

**Ian Phimister, *Bulls, Bears, Boers and Brits: Finance and the Coming of War in Southern Africa, 1894–1899* (Leiden & Boston: Brill, 2025)**

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Review published in *Business History Review*:

<https://doi.org/10.1017/S0007680525101219>

The central historical claim about South Africa's vast gold industry is that it was focused ruthlessly on minimizing costs and maximizing output. This claim rests on the fact that there was a theoretically unlimited market for gold, but gold could only be sold at a fixed price, and the industry had no control over that price. Any rise in production costs therefore cut directly into profits.

Much flows from this claim: the long-term suppression of African mineworkers' wages, the migrant labor system with accompanying rural poverty, racial segregation in the industry, and that industry leaders conspired to engineer Britain's largest conflict in a century, the South African War (1899–1902). Whether the gold industry sought to overthrow the Transvaal Republic—because the republic's taxation policy and general obstinacy were raising production costs and retarding progress—was the subject of considerable debate in the 1970s and 1980s.

Ian Phimister opens his book on the topic by succinctly summarizing that this entire debate “has gazed fixedly at production” (p. 11). Instead, he turns it in a new direction entirely: toward the role of financial speculation. The book's key argument is that the main business of the gold industry was not the profitable production of gold; it was share manipulation. Most of the hundreds of gold companies established during the 1890s had “little intention of ever turning a profit from mining” and made much more money buying and selling shares” (p. 149).

The figures at the center of the industry—the Randlords such as Cecil Rhodes, Hermann Eckstein, and Barney Barnato—quickly realized that the real rewards in gold were not to be made in digging the stuff out of the ground. These men became extremely wealthy through market manipulation, blatant insider trading, and pump-and-dump schemes, which Phimister unpicks in excoriating detail. Since the interests of the Randlords were primarily swindling investors in London and Paris, they only rarely coincided with British imperial interests. Accordingly, these men had little quarrel with the Boer authorities in Pretoria and little interest in agitating for war.

It is a bold and convincing claim, and Phimister dives straight into the evidence after a brief statement of argument on the opening page. He tackles the subject chronologically over two long chapters: boom (1894–1895) and then bust (1896–1899). The broader context for the boom was the low interest rates in Britain that pushed investors from government bonds and reduced borrowing costs for speculation. At the same time, a burgeoning financial press, whose journalists were readily bribed, enticed investors into riskier ventures. The nature of these usually fraudulent ventures is detailed with copious volumes of evidence drawn from the London financial press and extensive archival research in Britain, South Africa, Australia, and Zimbabwe.

There are inherent difficulties in reconstructing financial manipulation carried out by those who took great care to disguise their actions, but Phimister carefully uncovers the industry's approach. One favored tactic was London brokers buying South African mining shares in Paris and Berlin to give the impression of wider investor confidence and thereby boost the price on the London market. Another was keeping the issued capital of companies artificially low to give the impression of huge dividends per share.

These tactics were highly successful in stoking a boom. The value of Southern African gold mining shares almost trebled during 1894, while the value of gold output rose by a much more modest 12% over the same period. Benefits accrued mostly to insiders through financial engineering, for example, continually reorganizing the capital structure of gold companies. During 1894, for instance, 50 companies ostensibly engaged in mining gold on the Witwatersrand were collectively reorganized 190 times.

Phimister argues that those running the industry both inflated a bubble and then deliberately burst it, profiting both from rising and falling share prices. However, the possibility that the Jameson Raid—a hare-brained scheme to topple the Transvaal Republic that went badly wrong—was primarily carried out to crash the stock market is tantalizingly raised but not proven. Phimister details the suspicions of contemporaries and circumstantial evidence before offering the Scots law verdict that the Randlords were “‘not proven’ guilty but not found innocent” (p. 152).

This is not a book for anyone approaching the topic for the first time. Readers are expected to already know who and what Wernher, Beit & Co. were and have ready familiarity with terms such as “scrip.” There's no glossary to assist the uninitiated. It is also a book firmly focused on the topic at hand and the chronological limits appended to the book's title. As such, there is something of a missed opportunity to compare and comment on the later financial history of the gold industry, which is almost unknown, or on other speculative booms.

This may be because the subsequent financial history is quite staid in comparison with the outrageous manipulations of the 1890s (though the efforts by Anglo American to engineer a hostile takeover of rivals Consolidated Gold Fields in the late 1980s had a similar flavor). The industry does, however, turn to a myopic focus on production and cost-cutting at some stage, and how and why this takes place is worth investigating.

There is real value in moving the locus of study of the gold industry from the deep underground to the international share market. Phimister has also done future historians a great favor by consolidating and clearly presenting a great wealth of statistical information in the book's appendices, including figures on gold production, share prices, dividends, capitalization, and ownership. For historians of Southern Africa in this period, this book will be an unavoidable reference point and a reminder to look beyond prosaic economic and political factors. Financial speculation surely had a hand in other events, too.