, none of this was of any practical consequence. Greater emphasis was placed on the news that trial crushings of ore taken at random from the mine had returned an average of 18 dwt per ton. Readers of the *African Review* were assured that this was 'very satisfactory proof of the enormous tonnage of payable rock which can be handled on this property'. Such results meant that 'for every 100 feet of sinking on either the western or eastern old [precolonial] workings over 150,000 tons of the ore are placed overhead'. Because of this, the Ayrshire could be developed 'as regards tonnage, in a manner almost unknown in any other South African mine. This fact of course considerably lessens the cost of working.'<sup>57</sup> Only later would the ludicrous nature of these remarks become obvious to a widening audience. At the time, they were seen by small investors as identifying an opportunity to make a financial killing.

52 *Financial Times*, 15 December 1899.

53 NAZ N9/3/3, Native Commissioner, Lomagundi, quarterly report for period ending 30 September 1900.

54 See, for example, *Financial News*, 1 January 1901.

55 NAZ, N3/22/8, 'Native names of mines', n.d.

56 Charles van Onselen, *Chibaro: African mine labour in Southern Rhodesia 1900–1933*, London: Pluto Press, 1976, p. 236.

57 *African Review*, 29 September 1900.

By contrast to the snail's pace of events on the ground in Lomagundi, matters now began to move rapidly in the City. The inner circle of the BSA Company became directly involved in the Ayrshire's affairs. Towards the end of the year, Edwards and Ewer Jones, the mine manager, had made the long journey to London, where they enthralled the LDC's annual general meeting with glowing reports of the mine's progress and prospects. The Ayrshire, declared Edwards, 'contains the finest and most compact body of gold ore in Rhodesia ... and is likely to be one of ... [its] best gold mines ... It is the class of proposition that might end up with a 200-stamp mill instead of 100.' Both readily lent their names to the claim that in the Ayrshire the company had 'a property that was excelled by none in South Africa, and was equalled by only two or three of the Rand mines'.<sup>58</sup>

Nothing was left to chance. The board of the LDC had earlier been reconstituted to include a BSA Company nominee, Hans Sauer, an intimate of Rhodes from his Kimberley diamond field days. One paper helpfully explained that Sauer was 'a trustworthy and experienced authority ... who is recognized as one of the shrewdest men in Rhodesia, and, moreover, little likely to commit himself to statements which are not of the most solid and authentic nature'.<sup>59</sup> Leading articles placed in the more pliant sections of the London financial press were 'most useful',<sup>60</sup> and by March 1901 plans to float a subsidiary, the Ayrshire Gold Mine and Lomagunda Railway (AGMLR) Company Ltd, were well advanced. 'Sauer has just been here to lunch', noted Wilson Fox, the BSA Company's London Office secretary, 'and I have been discussing with him the flotation of the Ayrshire'.

A further inducement to investors was provision for the construction of a light railway line – this at a time when transport rates beyond major railheads were upwards of £100 per ton by ox-drawn wagon.

Probably a Mining and Railway Company will be formed so as to provide for the capital for the connection of Salisbury with the Lomagunda District by a 2-foot gauge line, using the old Beira plant ... The idea would be to find enough capital on Debentures to build the line and equip the mine on the basis of a 100-head mill. For this, roughly £250,000 would be required. I have great hopes that it will all be settled next week.<sup>61</sup>

As Wilson Fox explained in a lengthy letter to Rhodes, the brilliance of the scheme lay in its capital structure. The nominal capital of the AGMLR was only £400,000 in £1 shares, of which £200,000 went to the LDC for the purchase of property and £100,000 to the BSA Company under Rhodesian mining law. By Witwatersrand standards this was an extremely modest capitalization. But if the Ayrshire were anything like as rich as the market had been led to believe, the dividends payable on such a comparatively small capital would be huge. The real bonus, however, was that the resulting demand for shares would massively increase

58 *Financial News*, 1 January 1901.

59 *Rhodesia*, 15 April 1899. For Sauer's bland memoirs, see Hans Sauer, *Ex Africa*, London: Geoffrey Bles, 1937.

60 NAZ, A1/5/3, H. Wilson Fox to W. Milton, 15 March 1901. Both articles appeared in the *Financial News*, for which see Dilwyn Porter, "'A trusted guide to the investing public": Harry Marks and the *Financial News* 1884–1916', *Business History*, 28, 1986, pp. 1–17.

61 NAZ, A1/5/3, Wilson Fox to Milton, 8 March 1901. See also Ian Phimister, *An economic and social history of Zimbabwe 1890–1948: capital accumulation and class struggle*, London: Longman, 1988, p. 22.

the Chartered Company's windfall profits, 'as, if present market prices can be taken as a guide to the value of the Ayrshire property, the shares of the new Company should be quoted at certainly not less than £3 on the day of issue'. Certainly the parent companies of the AGMLR Company made huge profits on their vendors' shares, the LDC declaring an interim dividend of 20% in 1902. Frequently interrupted by applause, the chairman revealed that, whereas the cost to the company of their 200,000 £1 shares in the AGMLR Company had been c.£182,000, their present market value was c.£959,000. The issue of £250,000 5½% debentures (that is, interest-bearing shares) to be used for railway construction and the equipment of the mine appeared separately. Their interest would be guaranteed for twenty years by the BSA Company and the Rhodesia Exploration Company, and they were exchangeable 'at any time within five years for shares of the new Company at £4 per share'.<sup>62</sup>

Sections of the financial press were much taken by the scheme. 'The arrangement by which the mine and railway company issues debentures, either redeemable in cash or convertible into shares, is a most ingenious one', declared the *African Review*. 'We may be sure the Chartered Company would not have guaranteed four-elevenths of the interest on these debentures if the venture had not been a thoroughly promising one.'<sup>63</sup> Starved of investment opportunities by the never-ending South African War, the City snapped them up. Rhodes was told that 'Applications have already been received for the underwriting of the whole of the debentures so that success is now practically assured.'<sup>64</sup> By the beginning of April the deal was done.<sup>65</sup>

The prospectus was a classic of its kind, claiming that the 'auriferous deposit is of a very exceptional character consisting of a diorite dyke of great size which has been traced through the property for a distance of 4500 feet and proved to a depth of 500 feet by boreholes ... In the exploration work up to date there has been a remarkable absence of faults and throws.' The public was further assured that while 'the total ore developed [to date] is approximately 40,000 tons, of an average value ... of 13 dwts. of fine gold', the fact that 'the reef more than maintains its size and value in depth' meant that the 'overall' ore contents of the mine could safely be estimated at approximately 469,000 tons. Investors could also take comfort from the fact that the Chartered Company's resident engineer, E. H. Garthwaite, had pronounced positively on the mine. 'From the foregoing data', concluded the prospectus, 'it will be seen that the Ayrshire is a property of immense possibilities, and from present developments offers splendid prospects of becoming a successful mining venture.'<sup>66</sup> In addition to the ubiquitous Sauer, the AGMLR Company's board of directors comprised Wilson Fox, the BSA Company's manager; J. F. Jones, the BSA Company's joint

62 RH, MSS Afr. S228, C19, Wilson Fox to Rhodes, 15 March 1901; *Financial News*, 28 November 1902.

63 *African Review*, 8 June 1901.

64 RH, MSS Afr. S228, C19, Wilson Fox to Rhodes, 15 March 1901.

65 NAZ, A11/2/16/6, Secretary, Lomagunda Development Company Ltd, to the Secretary, BSA Company Ltd, 4 April 1901; reply of same date. See also NAZ, M3/3/5, 'Memorandum of Agreement ... between the Lomagunda Development Company ... of the first part; The British South Africa Company ... of the second part; and the Ayrshire Gold Mine and Lomagunda Railway Company Limited ... of the third part'.

66 NAZ, A11/2/16/6, 'Prospectus of Ayrshire Gold Mine and Lomagunda Railway Company Ltd, March 1901'.

manager and secretary; Leigh Hoskyns, a director on the board of Consolidated Gold Fields; and A. K. Tharp of the National Mutual Life Assurance Society.<sup>67</sup>

So infectious was the mood of manufactured optimism that few observers remained immune. When the second edition of J. H. Curle's highly regarded *The Gold Mines of the World* appeared early in 1902, the Ayrshire was hailed as 'a fine property'. Although the book's influential author acknowledged that the claimed tonnage was 'rather an inference of what may be there ... than an estimate of ore actually in sight', he still described the Ayrshire as 'a mine of big possibilities'.<sup>68</sup> Even as Curle's international readership digested this share-market tip, others threw caution to the winds. Ignoring past warnings sounded in its own pages, the London-based *African Review* determined that the mine was 'one of the best yet proved in Rhodesia'.<sup>69</sup> Only the *Financial Times* held back. While agreeing that, of those Rhodesian gold mines that had 'not yet reached the producing stage', the Ayrshire seemed 'much the best', the paper warned that this assessment was already reflected in the company's £400,000 capitalization. Unlike the Witwatersrand's basket formation (a compact siliceous conglomerate) in which gold occurred more or less regularly, Rhodesian gold reefs were quartz. Liable to 'pinch out' unexpectedly, they were 'generally narrow, or where wide mainly of low grade'. This being the case, 'there should be a prospect of big dividends to cover risks, but on a heavy capitalization ... such results are practically impossible'.<sup>70</sup>

## Local dynastic politics

The picture painted in London bore little relation to the situation at the mine itself or the area surrounding it. With Chartered Company eyes fixed on London's mining share market, little time and effort was wasted on the expensive business of establishing colonial rule in the Lomagundi district and beyond. There was no point. Once the punitive frenzy of the period immediately after the risings subsided, many chiefs were left undisturbed. The number and strength of the *varungu* – that is, BSA Company officials – actually declined. In 1897 they abandoned Fort Ruia near the frontier. The summer of 1898/99 saw the police garrison withdrawn from Mount Darwin. This withdrawal and the inability of the Portuguese government to establish 'effective occupation' on its side of the ill-defined boundary meant that at the turn of the twentieth century north-eastern Mashonaland up to the Zambezi river was as independent of foreign control as it had ever been. The administration in Fort Salisbury admitted as much. An internal memorandum conceded that so long as the boundary was not delimited, the Native Department 'cannot undertake the proper control and protection of the natives living on the British side of it, nor collect the hut tax'.<sup>71</sup> Nothing had been done by the time that the South African War broke out in October 1899,

67 RH, MSS Afr. S228, C19, Wilson Fox to Rhodes, 23 March 1901.

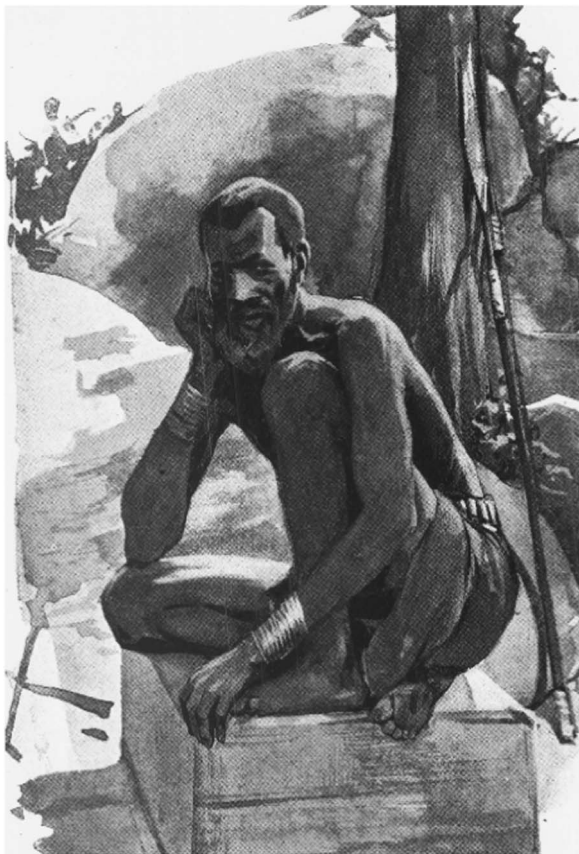
68 James Herbert Curle, *The gold mines of the world*, London: Waterlow & Sons, 1902, p. 115. Curle was for many years *The Economist's* mining correspondent.

69 *African Review*, 4 May 1901.

70 *Financial Times*, 16 April 1902.

71 Philip Warhurst, 'A troubled frontier: north-eastern Mashonaland, 1898–1906', *African Affairs*, 77, 1978, pp. 215–19.

Figure 3. Mapondera, late 1880s. Source: National Archives of Zimbabwe.



and when it initially went badly for British forces, additional troops had to be withdrawn from Rhodesia. In May 1900 the native commissioner for North Mazoe reported that ‘it is a common rumour among the people that the Boers are driving us back everywhere, and that there are very few of us left’.<sup>72</sup>

Worried about African unrest while the South African War was raging, the Chartered Company Administration kept a wary eye on the region’s independently minded chiefs. One leader in particular attracted their attention, Mapondera of the Negomo dynasty (Figure 3). Overlapping with the area influenced by Charwe, medium of the Nehanda Mhondoro spirit, and only recently dynamited into uneasy submission, the western reaches of Negomo territory encompassed what became the Ayrshire mine (see Figure 1). This mattered less, however, than the fact that Mapondera and his followers operated pretty much wherever they pleased during this period. At the end of the 1880s, when foreigners were taking an increasing interest in the region, a Goan trader was allowed to establish himself at Nyota,

<sup>72</sup> *Ibid.*, p. 216.



Maondera's birthplace, and fly the Portuguese flag.<sup>73</sup> But in September 1889, Maondera signed a concession with the hunter Frederick Courtney Selous. In return for conceding mineral rights to a large area over which he had no control whatsoever, he obtained the promise of trade goods worth £100 p.a. and 1.5% of any profits. In doing this, he was in effect declaring himself independent of the ruling Negomo.

Over the next four years or so, while the Chartered Company gradually made its presence felt in the country around Fort Salisbury, Maondera continued to go his own way. In July 1894 he and his followers abruptly abandoned Nyota. The previous year he had staged a brutal raid against the Chipadze people, and it seems that his neighbours combined to force him to leave the district.<sup>74</sup> Maondera removed himself to the Dande river, near the escarpment overlooking the Zambezi valley, effectively beyond the reach of either the British *varungu* or the Portuguese *vazungu*. For the next six years or so, he and his followers, almost all of whom were related to him by blood or marriage, contented themselves with raids on nearby villages for women and grain. They played no part in the 1896–98 *zimurenga* in the Lomagundi and Mazowe districts. But in April and June 1900, two raids by Maondera's band deep inside northern Mashonaland alarmed the administration in Salisbury. As the last of these actions had involved the defeat of a government patrol coincidentally in the area, the BSA Company determined to go after Maondera. 'Don't you know that they tried to make me pay hut tax [in] the Mazowe district and failed to do so but killed my son there', Maondera was reported as having told a Zambezi valley villager. 'If they come and attack me again I mean to go right away north of the Zambezi to Mpuruma's kraal.'<sup>75</sup>

With War Office permission, battalions of the Imperial Yeomanry, then in transit through Rhodesia on their way to South Africa, were deployed against Maondera. To reach him, they marched north-west from Salisbury to the Ayrshire mine and on to Sipolilo. 'Black were the reports of the country where the outlaw had made his home; of the malaria that ran rampant through its wooden valleys; of the trackless hill ranges they would have to cross', recorded one of the expedition's officers.<sup>76</sup> From Salisbury it took twelve days to reach the Ayrshire and a further three to gain Sipolilo. English newspaper readers were informed that it was a

tale of weary trekking o'er bad roads – if roads they may be called. Of transport getting stuck in wide and rapid rivers. Of burning sun by day, and of nights passed in the bitter cold ... Of watchful guards and huge fires through the night, necessary to protect the horses from the lions and other beasts of prey which prowled nightly round the camp. ... Sometimes in the narrow forest path, the oxen would swerve, running the wheel of a wagon round the wrong side of a tree. Then it was 'out axes', for you can't manoeuvre a transport wagon and sixteen ox-team like two mules in a

73 What follows is drawn from Ian Phimister, 'Maondera, Kadungure (c.1840s–1904)', in Henry Matthew and Brian Harrison, eds., *Oxford Dictionary of National Biography*, Oxford: Oxford University Press, 2004, vol. 36, pp. 586–7.

74 Beach, *Maondera*, pp. 27, 29.

75 *Ibid.*, pp. 31–2, 33.

76 Sharrad H. Gilbert, *Rhodesia and after: being the story of the 17th and 18th battalions of Imperial Yeomanry in South Africa*, London: Simpkin Marshall, Hamilton, Kent & Co., 1901, p. 99. See the map facing p. 13 for the route taken by the Imperial Yeomanry to Maondera's land.

Cape-cart. And the tree would have to fall before the column could proceed on its way – to the next obstruction.<sup>77</sup>

In the event, Mapondera and his followers slipped away from their lumbering pursuers, but had to abandon villages and crops which the British forces then burned to the ground.<sup>78</sup>

By October 1900 Mapondera was on the lower Ruya river, where he was exacting tribute from the established population as he attempted to found a new dynasty. Seemingly secure in remote country still beyond the reach of either the British or the Portuguese authorities, he and a loose coalition of local allies staged a daring counter-attack in March 1901 ‘to regain the country [the tributary area] that had been taken by the *varungu*, as well as certain women and cattle’.<sup>79</sup> Involving several hundred men on each side, the battle of Matitima ended indecisively. For the inhabitants of north-eastern Mashonaland it marked merely the latest in a long line of inconclusive clashes between local people and outsiders, especially as subsequent Chartered Company campaigns against Mapondera all petered out once he moved in January 1902 out of what was believed to be British territory. Leaving him to reach whatever accord he could with the Portuguese, BSA Company forces once again withdrew from the region. They could only operate for a limited period of time before they were decimated by malaria or blackwater fever.<sup>80</sup> To some of Mapondera’s followers the source of their misfortune was increasingly clear. Two white prospectors whose camp was besieged in October 1901 recalled what was shouted at them: ‘Who gave us permission to come up and wash gold and sink pits? The gold was theirs; the district was theirs; they did not want anyone in the country sinking shafts “magodi”. Curses on the English at Salisbury.’<sup>81</sup> To company promoters in London none of it counted for anything. The view was very different from the floor of the stock exchange.

## Fortunes made and lost

Most of what the AGMLR Company prospectus had claimed was nonsense. The BSA Company’s Resident Engineer’s Office was later discredited when a case of fraud was exposed,<sup>82</sup> and disinterested geological opinion soon established how exceptionally complex the Ayrshire’s ore body actually was. Faulting encountered in the mine’s western section became ‘intensive’ as the eastern section approached the sixth (600 feet) level.<sup>83</sup> But

77 *Ibid.*, p. 100.

78 Beach, *Mapondera*, p. 32.

79 *Ibid.*, p. 49.

80 *Ibid.*, pp. 39–47. For Portuguese–Shona encounters, see, variously, David N. Beach, ‘The origins of Mozambique and Zimbabwe: Paiva de Andrada, the Companhia de Mocambique and African diplomacy 1881–1891’, unpublished, 1992; published as ‘As origens de Mocambique e Zimbabwe: Paiva de Andrada, a Companhia de Mocambique e a diplomacia Africana 1881–1891’, *Arquivo*, 13, 1993, pp. 5–80; Eric Axelson, *Portugal and the scramble for Africa*, Johannesburg: Witwatersrand University Press, 1967; Allen Isaacman, *The tradition of resistance in Mozambique: anti-colonial activity in the Zambezi Valley 1850–1921*, London: Heinemann, 1976.

81 NAZ, T2/2/16, ‘Parleying held on the Kopje with rebels and their remarks’, 26 September 1901.

82 *Rhodesia Journal*, 12 August 1909.

83 Gregory, ‘Mining fields’, pp. 81–5; ‘The Ayrshire mine’, *Chamber of Mines Journal*, October 1978, p. 29.

**Figure 4.** Ayrshire mine, main shaft headgear. It was 68 feet high, built of imported pitch pine, and equipped with three-ton and one-ton skips. Source: National Archives of Zimbabwe.



outsiders could not have known this. An injudicious admission some years previously that the ore body was not all it was cracked up to be had been silenced.<sup>84</sup> Prudent investors doubtlessly avoided Rhodesian shares in any case; the less cautious went on regardless. Heavy expenditure on the main shaft and surface plant was taken as proof of the Ayrshire's extraordinary richness rather than evidence of reckless extravagance. With the exception of the railway where the BSA Company discreetly recycled two-foot track from the recently upgraded Beira–Umtali [Mutare] line, money was lavished on equipment. The main shaft, named in memory of Edwards after he too succumbed to blackwater fever in July 1901, comprised four compartments, each 4 feet 6 inches by 5 feet 6 inches. It ultimately cost over £30 per foot to sink, an unheard of sum for the place and time.<sup>85</sup> Nor was any expense spared on the mine's surface layout and equipment (see Figure 4). At a time when second-hand crushers were readily available, all the Ayrshire's machinery was imported brand new. When the property was visited towards the end of 1902 by local journalists, they were shown around smiths', fitters', and carpenters' shops equipped from top to bottom with modern tools and appliances, and told that all mine buildings and underground shaft stations would be lighted electrically.<sup>86</sup>

South African contractors, originally engaged to erect the prefabricated sections of the mill, had gone on to build a spacious hotel to accommodate visiting dignitaries (Figure 5). It also served as a place of relaxation for the dozen or so white miners then employed on the Ayrshire. Under the management of Mr 'Ballyhooly' Kerr, it offered a billiard room with two tables, as well as other forms of entertainment. For a brief interlude it housed a diminutive exotic dancer, one Fanny Marks. Reputedly trained in Cape Town by the notorious

84 *African Review*, 28 December 1895 and 17 October 1896.

85 Stagman, 'Geology', p. 63.

86 *Rhodesia Herald*, 15 November 1902. See also NAZ, LO4/1/11, The Secretary, Rhodesia Exploration & Development Company Ltd., to Mining Commissioner, Salisbury, 16 April 1902.

Figure 5. Ayrshire Mine Hotel. Source: National Archives of Zimbabwe.



impresario Joseph Silver, whose activities had come to the attention of police forces on several continents, her display of ‘cigar rolling’ lingered in the memories of those privileged to witness it long after the mine had closed down. The hotel, reported Salisbury’s daily paper, ‘is a veritable palace on the veld, as one would expect from the large amount of expenditure involved in its erection. It occupies a pleasant site, is surrounded by a fine verandah, and in appearance generally, as well as internal equipment, is equal to anything in town.’ This outlay alone was in the region of £10,000, ‘bringing the grand total of [surface] expenditure to £250,024’, or so it was claimed.<sup>87</sup>

If the AGMLR Company could afford to spend money on this scale, it was clearly a good bet. At the London Wall head office of the BSA Company it was noted with satisfaction that ‘all good Rhodesian stocks ... participated in the rise’ after Sauer had ‘talked Lomagundas up to fabulous prices’. Still better was the news that ‘they propose with the assistance of L. Hirsch and Co. to make a market in Ayrshires after the New Year’.<sup>88</sup> A boom ensued. ‘All our subsidiary companies are raising money’, Wilson Fox informed the administrator of Southern Rhodesia in February 1902, ‘and Sauer as you may imagine is in the thick of it’.<sup>89</sup> AGMLR Company shareholders were reminded that

In my address last year ... I told you that the mine consisted of two sections, the eastern and the western. Since then further development of the mine has proved another valuable section, which is now referred to as the central section. This latest discovery has greatly enhanced the prospect of the Ayrshire Company. Mr. Jones, in speaking of the bore-holes sunk during the past twelve months, says: ‘These bore-holes have ... proved brilliantly successful, the results obtained not only “placing the mine beyond cavil”, to quote [the late] Mr. Edwards, “showing it to be an exceptionally

87 *Rhodesia Herald*, 18 October 1902. For Marks, see my interview with R. Hutchings, Bindura, 10 April 1990 (transcript in the author’s possession; original interview deposited with the National Archives of Zimbabwe). For Silver, see Charles van Onselen, *The fox and the flies: the world of Joseph Silver, racketeer and psychopath*, London: Jonathan Cape Ltd, 2007.

88 NAZ, A1/5/3, Wilson Fox to Milton, 24 December 1901.

89 NAZ, A1/5/4, Wilson Fox to Milton, 1 February 1902.

good low-grade proposition, and the most valuable one I have seen in Rhodesia”, but also suggesting great possibility of increased value in depth.<sup>90</sup>

No-one outside the Chartered Company’s inner circle knew that Ewer Jones, Edwards’ successor, had long since curtailed the mine’s drilling programme.<sup>91</sup> Development proceeded at a leisurely pace in order to take advantage of a rising market. Paulings Ltd, the railway contractors, took eighteen months to lay 80 miles of minimally ballasted light line. By December 1902, the much-vaunted Edwards Shaft was only 260 feet deep.<sup>92</sup> It all meant that the moment of truth was postponed for as long as possible, because, as well-informed visitors to Southern Rhodesia had discovered on other occasions, ‘when output begins, speculation ceases’.<sup>93</sup> Until that moment arrived, however, the game went merrily on. The LDC, the parent company from which the AGMLR Company had been spun off, declared a dividend of 20%. Other associated exploring and subsidiary development companies followed suit.<sup>94</sup> In the last few months of 1903, the Ayrshire’s own issued capital nearly doubled, an increase all the more remarkable at a time when the market was generally ‘in no mood to absorb fresh issues of speculative capital’.<sup>95</sup> These developments followed closely on Sauer’s well-publicized visit to the mine earlier in the year. All was well in the best of all possible worlds. Developments were progressing ‘most favourably’; the railway was ‘running well’; work was being ‘pushed on with energy’; and African labour was ‘plentiful’. Best of all, pay ore had been struck in the central section. As the area had previously been thought to be ‘practically worthless’, this discovery would ‘appreciably increase the value of the mine’.<sup>96</sup>

In May 1904 the first thirty stamps started crushing (Figure 6). They did so accompanied by a barrage of publicity. ‘From the Ayrshire the latest news received is most satisfactory’, declared London’s *Sunday Times*. ‘The mine is two years ahead of the mill, and the fourth level has shown great improvement over the third level, some very rich ore having recently been met with in the western section.’ In the eastern part of the mine, continued the newspaper, ‘the pay chute has been found to extend considerably further than in the upper levels ... Richer ore has also been encountered in this section.’<sup>97</sup> The *African Review* declared that ‘Under these circumstances the mine will have started producing under very fair conditions indeed.’<sup>98</sup> What more could be asked of a mine that it become richer as it went deeper? The Ayrshire, it was widely reported south of the Limpopo, ‘is responsible for most ... of the record output in Rhodesia. Improved returns are expected for June, and again for July, after which steady normal figures will be maintained.’<sup>99</sup>

90 *African Review*, 4 January 1902.

91 Stagman, ‘Geology’, p. 62.

92 ‘The Ayrshire mine’, p. 28. See also George H. Tanser, *A sequence of time: the story of Salisbury, Rhodesia, 1900–1914*, Salisbury, Rhodesia: Pioneer Head, 1974, p. 94.

93 Thomson, *Rhodesia and its government*, 48.

94 *The Critic*, 6 December 1902.

95 NAZ, A11/2/18/7, Sir Lewis Michell to Secretary, BSA Company, 2 November 1903.

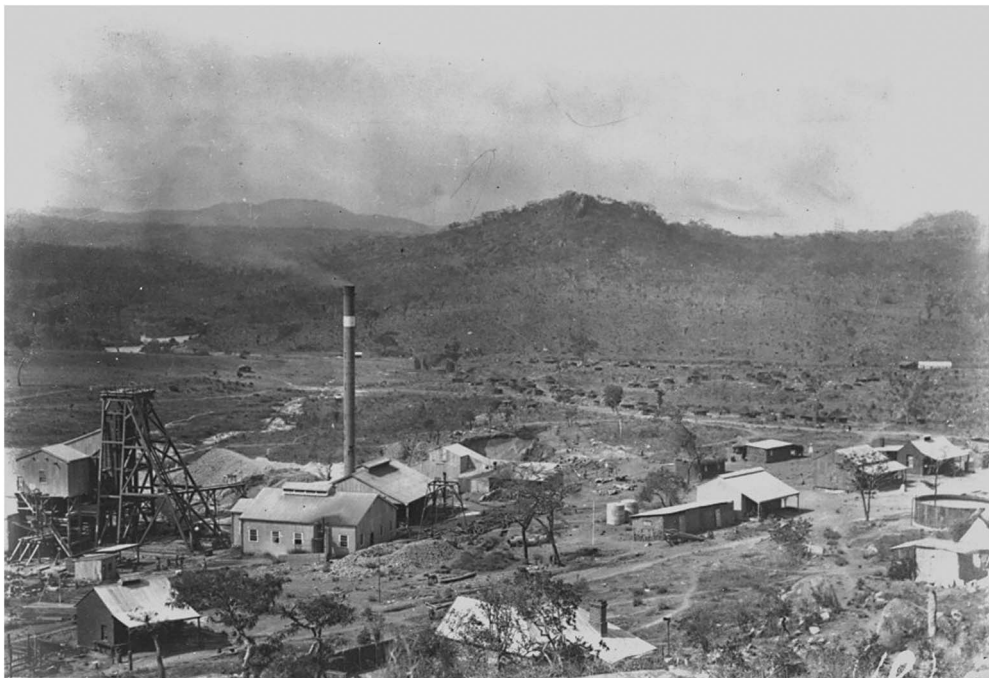
96 *African Review*, 25 April 1903.

97 *Sunday Times*, 12 June 1904.

98 *African Review*, 21 May 1904.

99 *South African Mines, Commerce and Industry*, 27 August 1904.

Figure 6. Ayrshire mine, general view, c.1904. Source: National Archives of Zimbabwe.



That day never dawned. As early as 1902, proven ore reserves had already fallen behind target. Over the next two years the gap between what was actually underground and what investors were told there was widened inexorably. Once the mill started running it soon outpaced the mine's reserves. Equally bad news soon followed. Within months, the average grade of ore recovered fell away dramatically. Only later did it emerge that the Edwards Shaft had been sunk in the worst possible place. By stopping the diamond-drilling programme, Jones failed to pick up the barren area between the mine's western and eastern sections. Consequently, there was a large amount of dead footage required on each level before any ore was reached. The surface layout, once praised as 'picturesque', was found in practice to be thoroughly uneconomical. The 'unnecessarily long' surface haulage was prone to break down and expensive to run.<sup>100</sup>

For a brief period, the AGMLR Company brazened it out. Appearances were everything and lost nothing in their presentation to local and international audiences: 'A few years ago, where these splendid engines so handsomely housed stand, was nothing but bare veld, and the former night haunts of wild beasts is now occupied by brilliantly lit up buildings ... all tend to give the Ayrshire a prosperous and important appearance.'<sup>101</sup> But rumours that things were not what they seemed soon reached an ever-widening circle. The first hard

100 Paragraph based on Gregory, 'Mining fields'; 'The Ayrshire mine'; and Stagman, 'Geology', *passim*. See also 'Sidelights on Rhodesian gold mining', *Rhodesian Mining Journal*, April 1935.

101 *Rhodesian Times*, 5 May 1904. See also *Bulawayo Chronicle*, 21 May 1904; *Rhodesia Herald*, 12 May 1904.

figures quickly followed: ‘Crushing with 30 stamps in May, the recovery was equal to £1 1s 8d per ton, while the working costs (including charges for development and depreciation of plant) were £1 3s 3d per ton – loss, 1s 7d per ton. In June, with 60 stamps running, there was a slight improvement. ... These are not exactly exhilarating results.’<sup>102</sup> Even this disappointing output could not be sustained. With each passing month it worsened, causing the South African correspondent of *The Economist* to fulminate in December 1904 that

the handling of the Ayrshire has been an object lesson in how *not* to run a mine. ... There is reason to think that the orebodies are not nearly so continuous as earlier boreholes led one to think. ... The only thing lacking at the Ayrshire, which stands in the market at £700,000, with an additional debenture issue of £250,000, is ore ... my advice to those who hold shares is to ‘come in out of the wet’.<sup>103</sup>

By then it was too late. Those in the know had long since gone indoors.

If the world constructed by London was coming to a close, so too was the one made in Lomagundi. While never entirely free to make their own history in circumstances of London’s choosing, Mapondera and his followers enjoyed considerable autonomy for extended periods of time precisely because share-market speculation and company-mongering had no immediate need for thoroughgoing colonial conquest. This permitted the pursuit of local dynastic interests in Lomagundi, even as it made possible occasional clashes with colonial and imperial forces on more or less equal terms. The inconclusive outcome of the battle of Matitima one year previously was evidence of this. At the same time, Mapondera and other local rulers made skilful use of emerging imperial rivalries and ill-defined colonial boundaries to move from one side to the other. Change was coming but it did not happen overnight.

One report in April 1902 concluded:

From the Portuguese boundary to and including Pungwe, it is most unsafe for White men to proceed, except in strong parties and being constantly on the alert. Until a strong garrison is put on the Mazoe itself either at the junction of the Nysdiri or at Mapika’s Kraal, junction of the Mseka river, all Europeans proceeding there should be warned. Europeans paying more than a flying visit will be surely raided by the renegades and natives from the North, who have always been bad, even before the arrival of Mapondera and his gang in that locality, and they always will be until conquered, and mining will be kept at a standstill.<sup>104</sup>

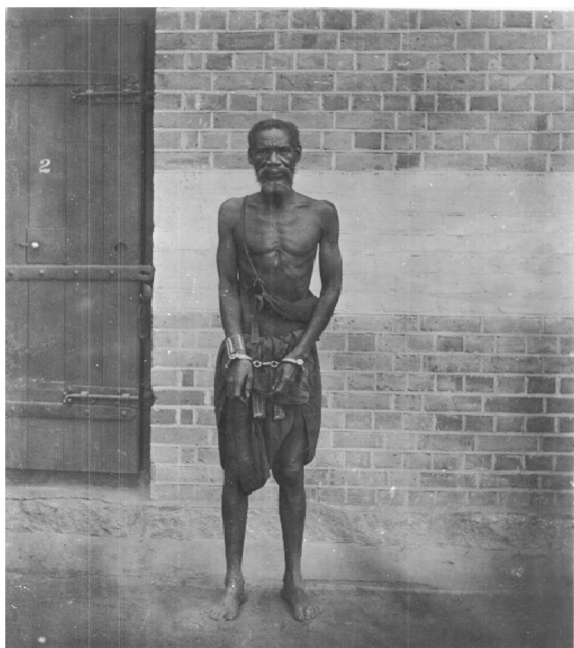
Mapondera was subsequently employed by the Portuguese in their campaign against the Makombe dynasty of Barwe. It appears that he was taken prisoner at some stage by Makombe, but got away in the general confusion that accompanied the end of the Barwe war in October 1902. ‘The rebel Mapondera ... is reported to be serving the Portuguese government’, the authorities in Salisbury were informed, ‘and narrowly escaped with his life recently when sent to Makombe to demand his surrender – one of his party having been

<sup>102</sup> *The Critic*, 3 December 1904.

<sup>103</sup> *The Economist*, 17 December 1904.

<sup>104</sup> NAZ, LO4/1/11, H. Newman Smith to Mining Commissioner, Salisbury, 7 April 1902.

Figure 7. Mapondera as a prisoner, 1904. Source: National Archives of Zimbabwe.



shot.<sup>105</sup> With his remaining followers starving and desperate to plant crops for the coming season, Mapondera returned to Negomo's territory, where in September 1903 he surrendered, much to the surprise of the Chartered Administration (see Figure 7). In the event, he treated his trial with 'a degree of levity, and danced on hearing his 7 year sentence'. Yet less than two months later, on 20 June 1904, he died in Salisbury prison. His family believed he had committed suicide: 'though I may serve that sentence and go out of gaol, what am I going to do, the chieftainship has gone, the country has gone'.<sup>106</sup>

## Conclusions

The portal of globalization opened by speculative interests based in the City of London ultimately changed everything but initially transformed very little in north-eastern Mashonaland. For the City's market makers, appearances were all that mattered. In the case of the Ayrshire Gold Mine and Lomagunda Railway Company, these encompassed a dazzling prospectus, glowing reports, and shiny new buildings and equipment. The illusion created lasted as long as it did not only because of the mine's convenient remoteness but also because of the willing suspension of disbelief by credulous investors: 'They were offered ridiculous profits, and their greed got the better of their commonsense.'<sup>107</sup> Because working capital was allocated more to impress than produce, most of the capital flowing through and

105 NAZ, LO4/1/11, Assistant Native Commissioner, North Mazoe, July 1902.

106 Beach, *Mapondera*, pp. 54, 55.

107 Hyatt, *Off the main track*, pp. 117–18.



around the Ayrshire stuck to its parent company and their subsidiaries and powerful patrons. In short, it remained in London and the Home Counties.

This feature of the London Stock Exchange's southern African mining market suggests that conventional measures of globalization need refinement. Nineteenth-century globalization involved 'increasing transfers of commodities, people, capital, and ideas between and within continents', but measures of integration focused on the 'growing volume of these international flows' miss the point that their origin was sometimes their destination.<sup>108</sup> Formulations concerning 'regions that had only sporadic contact with the global economy, like most of the African continent' do not go far enough. Even where they point to the effects of the global economic division of labour, and the establishment of enclaves 'that were not ... integrated into the local economy but were instead geared completely to the world market',<sup>109</sup> they too pass over the creation of self-contained speculative operations geared to the expectations of London's financial markets. Largely divorced from the local economy, this kind of activity neither required nor caused lasting structural change.

The sprawling virtual reality built for the stock market left a disproportionately small footprint on the ground. Maondera and other local rulers were left to their own devices. This meant that the Lomagundi district between 1894 and 1904 was as free of foreign control as it had ever been. Yet local was not parochial. Older patterns of integration into Portuguese and Indian Ocean trade networks survived the arrival of the British. They proved more enduring than either the fragile telegraph lines over which London's financial business was conducted or the light railway line lifted and sold off within a year of the original scheme's collapse.<sup>110</sup> So ephemeral and fleeting was the *varungu* presence in the Lomagundi and Mazowe districts during the period under discussion that local politics of dynastic accommodation only gradually gave way to global dynamics of dispossession and accumulation.

Interactions between the universal and the local are, of course, well-established fixtures in an expanding body of academic literature.<sup>111</sup> Studies of the interactions between localities and the forces of globalization shaping particular colonial experiences have proliferated in recent years, emphasizing synergy and the development of hybrid social and institutional frameworks.<sup>112</sup> Other perspectives have pointed towards the 'simultaneity of spatial references of social action and their consolidation', inviting calls for 'histories that describe the meshing and shifting of different spatial references'.<sup>113</sup> There is much here that accords

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108 Daudin, Morys, and O'Rourke, 'Globalization', p. 6.

109 Osterhammel and Petersson, *Globalization*, pp. 86–7.

110 *The Economist*, 23 December 1905.

111 The literature is voluminous, but see especially A. G. Hopkins, ed., *Globalization in world history*, London: W.W. Norton, 2002; A. G. Hopkins, ed., *Global history: interactions between the universal and the local*, Basingstoke: Palgrave Macmillan, 2006; Gary B. Magee and Andrew S. Thompson, *Empire and globalisation: networks of people, goods and capital in the British world, c.1850–1914*, Cambridge: Cambridge University Press, 2010; Osterhammel and Petersson, *Globalization*; Keith Hanley and Greg Kucich, eds., *Nineteenth-century worlds: global formations past and present*, Abingdon: Routledge, 2008; and Daudin, Morys, and O'Rourke, 'Globalization', pp. 5–29.

112 Bryna Goodman and David S. G. Goodman, eds., *Twentieth-century colonialism and China: localities, the everyday, and the world*, London: Routledge, 2012, p. 15.

113 Matthias Middell and Katja Naumann, 'Global history and the spatial turn: from the impact of area studies to the study of critical junctures of globalization', *Journal of Global History*, 5, 2010, pp. 162, 161.

with this latter call. Differentiating between ‘relatively long periods, where the change in world regions was not a simultaneous one, and shorter periods – critical junctures of globalization – when the processes of change evolved at the same time and became synchronous’, Matthias Middell and Katja Naumann have argued that because the emergence of new world orders were ‘immediately rationalized (among others, by historical master narratives) ... the limitations of territorialization, its exclusions, and above all the complex process of its enforcement are barely visible’.<sup>114</sup>

The ‘critical juncture of globalization’ approached through the case study detailed above has attempted to do just that. It has sought to make visible a process previously flattened by historical master narratives. In particular, it invites further consideration of Tony Hopkins’ observation that ‘under certain circumstances, the process [of globalization] reinforced rather than destroyed local affiliations’.<sup>115</sup> Interaction between the universal and the local in this instance was seemingly not about synergy and hybridity. The focus of London and the concerns of Lomagundi tended to reinforce autonomy. Interaction between the global forces of speculative mining capital and the local inhabitants of South-Central Africa may have been part of an ‘interconnected whole’,<sup>116</sup> but close inspection suggests that in this place and time, the whole was less than the sum of the parts.

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114 *Ibid.*, p. 167.

115 A. G. Hopkins, ‘Introduction: interactions between the universal and the local’, in Hopkins, *Global history*, p. 6.

116 William H. McNeill, ‘Afterword: world history and globalization’, in Hopkins, *Global history*, p. 290.