



Hamburgische Wissenschaftliche Stiftung
gegründet 1907

Alfred Beit

The Hamburg Diamond King



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by Henning Albrecht

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THE PATRONS OF SCIENCE

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Dedicated to the families who with their generous donations 105 years ago made possible the establishment of the *Hamburg Scientific Foundation* and were instrumental in ensuring that the foundation can continue to promote research and education.

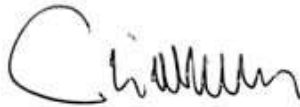
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PUBLISHER'S PREFACE

The Hamburg Scientific Foundation celebrated its centenary in 2007. This is the ninth volume in the series "The Patrons of Science" initiated to mark this occasion. The series covers the history of the foundation, and the individual volumes honour the founders and members of the board of trustees.

The creation of this series reflects our gratitude to those who more than 100 years ago had the courage to create the foundation for promoting the sciences and academic research in Hamburg, and who ensured that this city would have a university. It is furthermore our hope and expectation that future generations will take this as an example.

A handwritten signature in black ink, appearing to read 'E. Nümann', with a large, stylized initial 'E'.

Ekkehard Nümann

ALFRED BEIT: PHILANTHROPIST – FOREWORD BY SIR ALAN MUNRO, CHAIRMAN OF THE BEIT TRUST

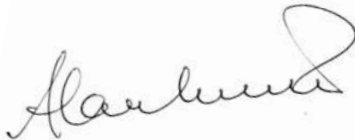
Having gained a considerable personal fortune from his years of involvement in the development of the diamond and gold mining industries in South Africa, Alfred Beit, my great-uncle, became a generous benefactor to charitable causes not only in southern Africa but also in his land of birth, Germany, and his country of adoption, Great Britain. Higher education featured prominently among the causes to which he gave his financial support, and involved generous benefactions to the universities of Hamburg and Cape Town, support for the establishment of the University of Witwatersrand near Johannesburg, and the founding of a Chair of Colonial History at the University of Oxford. Most significant perhaps was his active involvement, political as well as financial and in collaboration with his mining partner, Sir Julius Wernher, the social reformers, Sidney and Beatrice Webb, and even King Edward VII in the creation of a new university college in London for the teaching of science and technology, the prestigious Imperial College.

Alfred Beit's most notable act of philanthropy was the provision through his will, following his death in 1906, of a generous endowment to be dedicated to the establishment of a trust fund for the development and well-being of the territory then known as Rhodesia. Described as being 'for the benefit of the people' this bequest was, particularly for its time, an enlightened act, consistent with what Alfred Beit regarded as Britain's beneficent imperial mission in Africa. In accordance with his wishes this endowment, known as the Beit Trust, continues to play a significant role in the three independent African states of Zimbabwe, Zambia and Malawi. In its initial years of operation the Trust concentrated its activities upon the provision of communications systems – railways, telegraphs, bridges and river causeways, and in due course aviation facilities. These works created the foundations of a transport network, much of which, such as the spectacular bridges over the Limpopo, Zambesi and Sabi rivers, continues to serve today.

But Alfred Beit also took a more far-sighted view of future needs by giving his Trustees discretion to apply resources to the broader objectives of educa-

tion and other charitable purposes. A century on it is this wider spread of activities to which the Trust now devotes its operations, and for which it is best known. Having advantage of the free hand afforded to them, the Trustees have been able to remain faithful to the intentions of the Trust's founder while adapting its operations to the changing needs and circumstances of the beneficial territories and their peoples. The century has seen the Trust move on successively from communications projects to involvement in education, through school and university buildings, libraries and academic fellowships; to health and social welfare with grants for hospitals, staff housing and research programmes as well as orphanages; and in more recent years to successful wildlife conservation programmes. In all this work the development of human resources is seen as every bit as important as provision of physical assets. Humanitarian relief has also been afforded at moments of disaster and emergency.

As well as helping to preserve the close ties existing between Britain and the three African countries with which it is involved, the Trust has also retained the family connection with Alfred Beit himself, in company with trustees who bring their own wide experience of southern Africa. During its first quarter century it was chaired by Alfred's brother, Sir Otto Beit, who himself made a number of generous benefactions for higher education and for the promotion of scientific and medical research. My uncle and predecessor, Sir Alfred Beit, was subsequently chairman of the Trust for nearly fifty years until 1994. A fourth generation of the family is now starting to play its part as the Trust embarks with confidence on its second century, marked by the construction of a children's hospital in Blantyre and a similar project in Lusaka, testimonies to the vision of Alfred Beit and his Trust's commitment to the future.

A handwritten signature in cursive script, appearing to read 'Alan Munro', written in dark ink on a light background.

Alan Munro, Chiswick, 2012

FOREWORD BY STEFANIE SCHÜLER-SPRINGORUM,
FORMER DIRECTOR OF THE
INSTITUTE FOR GERMAN JEWISH HISTORY (HAMBURG)

The Hamburg Scientific Foundation and the Institute for German Jewish History have been closely linked for nearly half a century – a closeness symbolised by the fact that for decades the Institute has been based at Rothenbaumchaussee 7, a house built by Alfred Beit in the 1890s in the eclectic style of the Wilhelmine era.

When a group of Hamburg dignitaries became involved at the beginning of the 1960s in the founding of an institute for the study of German-Jewish history, their plans could only be realised when the Hamburg Scientific Foundation declared its willingness temporarily to assume the trusteeship of such an institution. After some uncertainties, the Institute for German Jewish History was finally founded in November 1964. Half a year later, the Institute was able to move into suitable premises made available by the Hamburg Scientific Foundation at Rothenbaumchaussee 7. After Alfred Beit's death in 1906 the building was left to his youngest brother Otto Beit, who transferred it to the Foundation in the 1920s.

Both the handing over of the building to the Hamburg Scientific Foundation and its partial usage by a research institute would have no doubt been entirely in line with the thinking of Alfred Beit, who, as can now be read in the impressive biography by Henning Albrecht, was always a generous supporter of his home city, in addition to his many international donations.

Alfred Beit was not a Jew. His parents had been baptised shortly after their marriage. Nevertheless, or rather precisely because of this, the story of his life is most typical for the commercial middle class of Hamburg, where Jewish, converted Jewish and Protestant families lived their lives in a closely connected network. The founding mandate of the Institute for German

Jewish History is to research this world, but also to remember its destruction. We therefore particularly welcome the fact that the Hamburg Scientific Foundation is now contributing a further component of this history with a series of biographies on its founding fathers.

S. Schüler-Spring

Stefanie Schüler-Springorum



Alfred Beit (1853-1906)

PROLOGUE

IF you take a walk around the Alster in Hamburg, leave the shoreline at Fährdamm and then follow Pöseldorfer Weg into the fashionable district of Harvestehude, you will see on your right a small, plain side street, Alfred-Beit-Weg. It is about 50 metres long. On your left is the rear of a school and there is no building facing the street, which is a cul-de-sac with a turning area. It does not seem to be a street to commemorate anyone we hold in high regard.

AND yet in a curious way the street is appropriate to the man to whom it owes its name, for during his life he preferred not to be in the foreground, and as far as possible to avoid the limelight. However, Alfred Beit was regarded as one of the richest men of his time. And he was born, nearly 150 years ago, only a street away from here, in Mittelweg.

WITH his apprenticeship in Hamburg and Amsterdam behind him, Beit, the son of an almost forgotten Hamburg business family, left his Hanseatic home city in 1875 to earn two fortunes in diamonds and in gold in South Africa. Later, in 1898, he assumed British citizenship and lived in London. At the end of the 19th century, he was one of the most influential men in South Africa and Rhodesia. He donated vast sums for charitable purposes in all three of the places

where he lived, in Hamburg, in London and above all in South Africa. There his charitable foundations, particularly for the expansion of the infrastructure and the education system, have ensured that he will be remembered, and the organisation which he founded with his will, the Beit Trust, still operates there today.

IN his home city of Hamburg, Alfred Beit was one of the first who was prepared to give financial support to the plan for the founding of a university in 1905. And not in any modest way: in 1905, he willingly donated an unusually high sum that is still impressive by today's standards.

HOWEVER, with his early death in the same year, Beit was soon forgotten, probably not least because the two subsequent world wars caused deep rifts between the nations of Europe, making it more difficult to remember this unusual, internationally oriented philanthropist. Only in 1962 did Hamburg express its gratitude by naming that small street after him.¹

IT recalls a man whose identity, viewed from outside, was subject to a number of tensions: national, religious, cultural and social. Beit was the son of converted Hamburg Jews; he lived in South Africa as a German



Entry to Alfred-Beit-Weg, Hamburg-Harvestehude

businessman, but supported British colonial policy; living in London, he assumed British citizenship, but the upper class took a decidedly reserved view of the nouveau riche Randlord of German and Jewish origin. As a naturalised Briton, Beit tried to act as a political intermediary at a time of growing political tensions between the German Reich and the British Empire, and as a patron he was equally generous in both. Beit was vulnerable in many ways to the prejudices and growing nationalism and racial anti-Semitism of these years, indeed he made a target too good to miss. These attacks probably exacerbated his existing shy-

ness and modesty about being a public figure.

.....
THESE may be the reasons why Hamburg has forgotten Beit for so long. Until now he has been recognised only in English-language works published some decades ago. This book intends to make this unusual man, financier and philanthropist known both to a German public for the first time, and through its English translation to offer a German perspective to a wider public; not least it will bring to the attention of his home city this traveller between the northern and southern hemispheres.

.....
1 Zinnow, Beit-Chronik, p. 58. Parts of Klosterstieg and Pöseldorfer Weg were renamed for this, ibid., p. 58.
.....

THE BEITS IN HAMBURG

ARRIVAL

.....

THE Beits came to Hamburg a long time ago and from far away. In books or articles on Alfred Beit, it is always emphasised that the Beits had been Sephardi Jews,² one of those families of Portuguese Jews who were the first Jews to come to Hamburg after it had become impossible for them to lead a life in harmony with their faith in their home country.

.....

THE Sephardi Jews were something like a Jewish patriciate. They were very proud of their ancestry and often looked down with a certain haughtiness on the Jews of German origin, who were known as Ashkenazi Jews.³

.....

JEWs lived on the Iberian peninsula from the 1st century AD. They were largely tolerated under Arab rule, the Caliphate of Cordoba, and experienced a cultural heyday from the 10th century. However, the reconquista of Spain began about the 11th century. This was the reconquest by the northern Spanish princes of Leon, Castile, Navarre and Aragon, the Christian descendants of those rulers who had resisted the conquest of Iberia by the Arabs and Berbers. The expulsion of the Moors by 1609 was followed by the decay of the ingenious irrigation system, a flourishing agriculture, economy and

culture – an early example of the consequences of religiously based fanaticism and religiously motivated intolerance.⁴

.....

OPPRESSION of the Jews too increased under Christian rule. There were pogroms in Seville as early as 1391. After the conquest of Granada, the last outpost of Moslem rule on the peninsula, and under the rule of the “Catholic kings” Ferdinand II of Aragon and Isabella I of Castile, the pressure on the Jews finally became unbearable. In March 1492, they were faced with the choice of either converting by July, or leaving the country. Tens of thousands of them chose to turn their back on their home country, while others professed their allegiance to Christianity under pressure from the Christians, many however remaining secretly loyal to their faith in private. The Inquisition in Spain and Portugal expanded significantly in the 1530s, with the inquisition methods of the Catholic Church assuming new proportions, with secret police activities. Tens of thousands of compulsorily baptised Jewish converts fled from Portugal and Spain, and found protection mainly in Moslem-controlled areas around the Mediterranean, in the Ottoman Empire including Greece, Thracia, Macedonia, Istanbul and Cairo, and in the north African Maghreb, as well as in Venice.⁵

.....
A smaller number of Sephardis went to northern Europe, where they settled mainly in seaports around the North Sea. Many educated and affluent merchant families went to the Netherlands, Antwerp and Amsterdam, London and – Hamburg.
.....

THE Sephardi Jews were the first Jews to reach Hamburg, in around 1600. Most of them came from Portugal.⁶ It was unlikely to have been the reputation of a republican, more liberal city state portrayed in an early Beit biography which attracted them,⁷ and which was no doubt based on an idealisation of internal relationships in Hamburg for which there is no historical evidence. Hamburg was probably attractive to the migrants more for economic reasons. Many of the Sephardi Jews engaged in capital-intensive lines of business, as wholesalers and in money business. The city on the Elbe with its sea trade offered them good prospects.
.....

THESE merchants with their often extensive family and trade relations, enriched the city's economic structure. The Senate expressly promoted the settlement of the "Portuguese" or "New Christians", as the exiles were called in order to avoid addressing the question of their alien religion. Coming from Spain and Portugal, Jews often played a key role in the trade in precious metals, spices, raw sugar, coffee and tobacco arriving in Europe from the new Spanish and Portuguese colonies in South America. The long wars between Spain, Holland and England made the distribution of these wares in northern Europe highly problematic and risky.⁸
.....

HOWEVER, there is serious doubt about the

accuracy of assigning the Beits to the Sephardis. In around 1611 the first German Jews also came into the Hamburg area.⁹ Unlike the Sephardi Jews they lived almost exclusively outside the city, in Altona, and were more likely to work in the retail trade, as peddlers, pawnbrokers or craftsmen.¹⁰ Some Ashkenazi families did reside in Hamburg itself from the 1620s, probably having fled into the fortified town during the Thirty Years' War.¹¹ When religious zealots from the ranks of the Lutheran clergy advocated the expulsion of the Jews from the city in 1649, only the Ashkenazi Jews were affected. The hundred or so families of mostly wealthier Sephardi Jews remained unmolested, and the Senate expressly warned of the disadvantages for Hamburg trade that could be expected should the "Portuguese" be driven out by harassment.¹² In the end only Ashkenazis who were classed as servants of Sephardi Jews were allowed to remain in the urban area.¹³ On the other hand Sephardi Jews only settled in Altona at the end of the 17th century, as a result of disputes in the Hamburg community.¹⁴
.....

THE wine trader Juda-Löb Reinbach, born ca. 1650 and still named after his place of birth Reinbach (between Bonn and Bad Neuenahr), as was usual among Jews at this time,¹⁵ is the first ancestor of Alfred Beit known by name in the Hamburg area. He died in 1699 in Altona. His son Isaac and his five brothers and sisters also died there, as were all of his immediate descendants who are known to us.¹⁶ This fact, in addition to the Rhineland origin, indicates that they were Ashkenazi Jews.¹⁷ Perhaps claiming Sephardi origin for the Beits is explained by the wish of biographers to surround the family with an aura of "noble origin", and to



Marcus Salomon Beit (1732–1810)

embed its later business success into a long tradition. Not that many of the Ashkenazi Jews were any less successful, although their economic and social progress began somewhat later.¹⁸

ISAAC Reinbach (d. 1724) assumed the name Beit, possibly derived from the Hebrew for “house”. Three of his sons entered the cloth trade, one of them being Salomon Isaac Beit (d. 1772),¹⁹ the great-great grandfather of Alfred Beit. Whether they were Sephardi or Ashkenazi, the industriousness, far-sightedness and business success of the Beits brought them their own place in Hamburg society.

THE BEIT FAMILY

SALOMON had five sons, Levin, Isaac, Raphael, Marcus and Elieser Liepmann, and one daughter, Rebecka. Marcus was the most successful of them in business terms. On September 26th 1770, the Hamburg Senate gave its approval to Marcus Salomon Beit (1732–1810) for the establishment of a silver separating and melting furnace.²⁰ From about 1787, he operated this with his brother Raphael Salomon (1742–1824), Alfred’s great grandfather.²¹

THE Beits’ precious metal separating works became significant for Hamburg’s economy, although there were also other plants of this type. As trading transactions at that time were handled mainly in cash and there were also numerous independent coin systems in Germany and beyond, trade in Hamburg attracted large quantities of different types of coinage of very diverse qualities. The processing of coinage alloys in a gold and silver separating establishment therefore became virtually essential for money changing and banking.²² Moreover, the Hamburger Bank accepted only fine silver in bars from merchants.²³

THANKS to their good connections to the Hamburger Bank, the Beit brothers succeeded in establishing a lead over their competition.²⁴ In 1824, they took over the process which separated gold and silver by means of hot, concentrated sulphuric acid, and which had been developed in 1802 by the Frenchman d’Arcet. The cleaning of the metal gave the process its name: derived from the French verb “affiner” (refine) and the noun “affinage” or “affinement” (for enhance, purify, clean), the place where the

metals are cleaned is called a refinery (Affinerie).²⁵ With their plant, the Beits laid the basis for the large metal processing plant in the south of the city, familiar to everyone in Hamburg today. This was called Norddeutsche Affinerie up to 2009. Its company history began under this name in 1866.

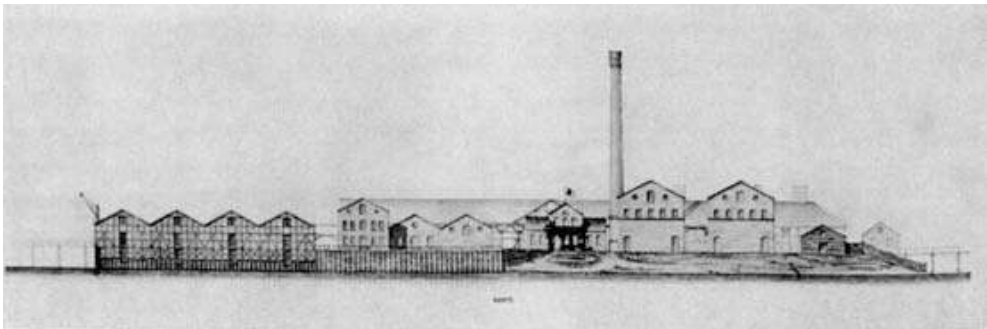
.....
 ACCORDING to the little that we so far know about them, both Marcus and Raphael were members of the “Hamburger Patriotische Gesellschaft”.²⁶ Marcus had died in 1810, and in his second marriage, Raphael Salomon married his brother’s daughter, Hannah. A limited supply of marriageable partners suitable in terms of both religion and social standing, as well as the wish to retain the wealth of one’s own family may have played a part in this close family marriage. Raphael’s sons John Raphael (d. 1850) and Li(e)p(p)man(n) Raphael (1789–1852) came from this union.²⁷

.....
 AFTER their father’s death, they continued to manage the plant, which operated as Beit, L. R., Gold- und Silberaffinerie from 1843.²⁸ In 1846, they acquired an interest in the founding of Elbkupferwerk, from which Elbhütten-Affinir- und Handelsgesellschaft

was established in 1857. Elbkupferwerk was instigated by the Hamburg shipowner Johann Caesar VI Godeffroy. Godeffroy was looking for reliable return cargo for his emigrant ships to South America. He thought that Chilean copper could be a possibility for this and he suggested that it be smelted in Hamburg.²⁹ Apart from Godeffroy and L. R. Beit, Siegmund Robinow, one of the relations of the Beits, was also involved in the founding of Elbkupferwerk.

.....
 RAPHAEL Salomon’s third son, Philipp Raphael Beit (1787–1851), Alfred’s grandfather, worked as a cloth dealer in Hamburg. He was married to Philippine Feidel (Kassel) (1794–1851), the youngest daughter of David Feidel (1759–1836), son of the long-standing financial advisor (Oberhofagent) to the Landgrave of Hesse.³⁰ They had four children together: two sons and two daughters, one of whom was named after her mother Philippine and later married a grandson of David Feidel, the banker Albrecht Feidel.

.....
 PHILIPP Raphael’s oldest son, Ferdinand Beit (1817–1870), became a co-founder of the German chemical industry. After at-



Elbkupferwerk



Ferdinand Beit (1817–1870), Alfred's uncle

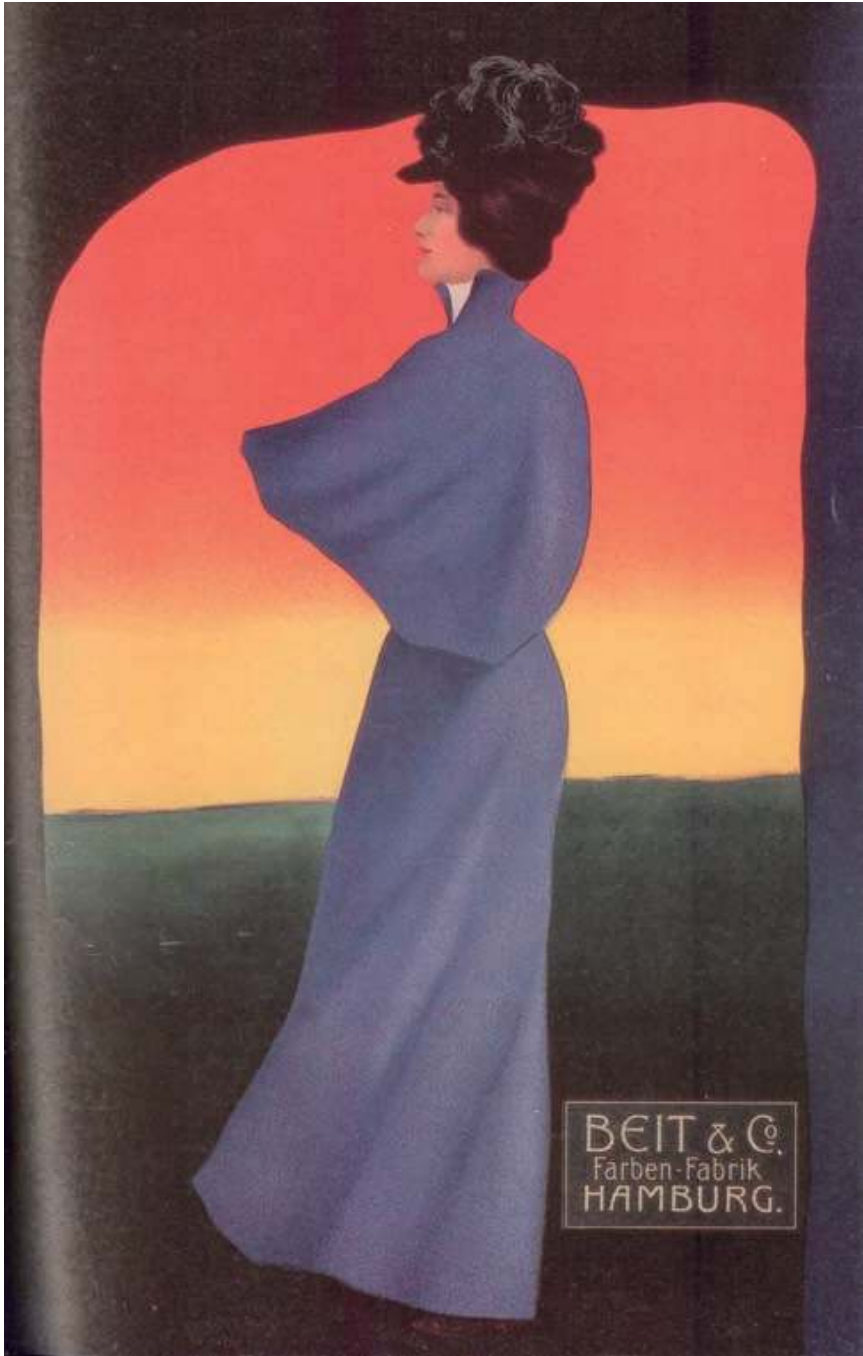
tending the Johanneum in Hamburg and the Polytechnic in Karlsruhe, he studied medicine in Munich, where he obtained the title of doctor. On returning to Hamburg, he resumed his chemical technical work as partner of the company L. R. Beit,³¹ and he became technical director at Elbkupferwerk. In 1850, Ferdinand married Johanna Ladenburg (1829–1915), daughter of the Mannheim banker Seligmann Ladenburg (1797–1873), who was a co-founder in 1865 of Badische Anilin- und Sodafabrik (BASF) and from 1865–1873 president of the BASF board.³² In 1857 Ferdinand himself became a director of the Norddeutsche Bank, founded principally by Godeffroy, and chairman of the board of Norddeutsche Affinerie, founded in 1866.³³ He died in 1870, before his 53rd birthday. His widow Johanna, who survived him by 43 years, commissioned the Hamburg architect Martin Haller to build a house at Harvestehuder

Weg 13, where she lived until she died.

.....
THEIR sons Carl (1851–1910) and Gustav (1854–1927) – the latter also known as a racing stable owner and as co-founder of the racecourse in Groß-Borstel³⁴ – led Beit & Co in Hamburg to an important position in the nitrate business, and even more so in printing inks.³⁵ Their third son, Ferdinand (1856–1937), was co-owner of the Hamburg coffee import company Gebrüder Michahelles. The fourth and youngest son, Eduard (1860–1933), became the most prosperous of them all: in 1892, he married Hanna Lucie Speyer (1870–1918) and became partner of the bank Lazard Speyer-Ellissen in Frankfurt am Main and Speyer & Co, New York. He was given a hereditary aristocratic title by Kaiser Wilhelm II in 1910 and bore the name Eduard Beit von Speyer.³⁶ His wealth was put at 80 million marks in 1913.³⁷ Once again, it was the women whose marriages brought family and social connections as well as money.

.....
PHILIPP Raphael's second son, Siegfried Beit (1818–1881), was Alfred's father. He also attended the Johanneum, but he then went into the original family business, later continuing a family tradition by setting himself up on his own as an importer of French silk fabrics.³⁸

.....
IN 1850, Siegfried married Laura Caroline Hahn (1824–1918). Laura came from a long-established and widely branched Hamburg family of Jewish faith. The Hahns, like the Beits, were probably Altona Ashkenazi. One of Laura's probable ancestors, Jacob Joseph Hahn, may have been a founder of the Jewish community there in 1612.³⁹ Laura's father, Heymann Hahn (ca. 1773–1840), had



Beit & Co advertising poster for printing inks

also enhanced his business prospects by marrying well: his wife was Susanna Lazarus (ca. 1787–1860), who came from the banking families Lazarus and Hertz. In their marriage certificate, there is a sentence that seems a little strange today, but is quite significant: “Heymann Hahn, Jew 2nd class (sic), married Susanna, daughter of Lazarus. Comment: without music.”⁴⁰

.....

IN the year after their marriage, Siegfried and Laura decided to make a major break with family tradition: on September 6th 1851, the young couple were baptised in St. Petri church, not two months after the birth of the first child, their daughter Bertha, and eight months after the death of both of Siegfried’s parents in January.

.....

THE reasons for their conversion to Protestantism are probably to be sought less in personal convictions than in their wish to enable their own children to have a future less burdened by the prejudices of others, for even the gates of the Free and Hanseatic City of Hamburg had not excluded anti-Semitism.

.....

THE 1830s had time and again seen violent riots against Jews. Even in Hamburg the law denied Jews access to certain occupations (for instance, to the craft guilds or the legal profession), and withheld rights granted to other citizens. The Jews were treated as second-class inhabitants. Hamburg may have been a centre of their struggle for emancipation (the lawyer Gabriel Riesser tirelessly advocating equal civil rights for Jews), but only with the revolution of 1848/49 did their legal situation begin to improve significantly, and, as later became apparent, on a lasting basis. The Jews achieved complete le-



*Laura Beit, b. Hahn (1824–1918),
Alfred Beit’s mother*

gal equality in Hamburg with the new constitution of March 1860.⁴¹

.....

ALTHOUGH this was relatively early compared with the other states of the German Confederation, Siegfried and Laura could not have foreseen this improvement when they married – quite the opposite in fact. After the collapse of the 1848/49 revolution, in the year of their conversion legal equality for Jews, which the 1849 Paulskirche parliament had brought in for the first time for the whole of Germany, had been annulled by federal law and the old, adverse restrictions were re-introduced in numerous German states, though not in Hamburg itself.⁴² The path to the couple’s change of faith may have been smoothed by the death of Siegfried’s parents, removing any obstacle from their perhaps more traditional expectations.

.....

It was Laura who enabled the family to be-

come part of a wide network of wealthy and respected Jewish families of the Hamburg haute bourgeoisie. Laura's immediate family was large. She had ten older siblings, eight of them sisters, whose own marriages created more new family bonds.

.....
HER oldest sister, Rosa (1811–1870), married the Mecklenburg businessman Adolph (Israel) Arnold, partner of Arnold, Lippert & Co. Rosa's daughter Louise (1839–1919) then married into the respected Hamburg banker family Goldschmidt. Isaac Meyer Goldschmidt (1790–1858) had founded the bank J. Goldschmidt Sohn in 1815. Isaac's father, Meyer Abraham Goldschmidt (1741–1815), was already married to a Beit, namely Zippora Pe'sche (named Betty, ca. 1753–1831), a cousin of Raphael Salomon Beit.⁴³ Isaac's wife Adeline, b. Wolffson (1799–1881), continued to manage the firm after her husband's death with her sons Martin (1823–1903) and Wilhelm (1824–1902) as holders of a general commercial power of attorney. Her brother-in-law Bernhard Abraham Dehn (1808–1863) and his brother-in-law from the first marriage, Sally [sic] Gerson Melchior (1814–1865),⁴⁴ later took over the management of the company, which they transferred to their sons Arnold Dehn and Moritz Melchior in 1865. Moritz Melchior, later financial director of Hamburger Sparkasse, married Emilie Rée (1847–1873), who came from a very extensive and highly regarded family of Hamburg Jews. Their son, Dr. Carl Melchior (1871–1933), later became partner of the bank M. M. Warburg and closest employee of Max M. Warburg.

.....
IN 1894, Martin Goldschmidt's son, Otto (1866–1927), became owner of the Goldschmidt bank. In 1899, his brother Eduard

(1868–1956) became co-owner. Their aunt, Marianne (1825–1906), had by then married Bernhard Abraham Dehn, a family connection which Eduard strengthened with his marriage to Elisabeth Dehn (1875–1947). Eduard's cousin, Otto Dehn (1852–1925), partner of the reputable law office Wolffson und Dehn, member of the executive board of the Bar Association and various prestigious supervisory boards, including that of Vereinsbank and Hypothekenbank and member of the supervisory school authority, was later one of the driving forces behind the plans for the founding of the University of Hamburg. He was a very close ally and the indispensable advisor of Werner von Melle, and a member of the board of trustees of the Hamburg Scientific Foundation. From 1910–1937, Eduard Goldschmidt was himself on the executive board of the Vaterstädtische Stiftung, which received generous donations from Laura Beit and one of her sons, Otto.⁴⁵

.....
EDUARD and Otto Goldschmidt's youngest brother, Carl (1875–1966), was a banker in London and in later years lived at the Beits' English country seat, Tewin Water. He seems to have acted in many cases as a kind of intermediary between German and British relations.⁴⁶ There was thus a Beit connection through Laura to the Goldschmidts, Dehns and Wolffsons as well as links to the Melchiors, Warburgs and Rées.

.....
LAURA Hahn's second oldest sister, Adele (1812–1889), married the Hamburg businessman David Lippert, partner of Arnold, Lippert & Co., in 1834. Rosa's and Adele's husbands thus became not only business partners but brothers-in-law as well. The kinship with the Lipperts was to be partic-

ularly significant in Alfred Beit's life, as it was the Lippert company that was to send him on business to South Africa.

.....
LAURA'S next oldest sister, Pauline (b. 1823), married Adolph Robinow (d. 1886, at the age of 76), the brother of Siegmund (1808–1870), Max and Meinhard Robinow. Their father, Marcus (1770⁴⁷–1840), who had come to Hamburg in 1790, had married Emma Beit (1784–1830), a daughter of Marcus Salomon Beit, in 1806. (The older Robinow was thus a brother-in-law of Alfred Beit's great grandfather.)⁴⁸ So Alfred Beit was related to the Robinows via both the paternal and the maternal side. After a commercial apprenticeship Adolph and Max moved to Scotland, where they established Robinow Marjoriebanks & Co in Leith and Glasgow, and where Adolph became Hamburg consul.

.....
SIEGMUND'S son, Hermann Moses Robinow (1837–1922), Hamburg businessman and member of the Hamburg parliament, had seven further brothers and sisters. His brother, Johannes Adolph (1838–1897), later married Cäcilie Melchior (1841–1886), the sister of Moritz Melchior⁴⁹ – a further cross connection with this family. Their son, Dr. Richard Robinow, was an executive board member of the Vaterstädtische Stiftung from 1905–1938 and belonged to a circle of friends that also included Aby M. Warburg, Carl Melchior and Wilhelm Hertz.⁵⁰

.....
FROM these extremely intricate relationships we can see how a network of family connections underpinned and influenced Alfred Beit's business activities. We may imagine that Beit would have been able to fall back on these connections with his in-

vestment projects, although this cannot be analysed in detail here.⁵¹ This same network tied Alfred Beit to his home city, and played a role in his subsequent willingness to make considerable donations both to the city and to individual institutions within it.

.....
A HOPELESS CASE – SCHOOL, MILITARY SERVICE AND APPRENTICESHIP

.....
ACCORDING to Alfred Beit's own account, there was no great luxury in his childhood home. He belonged to the "poor Beits", Beit said later in an interview,⁵² doubtless with a touch of irony. After the birth of the children, the family resided at Mittelweg 45, then as now a good residential area. Alfred's father seems to have suffered from poor health throughout his life, although we have no details of this. Siegfried's illness is said to have affected his professional life, the reason why his children grew up under less luxurious and carefree circumstances than their cousins, the children of Siegfried's brother, Ferdinand. Quite probably it was Siegfried's wife Laura who helped the family to cope financially. In any case, Alfred seems to have absorbed a great sense of thrift and precision with small amounts of money, a contrast with his unusual generosity with larger sums in later life.⁵³

.....
THE first child of Laura and Siegfried was a daughter, Alfred's sister Bertha (1851–1907). In 1875, she was to marry Gustav Zinnow (1846–1934). Zinnow, who came to Hamburg in 1866 and since 1873 had been a partner in the company of Stammann & Zinnow at Ferdinandstraße 42/46, was a well-known Hamburg architect and one of the seven architects of the new Hamburg town hall. He also planned numerous large build-



A family portrait of the Beits – Alfred and his mother in the centre

ings for charitable foundations, such as the Vaterstädtische Stiftung.

.....
 ON February 15th 1853, Laura gave birth to her first son, Alfred. He was followed by his sisters Antonie (1854–1925) and Olga (1859–1890), who died of a lung ailment at the age of 31.⁵⁴ Alfred’s younger brother Theodor, born in 1861, a talented musician and lawyer, also had a short life, dying in 1896 at the age of only 35. The Beits died young, scarcely any of them becoming older than sixty. Even the last born son, Otto (1865–1930), lived only slightly longer.

.....
 UNFORTUNATELY we do not know much about Alfred Beit’s youth. The main reason for this is that Alfred’s brother Otto, who had offered to contribute the chapter on Al-

fred’s youth for the first biography published in 1932, died too early to be able to fulfil his promise. All of the other brothers and sisters had died by then.

.....
 A biographer of Alfred Beit is not tempted, as in the case of other famous people, to dissect his childhood in retrospect, and read into it extraordinary events that are supposed to explain later outstanding developments or achievements. There is nothing exceptional to report from Alfred Beit’s childhood. The quiet and unassuming child was not distinguished by any particular predilections or conspicuous talents.⁵⁵ Alfred attended the private school of Heinrich Schleiden. Schleiden (1809–1890) was a theologian whose rationalist and liberal views had seen him barred from Hamburg pulpits since 1839.

Prohibited from preaching, he had devoted himself entirely to teaching, founding a school at Easter 1842.⁵⁶ The subjects he offered were those of the Realschule (middle school) of the Johanneum, the “Bürger-schule”. At the time of Beit’s childhood and youth, the Johanneum was still the only state school in Hamburg that made a higher school education possible. Apart from it, there were various reputable private schools which catered primarily for the sons of merchants and businessmen, one such school being Schleiden’s. Interestingly, headmaster Schleiden was one of the first to advocate the founding of a university in Hamburg⁵⁷ – to whose realisation two of his former pupils (Werner von Melle and Alfred Beit) were prepared to contribute a great deal in later years.

BEIT’S school performance, his conduct and his written work, were completely average, not to say mediocre, and did not suggest any special abilities. This tempted the author of the foreword to an early biography to describe Beit “as a boy (who) was rather hopeless at school”.⁵⁸ Beit’s schoolmate, the later Hamburg mayor Werner von Melle, who supported the general assessment given in that biography of Beit,⁵⁹ denied this. In a letter to a nephew of Beit, Gustav Zinnow jr., he emphasised that although Beit did not display any special talents, he was in no way a poor, but merely an average pupil – but this applies to many. It was false to speak of Beit’s “comparative failure at school”, which in any case was probably only done in order to make an artificial contrast with the great achievements of his later life.⁶⁰

BE that as it may, the young Alfred had little self-confidence during his schooldays; he was a rather wary, perhaps even timid,

but also a reflective child. He worried that he would fail the first-year examination in the new Selektaklasse of Schleiden’s school. His energetic mother then took him to Dr. Schleiden to ask for advice. Schleiden said that in his opinion Alfred could probably pass the examination, but if he was that worried it might be a better idea to wait and take the exam at the next date. This advice was followed and Alfred later successfully passed the examination.⁶¹

ALFRED’S parents considered what profession would be suitable for him. An academic education was ruled out; Alfred’s brother Theodor was seen as the intellectual hope of the family.⁶²

AFTER consultation with various relatives, it was decided to apprentice Alfred to Lippert & Co, which since 1852 had established a flourishing trade as a wool importer from overseas, including South Africa. David Lippert, the proprietor, had sent three of his sons to South Africa, Alfred’s cousins Ludwig (1835–1918), Eduard (1844–1925) and Wilhelm, who founded branches in Port Elizabeth, Cape Town and Durban. Ludwig soon returned to Hamburg to continue to manage the company after the father’s death, his brothers remaining in the south.⁶³ From 1860, Eduard headed the branch of the company in Port Elizabeth and Wilhelm the branch in Cape Town. Alfred Beit’s path was often to cross with theirs.

As the wool trade was a seasonal business, in 1869 the Lippert family expanded into diamond dealing, diamonds being the latest and most valuable merchandise from the Cape. They were found in the vicinity of the river Vaal from 1867. The trade was largely



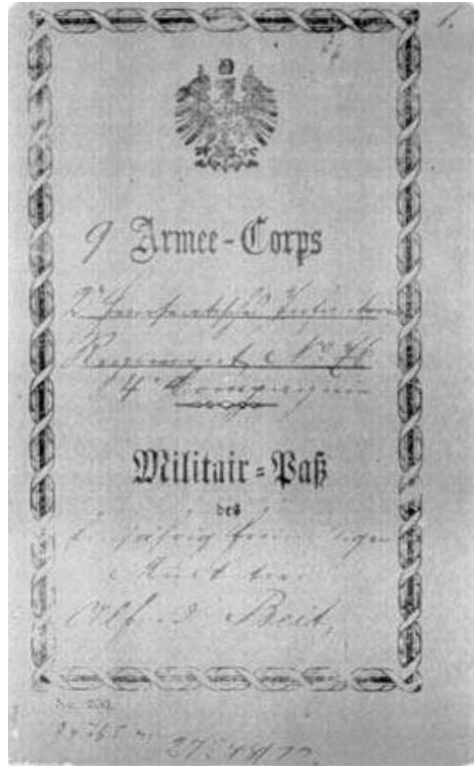
The young Alfred Beit

unregulated, and the diamonds were shipped with only the most elementary security precautions to the continent or to England to be sold for whatever they could fetch.⁶⁴

THIS was the situation in 1870 when the 17 year old Alfred joined Lippert & Co, where he was to be apprenticed for the next three years. Around this time there were growing rumours in Hamburg of promising investment opportunities in the diamond trade, rumours which came to the ears of Alfred's parents. Might not Alfred learn something about diamonds and be sent to South Africa too? Family connections, this time to the Robinows, through Laura's sister Pauline, again played a role here. It was arranged

through the Robinows to have Alfred taken on by a well-known diamond dealer in Amsterdam, a centre for the processing and trading of the precious stones.⁶⁵

HOWEVER, before he could go to Amsterdam, Alfred had to carry out his military service. On April 1st 1873, he joined the 4th Company of the 2nd Hanseatic Infantry Regiment No. 76 as a one-year volunteer.⁶⁶ We can tell Beit's body size from his military pass card: Alfred was 1 metre, 63 centimetres and 5 millimetres tall. In other words, he was a rather delicate figure, matching the soft, somewhat childlike and dreamy looks of his younger years.



Alfred Beit's military pass card

.....

THE young man was discharged to the reserve on April 1st 1874. And by the 4th of April he had received a two year leave of absence from reservist exercises so that he could stay in Amsterdam. Without delay he set off for his further training. However, he did not particularly shine. Beit himself said later about his time in Amsterdam: “I just did my work and wasted my spare time like other young men”.⁶⁷

.....

BEIT spent scarcely more than a year in the Netherlands. On June 21st 1875, we learn from his military pass card that he was granted an extension of leave – this time for a two-year stay at the Cape of Good Hope.⁶⁸ When the twenty-two year old left his home city in the summer of 1875, nothing suggested the rapid progress he would make, and that the little apprentice would become widely known as a financial genius.

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- 2 *Beit/Lockhart, The Will, p. 1f.; Möring, Beit, p. 23; Roberts, Diamond Magnates, p. 160.*
 - 3 *Studemund-Halévy, Lexikon, p. 11 and 41 ff.*
 - 4 *Windler, Minderheiten, p. 117f.; Bernecker, Geschichte, S. 16; Battenberg, Zeitalter, p. 28 ff.*
 - 5 *Ibid., p. 127 ff., particularly 135 ff.; Bernecker, Geschichte, p. 14 ff.*
 - 6 *Böhm, Sephardim, p. 22.*
 - 7 *Beit/Lockhart, The Will, p. 1.*
 - 8 *Etinger, Geschichte, p. 10; Böhm, Sephardim, p. 26f.; Studemund-Halévy, Lexikon, p. 15.*
 - 9 *Marwedel, Geschichte, p. 22.*
 - 10 *Ibid. p. 27.*
 - 11 *Ibid., p. 23.*
 - 12 *Id., Juden, p. 47; Böhm, Sephardim, p. 24–26.*
 - 13 *Marwedel, Geschichte, p. 26; Studemund-Halévy, Lexikon, p. 41.*
 - 14 *Studemund-Halévy, Lexikon, p. 59 ff.*
 - 15 *At this time, Jews had in many cases instead of the surname a patronym, a reference to the forename of the father.*
 - 16 *Zinnow, Beit-Chronik, p. 1 ff. and 109.*
 - 17 *Only individual Sephardic Jews lived in Altona in the 17th century, Marwedel, Geschichte, p. 21.*
 - 18 *Ibid., p. 22.*
 - 19 *100 Jahre Norddeutsche Affinerie, p. 10.*
 - 20 *125 Jahre Norddeutsche Affinerie, p. 2f.*
 - 21 *Ibid., p. 6.*
 - 22 *100 Jahre Norddeutsche Affinerie, p. 10.*
 - 23 *Krohn, Juden, p. 114.*
 - 24 *125 Jahre Norddeutsche Affinerie, p. 5.*
 - 25 *100 Jahre Norddeutsche Affinerie, p. 12. Another explanation of the term assumes that the separation of different metals by means of acid is based on the attraction of various substances to one another derived from their chemical affinity, their “affinité”.*
 - 26 *Zinnow, Beit-Chronik, p. 6 and table 2.*
 - 27 *Liepmann Raphael married a granddaughter of his own grandfather: Marcus had, apart from Hannah, two more daughters, whose names we do not know. One of them married Moritz Jacob Immanuel (d. 1854), with whom she had four children, including her daughter Bella (d. 1889), whom Liepmann married. The couple died without issue, Rosenthal, New Light, p. 9 f.*

- 28 *100 Jahre Norddeutsche Affinerie*, p. 11.
- 29 *Krohn, Juden*, p. 114 f.; *100 Jahre Norddeutsche Affinerie*, p. 14 ff.
- 30 *Zinnow, Beit-Chronik*, p. 7.
- 31 *So 125 Jahre Norddeutsche Affinerie*, p. 22.
- 32 *Zinnow, Beit-Chronik*, p. 8.
- 33 *125 Jahre Norddeutsche Affinerie*, p. 22.
- 34 *Zinnow, Beit-Chronik*, p. 9.
- 35 *Dr. Carl Beit, already joint owner of L. R. Beit, founded with his partner Dr. Otto Philippi in 1876 a general partnership with the name Beit & Philippi, which operated a saltpetre factory on a 20,000 m² site at Dorotheenstraße 68 in Hamburg-Winterhude. Gustav Beit, Karl's younger brother, joined the company as third shareholder in 1881. After the death of Philippi in 1895, the brothers continued to manage the firm under the name Beit & Co. They established a printing ink factory on the neighbouring Poßmoorweg. Between 1886 and 1906, the company expanded with branches in London, Paris, Brussels, Milan, Vienna, Amsterdam, Moscow and Petersburg, cf. Depisch, Beit & Co.*
- 36 *Möring, Beit*, p. 23 f.
- 37 *Köhler, Wirtschaftsbürger*, p. 123 f.
- 38 *Schwarz, Stiftung*, p. 100; *Zinnow, Beit-Chronik*, p. 15.
- 39 *Id.*, *Hahn-Chronik*, p. 1 and 58.
- 40 *According to ibid.*, p. 2.
- 41 *Kleßmann, Geschichte*, p. 388 ff. and 466 f.
- 42 *Krohn, Juden*, p. 25 ff.
- 43 *Zinnow, Beit-Chronik*, p. 109.
- 44 *Bernhard was married to Hanna Melchior (1821–1843).*
- 45 *Schwarz, Stiftung*, p. 247 f. and 265 f.
- 46 *Zinnow, Hahn-Chronik*, p. 7 f.
- 47 *Rosenthal, New Light*, p. 9.
- 48 *Robinow, Aus dem Leben*, p. 24; *125 Jahre Norddeutsche Affinerie*, p. 8; *Schwarz, Stiftung*, p. 272.
- 49 *Ibid.*, p. 266.
- 50 *Robinow, Aus dem Leben*, p. 21.
- 51 *A suggestion in this direction is given in Cartwright, Corner House*, p. 78 f.
- 52 *Fort, Beit*, p. 103.
- 53 *Ibid.*, p. 50 f. and 109 f.; *Zinnow, Beit-Chronik*, p. 17.
- 54 *Ibid.*, p. 61.
- 55 *Fort, Beit*, p. 51.
- 56 *Hoche, Schleiden*, p. 416 f.
- 57 *Baasch, Geschichte Hamburgs*, p. 274 f. and 277.
- 58 *Fort, Beit*, p. 15.
- 59 *Nachlass Werner von Melle, SUB Hamburg, Gustav Zinnow to Werner von Melle, December 31st 1923.*
- 60 *Ibid.*, *Werner von Melle to Gustav Zinnow (draft), October 9th 1932.*
- 61 *Ibid.*
- 62 *Fort, Beit*, p. 51.
- 63 *Zinnow, Hahn-Chronik*, p. 8 f.
- 64 *Beit/Lockhart, The Will*, p. 5.
- 65 *Zinnow, Beit-Chronik*, p. 44.
- 66 *Beit's today unfortunately lost military pass card is partially reproduced in ibid.*, ill. 16 and p. 93–95.
- 67 *Fort, Beit*, p. 54 and 103.
- 68 *Zinnow, Beit-Chronik*, p. 94 f.
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ALFRED BEIT IN SOUTH AFRICA

No great tropical heat or humidity awaited Beit on the coast of South Africa: the climate at Cape Town, where he arrived, is rather akin to that of the Mediterranean. And as the Cape Colony is in the southern hemisphere, the seasons are the opposite of those in Europe. Beit left Hamburg in summer and arrived in the South African winter.

THE British colony had an enormously long coastline stretching for more than 2,900 km and bordering two oceans, the Atlantic and the Indian. The central plateau covers the entire interior of the country; it is known as the Highveld and is between 900 and 2,000 metres high. The belt of land sloping down to the coasts with a width of 50 to 240 km is called the Groot Randkant (Great Escarpment). The ascent onto the highland plateau is through strongly terraced and craggy escarpment mountains of varied steepness, greatly hindering the construction of roads and railways. But it is the complicated geology which has created the striking mineral wealth of the country.

THE Highveld is slightly undulating country interspersed only by single isolated hills. It stretches almost treeless to the horizon, in the north east to the Drakensbergs, the highest peak of which is nearly three and a half thousand metres high. Most rivers in

southern Africa rise here and flow east to the Indian Ocean, but the longest, the Orange, flows westwards into the Atlantic.

THE country's climate varies considerably, owing to its size, the effects of ocean currents and the different altitudes. It ranges from extreme desert in the Kalahari on the Namibian border to a subtropical climate in the south east. It is cooler and drier on the west coast as a result of the Benguela Current from the Antarctic, while on the east coast the warm Agulhas Current from the Indian Ocean ensures a rather damp and warm climate, with high humidity and temperatures of between 25 and 35° C all year round.

THE interior of the country is generally sunny and dry. It is the lack of rainfall that hinders human activities in large parts of the country. The rainfall declines from the south-east to the north-west, as the temperatures increase. It is very warm on the plateau in the east, and to the west, in the semi-desert of the Karoo and the Kalahari Desert itself, extremely high temperatures are reached. In the north on the other hand, in the Drakensbergs, on the Highveld and around Johannesburg, snow can fall in winter.

FOR someone coming from northern and western Europe it was a strange world that Beit entered, with unfamiliar and varied flora and fauna. There had indeed been zoological gardens in Europe since the 1830s, particularly in England, and then in the 1860s many new ones appeared on the Continent, including Hamburg in 1863. Beit may have seen a zoo when he was in Amsterdam, where one opened in 1838. But although antelopes such as impala or kudu might be comparable with deer, and buffalo with cattle, the teeming wild presence of monkeys, ostriches, flamingos and zebras must have been enthralling for Beit. The lion – iconic animal of that Power whose sphere of influence Beit had entered, and which was to be so important in his future life, the British Empire – was also to be encountered in the expanses of South Africa.

SEEN as a whole, extensive grass and savannah areas predominate in the country. The vegetation becomes ever sparser towards the north-west, thanks to the low rainfall. The grassland and desert shrubland east of the Kalahari changes towards the north-east into a moist savannah with thicker vegetation. However, the areas afflicted by long periods of drought are transformed into seas of flowers after rain.

APRICOT, peach, lemon, orange and tangerine trees thrive at the Cape, as do pineapples, figs, dates and bananas.⁶⁹ Most of the wild plants are evergreen sclerophyllous plants with needle-like leaves unfamiliar to Central Europeans. While there is an extraordinary variety of flowering plants, forests are today decidedly rare and to be found almost only in the south and south-east in the coastal plain where there is heavy

rainfall along the Indian Ocean. The original forest was progressively felled by the European settlers.⁷⁰

THE country was only thinly settled, most of the inhabitants being the indigenous population. Larger towns were mainly on the coasts, generally with unpaved and sandy roads and single-storey boarded houses. Railways were on the whole confined to the larger port cities, Cape Town, Port Elizabeth, East London and Durban, with lines running inland, many of them to De Aar in the Northern Cape. The means of transport in those years was the horse, with oxcarts being used for transporting goods.

THE breeding and husbandry of sheep had become an important source of income for the European settlers, but there were limits to this. Although the climate in large parts of the country was very agreeable for West Europeans, water, on which settlement and economic prosperity, life and survival depended, remained scarce. The wind pump for extracting groundwater as the only source of water is even today a hallmark of the landscape in many rural areas.

THIS was the country to which the young Hamburg businessman came in 1875 and which he would leave barely 14 years later as a multi-millionaire. It looked a little like the Wild West that we know from films. Only it was the Wild South Africa.

A single South African state did not exist at the time Alfred Beit arrived at the Cape. The Dutch were the first Europeans to come to this part of the world.⁷¹ In 1652, the East Indian Company set up a fort and the related

settlement grew steadily. The first cargo of slaves arrived as early as 1658 – and the colony on the Cape became a slave-owning society. From 1710, slaves comprised the majority of the population.⁷² At the end of the 18th century, after the French Revolution, the tremors of European conflicts reached even these remote regions. In 1795, the British occupied the Cape for strategic reasons and to prevent it falling into French hands. With the peace settlement of 1814, the Dutch settlers, the “Boers”, finally came under British rule, without having been asked for their consent.

THE scene was now set for the tensions between the British and Boers during the course of the 19th century. Cultural differences deepened the rift between the original settlers and the new masters. The Boers spoke a modified form of Dutch (Afrikaans); there were many devout Calvinists among them; and they kept slaves. The prohibition of slavery in the British Empire in 1833 further stoked the fires, threatening as it did the livelihood of the slave holders.

To escape British sovereignty, after 1836 about 6,000 Boers left the Cape Colony in a northerly exodus, to be known later as the “Great Trek”, and settled north of the Orange river in the “empty country”. Most of them established themselves in Natal, while a small number moved further north into an area on the other side of the river Vaal, which was now named Transvaal. The Boers’ move from the fertile coastal regions to become farmers in the drier interior of the country looked like a bad swap, but a few years later an important discovery changed things fundamentally. The Boers had occupied a part of southern Africa with mineral

wealth comparable to few other areas on the continent.

INITIALLY, the British considered expanding their sphere of influence, for economic and political reasons and allegedly, in common with all European colonial powers, out of concern for the welfare of the indigenous black population. British troops occupied Port Natal in 1842. For strategic reasons the British at first refrained from attempting to assert authority over the areas north of the Orange and the Vaal. The Orange Free State and the South African Republic (Transvaal) were established there as sovereign states in 1852 and 1854.

THEN in 1877 the British tried to annex the Transvaal, leading to an embarrassing defeat by the Boers at Majuba in 1881. Such clashes were of marginal significance when seen in the context of the British Empire as a whole, but the defeat still had a demoralising effect. Political changes brought in a government in London that was not prepared to achieve supremacy in South Africa at any price, and to spend a disproportionate amount of Imperial funds on a war.⁷³ Great Britain decided to recognise the sovereignty of the Transvaal in the conventions of Pretoria in 1881 and London in 1884.

HOWEVER, opinions differed concerning the extent to which this sovereignty was to be exercised internally and externally. London thought in terms of internal autonomy, with the Transvaal remaining under the suzerainty, or overlordship of Queen Victoria with respect to foreign policy. Transvaal on the other hand insisted on full independence. Conflicts were inevitable,⁷⁴ the more so since Boer nationalist sentiments had

been greatly fuelled by the earlier disputes.⁷⁵ The British believed that they had given up an economically insignificant area. If they had anticipated how only a few years later the discovery of significant gold deposits would improve the economic position of the Boer states, they would have no doubt done everything to break their resistance in 1881. For a long time, agriculture had been the economic backbone of the region and wool the main export product. In 1866, however, changes occurred that upset the delicately balanced relationship which had existed between Cape Colony and the Boer states since 1852/54. That year, children playing on the “De Kalk” Boer farm near the Orange River discovered the first diamond.

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THE stone was brought to the nearest town and valued: it was of 22½ carats and was worth £500. It did not cause a great sensation, as it was considered to be a one-off discovery. This was to change in 1869, when another precious stone was discovered, this time of 83½ carats. The finder, a native African called Swartboy, sold the stone for 500 sheep, ten oxen and a horse to the farmer Schalk van Niekerk. Through the firm of the Lilienthal brothers, which bought it for £11,200, the stone was acquired by jewellers. The diamond was then purchased for £25,000 by the Earl of Dudley.⁷⁶

.....
A rush began, and diamond seekers dug at many places on the banks of the Vaal, north of the confluence with the Orange.

.....
THE promising finds alerted the British, who had been able to tolerate the existence of poor, underdeveloped Boer states. The area in which the diamonds had been found was claimed by the Orange Free State, who

however exercised little effective control. The land actually belonged to the Tswana people. Further west of the diamond areas, on both sides of the Vaal, was the area settled by the Griqua, with whom the British were linked by a treaty of protection and who had long since raised claims to the area in question. The British made this public and supported their demands. Certain of its case, the South African Republic in the north agreed to arbitration proceedings under the British governor of Natal, who decided in favour of the Griqua and Tswana in 1871. The Griqua obtained the diamond area – in order then to cede it to the British. As Griqualand West, it initially became a crown colony and was transferred to the Cape Colony in 1880.⁷⁷

.....
THE Orange Free State, on the other hand, insisted on its territorial claim south of the Vaal, but here too the British were in the end successful as a result of massive political and military pressure, as well as agitation among the prospectors. In paying later compensation of £90,000, they indirectly admitted that there had been no real doubt about the claims of the Free State.⁷⁸ The sum turned out to be nothing short of derisory when compared with the gigantic earnings of the country. Diamonds worth £50 million were mined in the Kimberley fields between 1871 and 1888.⁷⁹

.....
THE diamond finds brought on a diamond fever. Here is a contemporary description by a German writer: “The news of the riches reaped by lucky finders soon lured numerous white and coloured fortune-hunters on to these steppes that were once so lonely, and scenes of the opening of the Californian and Australian gold fields were soon replayed.



Cables for the mining bins



Horse-driven winches at the Kimberley mine

The first small groups of honest and hard-working diamond seekers were followed by a great rabble who preferred the easier and safer profit from diamond smuggling with the Kaffirs working in the pits. Wages for the smallest amount of work soon reached preposterous heights. Enormous sums were earned and squandered. A corporate swindle on the most colossal scale usurped control of the diamond fields. The original diggers gradually moved away, in most cases selling their shares in the pits to speculators.”⁸⁰

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WORK on the diamond fields was hard. Deep holes were dug by hand in the earth's surface. It was manual opencast mining. Four large, productive mines emerged: Kimberley, Old De Beers, Bulfontain and Du Toits Pan. The soil or rock was first taken with buckets, carts and wagons from the mines, later filled into bins and hauled up from the deep by winches driven by animals. Later on, small steam engines were deployed. Each innovation boosted the speed of transport and the yield: with manually operated winches, over 10 loads of rock per day could be taken out of the mine, with horse-driven winches 40 to 60 loads, and with the first steam engines 60 to 100. In a few years the mines presented a picture of countless lines, systems of rods and wooden shaft wheels. They made it possible to work both at the edge and in the centre of the diggings. From 1874, 10,000 men could work at the same time in the mine in Kimberley. According to a contemporary description, the mines looked like yawning pits over which gigantic spiders had woven their web,⁸¹ the pit floors resembling anthills.

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THE soil and rock hauled out of the mine

was taken by countless horse-drawn carts to dumps and there watered and dried. The strange artificial landscape around the mines stretched for miles. It took months, indeed up to a year, before the material disintegrated. Attempts to speed up this process by hand proved uneconomic. Not until the late 1880s was it possible to invest in machinery to do this work.⁸² The stones were inspected at grading sites. After 1875 rotating washing plants became available, an important improvement for filtering out smaller stones.⁸³

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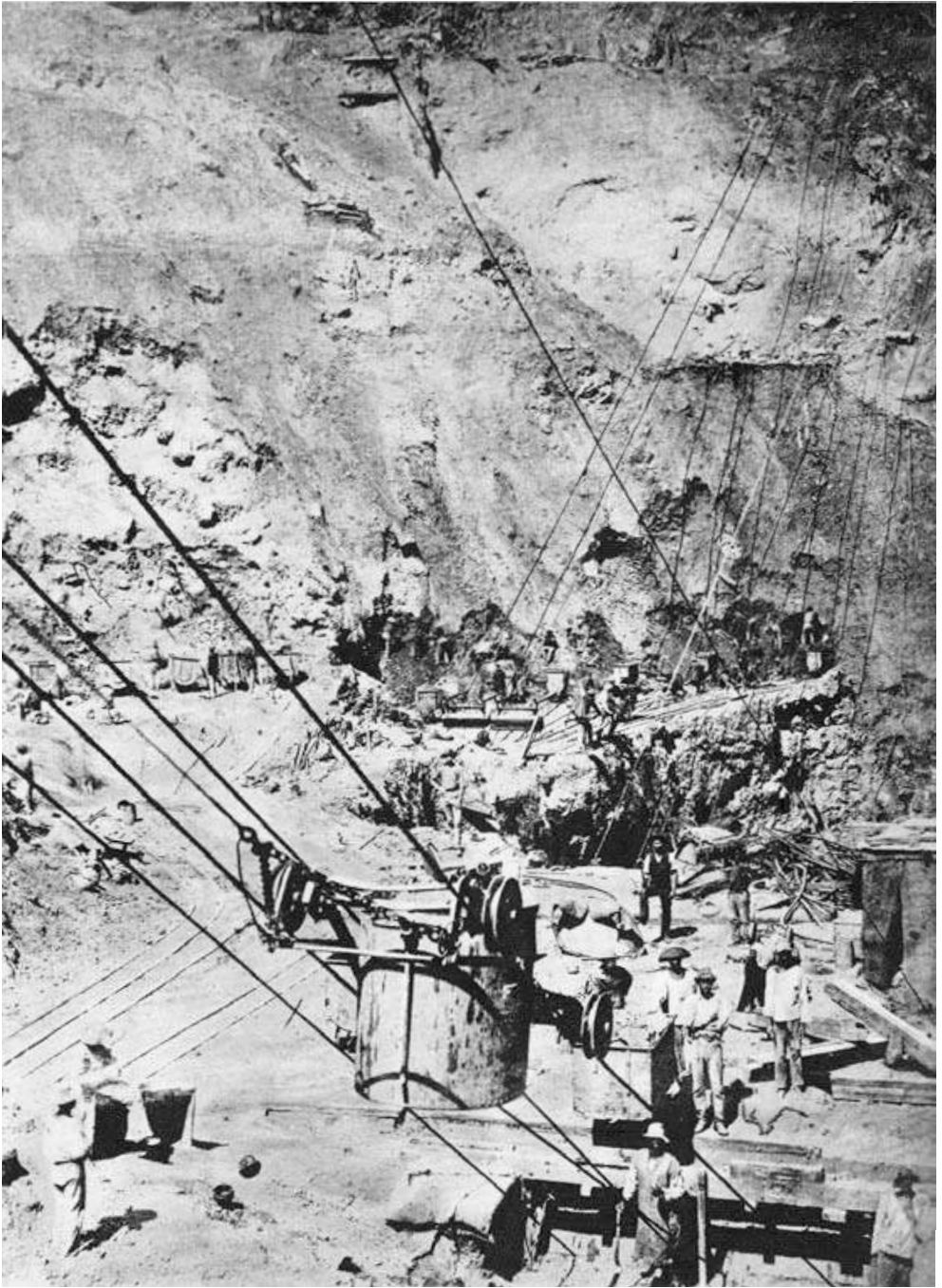
INITIALLY, the diamond-bearing soil was removed with pick and shovel, particularly the “yellow ground”, which was initially dug. But then the miners reached the considerably more productive “blue ground”, which could not be crushed manually and required explosives. Gunpowder was used to begin with and then the much more efficient and reliable dynamite. The hard physical work of digging gave way to the no less arduous drilling of holes for the explosive. Ten to twenty feet could be drilled in twelve hours. With a box of dynamite (50 lbs), about 400 basket loads of “blue ground” could be loosened.⁸⁴ The demand for dynamite was enormous.

.....

YEAR by year, the miners dug deeper into the ground. In Kimberley, the result was the “Big Hole”, the largest man-made hole on earth.

.....

MAINLY black migrant workers hired themselves out for a specified time in the mines. They came on foot from different neighbouring areas and in most cases stayed between three and six months to earn money to buy European goods. The phenomenon of voluntary migratory labour was not new:



Loosened rock being taken up by bin out of the depths

in the previous decades blacks had already come into the Cape Colony looking for work on the farms to earn money for cattle, ploughs, oxcarts and clothes. Rifles were in particularly high demand. 75,000 rifles were sold in Kimberley between April 1873 and June 1874.⁸⁵

A significant aspect of the mines was diamond theft. The companies sought to prevent workers putting their finds in their own pockets, but body searches after work were resisted in many cases. Social discipline reached its most stringent form from 1885 with the introduction of the “compound system”, involving a guarded, closed camp in which the mainly black workers were confined. These camps were also intended to reduce desertions, which the gruelling working conditions made numerous, particularly after the switch to underground mining. The number of deaths per 1,000 workers increased from over four in 1884 to more than thirteen a year later.⁸⁶ Owners of bars and shopkeepers protested in vain against this confinement of their customers.⁸⁷

DIAMONDS became the most important industry in South Africa, making a major impact on the country’s development. Given South Africa’s disadvantages of remoteness and lack of infrastructure, precious stones were just about the ideal product: thanks to their high value to weight ratio, transport costs were almost negligible. However when it came to production the disadvantages were very apparent. Initially, all equipment had to be hauled from the coast on ox carts over bad roads and was correspondingly expensive. The same was true for food and for anything imported from Europe. Only in 1885 did the railway arrive to relieve the sit-

uation, considerably reducing production costs and allowing coal to be brought in for energy generation.⁸⁸

MINING in those days was a very capital- and labour-intensive business. Manpower was required on a large scale in the mines themselves, and many men were needed as waggons or to build and operate the railways. The early adventurers were followed by trained miners and engineers, craftsmen, business people, entrepreneurs and speculators, traders and publicans, and finally teachers, lawyers, and doctors.⁸⁹

BUT by no means all who came to the fields found diamonds. We celebrate the lucky



The “Big Hole” near Kimberley today



End of the working day

ones, the finders and financiers, not the many who were defeated, who failed, who saw their castles in the air evaporate, not the legion of the disappointed. We should also recognise the diamond fields for the scenes of misery that they were. Those who found no diamonds on their claims had squandered their money, those who had no success suffered, went hungry and begged, or exchanged their hoped for riches for the hard work in the mines.⁹⁰ Luck was everything.

.....
ALFRED Beit arrived in Cape Town in summer 1875. From there, he had a strenuous 40-hour journey to Port Elizabeth and then on to Kimberley, which is north of Bloemfontein. In Kimberley he met among others his cousin Henry Robinow, who was also working for Lippert & Co.⁹¹

.....
IN Kimberley, an up-and-coming jumble of tents and white and corrugated iron huts,⁹² founded only four years previously, the local colonial police had recently established something like law and order. Lynch-law and vigilante justice now belonged to the past.⁹³ By 1872 there were already between 28,000 and 50,000 people crowded in to what had been open country as recently as 1869.⁹⁴ The smell could be picked up far away. The approaches to Kimberley were lined with the carcasses of exhausted pack animals, which had been left to rot where they had perished; the latrines were open ditches infested by flies; and, as water was scarce, taking a wash remained a luxury. The plain was as hot as an oven in summer, bitterly cold in winter, and swept by sand storms. When it rained, the ever present

dust disappeared only to be transformed into mud. "Camp fever" took hold with attacks of diarrhoea, and swept away large numbers of the diamond diggers.⁹⁵

.....

THE shy young man from Hamburg not only grew into his job, but began to show entirely new intellectual abilities.⁹⁶ What South Africa gave him above all was greater self-confidence, which he had lacked while in Hamburg, as his school friend Werner von Melle recalled.⁹⁷ From the word go, Alfred's Amsterdam apprenticeship paid off. From the knowledge he had acquired there, he realised that most diamond dealers did not know the precise value of the stones that they bought. To be on the safe side, they offered the diggers prices well below the selling value. With his training, Beit knew the exact value of the merchandise on the European market, so he could offer purchase prices that were acceptable to the diggers but still ensured a good profit margin for himself. This soon made him a popular diamond dealer in Kimberley. People came to him first, so he could take his pick of the stones on the market. And so despite his shyness he was able to build up a network of business partners relatively quickly.⁹⁸

.....

ONLY since the development of facet grinding had diamonds begun to be considered the most valuable of all precious stones. For centuries, rubies, emeralds, opals or sapphires were regarded as being of higher value. Pearls were deemed to be the most valuable. Thanks to the new cutting technique, diamonds became perfect reflectors of the light, making a firework display of sparkle and colours.

.....

BRAZILIAN and Indian products domi-

nated the market. South African diamonds were regarded for a long time as substandard – or were designated as inferior in order to protect the old monopoly against the new merchandise, but this proved to be of no avail. In 1872, when South African diamonds began to swamp the European market, a stone that would have been worth £5,000 around 1867 would now trade at only £200.⁹⁹

.....

THE market value of a diamond depended on its weight, form and colour. Large stones were rare before diamonds were discovered at the Cape. More large diamonds were found in South Africa within two decades, from 1870 to 1890, than in 170 years in Brazil, or in 1,000 years in India.

.....

THE price of diamonds increases exponentially with their size. But the shape is also important, as much of even a large stone may be lost in cutting, if it has an irregular shape. (A stone as a regular octahedron or a rhombododecahedron is ideal for the cut.)

.....

ALTHOUGH shape and weight were very important for the value of a stone, its market value was defined above all by its purity and transparency, colouring and flawlessness. In the early days of Kimberley, many of the stones had a slightly yellow colouring. Initially this had an adverse effect on the reputation of stones from the Cape, and when specimens with the desired bluish-white quality were found, they were sold as Brazilian. However, colour was not an absolute criterion for the value of a stone. There are also greenish, bluish or reddish diamonds which, if they are of flawless transparency, can fetch exceptional prices.¹⁰⁰ Thanks to his Amsterdam schooling, Beit could see that



Alfred Beit's first office in Kimberley

South African diamonds were worth as much as any others, and that they were being traded too cheaply in Africa.¹⁰¹

.....
LIPPERT & Co had sent Alfred Beit as agent of the company to South Africa to work in the diamond business. However, it paid him a starting salary of only £15 a month. In view of the possibilities the country offered, a talented man like Beit was never going to be satisfied with this pay for long. By 1879 he had left Lippert & Co to begin work on his own account.

.....
BEIT earned his first significant sum of money from property dealing. He had spotted the scarcity of buildings in Kimberley and was confident that the place would continue to grow. So he purchased a site, bought corrugated iron and timber and erected a dozen corrugated iron huts. He let these and took one himself as office. The rental income alone came to £1,800 a month. Later,

when the town had grown, he reportedly sold the site for the handsome sum of £260,000.¹⁰²

.....
ACCORDING to one story, Alfred Beit had visited one of his wealthy uncles before his departure for Africa. After chatting for a while and describing his prospects, Alfred ended by saying that he still needed some capital. The uncle continued the conversation for a while before looking at Alfred and saying: "I will give you 20,000 marks [£1,000], but only on one condition: I don't want to hear any more from you. Don't imagine that I'll ever give you anything again. From now on you no longer exist, as far as I am concerned. I don't want you to rely upon me and imagine that you can get any more help and support. Here is the cheque. Now good-bye, and God bless you." This is how Beit, for the loss of an uncle, obtained his starting capital.¹⁰³

IN 1880, the French diamond dealer Jules Porgès offered the young man the chance of joining his company as a salaried employee.

.....

PORGÈS hailed from Bohemia, but had settled in Paris. He was a man of great elegance and winning charm and is described as a shrewd businessman.¹⁰⁴ His most important employee was Julius Wernher, born in 1850 in Darmstadt. Wernher had served as a cavalryman in the Franco-Prussian war of 1870–71. Porgès sent the promising 22-year-old to Kimberley in 1873 to represent the company there. In 1875, the yield from the Kimberley mines was so high, and the quality of the stones so impressive, that Porgès reluctantly bid farewell to Paris and the things he loved, and set off himself to the diamond fields to live in a hut of wood and sheet metal.¹⁰⁵ For the next eight years, he and Wernher travelled around South Africa, buying and selling diamonds, and investing what were at times substantial profits in shares in the syndicates, and in the acquisition of mining rights. In Kimberley, they became acquainted with the successful young diamond dealer Alfred Beit, who had begun to invest in the same area. Wernher and Beit became lifelong friends.

.....

THE company was based in a twin-storey building in Christian Street in Kimberley. At the entrance a pane of obscured glass blocked the view into the interior. A spiral staircase led to the upper floor, where the sorting rooms were. These had particularly large windows so as to make the best use of the daylight. There was a small lift for goods. In the sorting rooms the raw diamonds were inspected for their authenticity and quality, both visually and in basins with hydrofluoric acid. Beit's roll-top desk stood in a small

separate room, which was twelve foot square and was heated by a small fireplace.¹⁰⁶

.....

PORGÈS and Wernher had recognised that the future lay in investment in diamond shares, so it was Beit's task to identify potential in this field.¹⁰⁷ The simple purchase and sale of diamonds was no longer the area in which Beit had to prove his business acumen. Porgès & Co soon became one of the leading companies trading in share certificates, and this attracted European investors into the business. Here Porgès benefited very greatly from his European contacts.¹⁰⁸ The private banker Charles Mege was a former partner of his, and his brother was a partner in the private bank of Ephrussi and Porgès. In addition Jules Porgès was related to the Paris banker Rudolph Kann.¹⁰⁹

.....

PORGÈS and Wernher left South Africa in 1884 to set up a new company headquarters in London. Before leaving they had merged their claims in the Kimberley mine with those of Lewis and Marks and founded the Compagnie Française des Mines de Diamants du Cap. Beit remained as sole representative and independent head of Jules Porgès & Co in South Africa. He became a partner in the company in 1888.¹¹⁰

.....

WHEN Jules Porgès withdrew from the business on December 31st 1889, Wernher, Beit & Co took over as the successor company.¹¹¹ The personalities of Wernher and Beit complemented each another perfectly. Although both were prudent businessmen, Beit was the more speculative and creative, with greater initiative, and Wernher had a moderating influence on him, insisting on a sound basis and financial reserves for their joint enterprises. Although Beit was shy and



Jules Porgès (1839–1921)



Julius Wernher (1850-1912)

much less physically impressive than the tall, square-built Wernher, he represented the company more effectively to outside world than his somewhat reticent partner, who in

time over the years even came to complain that people thought Wernher was Beit's forename.¹¹²

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- 69 Klössel, *Republiken*, p. 60 and 70.
70 Cf. on the nature of the country e.g. Fisch, *Geschichte*, p. 21 ff.
71 For the following, Smith, *Imperialism*, p. 84 ff.
72 Fisch, *Geschichte*, p. 67.
73 *Ibid.*, p. 180.
74 Rosenbach, *Das Deutsche Reich*, p. 27.
75 Fisch, *Geschichte*, p. 184. *The first historical work in Afrikaans was published in 1877.*
76 Meredith, *Diamonds*, p. 16 f.; Klössel, *Republiken*, p. 94 f.
77 Fisch, *Geschichte*, p. 164 f.
78 *Ibid.*, p. 165.
79 Klössel, *Republiken*, p. 97.
80 *Ibid.*, p. 95 f.
81 Turrell, *Capital*, p. 12.
82 *Ibid.*, p. 14.
83 *Ibid.*, p. 9 and 14. Cf. also Klössel, *Republiken*, p. 96 f.
84 Turrell, *Capital*, p. 16.
85 Fisch, *Geschichte*, p. 167.
86 Worger, *City of Diamonds*, p. 197.
87 Fisch, *Geschichte*, p. 170 f.
88 *Ibid.*, p. 166.
89 *Ibid.*, p. 167.
90 Cf. for instance Worger, *City of Diamonds*, p. 21 or Meredith, *Diamonds*, p. 13 f. and 20 f.
91 Robinow, *Aus dem Leben*, p. 21.
92 Zinnow, *Beit-Chronik*, p. 46.
93 Fort, *Beit*, p. 68 f.
94 Fisch, *Geschichte*, p. 167.
95 Meredith, *Diamonds*, p. 14.
96 Fort, *Beit*, p. 54.
97 NL Werner von Melle, SUB Hamburg, *Gustav Zinnow to Werner von Melle, December 31st 1923.*
98 Fort, *Beit*, p. 103 f.; Zinnow, *Beit-Chronik*, p. 46 f.
99 Worger, *City of Diamonds*, p. 21.
100 Turrell, *Capital*, p. 4 f.
101 Fort, *Beit*, p. 103; Boyd/Phimister, *Beit*, p. 856.
102 Fort, *Beit*, p. 104; Zinnow, *Beit-Chronik*, p. 47 f.; Boyd/Phimister, *Beit*, p. 856.
103 According to an anecdote, Alfred returned a few years later for a visit back to Hamburg. He had decided to settle his debts. He visited his uncle, who received him with the words “Who are you?”— very much in keeping with his parting words and probably less because his nephew had changed so much. When the latter retorted he had come to settle his debts, his uncle admitted that this was the first time that he had heard of such a case, Beit/Lockhart, *The Will*, p. 6— according to the Paris newspaper “Le Gauloise”, July 17th 1906.
104 Zinnow, *Beit-Chronik*, p. 48.
105 *Ibid.*
106 Rosenthal, *New Light*, p. 33 f.
107 Zinnow, *Beit-Chronik*, p. 49.
108 Turrell, *Capital*, p. III and 113.
109 Beit/Lockhart, *The Will*, p. 8.
110 Boyd/Phimister, *Beit*, p. 856.
111 Cartwright, *Corner House*, p. 103; Beit/Lockhart, *The Will*, p. 12.
112 Beit/Lockhart, *The Will*, p. 12.
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BEIT, CECIL RHODES AND DE BEERS

THE young Beit came to South Africa at just the right time to take advantage of the development and exploitation of one of the richest diamond fields in the world. This was decisive for his life and was what made it possible for him to acquire such very great wealth.¹¹³

HOWEVER, there was one other thing which should not be forgotten, and which had less to do with luck than with Beit's business acumen: Beit came to South Africa at a time of crisis. This presented an exceptional opportunity to anyone willing and above all able to take advantage of it.

OVERPRODUCTION on the South African diamond fields had repeatedly, first at the beginning of the 1870s and then again in 1876, sent European prices through the floor, as the market could not absorb the volumes produced.¹¹⁴ At the same time, labour costs were paradoxically high. Because of the low prices they were getting for their diamonds, the diggers had tried to depress the wages of their black workers, who left the mines and returned to their villages. The diggers desperately tried to retain them with the result that wages then rose by 25 percent. Not only that, but many factors combined to make it difficult for the diggers to obtain loans, so capital for the mines be-

came short. This was the situation between 1877 and 1879, and makes it less surprising that Beit preferred to invest his start-up capital in property.¹¹⁵

MARKET players with more capital were able to exploit the continuing depression by buying up concessions. They had for the most part prospered as diamond dealers, not as diggers, and now took the opportunity to buy up the claims of their poorer and often bankrupt neighbours. One of the most important investors was Beit's later employer, Jules Porgès. In 1877, he purchased a ten percent share in Kimberley Mine for £70,000.¹¹⁶

BY the time Beit arrived in Kimberley, the era of disorganised digging by individual prospectors was over, and companies were taking control with their greater resources. Although a number of smaller, competing firms could work alongside one another quite efficiently and profitably, this could not solve the problem of optimising total production and thereby ensuring an acceptable price level.¹¹⁷ And without such a solution, the diamond industry could not prosper. Beit's activities were part of the large concentration process that took place in the mining sector of the colony over these years.



The claims became ever deeper



Only linking roadways remained

THE initial reasons for the concentration had been of a purely practical nature. When diamonds were first mined, individual diggers worked on claims staked out next to each other. But this could not be continued indefinitely. Problems appeared on the borders of the claims as the miners dug ever deeper. Pathways were undermined and collapsed; carts and wagons slid down. After heavy rain, numerous deeper claims, mostly on the edge of the mine, were flooded and could not be worked.¹¹⁸ More elaborate tools and equipment became necessary. Companies were thus formed to buy up the concessions until only a small number of them remained.

A considerable concentration process in the mines took place. The number of claim holders in the Kimberley Mine declined from 1,600 in 1872 to only 300 in 1877. Of the latter, 20 already owned more than half the mine (namely Lewis & Marks, the Paddon brothers, J. B. Robinson and Jules Porgès with a quarter).¹¹⁹ In 1879, three quarters of the mine were in the hands of only 12 companies.¹²⁰

HOWEVER, not until 1880 was there a long term solution to the problem of insufficient capital, with the creation of joint stock companies and the issue of share certificates. Above all foreign investors could at last invest in the South African diamond market.¹²¹ The producers gained fresh capital to invest in the technical equipment needed to exploit their claims.

THE mines then seemed to fall into the hands of foreign investors: Porgès founded *Compagnie Française*, which controlled a quarter of the Kimberley Mine, while Lip-

pert & Co invested in De Beers Mine. To counter this development, locally based diamond producers established their own firms, such as De Beers Mining Company. Joint stock companies with an overall nominal value of seven million pounds were established between April 1880 and April 1881.

THIS unleashed a massive wave of speculation, a share mania.¹²² The 750 £100 shares in J. B. Robinson's Standard Company with a total value of £225,000, were sold within a month. The market fever peaked early in 1881, when Barney Barnato launched the Barnato Company on the stock exchange. When shares worth £75,000 were offered, they were oversubscribed twofold within an hour and after two days were trading at a premium of 25 percent: "The competition for shares was so intense that it soon became common for most stock to trade at premium ranging from 25 percent up to 300 percent and more as investment capital poured into the industry from merchants and bankers in Port Elizabeth and Cape Town."¹²³

THE boom was followed by a crash, as the speculation was built on an extremely weak foundation. The companies had tended to overvalue their assets, and numerous local players had taken part in the speculation. Many had applied for shares without being able to pay, as they had hoped to resell their shares at a profit before having to raise the purchase money for them. They had thus created a fatal spiral: as prices rose ever higher, foreign investors held back, seeing that the market was clearly overheated.

THE banks in Kimberley let the speculation bubble burst. At the height of the share ma-

nia in April 1881, they refused to accept diamond shares as security.¹²⁴ After that the mining industry in South Africa went through an extensive depression until 1885. As many mining company promoters had been involved in the speculation, and had not reinvested the capital in their plants, production now slowed down. Technical problems increased. At the end of 1881, only a third of the claims in the Kimberley Mine were being worked, the rest having been buried by landslides.¹²⁵ The value of diamonds mined slumped from £4 million to £2.5 million between 1882 and 1885. Furthermore over the same period the diamond price on the London market fell by 42 percent. There was a wave of suicides in Kimberley.¹²⁶

MANY companies in the diamond business now had inadequate capital cover and were close to collapse. The number of white workers in the mines declined by 61 percent and that of the black workers by 47 percent.¹²⁷ In this situation, Beit's true talents were revealed. With great foresight, energy and an extraordinary organisational ability, Beit, who day after day took on an enormous workload, succeeded in saving several companies from insolvency and in putting them on a new sound financial basis.¹²⁸

DURING this time, Beit developed plans for creating a large merger of the remaining companies, as only further concentration in the mines could lead to a long-term consolidation, considerably reducing operating costs and achieving a much clearer price structure by eliminating competition. Around 1883 there were still eleven companies and eight private individuals holding shares in Kimberley Mine, seven firms and

three private investors in De Beers, twenty companies and twenty-one individuals in Du Toits Pan and eight firms and twenty-four individuals in Bulfontain.¹²⁹

BEIT showed great personal commitment. He was up at six every morning and rode to the mines, inspected the work and talked with managers. Only then did he take breakfast. Directly afterwards, he went to his office, where he remained until late in the evening. He took his dinner in the Club, but there work continued. The Club in Kimberley was not only a place for discussions among colleagues and swapping the latest telegraphic news, but also somewhere where the all important share dealing took place, often on a considerable scale – and over an immense number of drinks. Beit's day ended at midnight.¹³⁰

ORGANISATIONAL talent, clearly defined objectives and a nose for the possibilities and risks of a company were hallmarks of Beit, as was the ability to reduce great complexity to its essentials and make it readily comprehensible. Beit also had a wonderful memory and a wide and unusual ability for grasping the detailed implications of a commercial situation.¹³¹ He would always assess a situation on the evidence of his own eyes and mistrusted second hand information.¹³²

HANS Sauer, one of the first doctors in Johannesburg and a member of Cecil Rhodes's and Beit's circle, recalls: "I was amazed at the ease, celerity and accuracy with which he calculated the exact value of any business proposal submitted to him. He was a complete master of figures, and his brain could arrive at correct results in dealing with the complicated mass of figures almost in a

flash.”¹³³ Concerning his quickness of mind, it is stated elsewhere, in an early biography: “Almost at a glance Beit could explain and reduce to simple terms the complications of a balance sheet or financial proposition. His mental process in dealing with figures was so rapid and accurate as to be regarded as phenomenal, even by those whose occupations demanded quickness in mental arithmetic.”¹³⁴ And there are some astonishing stories about Beit’s memory and his eye for stones in the biographical literature.¹³⁵

HOWEVER, Beit is described not only as a man of unusual mental powers, but also of unusual “fineness of character”.¹³⁶ His kindness as well as his honesty is continually emphasised. Beit’s generosity was legendary in Kimberley. No one in South Africa, recalled Sir Harry Graumann, later mayor of Johannesburg, had been so good and friendly and helpful to people in need, particularly the older Kimberley hands. He related that whenever Beit heard of one of them who had gone broke, he would send money.¹³⁷

DESCRIPTIONS of Beit lay repeated emphasis on his sincerity.¹³⁸ He is described as being open-hearted and not at all self-absorbed, a light-hearted spirit who retained a childlike pleasure in the simple things of life, someone who took great joy in making others happy, not least by distributing gifts. An early biography, based on testimonies of friends and acquaintances, also depicts him as someone who spent a lot of time and energy sorting out the troublesome love lives of friends.¹³⁹

IN modern parlance, Beit seems to have had very strong social skills, which made it easy for him to make contact with others, or

more precisely, which led others to him. We are a little astonished today to read comments by acquaintances about Beit such as: “No mortal ever had a sweeter smile than Alfred Beit (...) and the smile was the man”.¹⁴⁰

COMPARING Beit’s characteristics as a businessman and as a private individual, we find there are some interesting, and seemingly incompatible traits: Beit was a self-made man, but one who acted largely selflessly; who as a businessman initially had to struggle hard before he could become a philanthropist; who concerned himself with the common good and the condition of his fellow human beings, but who when competing in business overcame rivals with the greatest skill; who brought fair play, generosity and friendship into the field of market rivalry, but was dependent for his success on overcoming weaker operators. As a competitor, Beit was esteemed just as much as he was feared, but at the same time was regarded as a most friendly man by many who have testified to his character: “He was a gentle, self-effacing, likeable (to many people, loveable) plutocrat; an exceptional being indeed to rise amid the dust (...) of Kimberley.”¹⁴¹

IT testifies to a certain irony of fate that such a man developed and indeed had to develop his intellectual talents through the control and management of large financial enterprises. Earning money was what he could do, but money was probably not what he sought. The prosperity and that power which prosperity brings came to Beit more or less despite himself.¹⁴² However, fate brought him together with a person who differed from him in this as in many other



“He was a complete master of figures, and his brain could arrive at correct results in dealing with the complicated mass of figures almost in a flash.”

respects and with whom he was nevertheless to be linked by a lifelong partnership: Cecil Rhodes.

.....
RHODES, who in later years remarked a little derisively that all Beit wanted was to give his mother £1,000 a year,¹⁴³ had been born in the same year as Beit. The son of an English country parson, Rhodes had come to South Africa at the age of 17. He had initially run a cotton plantation with his brother, but then got to know the diamond fields of Kimberley. In 1873, he returned to England because of health problems, and he began to study law at Oriel College in Oxford. But Rhodes still continued to run his South African business from England. He returned to the fields of Kimberley and in April 1880 he founded the De Beers Mining Company with his old partner Charles Rudd.

.....
ACCORDING to one anecdote, Beit and Rhodes had already known of one another in Kimberley for some time, but they only became acquainted around 1879,¹⁴⁴ when Rhodes appeared in Beit's office late one evening. When asked by Rhodes whether he ever took a break, Beit is said to have answered "not often", and when asked about what he intended to do in business, Beit gave the self-confident reply that he would control the entire diamond production in Kimberley before he was much older, whereupon Rhodes is said to have retorted that he also had exactly that in mind and they had better join forces.¹⁴⁵

.....
IT was through the realisation of this plan, which they had each conceived independently of one another, that their acquaintance soon developed into a close business cooperation. Initially Beit became a member of

the board of De Beers Mining Company,¹⁴⁶ then Rhodes, with support from Beit, established De Beers Consolidated Mines Ltd., which was subsequently to take over nearly all of the other companies and still dominates the market today.¹⁴⁷ For a time, De Beers claimed a share of 90 percent of global diamond output.¹⁴⁸

.....
OLDER reports and biographies depict the founding of De Beers as a fierce wrestling match between the two titans Cecil Rhodes and Barney Barnato from Kimberley Central Mine. The story was supposed to run like this:

.....
RHODES had early on planned to bring the entire diamond business in Kimberley under his control. Between 1880 and 1887, he had single-mindedly pursued the aim of acquiring all of the shares in the De Beers Mine. The concentration process in the Kimberley Mine ran more slowly, but in 1887 Barnato had brought the lion's share of the mine under his control, except for 90 rich claims controlled by Porgès' Compagnie Française. In pursuit of his objective, Rhodes now purchased all of the shares in the Compagnie. In a brilliant manoeuvre, he sold the Compagnie to Barnato's Kimberley Central for a fifth of the shares in Kimberley Mine, so putting a Trojan horse in the enemy's camp. After bringing about a disastrous fall in the diamond price through a deliberate increase in production, in October 1887 a contest began for the shares of Kimberley Mine on the free market. This ended in March 1888 mainly owing to the skillful and steadfast support of Alfred Beit and the help of Rothschilds in London with a triumphal victory for Rhodes after a long period when it was an open question, who

would take over whom. To Rhodes' misgivings over the feasibility of financing the enterprise Beit is said to have answered: "We will get the money if we can only buy the shares."¹⁴⁹ He saw the need to find others who looked to a consolidation of the mines to provide greater cost-efficiency, possibilities for more advantageous pricing and higher returns, but the priority was to persuade shareholders who were willing to sell, not to sell to Barnato. This is what happened. Barnato had failed to attract reliable backers who were prepared to hold on to their shares. His front began to crumble as the shareholders became unable to resist the increasing prices, and sold to Rhodes and his backers, who finally held 60 % of the shares in Kimberley Mine. There was a return to the negotiating table, and after a memorable exhausting late-night meeting Barnato agreed to sell his stake in De Beers for over £5.3 million.¹⁵⁰



Barney Barnato (ca. 1851–1897) Actor and solo entertainer, diamond dealer and multi-millionaire

.....

THAT version of the story has been amended by more recent historic studies into a kind of Biblical myth, as a struggle between titans, with Rhodes representing the powers of light, of productive industry and triumphant capitalist progress, and prevailing over the power of evil, and the almost criminal commercialism and speculative instincts of Barnato.¹⁵¹ These later studies provide a less personalised picture of the process of rationalisation, and attempt to explain it by way of a structural analysis.

.....

ACCORDING to these accounts, De Beers had four main advantages over Kimberley Central in the race for the monopoly. De Beers had strong control of its workers through the "closed compound system" and was more effective in its manpower usage.

Moreover, the De Beers mine had fewer serious mining problems (landslides, water damage, etc.) so De Beers could always distribute an annual dividend. Thirdly, the people managing the mine were more capable. And not least, the mine had an enormous amount of profitable "blue ground" under it.¹⁵²

.....

RHODES' plan envisaged facilitating the

merger by way of an enormous increase in output (based on an expansion of underground mining). The price fall caused by this was to make it possible to buy up the cheaper shares of the other mines.¹⁵³ However, by no means all the directors of De Beers were prepared to go along with this acquisition strategy. There were open conflicts, with Frederic Stow emerging as the main rival of Rhodes. Rhodes gained Alfred Beit as supporter. At this time, Beit's shareholding did not make him a heavyweight – in 1884 he declared his wealth to banks as £35,000, but by June 1887 he was worth £100,000 and one of the leading share dealers in Kimberley.¹⁵⁴ At this time Beit was a significant figure by virtue of his numerous international connections, particularly to Jules Porgès and the leading diamond investment company on the European market.¹⁵⁵ Beit later commented on the vital importance for individual success in business, of contacts and the ability to cooperate: "Remember you cannot expect to make money unless others make it with you" and "To do anything big you must also be careful that others will prosper with you".¹⁵⁶

BEIT'S link with Porgès was of great assistance with the integration of the companies involved in the De Beers Mine. This process was completed in June 1887 with the support of Porgès,¹⁵⁷ and De Beers turned its attention to other mines.

HOWEVER, Porgès was not unreservedly on the side of Rhodes and Beit. When De Beers and Kimberley Central competed for the shares of Compagnie Francaise, the prices rose considerably. Porgès had formed a syndicate with Rudolph Kann, the Paris private banker, and bided his time. He exploited the

rivalry between De Beers and Kimberley Central and only sold to De Beers at a very high price. This now brought Beit into a conflict of interests between his company, Porgès, on the one hand, and Rhodes and De Beers on the other.

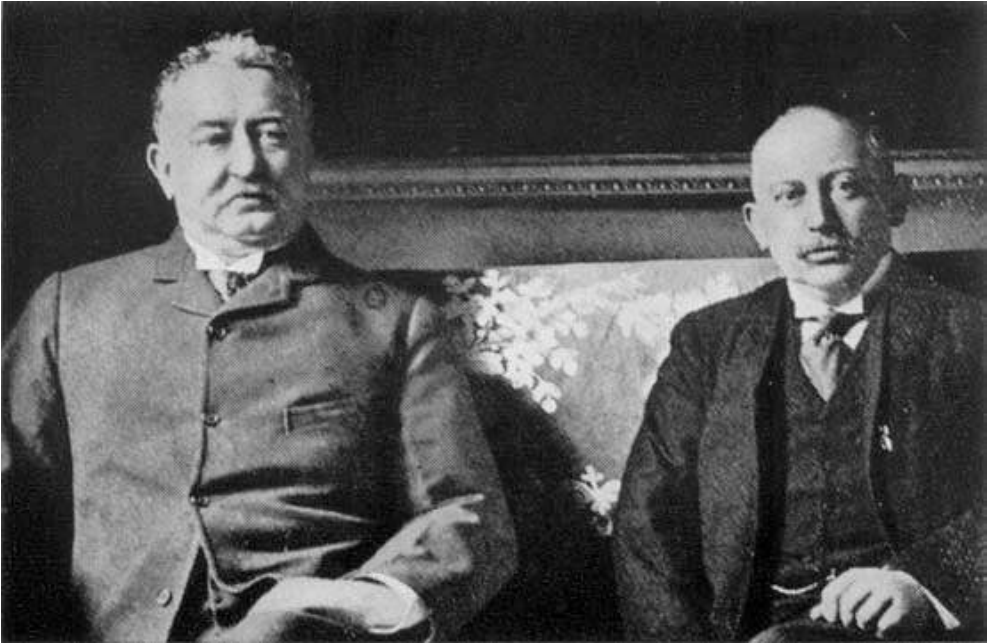
IN fact, it was through middlemen such as Ludwig Lippert, Beit's cousin, and largely on the European market that De Beers purchased 16,000 of the 28,000 available share certificates of the Compagnie. But even this majority "was not an adequate safeguard to the complex financial guarantee that the Rothschilds had arranged for the take-over." It was in order not to lose Rothschild's support in the future that Rhodes agreed to sell his shares in the Compagnie to Kimberley Central, and he also agreed to accelerate the concentration process in the Kimberley Mine. It cannot in reality have been a case of a carefully planned "Trojan horse".¹⁵⁸

THE rest of the story was then less a fierce wrestling match between Barnato on the one hand and Beit and Rhodes on the other, than a process backed by the financial power of the Rothschilds, accepted by all sides and decided in favour of De Beers, with the Rothschilds guaranteeing important positions in the new company for those who were cooperative.¹⁵⁹ Apart from the millions already mentioned, Barnato thus also obtained for himself one of the newly created governor posts of De Beers, and with it substantial influence in the diamond business for his lifetime.

ACCORDING to this interpretation, at the end of the negotiations it was not only Rhodes who stood at the head of the new, powerful De Beers Company as the winner,



"What would Beit say?"



Cecil Rhodes and Alfred Beit

but Barnato too, who benefited enormously financially. The apochryphal version of the merger was upheld for such a long time because the new directors had no wish to tell shareholders how deeply the company was indebted to the banks as a result of the need to so richly feather Barnato's nest.¹⁶⁰

ALFRED Beit also emerged as winner from the merger process. Like his friend and partner Julius Wernher, he received in May 1888 one of the five lifelong, well remunerated governorships of De Beers¹⁶¹ and in the same year he became a partner of Jules Porgès & Co.¹⁶² Beit was now one of the big players.

THE business relationship between Beit and Rhodes now became extremely close. Rhodes was clearly very reliant on the ability of the little man from Hamburg, and in

his circle the question "What would Beit say?" became a regular part of the business process. Rhodes's regular reply to all questions that he could not or did not want to answer was "Ask little Alfred".¹⁶³ He is also credited with saying "In finance we have Beit".¹⁶⁴

IN appearance Rhodes and Beit were an ill-matched pair: Rhodes, the big, imaginative, dreamy and ruthless young man with the slightly protruding eyes and energy-charged face, and the round-headed, practically thinking, sensitive, gentle, friendly and clever looking Beit.¹⁶⁵ And in other respects too they did not have much in common: Rhodes, who loved nothing as much as a fortnight under the open sky in the company of good friends and a communal hunt (not for sport, but for the pot) contrasted

with Beit, who never took a weapon in his hand, who made a rather forlorn impression on his giant, bony sorrel, and whose attempts to cycle in Kimberley became an attraction.¹⁶⁶ They were also completely different in their background, upbringing and training.¹⁶⁷ But their very differences complemented each other. If Rhodes was a visionary, Beit was the better businessman and greater realist: “If Rhodes knew the worth of an enterprise, Beit knew the market value.”¹⁶⁸

.....
 AND there were of course things that they

did have in common. Neither was an intellectual or a scholar who ever felt the urge to explain or justify himself and his own actions in writing, and both had a distinctive will and great organisational talent and were out to increase their wealth.¹⁶⁹ And not least Rhodes appreciated Beit’s mischievous humour and his boyish behaviour.¹⁷⁰

.....
 AN indissoluble mutual trust, “a financial friendship”,¹⁷¹ developed between the two men, which soon began to grow beyond purely business interests and into the political field.

113 *Fort, Beit*, p. 113.
 114 *Worger, City of Diamonds*, p. 21 and 35.
 115 *Ibid.*, p. 30 and 35.
 116 *Ibid.*, p. 37f.
 117 *Beit/Lockhart, The Will*, p. 36f.
 118 *Turrell, Capital*, p. 11f.
 119 *Worger, City of Diamonds*, p. 38.
 120 *Ibid.*, p. 42.
 121 *Ibid.*, p. 44f.
 122 *Turrell, Capital*, p. 110.
 123 *Worger, City of Diamonds*, p. 46f.
 124 *Ibid.*, p. 48.
 125 *Ibid.*, p. 47 and 49f.; *Meredith, Diamonds*, p. 110.
 126 *Ibid.*, p. 118f.
 127 *Ibid.*, p. 118.
 128 *Emden, Jews*, p. 410; *Zinnow, Beit-Chronik*, p. 49f.
 129 *Fort, Beit*, p. 71.
 130 *Ibid.*, p. 86–88.
 131 *Ibid.*, p. 23.
 132 *Ibid.*, p. 97.

- 133 Quoted according to Rosenthal, *New Light*, p. 84f.
- 134 Fort, *Beit*, p. 60f.
- 135 *Beit/Lockhart, The Will*, p. 38; Rosenthal, *New Light*, p. 42–45.
- 136 Fort, *Beit*, p. 32.
- 137 *Beit/Lockhart, The Will*, p. 9f.
- 138 Fort, *Beit*, p. 56ff.
- 139 *Ibid.*, p. 55f.
- 140 *Ibid.*, p. 157. Cf. there also p. 56.
- 141 Roberts, *Diamond Magnates*, p. 159. Cf. Fort, *Beit*, p. 57. Lionel Phillips, one of his employees, says about him: “none was more genial and kind, none more brilliant in capacity, more bold in enterprise, or more genuinely respected and admired than Alfred Beit. His intelligence was keen and his power of decision great as it was rapid (...). Beit had the gift of quite unusual insight, coupled with boldness of action,” quoted in Roberts, *Diamond Magnates*, p. 163.
- 142 Fort, *Beit*, p. 58: “Wealth and the power that goes with wealth came to him, despite himself”.
- 143 *Ibid.*, p. 58; *Beit/Lockhart, The Will*, p. 40.
- 144 Zinnow, *Beit-Chronik*, p. 49.
- 145 Fort, *Beit*, p. 72f.: “‘Hullo!’ said Rhodes; ‘do you never take a rest?’ ‘Not often,’ said Beit. ‘Well, what is your game?’ said Rhodes. ‘I am going to control the whole diamond output before I am much older,’ said Beit. ‘That’s funny,’ said Rhodes, ‘I have made up my mind to do the same; we had better join hands.’”
- 146 Boyd/Phimister, *Beit*, p. 856.
- 147 Zinnow, *Beit-Chronik*, p. 50.
- 148 Meredith, *Diamonds*, p. 162.
- 149 Fort, *Beit*, p. 75.
- 150 Emden, *Jews*, p. 398f.
- 151 Turrell, *Capital*, p. 206.
- 152 *Ibid.*, p. 211.
- 153 *Ibid.*, p. 212.
- 154 *Ibid.*, p. 212f. – If these figures are correct, it is probably part of the legend that during the takeover battle Beit made available to Rhodes the sum of £250,000 without securities, Emden, *Jews*, p. 398; Boyd/Phimister, *Beit*, p. 856 – for which Rhodes later is said to have returned the favour with the same, Rosenthal, *New Light*, p. 81.
- 155 Turrell, *Capital*, p. 213.
- 156 Emden, *Jews*, p. 410.
- 157 Cf. also Worger, *City of Diamonds*, p. 220.
- 158 Turrell, *Capital*, p. 219f.
- 159 *Ibid.*, p. 222.
- 160 *Ibid.*, p. 227.
- 161 Worger, *City of Diamonds*, p. 227; Meredith, *Diamonds*, p. 161f. – The fifth governor was Frederic Stow.
- 162 Boyd/Phimister, *Beit*, p. 856.
- 163 Fort, *Beit*, p. 35; *Beit/Lockhart, The Will*, p. 38; Emden, *Jews*, p. 410f.
- 164 *Ibid.*, p. 411.
- 165 Rosenthal, *New Light*, p. 137 however cites an American journalist who describes Beit as blonde and blue-eyed.
- 166 Fort, *Beit*, p. 70.
- 167 *Ibid.*, p. 33.
- 168 *Beit/Lockhart, The Will*, p. 38f.
- 169 Fort, *Beit*, p. 33f.
- 170 *Beit/Lockhart, The Will*, p. 38ff.
- 171 Emden, *Jews*, p. 410.
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BEIT AND THE BRITISH EMPIRE

RHODES, like Beit, was a diamond magnate. Yet while Beit remained primarily a businessman, Rhodes was also a colonial visionary and imperial politician. He had been a member of the parliament of the Cape Colony since 1881¹⁷² and was to remain a parliamentarian up to the end of his life. From 1881, his political influence increased in step with his financial strength.

RHODES had devised the plan of encircling the Boer republics and joining the Cape Colony with the Orange Free State and Transvaal to form a South African Union – under the British flag. This was part of his wider idea of creating a continuous line of British colonies from the Cape to Cairo linked by a railway the length of the continent. There was already a railway line from Cape Town to Kimberley, as well as one from Cairo to Suez. The Cape to Cairo plan would however inevitably bring Britain into conflict with other powers.

SINCE its acquisition by the British crown in 1795/1814, the Cape Colony had lost none of its strategic or trading significance for the British Empire. Even after the opening of the Suez Canal in 1869, two-thirds of British cargo bound for the Middle and Far East was still transported via the Cape at the end of the 1870s, the Mediterranean route not

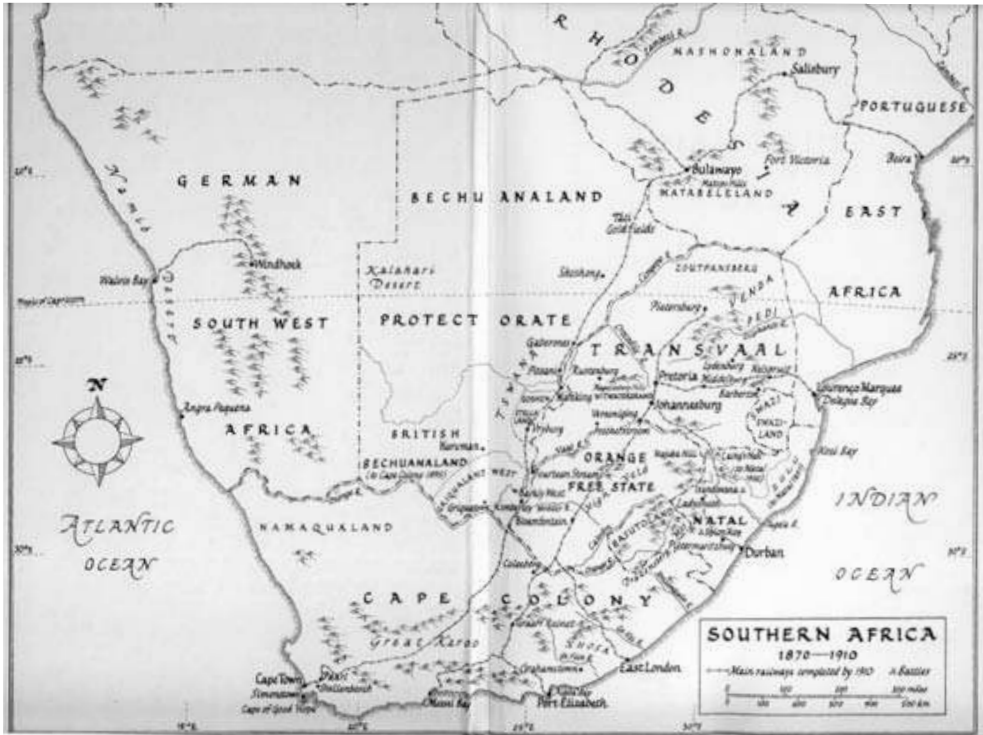
being considered safe enough in the event of war. Anyone wanting to shift the political balance in this part of the world would have to reckon with vigorous protest from the world's dominant sea power.¹⁷³

BRITAIN initially showed little interest in the South African hinterland, in contrast to the coastal region. However, the independence of the Boer republics was seen as potentially disruptive. With the discovery of the diamonds of Kimberley, the areas further north now attracted more interest. This encouraged ideas for bringing all of South Africa under British control, although they were at first the ideas of individual politicians, not a fixed aim of British policy. However, the proponents of expansion could “expect more good will in London than before, as South Africa now promised to become not a bottomless barrel (...) but rather a treasure trove.”¹⁷⁴

IN the early 1880s, other European powers began to take an interest in the African continent, and a contest began to stake claims and proclaim “protectorates” to exclude the competition. This led to numerous political tensions, such as the 1884 claim by the German Reich to South West Africa, located north west of the Cape Colony.



One foot in Capetown, the other in Cairo – the famous caricature of Rhodes as colossus with reference to the Colossus of Rhodes



Southern Africa between 1870 and 1910

NORTH of the Cape Colony, towards the British Sudan and British East Africa, the present Kenya, there was now the enormous Belgian Congo, the private property of King Leopold II. Bordering this, German East Africa – today Tanzania, Burundi and Ruanda – was claimed by the German Reich in 1885/90. South of this stretched Moçambique on the coast of the Indian Ocean, belonging to Portugal.

THE way to Cairo was thus no longer free, but the “scramble for Africa” had also noticeably stepped up the speed of British annexations at the Cape. In the many border wars of the 1870s and 1880s the British had expanded their colony at the expense of

neighbouring independent territories of the indigenous population, the most important step being the subjugation of the Zulus in 1881. Their territory was annexed in 1887.¹⁷⁵

CECIL Rhodes was the prime mover behind the 1885 acquisition of Bechuanaland (today Botswana), located north of the Orange and west of the Boer states. This expansion was primarily intended to counter the acquisition of South-West Africa by the German Reich the previous year. It involved bringing under British rule land that had become strategically important, located it was between Britain’s German and Boer rivals, and so keeping open the corridor for an expansion of the colony to the north. This had be-

come all the more urgent, as settlers from the Boer republics had already moved west, where they founded two small independent free states, Goshen and Stellaland.

.....
THOSE eager to participate in the partition of Africa were becoming stronger in the colony as well. The British South Africa Company was founded in 1889 under Rhodes' leadership. This private organisation received, also mainly at the instigation of Rhodes, a royal charter from the British government for acquiring land in southern Africa on October 29th 1889.

.....
THE Chartered Company aimed above all to profit from mineral wealth, and it would acquire and administer areas at its own expense and at no cost to the British crown. This procedure was not unusual in the colonial era. In Germany too, private companies such as the German East Africa Company of Carl Peters played an important part in colonial development.

.....
BOTH sides benefited from this arrangement. The charter gave company investors the backing of the British government for their projects (as long as everything ran smoothly), while the government on its part could expand the British sphere of influence in southern and central Africa without having to bear the costs of administration or becoming embroiled in costly native wars. This led sections of the British public to deride this form of British expansion as "imperialism on the cheap".¹⁷⁶

.....
PRIVATE investors financed the company – and with high returns expected, the pressure on it to succeed was accordingly high. The requirement for capital was enormous, three

million pounds over four years.¹⁷⁷ From the economic point of view, the state was very shrewd not to acquire an interest in the company, as it yielded no profits up to 1923.¹⁷⁸ However, it brought enormous land gains for the British crown. A northern border for the company's activities was deliberately not defined.

.....
IN subsequent years, Rhodes managed to bring the independent empires of the Matabele and the Barotse under British sovereignty. The areas were named – after Rhodes – Northern and Southern Rhodesia, today Zambia and Zimbabwe. They were administered directly by the Company up to 1923 before being formally subject to the crown.¹⁷⁹

.....
RHODES was eminently successful in his enterprises and during those years he was at the peak of his influence. It had only been in 1888 that he had begun to set up De Beers and found a diamond monopoly. He was elected premier of the Cape Colony in 1890.

.....
ALFRED Beit also gave Rhodes crucial support with the founding and financing of the British South Africa Company and in 1889 he became one of its directors.¹⁸⁰ He took a shareholding worth £34,000 and jointly with Rhodes a further £11,000 (Rhodes himself held, by way of comparison, shares worth £75,000, De Beers held £200,000, Gold Fields nearly £100,000 and the Exploration Company £75,000).¹⁸¹

.....
IN business terms, the link between Beit and Rhodes was based on clear self-interest. It is more difficult to understand the personal friendship between the two, and why Beit also financially supported Rhodes' ambi-

tious political plans, his “grand schemes”. It may be wondered whether he really did this enthusiastically, as stated in English biographies, and also whether we can in truth talk about Beit’s “devotion” to Rhodes,¹⁸² to whom Beit is said to have owed his own greatness – according to these interpretations, it was a greatness at second hand.¹⁸³

PERHAPS Rhodes’ personality, his bearing and his ability to convince others of his strength of will impressed the shy and gentle Beit, who identified in him traits that he found missing in himself. But while Rhodes, in common with such thinkers as Thomas Carlyle, Charles Dilke or Robert Seeley, wanted to secure as large a part of the world as possible for the “Anglo-Saxon race”,¹⁸⁴ it may be asked what appeal the enlargement of the British Empire had for a level-headed German businessman from a formerly Jewish family, and whether Beit could actually summon up enthusiasm for the divine mission of the imperialist Rhodes.¹⁸⁵

“PATRIOTISM” in the narrower sense of the term was in any case not a factor, as Beit assumed British citizenship only in 1898. And while the possibility that Beit devoted himself to someone else’s ideal¹⁸⁶ cannot be ruled out, there would have to be evidence for this. Here too it seems more plausible to assume business motives. We will probably no longer be able to unravel the complexity of Beit’s motivation; too much material has been lost or intentionally destroyed.

THE fact is that Beit financially supported numerous political projects of Rhodes, even if he preferred to stay in the background. Rhodes would not have been able to realise

his projects without Beit’s financial backing.¹⁸⁷ And, willingly or not, Beit was involved in the imperial project and became one of the co-founders of Rhodesia. Contemporary descriptions also characterise his role and the relationship between him and Rhodes in the context of the contemporary debate on the role of the sexes, and they depict Rhodes as the man, Beit as the woman, Rhodes as the “father” and Beit as the “mother” of the country.¹⁸⁸

IN late October 1888, Rhodes had already obtained from King Lobengula, the ruler of Matabeleland, a concession that granted him for an indefinite period the right to search for mineral wealth in Matabeleland – for the monthly payment of a small sum of money and the delivery of 1,000 rifles.¹⁸⁹ The BSAC was then founded in 1889 to exploit this concession.

IN 1890, the first group of pioneers moved to Mashonaland in the Matabele domain¹⁹⁰ and began building the place which later became Salisbury, today Harare. The 200 white “settlers”, 500 armed and mounted forces of the Chartered Company Mounted Police and the 350 black workers, whom the company had recruited and equipped, came into the country in June from British Bechuanaland, with 2,000 oxen and 117 wagons.¹⁹¹ They had been attracted by far-reaching promises. Quite a few of them were eager to obtain one of the 3,000 acre farms which the company had promised each of them, but most had their sights set on the promised 15 free gold claims.¹⁹² They hoped that the new land would turn out to be an “El Dorado” with rich gold deposits.¹⁹³

HOWEVER, the colourful group soon en-



*Eduard Lippert (1844–1925),
Alfred Beit's enterprising cousin*

countered considerable difficulties. Initially there were conflicts with Lobengula, as the company formally possessed only the right to search for mineral wealth, but not to settle.¹⁹⁴ However, the BSAC was able to ensure that its people could stay, and started to build forts (Tuli, Victoria, Charter and Salisbury).¹⁹⁵ In particular supplying the “settlers” proved difficult, due to catastrophic transport conditions, exacerbated by violent rainfall. Soon food could only be had at extortionate prices, illnesses broke out and the medical services were poor. But above all the hopes for gold finds did not materialise. The new arrivals began to feel that they had been led up the garden path by the company.¹⁹⁶ When Rhodes asked them what they thought of their new home, they described

the country as a “bloody fiasco”.¹⁹⁷

As the company had an obligation towards its “settlers”, Beit set off on a tour of inspection in 1891. Apart from concern for their welfare, he had another, possibly more important aim, namely to investigate the prospects for the extraction of mineral wealth.¹⁹⁸

CECIL Rhodes had secured from King Lobengula the mining rights but no more. He could dig, but not settle, which was a prerequisite for effective mining. These rights were possessed by a German competitor, Eduard Lippert, a cousin of Alfred Beit who had been doing business in Matabeleland since 1886.¹⁹⁹ Lippert had obtained a concession from Lobengula permitting him to trade in land in Lobengula’s territory for the next hundred years. It was thus not possible to do business in Matabeleland without coming to an arrangement with Lippert.²⁰⁰

RHODES initially tried to brand Lippert’s concession as a forgery, but Beit considered it to be genuine and warned that it would also be recognised by British courts.²⁰¹ Rhodes then turned to the British authorities and the Colonial Office, and tried to exert pressure by having Lippert’s employees arrested on British territory.²⁰² But Lippert was not easily daunted, being a man who on his arrival in South Africa is said to have once run on foot from Delagoa Bay to Barberton, some 140 miles through unknown wilderness.²⁰³ And he was convinced that he was in the right. A mutual personal antipathy deepened the rift between the two men. There was a mood of disappointment. From Lippert’s point of view, Rhodes had broken

mutually agreed business arrangements relating to Matabeleland. Thereupon Lippert is said to have insulted an inebriated Rhodes in a club in front of witnesses.²⁰⁴

LIPPERT was not successful in obtaining the backing of the German government through the consul general in Cape Town,²⁰⁵ but equally, Rhodes failed to discredit Lippert's documents. A financial solution had to be found. Rhodes was under considerable pressure from the British and the South African public, as there was lively debate on just how justified claims to Matabeleland were, and how wise it was to allow such ambitious economic projects as the development of the country to rely merely on a concession, and on mineral wealth that had yet to be discovered.²⁰⁶

IT would be very expensive to buy out Lippert, particularly as he was thought to enjoy the support of the Transvaal government and of the German Kaiser. Lippert's position was therefore not seen as weak. Rhodes was very doubtful how the matter would progress. In March 1891, Beit travelled to Mashonaland to assess the situation on the ground.²⁰⁷ He was accompanied by a group led by Lord Randolph Churchill (the father of Winston Churchill), who had obtained an invitation to visit the Cape Colony and the company's territories. However, the negative impression that Churchill gained on his trip and his adverse comments after his return to England deepened the crisis affecting the company in a way that was neither planned nor welcome.²⁰⁸ The company's shares on the stock exchange lost approximately half their value.²⁰⁹

BEIT was an urban creature, most at home

in his office, not in the great outdoors, and he had nothing in common with the wilderness. A less suitable man for the journey to Mashonaland could scarcely be imagined. Although he organised it as pleasantly as his finances permitted him, the trip became a torment.²¹⁰

HE set off with ox carts and teams of horses on July 18th 1891 from Fort Tuli, on the edge of Matabeleland, to Salisbury by way of Fort Victoria, travelling mainly in the cool hours of the early morning and the late afternoon. The roads were bad, the trip arduous and the dangers numerous. One night lions killed some of the travel party's horses. Twelve days after the expedition had left Fort Tuli, the horses and mules fell sick. Half of them perished, and not much more could be done with the others. When Beit reached Fort Victoria, his light two-seater was drawn by oxen.²¹¹

THERE is no record of a description of the trip by Beit. But on the way his group met Eduard Lippert, who was then also visiting the country with his wife Marie. Marie Lip-



Alfred Beit on a 1968 stamp of the Rhodesian Post Office

pert described her impressions in letters to her family.²¹² The perfectly polite interchange at the meeting of the two groups²¹³ could do nothing to change the negative picture of Beit that Mrs Lippert painted in her letters, according to which Beit's sole concern was the Chartered Company, and he tried to bury all dissension under a feather-bed of fine words; she preferred people like Rhodes who would openly espouse the maxim "Might is right". Irrespective of Marie Lippert's negative viewpoint, Beit does appear from what she says to be keen to conciliate.

.....
WHEN Beit arrived in Salisbury,²¹⁴ which at that time comprised no more than a cluster of mud huts, in August 1891, he was ex-

posed, as one of the directors of the Chartered Company, to the recriminations of the settlers, who bitterly complained about their conditions and provisioning. Beit spent six weeks in Mashonaland remedying their problems – and at the same time sounding out the situation with respect to the possibilities of extracting mineral wealth. What he saw fuelled his scepticism. After the trip, he confided that he had seen nothing in which he would invest so much as £100. If anything he had been more impressed by the land than by the ore deposits.²¹⁵ Significant gold deposits were not discovered between the Limpopo and Zambezi rivers,²¹⁶ which doubled Beit's interest in other regions.²¹⁷ He nonetheless became one of the co-founders of Rhodesia, and not only as a financier of Rhodes' activities.²¹⁸

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- 172 Worger, *City of Diamonds*, p. 199.
- 173 Rosenbach, *Das Deutsche Reich*, p. 25ff.
- 174 Fisch, *Geschichte*, p. 173.
- 175 Cf. *the border wars*, *ibid.*, p. 173ff.
- 176 Galbraith, *Crown*, p. 310.
- 177 Beit/Lockhart, *The Will*, p. 14.
- 178 Fisch, *Geschichte*, p. 187.
- 179 Beit/Lockhart, *The Will*, p. 34.
- 180 Zinnou, *Beit-Chronik*, p. 53.
- 181 Rotberg, *The Founder*, p. 286.
- 182 Boyd/Phimister, *Beit*, p. 856; Beit/Lockhart, *The Will*, p. 13: “About 1879, Beit met (...) Cecil Rhodes (...) and fell at once under his influence. From that time up to his own death, he loyally supported Rhodes’ (...) schemes”.
- 183 *Ibid.*, p. 31: “Beit was a man of simple character who, without the inspiration of Rhodes and the stirring events of the period in Africa might have been a mere successful gold and diamond merchant, just as Rhodes, without Beit, could not attend to the details of business, which puzzled and wearied him.”
- 184 Cf. also Fort, *Beit*, p. 32.
- 185 Beit/Lockhart, *The Will*, p. 13.
- 186 *Ibid.*, p. 31.
- 187 *Ibid.*, p. 14. – Rhodes also strove together with Beit to acquire Katanga (later part of the Belgian Congo), Galbraith, *Crown*, p. 240.
- 188 Cf. T. W. Stead “Alfred Beit, Diamond King, Empire Builder”, in: *The American Monthly Review of Reviews*, August 1906, p. 300: “Rhodes was the father, Beit the mother, of Rhodesia. And in good sooth Alfred Beit loved Cecil Rhodes as Jonathan loved David, with a love and a loyalty passing the love of woman. Beit was essentially feminine in his mental characteristics. With his intuition he quickly conceived Rhodes’ ideas, and mothered them to their birth. (...) It is impossible to disassociate him from Mr. Rhodes, but it is as impossible to condemn him for his complicity in Mr. Rhodes’ errors more strongly than we would censure the wife who, for good or for ill, (...) casts in her lot with her husband”, cited according to Straelen, *Alfred Beit*, Appendix I, p. III (fn. 8).
- 189 Pakenham, *Scramble*, p. 384; Lenk, *Geschichte*, p. 42.
- 190 Mashonaland was a part of Matabeleland, cf. Andrees, *Handatlas*, p. 114f. (*Central and South Africa*, square D/E 4).
- 191 Pakenham, *Scramble*, p. 372f.; Lenk, *Geschichte*, p. 45.
- 192 Pakenham, *Scramble*, p. 375.

- 193 Lovell, *Struggle*, p. 181; Galbraith, *Crown*, p. 146f. and 255.
- 194 Galbraith, *Crown*, p. 144.
- 195 Lenk, *Geschichte*, p. 46.
- 196 Pakenham, *Scramble*, p. 391.
- 197 Beit/Lockhart, *The Will*, p. 49.
- 198 *Ibid.*, p. 43.
- 199 Matabeleland *Travel Letters*, p. v.
- 200 *There has so far been no separate study on Eduard Lippert. However, numerous books on the history of South Africa or on the gold and diamond industry contain information on him. In these, Lippert is assessed almost uniformly one-sided and negatively, cf. in particular Emden, Randlords*, p. 327ff. *Early English language works portray him (from the context of the time when they were written) as the "evil German", who stood in the way of the legitimate colonial project of the British with his business activities and his support of the Kruger government. Here it is assumed, without supplying proof, that Lippert enjoyed the backing of the German government. This is contradicted by more recent studies based on German files as by Rosenbach, Laufer and Böhm. The unusual life of Lippert would require a more comprehensive treatment and the portrayal of him that is still influential from the older literature probably needs to be corrected.*
- 201 Galbraith, *Crown*, p. 274.
- 202 Matabeleland *Travel Letters*, p. VI.
- 203 *Ibid.*, p. 1.
- 204 *Ibid.*, p. v; Bake, *Marie Lippert*, p. 56.
- 205 Matabeleland *Travel Letters*, p. VI.
- 206 *Ibid.*, p. v.
- 207 Beit/Lockhart, *The Will*, p. 43.
- 208 Loveday, *Alfred Beit*, p. 7; Galbraith, *Crown*, p. 266f.
- 209 *Ibid.*, p. 267.
- 210 Beit/Lockhart, *The Will*, p. 45.
- 211 Loveday, *Alfred Beit*, p. 7.
- 212 *Marie Lippert's letters from Matabeleland were published after her early death in 1897 (cf. Bake, Marie Lippert) by her husband Eduard in 1898 in a private printing with 50 copies. A copy of this was not obtainable for the present study. An English translation published in 1960 had to be used. On Marie Lippert's estimate of Beit cf. also her assertion in the supplement to her letter of November 27th 1891: "Eduard has never been on bad terms with A. Beit. The fight was with Rhodes. Beit has a very small participation in the Chartered Company, and no influence at all on Rhodes. Indeed, he is never mentioned in these affairs. He is a financier and nothing more. If any idea has got about concerning hostility, please put it right," Matabeleland Travel Letters, p. 36.*
- 213 – *as portrayed by both sides, Beit/Lockhart, The Will, S. 48 and Matabeleland Travel Letters, p. 12ff. – The meeting of both groups became more controversial thanks to a previous episode affecting Beit and Eduard's brother, Wilhelm. Wilhelm Lippert was involved at the end of the 1880s in a big bill forgery case, in which he forged Beit's signature on a number of occasions to protect the Union Bank in Capetown from a threatened bankruptcy. When the swindle was discovered and the bank went bankrupt, Lippert was sentenced to seven years' forced labour, Emden, Randlords, p. 331; Roberts, Diamond Magnates, p. 276. The Lippert company was also ruined. The collapse of the bank with liabilities of 1 million pounds ruined many South Africans, and to his distress Beit felt involved despite bearing no responsibility, Beit/Lockhart, The Will, p. 15f.; Zinnow, Hahn-Chronik, p. 13f.; id., Beit-Chronik, p. 54f.*
- 214 Loveday, *Alfred Beit*, p. 8.
- 215 Galbraith, *Crown*, p. 259; Rotberg, *The Founder*, p. 420.
- 216 Beit/Lockhart, *The Will*, p. 49.
- 217 Boyd/Phimister, *Beit*, p. 857.
- 218 Fort, *Beit*, p. 22.

THE RANDLORD

GOLD was discovered in Transvaal in 1884, a find which in time proved to be colossal. Gold had already been found here and there in various districts of North and East Transvaal between 1867 and 1875, and the exploitation of the Da Kaap gold fields, where Barberton was later to develop, had begun in 1882. In 1884, gold-bearing layers of rock were discovered in the hills forming the southern rim of the Da Kaap basin.

.....

IN 1885 news spread of gold finds further west of Barberton, at several places which together were to form the Witwatersrand, known in short as the Rand.²¹⁹ The Witwatersrand (The Ridge of White Waters) is a rocky ridge of hills stretching south east of Pretoria and east and west of the present Johannesburg over a length of about 30 miles. On its southern slope were the largest gold deposits in the world.

.....

IN September 1886, the Rand was declared a public goldfield by the government,²²⁰ which from December 1886 began to lease gold fields there. The area was surveyed and divided up into fields of 100 x 50 or 50 x 50 ft, which were leased for 99 years in return for monthly charges.

.....

PEOPLE flooded in to the place. Some were eager to work in the mines, others were

profit-seeking speculators, who wanted to become shareholders in the mining companies. "Adequate manpower for the dirty work was provided by numerous Kaffirs who arrived on the scene", it was stated in a German history of Transvaal in 1904.²²¹ Ox-carts, tents and corrugated iron huts formed the first settlement, Ferreiras Camp, where conditions of life were rough.

.....

IT quite soon became apparent that mining gold on the Rand would not be as easy as on other gold fields. The gold there was not just in the upper earth layers and in washable nuggets that would have been easy to extract. On the Rand, the gold was embedded in the basic rock, throughout which it was finely distributed, so that it could only be detected by its glitter, even in rich ore. Blasting and the digging of pits were necessary to mine the gold-bearing rock. This was no place for stereotypical individual gold diggers with picks and wash pans. Companies with lots of capital were required to engage in technological, cost-efficient, labour-intensive mining to extract a few ounces of the precious metal from tonnes of rock.²²² The broken rock was finely crushed in steam-driven stamps and then separated with the use of mercury.²²³ From 1890, alkaline cyanide and electrolysis processes were used. These were much more efficient for dissolv-

ing the gold out of the rock. Without them, gold mining would not have been profitable.²²⁴ The technical innovations of the period and above all the capital flowing from the diamond mines at Kimberley made gold mining on the Rand possible.²²⁵ In earlier times, gold deposits such as those found on Rand would have been largely unrecoverable.

.....
THE TOWN of Johannesburg was founded here in 1886 and experienced mushroom growth, leapfrogging stages of development for which European cities had required centuries. The primitive huts of corrugated iron and wood were soon superseded by stone buildings with electric lighting, telegraph and telephone. Hotels, a club and streets, some planted with trees, were built. Within just ten years, the population of the area surged to more than 100,000, half white, half black.²²⁶ Around the turn of the century, fourteen years after its founding, it was already 166,000. 97,000 blacks worked in the mines at that time. The “compounds” on Witwatersrand were less like prisons than in Kimberley, as only gold-bearing quartz was mined and not pure gold, so there was less risk of theft.²²⁷

.....
JAMES Benjamin Taylor, an employee at Jules Porgès & Co, was sent from Kimberley into the new Da Kaap Goldfield in Eastern Transvaal in 1886 to assess the terrain. He regularly sent reports to his boss, whose interest he awakened. In 1886, Beit himself travelled to Barberton and began to invest. Initially there were significant flops. He acquired an interest in the French Bob Gold Mining Company Ltd. (named after the nickname of the landowner, the Frenchman Auguste Robert)²²⁸ and Kimberley Imperial

Gold Mining Company, which despite its name was based at Da Kaap, the hill dominating Barberton gold fields. But the fields worked did not prove profitable. This failure led to widespread caution, when scarcely a year later more promising mines turned up on the Witwatersrand.²²⁹

.....
BEIT went there for the first time in 1887 to obtain thorough knowledge of conditions.²³⁰ His success there was owing to an exceptional representative whom he had come across in a curious way: J. B. Robinson. Robinson had been one of the major investors in Kimberley. In 1886, however, he found himself in dire financial straits. He had greatly overdrawn his account at the Cape of Good Hope Bank, which now threatened him with a court case. Robinson turned to Beit for assistance. After inspecting the books, Beit advanced money to Robinson, then 46, and together they founded the Robinson Syndicate.²³¹

.....
IT was Robinson who now showed the greatest flair and acumen in identifying the most profitable sites on the Rand. While other investors hesitated and experts remained sceptical, he purchased for the syndicate “a large interest in the best outcrop mines which soon became valuable properties”.²³² Robinson acquired Langlaagte farm from the widow Oosthuizen. The original owners had bought the farm for a second-hand oxcart worth £30 or £40, and even in 1865 it had not been possible to obtain twelve oxen as purchase price for it. Now Robinson, after tough negotiations and several cups of coffee with the widow, put £6,000 on the table – a handsome sum of money. But from this farm’s land, gold worth £40 million was to be mined between

1886 and 1936. Robinson had not paid too much.

BEIT'S cooperation with Robinson was not to last. Robinson is consistently described as a capricious, extremely egoistic and difficult character.²³³ The syndicate, which after Robinson was bought out in 1888²³⁴ was administered by Wernher, Beit & Co, became after De Beers the second source of the wealth of Alfred Beit, making him one of the "Randlords". The value of his mining shares was put at ten million pounds sterling in 1895. He was regarded as the richest Randlord and thus the wealthiest man in South Africa. Wernher came second with seven million, while Rhodes' shares were worth "only" five million pounds.²³⁵

HAVING arrived early on the Rand and backed by capital from Kimberley and from Porgès, Beit and his employees were able to acquire hundreds of claims in the richest gold field in the world.²³⁶

NO more than ten companies dominated the development and exploitation of the gold fields of Eastern Transvaal in the mid-1890s: Barnato Brothers, Lewis & Marks, the Rhodes' group (Consolidated Gold Fields), the J. B. Robinson group, the Farrar group (Anglo French Exploration Co.), A. Goerz & Co, Abe Bailey, G. & L. Albu and S. Neumann & Co. The most important companies on the Rand, however, were Beit's: Wernher, Beit & Co, the successor of Jules Porgès & Co founded in 1890 with Wernher and Beit as partners as well as Max Michaelis and Charles Rube,²³⁷ and H. Eckstein (from 1894, H. Eckstein & Co) its Johannesburg branch operating under its own name, which had its seat in the Corner

House (its name deriving from the literal translation of "Eckstein").²³⁸

ON the Rand, Beit furnished proof of the greatest business asset that he had as a financier, namely his perception of possibilities,²³⁹ his sense for things that were possible and feasible. Beit owed his success to two factors.

THE first involved the innovations in extraction methods of which he was the main promoter. Beit did not restrict himself to shareholdings in "outcrop mines", that is mines which were worked relatively close to the surface, but he became a pioneer in "deep level mining"; this involved the extraction of mineral wealth at greater depths by means of shafts, feasible only by removing much greater masses of soil, and by raising the correspondingly large investment.

EXTRACTION using shafts became necessary because the gold-bearing ore layer did not run evenly on the surface, but only emerged at the spot where it had been found. The ore layer would then run underground in deeper seams. As earth layers are not stacked evenly on one another as in a cake, but have been shifted, in many cases horizontally as well as vertically, by fractures in the course of the earth's history, it was extremely difficult to forecast the zigzag course of a seam. Investing in the right claims, financing exploratory drillings to find the seams, and positioning the shafts were the challenges that had to be faced – always assuming that the gold vein was still present at depth, and that the gold content at the deep levels would then be adequate to recoup the investment.



Seat of Beit's branch in Johannesburg, Corner House

Rock with a lower gold content than usual was discovered from some drillings in 1889. This was bad news, and great efforts were made to keep it quiet, so as to avoid a panic-like flight of capital from the Rand, efforts that were in vain. Wernher, Beit & Co were the ones who stuck to their guns, and a year later as the result of technical innovation (the separation process using alkaline cyanide), they were able to process this poorer rock profitably.²⁴⁰ Beit's willingness to embrace technical innovation underpinned the insight which he had for possibilities, which was so important for his success.²⁴¹

BEIT stood up both to pessimists like J. B. Robinson, who doubted the yield of the deep levels, and to the scepticism of some experts concerning the processing of the

ore.²⁴² Without the entry into deep level mining, the yield would have been much lower. But because Beit had expressed confidence in the deep level system at such an early stage, he and the Eckstein group were able to purchase properties which were of no interest to others.²⁴³ And a further reason they could do this was because they were not solely dependent on the stock exchange to finance their projects.

.....
 THIS brings us to the second reason for Beit's success on the Rand, the way he financed his enterprises; in this respect too, Beit was regarded as the master mind in the establishment of a successful gold industry. Beit "resolved that the mines under his firm's control were not to be run for share-making and marketing purposes. For in no instance did the firm issue a prospectus. The work-



The most capable businessman in South Africa

ing capital was always found by the company and the companies financed until they became dividend paying".²⁴⁴ This was a minor revolution in the financing of South African mining companies.²⁴⁵

THE risk and costs of deep level mining were high. To spread them, Beit decided to invite selected business partners as investors, who would acquire an interest in a parent company for the mining firms. Here Beit could draw on his international connections and again attract finance from the Rothschild bank (in London and Paris).²⁴⁶

IN February 1893, "Alfred Beit's brainchild", Rand Mines Ltd., was entered into the Register²⁴⁷ with a capital of £400,000 and 400,000 share certificates each with a nominal value of one pound, of which 300,000 were issued. Their assets were 1,357 claims, twelve water rights and a majority shareholding in various mining companies. H. Eckstein received shares worth over £200,000 in return for the assets it contributed,²⁴⁸ while Rothschild obtained shares worth £60,000. All those who were let in "on the ground floor", i.e. who obtained their shares certificates at nominal value, were fortunate. Only five years later, they were worth £45 each. In 1899, the company for the first time paid its shareholders a dividend of a hundred percent.²⁴⁹

As part of the negotiations the H. Eckstein company secured for itself 25 percent of the company's profits, once an amount equal to their investment had been returned to the shareholders. In 1899, six years after the founding, Rand Mines bought back this right from H. Eckstein for 110,903 shares. As the shares were at that time traded for £45,

Wernher and Beit received something over five million pounds thanks to this clause.²⁵⁰

To meet the necessary technical demands of deep level mining, Beit and Wernher needed both the capital and the connections that they brought from Kimberley. But they also brought something more that contributed to their success on the Rand, and that was experience. Beit had lived through the ups and downs of the diamond business in Kimberley, booms and crises, and knew what he was letting himself in for. His mining experience was also invaluable when he began to search the world for capable experts for his gold mines, for managers and engineers.²⁵¹ It was largely thanks to Alfred Beit that gold mining on the Rand was undertaken in the only practicable and financially sustainable way.

To represent its long-term interests in the Rand, Jules Porgès & Co founded its own branch. Beit commissioned Hermann Eckstein, a German who had come to the Cape in 1882, to set this company up in 1886.²⁵² A number of outstanding and noticeably successful colleagues grouped around Eckstein over the years. Beit and Wernher were also successful in their selection of personnel. One result of this was that when negotiations concerning the legal parameters for mining had to be conducted with the government of Stephanus Johannes Paulus Kruger, they were able to call on J. B. Taylor, who spoke Afrikaans ("Taal") and was able to build a good relationship in liaising with Kruger.²⁵³

At the same time, Beit had also become involved in a whole series of companies in other sectors; in the Rand area these in-

cluded the Pretoria waterworks, the Pretoria Electric Lighting Company and the National Bank of South Africa, and beyond the Rand there were the Marl Syndicate and Rhodes' Fruit Farms.²⁵⁴ In Rhodesia, he was on the board of the Bechuanaland Railway Company Ltd.²⁵⁵ The scope of his activities had also expanded geographically – the investments of Wernher, Beit & Co now stretched far beyond South Africa. In 1904, they included holdings in mines in Mexico, Korea, Portugal and Spain.²⁵⁶

.....
SIR Percy Fitzpatrick, one of the employees of Beit's company who was closely connected with him, later said that Beit was the most capable businessman that South Africa

had ever produced.²⁵⁷ He noted that the public had received a very inaccurate picture of his personality, as of many others who had become widely known mainly because of their wealth. "To the general public he was merely a name (...), [a] financier, multimillionaire and businessman, who sacrificed everything to money-making. As a matter of fact, Alfred Beit was none of these things. He was the most kindly, most generous and most just of men. So far from being self-assertive, he was modest, unassuming and nervously shy. He was generous not only in material gifts, but even more in those of the spirit: forbearance, forgiveness and (...) consideration for others."²⁵⁸

- 219 *Boyd/Phimister, Beit*, p. 856.
- 220 *Meredith, Diamonds*, p. 183.
- 221 *Lenk, Geschichte*, p. 23.
- 222 *Klössel, Republiken*, p. 100.
- 223 *Kubicek, Imperialism*, p. 40.
- 224 *Ibid.*, p. 43f.
- 225 *On the international shareholdings on the Rand* *ibid.*, p. 141ff.
- 226 *Lenk, Geschichte*, p. 23ff.
- 227 *Fisch, Geschichte*, p. 192.
- 228 *Rosenthal, New Light*, p. 46.
- 229 *Beit/Lockhart, The Will*, p. 10f.
- 230 *Fort, Beit*, p. 97ff.
- 231 *Zinnow, Beit-Chronik*, p. 51.
- 232 *Boyd/Phimister, Beit*, p. 857. For an option price of £750 he purchased 21 claims, on which later the Robinson Mine was to be “one of the most valuable gold-mines in the world”, *Chilvers, De Beers*, p. 72.
- 233 *Zinnow, Beit-Chronik*, p. 52.
- 234 *Meredith, Diamonds*, p. 188.
- 235 *Galbraith, Crown*, p. 284f.; *Laufer, Südafrikapolitik*, p. 35. After Beit’s death, inheritance tax was payable on assets of somewhat over eight million pounds (165 million marks), cf. *Hamburger Fremdenblatt*, November 16th 1910 (in *StA Hbg., ZAS, A 752, Beit*).
- 236 *Cartwright, Corner House*, p. 65.
- 237 *Ibid.*, p. 103.
- 238 *Ibid.*, p. 71, further p. 118f. and 139.
- 239 *Boyd/Phimister, Beit*, p. 857.
- 240 *Meredith, Diamonds*, p. 191ff.
- 241 *Boyd/Phimister, Beit*, p. 857: “Adopting the suggestion (...) not only to work the outcrop but to strike the slanting reef by deep level shafts, at some distance away from the outcrop, he evolved, and devoted capital to testing, the deep levels of the Rand. Beit was the first to recognize the importance of employing first-class mining engineers (...). In the whole deep level system Beit’s firm were forerunners and creators; other firms (...) followed in their footsteps.”
- 242 *Fort, Beit*, p. 98.
- 243 *Cartwright, Corner House*, p. 126; *Meredith, Diamonds*, p. 193.
- 244 *Fort, Beit*, p. 92; *Beit/Lockhart, The Will*, p. 12; *Kubicek, Imperialism*, p. 125ff.
- 245 *Emden, Jews*, p. 414.
- 246 *Fort, Beit*, p. 98f.; *Cartwright, Corner House*, p. 78f.; *Meredith, Diamonds*, p. 188.
- 247 *On the founding of Rand Mines Ltd.*, cf. *Cartwright, Corner House*, p. 125ff.
- 248 *Ibid.*, p. 131.
- 249 *Ibid.*, p. 132f.
- 250 *Ibid.*, p. 127f.
- 251 Cf. above all *ibid.*, p. 97ff.
- 252 *Beit/Lockhart, The Will*, p. 9; *Boyd/Phimister, Beit*, p. 857. – On the “Corner House” cf. above all the study by A. P. Cartwright.
- 253 *Fort, Beit*, p. 99.
- 254 *Ibid.*, p. 100 and 101f.
- 255 *Beit/Lockhart, The Will*, p. 14.
- 256 *Cartwright, Corner House*, p. 231.
- 257 *Beit/Lockhart, The Will*, p. 10.
- 258 *Rosenthal, New Light*, p. 45.

GOLD AND POLITICS

WITH Britain's acquisition of Bechuanaland and of Northern and Southern Rhodesia, the Boer republics were surrounded by British territories. Rhodes' project for encircling them had made great progress. This development was followed with great concern by the Boers and accompanied by aggressive rhetoric. Access to the sea was offered to them in the east only through Portuguese Moçambique, stretching from Lourenço Marques and the mouth of the Limpopo northwards up the coast. In the mid-1890s, Rhodes' plan of encirclement threatened to backfire when Transvaal commissioned a Dutch company to build a railway through Moçambique to secure access to the sea independently of the British colony.²⁵⁹ But there was another development that did much more to upset Rhodes' plans.

THE British seemed to have secured the key to the economic and thus the political development of the region with the diamond fields of Griqualand West.²⁶⁰ But the newly discovered, extremely rich gold deposits allowed Transvaal to assert its own independence from a position of economic strength. At the end of the 19th century, Transvaal already accounted for 27.5 percent of global gold production, and began to surpass the Cape Colony as the leading economic

power in the region. State revenues in 1895 were twenty-five times higher than in 1883. Between 1891 and 1895, the value of gold exports from Transvaal exceeded that of diamond exports from the Cape by 43 percent. It was significant that in 1885 the republic had proposed a customs union with the Cape, in order to share in its high customs revenues. This was rejected at the Cape. Just a year later, the process was repeated, but with roles reversed. The gold finds in Transvaal had awakened a new covetousness among the British – and new fears: if the Boers became the strongest economic force in the south of the continent, they would in time become able to make the Cape Colony and Natal dependent on them, which could mean the loss of the Cape of Good Hope, a key part of the British Empire.²⁶¹

THE Witwatersrand gold rush radically changed the social structure of Transvaal. Numerous Europeans, including many Britons, came into the country to search for gold and to work in the mines. By 1896 there were already 44,000 of these "Uitlanders", or foreigners, as the Boers called them, living in Transvaal, and they accounted for a larger share of the male population than did the locals.²⁶² They were denied citizenship and the right to vote, as the Boers wanted to preserve the character of their state.²⁶³

.....
As so many of the “Uitlanders” were of British descent, demanding political rights for them seemed to be a promising and shrewd way to secure British influence over Transvaal. The issue of the political rights of the “Uitlanders” generated tensions between Britain and Transvaal, which could have been settled with good will, but which led to the Boer War of 1899-1902 and the merging of the South African states into the Union of South Africa – as part of the British Empire.
.....

22,000 British and 7,000 Boers lost their lives in this bitter, unusually hard fought conflict between Britain and Transvaal and the allied Orange Free State. The Boers, who initially put up a successful resistance, finally succumbed to the superiority of the British. They inflicted humbling losses on the enemy with their guerrilla warfare, one result of which was to force the imperial armies to abandon their well-known scarlet uniforms for the soon equally familiar khaki. The British commander-in-chief, Lord Kitchener, retaliated with a “scorched earth” strategy, ordering the destruction of over 30,000 Boer farms, the wiping out of the harvest and the internment of the civil population in “concentration camps”. Nearly 28,000 whites, mainly women and children, died of sickness and malnutrition in these camps by the end of the war.²⁶⁴ Up to 20,000 blacks, abandoned to poverty and hunger with the destruction of the Boer farms on which they were dependent, also died. The cost of this war finally came to the horrifying sum of £217 million for Britain. The war had cost 347,000 horses alone in three years.²⁶⁵ It was the most protracted colonial war, the most costly in terms of blood and treasure, that

the British were ever to wage. Historians see it as marking a change to “total war”, to that form of war that has been a feature of the 20th century.²⁶⁶
.....

THE extent to which economic reasons were the cause of the war has been a controversial issue, continually discussed since the early 20th century, particularly by British historians. Scholars who support this theory maintain that Britain saw its trading predominance in South Africa endangered by the rapidly growing economy of Transvaal, or that Britain wanted to maintain its gold reserves to secure its dominance of world financial markets. One of the most discussed theses is that it was first and foremost the mine owners from the Cape Colony who saw their profits reduced by taxation in Transvaal, and who therefore urged the removal of President Kruger and the installation of a government that would be more responsive to their needs and demands.²⁶⁷
.....

HOWEVER there is room for doubt whether the mineowners really wanted to see their operations disrupted by a war. This counter argument suggests that peace was most conducive to the pursuit of the mining business. Moreover, they disagreed among themselves over their political objectives: while the large, British-dominated mining companies and the management of Consolidated Gold Fields hoped for long-term advantages from a coup in Transvaal, mine owners such as Albu or Görz who were mainly after quick profits and had invested in the outcrop mines, saw no reason for breaking with the Boer regime and taking part in risky political machinations.²⁶⁸ And some of them, particularly Barney Barnato, had a very good relationship with Kruger, and made numer-

ous attempts to bring about peaceful reforms in Transvaal.

.....
THE decision to risk a war may have had more to do with Britain's wish to demonstrate its own power, as suggested by statements made by Prime Minister Salisbury. Neither can the ambitions of the new, expansionist-minded high commissioner in Cape Town, Alfred Milner, be ignored.²⁶⁹

.....
THE fact is, however, that some mine owners most vehemently supported the demands for reform made to Transvaal; this increased tensions between the Cape Colony and the Boer republics to such an extent that war became imminent. How they carried on their agitation and how closely they were working with the imperialists in Rhodes' circle, brings us to the question of the extent to which the economic crisis within the Chartered Company contributed to the exacerbation of the political situation.

.....
SINCE its founding, the Company had not overcome its precarious financial situation. In 1891, it had already used half of the million raised from the share issue, including £200,000 for the mounted "police" force alone (actually Rhodes' private army).²⁷⁰ New burdens came in 1892. After tough negotiations, an agreement was achieved in the dispute with Eduard Lippert. Lippert sold his concession for 30,000 shares in BSAC (with a nominal value of £1 each), 20,000 shares in United Concessions Company and £5,000 in cash to the company. He also obtained the mineral rights for 75 square miles of his own choice in the country.²⁷¹

.....
ALTHOUGH the company now had the surface rights too, by 1892 it was in such a fi-

nancial plight that even with the considerable private wealth of Rhodes and Beit it could not carry on.²⁷² Around Christmas, Rhodes drastically cut costs by reducing the strength of the "police" from 650 to 150 persons.²⁷³ But he still had to ask De Beers for fresh finance to keep the company afloat. That again meant overcoming the resistance of Barney Barnato, who in no way shared Rhodes' political aims, but preferred making money for its own sake. The House of Rothschild, which held shares in the company and in De Beers, was also against a stronger involvement by De Beers, as was Beit.²⁷⁴

.....
THE company's board meetings were dominated by the low price of the shares, and the pressure on Rhodes increased.²⁷⁵ At the beginning of 1893, Lord Randolph Churchill, who had toured Mashonaland in 1891, and who with the subsequent publication of his observations had caused the company's share price to plummet, now had a violent dispute with Nathaniel Rothschild, the head of the London house of the banking family, and Rhodes' most important financial backer. Churchill denounced Rhodes in company as a swindler, and he described Mashonaland as bankrupt, going so far as to claim that there was no one left in London who would lend Rhodes enough money to open a mine.²⁷⁶ And there was still no sign of any gold finds in Mashonaland.

.....
IT was against this background that in 1893 the BSAC used the conflict which was taking place between Lobengula and some of his subjects, as a pretext to invade Matabeleland. The aim was to secure for the company unrestricted control of the whole of Matabeleland, and with the removal of the tradi-

tional and greatly outmanoeuvred ruler, to ensure security for investment and thus better business prospects.²⁷⁷

LOBENGULA, who was suddenly accused of cruelties and massacres of subjects about which no one had previously bothered, was deposed.²⁷⁸ The Matabele had little to oppose the repeating rifles and Maxim guns of the BSAC troops under Leander Starr Jameson. In the end there were 2,000 dead and wounded Matabele, compared with two whites killed. In Britain, the liberal MP Henry Labouchere saw “financial jobbery” behind this “so-called ‘march of progress’”.²⁷⁹ To save costs, the BSAC troops were remunerated with whatever they could capture, with land and cattle.²⁸⁰ The campaign still cost £66,000, which Beit funded as well as Rhodes.²⁸¹



King Lobengula, king of the Matabele

ABOVE all Rhodes’ long-term territorial plans had taken a big step forward with this military coup. Rhodesia was secured for the British crown. In October, the House of Rothschild in Paris noted favourably the rise in the Chartered Company’s share price, after a “sharp engagement” with the Matabele, in which about a hundred of them had been killed.²⁸² However the company was still not operating at a profit, as even in the rest of Matabeleland no mineral riches were found.

THE leaders of the company now looked to new ways of financing their costly political projects, namely by gold-mining reforms in Transvaal which would boost profits there. There were always new reasons for complaint, first the taxing of the profits from the mines, then the matter of the dynamite monopoly, and finally the denial of the franchise to foreigners resident in Transvaal.

THE diamond producers in the Cape Colony had been able to achieve complete tax exemption for their industry (and that despite an enormous state deficit), but they had no such success with President Kruger in Transvaal. He was a “Boer” and as such fundamentally averse to the mine owners, who for him represented another world. He was of course aware of the importance of the gold mines to his country’s economy, but he always remained suspicious of their operators.

THE complaints of the mine owners over the monopoly for dynamite manufacture fell on the same deaf ears. In 1887 the ever-present Eduard Lippert had secured the Transvaal monopoly in this essential supply



*Stephanus Johannes Paulus Kruger (1825–1904),
President of the South African Republic (Transvaal), photo taken in 1899*

for mining.²⁸³ Enormous quantities of dynamite were used, and Lippert was suspected of keeping the prices for this basic ingredient artificially high.

.....

THERE was another factor behind the complaints about the excessive prices: the gold standard (which existed until 1973). Under this arrangement, not only was the exchange of banknotes of the gold currency countries for a specified amount of gold regulated, but there was also a necessity for something approaching a fixed price for gold. This had advantages and disadvantages for the producers. The main benefit was calculability as regards costs and revenues, which made long-term planning possible. The greatest drawback was that the gold industry could not simply recover the increased mining costs through an increase in the price of gold.²⁸⁴ Prices for explosives were thus fiercely criticised by the mine owners as being excessive. They expressed their indignation about the monopoly to Kruger, but were just as unsuccessful in remedying this.

.....

KRUGER'S stubborn refusal to entertain any reforms strengthened their wish to exert more influence on Transvaal politics. To achieve their desired reforms, they now tried to obtain the right to vote for the "Uitlanders". In cooperation with a reform committee in Johannesburg, they began to put pressure on the government, but once again with no success.

.....

MAINTAINING that the reforms in Transvaal were not proceeding fast enough, some men around Rhodes planned to overthrow Kruger by means of a coup, under Rhodes' leadership. An outside military intervention was to go hand in hand with an uprising of

the "Uitlanders" in Johannesburg. The opportunity to avenge the defeat at Majuba may have also motivated some of the participants, or even the simple desire for adventure.

.....

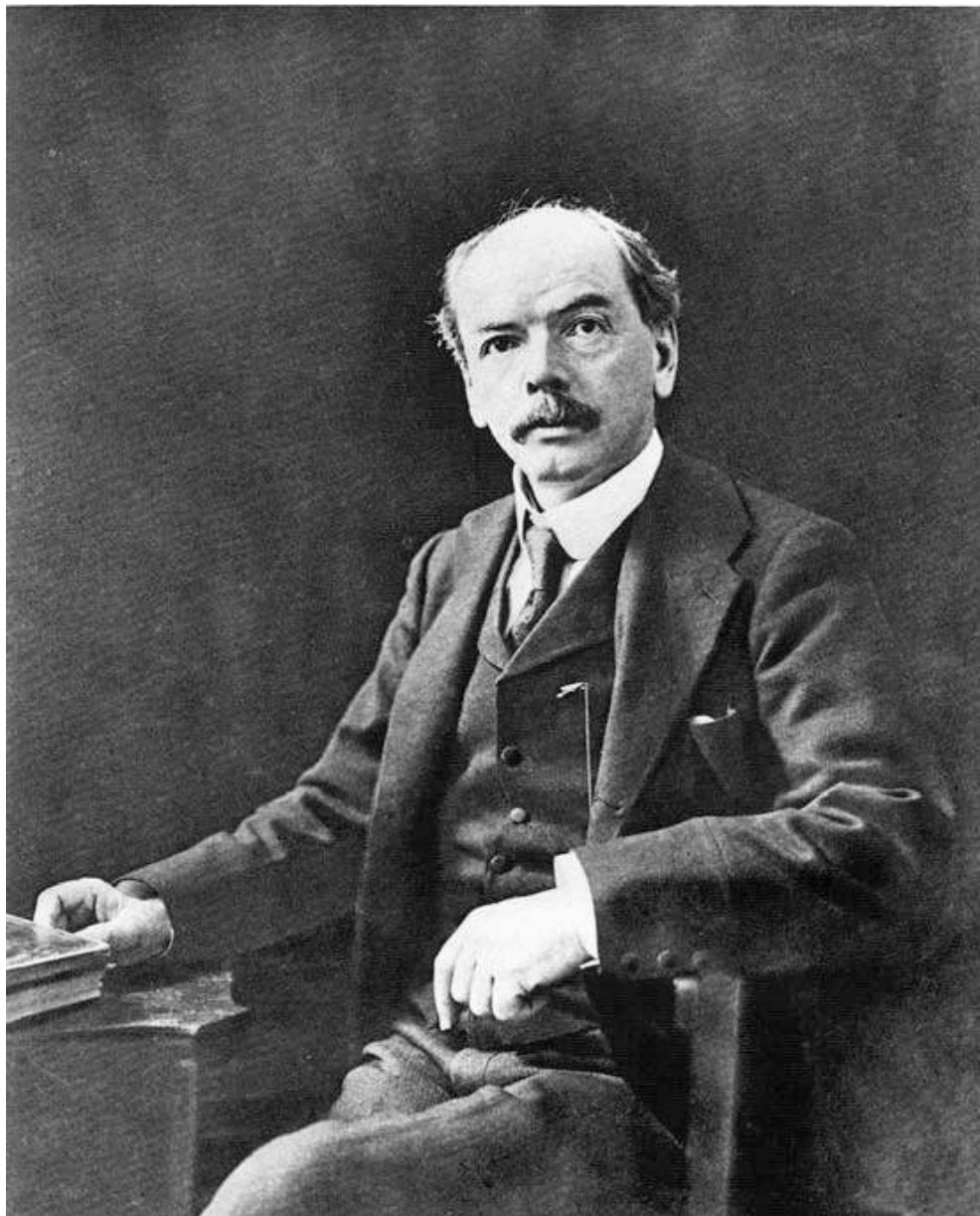
LEANDER Starr Jameson, Rhodes' right hand man, set off for Transvaal on December 29th 1895, with 600 men of the Chartered Company. Owing to communication problems and Jameson's impatience, the "Raid" quickly became a bloody failure. Jameson and his men were taken prisoner, as the uprising in Johannesburg failed to materialise. To expect an uprising was based on a complete miscalculation: many "Uitlanders" either were not British or were earning good money and did not want any political changes, not least because they did not intend to remain in the country in the long run. Even the reform committee was divided.

.....

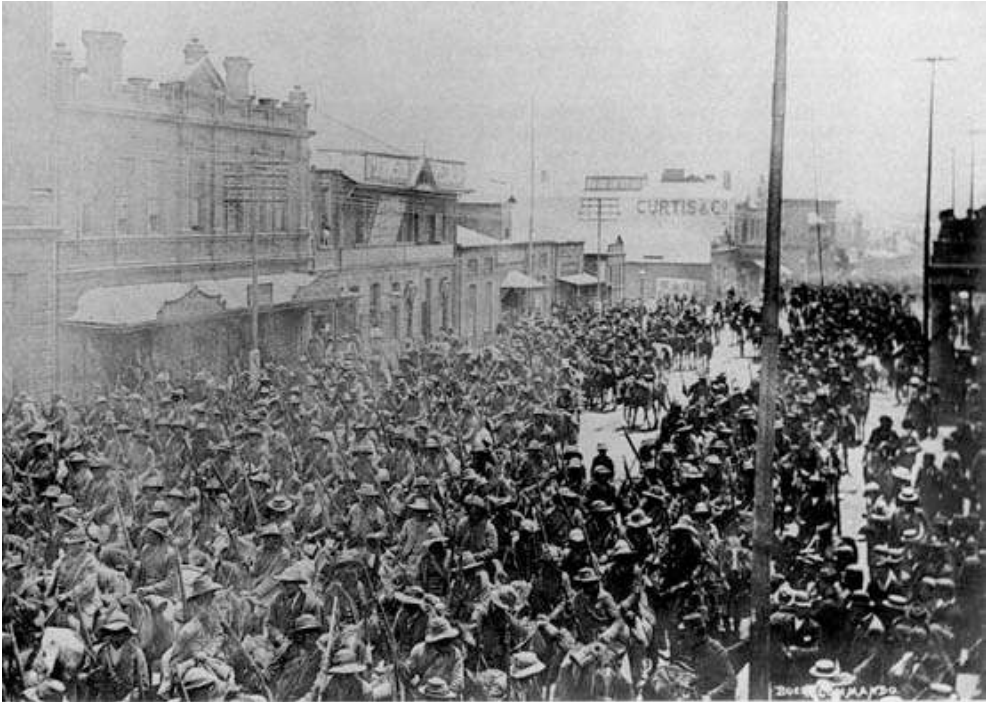
PRESIDENT Kruger – call him wise, tactically clever or shrewd – did not punish Jameson himself, but made public the correspondence and the plans for the attack found when he was arrested, and then handed him over to the British, who themselves had to put Jameson's troop on trial in London, which was embarrassing for all concerned. The British government had immediately distanced itself from Jameson's exploit, and ordered the punishment of the three British officers involved.

.....

ANYONE who tries to start a coup in another country accepts the risk of war. Anyone who does this without the backing of his own government and fails, runs the risk of being charged with high treason. This is what happened to many of those involved in the



Leander Starr Jameson (1853-1917)



Boer commando at the time of the Jameson Raid, January 1896

“Rhodes’ conspiracy”. However, the death penalties pronounced were all later commuted into high fines.

.....
 THE Jameson Raid also had a parliamentary sequel. A committee of the British House of Commons was set up to investigate the events between February 5th and July 13th 1897.²⁸⁵ Alfred Beit was among those summoned to appear. The questioning by the committee was the low point in Beit’s life. Being dragged into the spotlight of a parliamentary inquiry must have been a miserable experience in the life of this shy man, who always preferred to stay in the background.

.....
 THE leading lights on the committee which cross-examined Beit were William Harcourt

and Henry Labouchere. Labouchere was a principled liberal, who questioned the justification of the whole colonial project from the viewpoint of natural law, and who was critical of the fact that a private company was indirectly exercising state power.²⁸⁶ Both Labouchere and Harcourt had the political aim, as members of the liberal opposition, of divesting the company of its royal charter.

.....
 LABOUCHERE ran a much read weekly journal with the high-sounding name “Truth”, in which he had critically followed the activity of the BSAC from the beginning. In 1891, he branded its founders as a “gang of speculators and company promoters”, whose only aim was to “to ‘boom’ their

shares upon the Stock Exchange of Europe, and to sell for fifty shillings what cost them five – or less”.²⁸⁷ Straight after the attempted coup, Labouchere had linked the Jameson Raid to the conquest of Matabeleland by the BSAC in 1893: he immediately expressed the suspicion that “no paying gold” had been found in Matabeleland, and that therefore some coup or other had to be staged to keep the company solvent.²⁸⁸

THE accusation that Labouchere made against Beit, not only in the cross-examination but also in his speech on May 8th 1896 in the British House of Commons and in his journal and in the foreign press, was that he had supported the coup for selfish commercial reasons. Labouchere accused Beit of having been part of a syndicate that had engaged in comprehensive share transactions beforehand in anticipation of the expected reaction of the markets.²⁸⁹ However, Labouchere could not prove this assertion and indeed later had to partially withdraw it,²⁹⁰ which was used by well-meaning Beit biographers to acquit Beit of any commercial motivation with the attempted coup. He had after all, as he had to admit in the course of his questioning, invested £200,000 to equip Jameson’s men.²⁹¹ Sections of the British public assumed that he had made this “sacrifice” mainly to “feather his own nest”²⁹² but had in the process abused British foreign policy.

INTERESTINGLY, Beit pointed out that he was a German national, probably to defend himself against the accusation of having endangered relations between Britain and the German Reich. He emphasised that German and British interests in Transvaal were identical, namely to see a capable and intel-

ligent government in power, which to him could only mean one that enabled free economic activity. Beit stressed again that the excessive taxation of the Transvaal mines made it impossible for many small companies to be run profitably.²⁹³

OTHERWISE Beit made a rather nervous and insecure impression during his questioning. The figure of Labouchere, deathly pale, with sunken cheeks and eye sockets, is said to have followed the gestures of the round, small Beit with the look of a falcon,²⁹⁴ doing predictably little to reduce the nervousness of the man who had been summoned. When Beit complained about the legal privileges of the local Boers and was called on to specify the changes he wished for, he was not able to say what they were. When he complained about the mine laws in Transvaal and was confronted with the question as to whether he would prefer the mining law of the Chartered Company, he dodged the issue.²⁹⁵ All this made a prevaricating and unconvincing impression, and was a poor defence against the accusations. In 1897, the British South Africa Committee of the House of Commons penalised him by compelling him to resign as director of the BSAC. After the enquiry Rhodes also had to relinquish his office as premier of the Cape Colony and the chairmanship of the Chartered Company.²⁹⁶

IT is time after time emphasised in biographical works that Beit was a most hesitant participator in politics, the failure of the Jameson Raid being adduced as clear evidence of his superficial involvement.²⁹⁷ The inadequate source material makes it impossible to clarify the reasons for Beit’s involvement in this failed coup. A biographer of

Rhodes writes: “What I am conscious of lacking (...) is the private correspondence of several of Rhodes’ co-conspirators; Alfred Beit (...) destroyed all incriminating evidence.”²⁹⁸ But what reasons other than commercial would be plausible?

.....

THEN in the Boer War Beit spent a great deal of money to equip the Imperial Light

Horse and Imperial Yeomanry, “and before and after the war he poured money into land settlement, immigration, and kindred schemes for the development of South Africa.”²⁹⁹ Whether this can be seen as an attempt at atonement, or as the logical continuation of a consistent policy must remain an open question.

.....
259 Stoecker/Czaya, *Expansion*, p. 97.

260 Fisch, *Geschichte*, p. 165.

261 *Ibid.*, p. 190 f. For this and the following Smith, *Imperialism*, p. 88 ff.

262 Transvaal and Orange Free State had a total population of 415,639 in 1888. Of these, only about 136,000 were whites (approx. 75,000 in the South African Republic and 61,000 in Oranje Free State), cf. Klössel, *Republiken*, p. 54.

- 263 *In 1890, the Kruger government had restricted the franchise to naturalised citizens and made the application for naturalisation dependent on a minimum residence of 14 years in Transvaal, Terwey, Antisemitismus, p. 36; Lenk, Geschichte, p. 30f.*
- 264 *Nasson, South African War, p. 279 and 281; Smith, Origins, p. 3.*
- 265 *Nasson, South African War, p. 279 and 285.*
- 266 *Fisch, Geschichte, p. 213f.*
- 267 *Cf. on the discussion about the causes of the war generally, Smith, Origins.*
- 268 *Cf. ibid., p. 86.*
- 269 *The Boer War is also often described as “Milner’s War”, e. g. Pakenham, Scramble, p. 557ff.*
- 270 *Galbraith, Crown, p. 256.*
- 271 *Ibid., p. 275.*
- 272 *„[T]he promoters [of the BSAC] who talked of large expenditures for the expansion of the British Empire [in 1889] became cost-conscious businessmen”, ibid., p. 256.*
- 273 *Pakenham, Scramble, p. 392 and 491.*
- 274 *Beit/Lockhart, The Will, p. 16; Ferguson, Die Rothschilds, p. 431f.; Galbraith, Crown, p. 262.*
- 275 *Ibid., p. 262 and 267.*
- 276 *Ferguson, Die Rothschilds, p. 430.*
- 277 *Rotberg, The Founder, p. 432; Galbraith, Crown, p. 286f., 296 and 308.*
- 278 *The German Heinrich von Lenk, whom Rhodes heartily loathed, describes in his history of Transvaal (1904), p. 143 the bringing about of the war in 1893 by referring to Kruger’s memoirs: “In Africa it is claimed that it was [Rhodes] who (...) had Lo Bengula informed that the Maschonas had stolen cattle and Lo Bengula had to chastise them. Whereupon Lo Bengula immediately sent an Impi (...) to demand atonement for the robbery. However, Rhodes used this mission as a pretext to demand the punishment of Lo Bengula because he had the Maschonas murdered. However that may be, Rhodes got (...) his war.”*
- 279 *Hind, Labouchere, p. 21.*
- 280 *Pakenham, Scramble, p. 493; Galbraith, Crown, p. 301.*
- 281 *Ibid., p. 308.*
- 282 *Ferguson, Die Rothschilds, p. 430.*
- 283 *Rosenbach, Das Deutsche Reich, p. 44.*
- 284 *Laufer, Südafrikapolitik, p. 36. Cf. Fisch, Geschichte, p. 190f. also on the long-term effects of the gold standard for the South African economy.*
- 285 *Hind, Labouchere, p. 24.*
- 286 *Ibid., p. 20.*
- 287 *Galbraith, Crown, p. 266.*
- 288 *Hind, Labouchere, p. 23.*
- 289 *At the end of 1895, many mine shares were in fact thrown on to the market, which then weakened. Enquiries did not establish whether they were from owners who were let in on the political plans, Emden, Jews, p. 403.*
- 290 *Beit/Lockhart, The Will, p. 21.*
- 291 *Cf. for instance ibid., p. 18f.*
- 292 *Ibid., p. 18.*
- 293 *Ibid., p. 22f.*
- 294 *Fort, Beit, p. 149.*
- 295 *Beit/Lockhart, The Will, p. 23.*
- 296 *Boyd/Phimister, Beit, p. 857; Beit/Lockhart, The Will, p. 19.*
- 297 *Ibid., p. 18.*
- 298 *Rotberg, Founder, p. XII. Cf. also Smith, Origins, p. 85f.*
- 299 *Boyd/Phimister, Beit, p. 857; Fort, Beit, p. 161.*
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BRITISH EMPIRE AND GERMAN REICH

THE Jameson Raid led to a serious diplomatic crisis between Germany and Britain and a long-term deterioration in their relations. Kaiser Wilhelm II, driven by his feelings of inferiority as well as by his wish to be fully acknowledged by the British, had insisted in his undiplomatic way on congratulating the Kruger government on its success, and thereby letting the German Reich appear to be the protecting power of the Boers (the “Kruger telegram”). In their ineptness, the Kaiser and the Reich government brought Germany to the brink of a war with Britain, and promoted rapprochement between the rival colonial powers of Britain and France – an outcome diametrically opposed to the objectives of Germany’s own foreign policy.

THE Kaiser also saw powerful financial groups as the wire pullers behind the raid. In a marginal note on a report by the German consul general from Cape Town, he described it as “big stock exchange jobbery[,] instigated by German Jews”,³⁰⁰ and in a letter to Queen Victoria he called it the work of the “gold diggers”.³⁰¹

IN the mid-1880s, the German Reich had begun to take an increased interest in South Africa.³⁰² The region’s important economic potential had at an early stage attracted the

interest of German investors, and this had been increased by the diamond boom at the beginning of the 1870s and the second boom after the 1886 discovery of gold on the Witwatersrand. German investors became particularly involved on the Rand. From 1889 foremost among them were the Deutsche Bank under Georg Siemens, as well as Adolf Görz from Berlin and the Dresdner Bank. They jointly built the first electricity generating plant, which yielded fabulous returns of 35 and 50 percent in its first two full financial years, 1894 and 1895.

IN the context of Bismarck’s surprising conversion to a colonial policy, Germany had already concluded a friendship and trade agreement in 1885 with Transvaal, which formed the political basis for the German commercial involvement. The efforts of local leaders to develop a close relationship with the German Reich, and their readiness to permit a considerable influx of German capital was stimulated by fear of overwhelming British colonial power. The basis for cooperating with the German Reich was the latter’s competition with Britain. Predictably, and perhaps intentionally on Bismarck’s part, the British interpreted the German-Transvaal rapprochement as a declaration of protection and a direct challenge to British hegemony in South Africa.³⁰³ This

was not surprising, as Kruger had after all professed his loyalty to “moederland, Duitsland” (“Motherland Germany”) in a lecture to the Society for German Colonisation in July 1884 – even if primarily for reasons of political expediency and in return for the society’s congratulations on the victory of the Boers in 1881.³⁰⁴ In an essay on German colonial politics published in the same year, the German historian Heinrich von Treitschke recognised the Boers as “kinsmen, Low German Teutons”.³⁰⁵

THE German Reich took a growing interest in Transvaal. This was reflected in the increase of trade with the region. German-Boer trade expanded tenfold in the decade after the Witwatersrand boom of 1886. In 1894, exports were worth six million marks.³⁰⁶ There was a lavish celebration to mark the completion of the railway from Pretoria to Lourenco Marques in 1895, and on this occasion President Kruger visited the German warship “Condor” anchored in Delagoa Bay.³⁰⁷ The German government began to regard Transvaal as a future German sphere of influence.

THE Jameson Raid and the “Kruger telegram” were followed by the serious cooling off in Anglo-German relations which in effect lasted until the outbreak of the first world war. On the part of the German leadership, however, it was accompanied by the realisation that in the event of trouble it would not really be possible to intervene in support of the Boers, owing to British naval superiority.³⁰⁸ While at government level there was a sobering of Treitschke’s Boer romanticism, at the time of the Boer War it blossomed wildly among sections of the German public, particularly the “Alldeut-

sche Verband” (Pan-German Association), or those close to the “Bund der Landwirte” (Federation of Farmers).³⁰⁹

GERMAN capital gained particularly strong footholds in Transvaal in those sectors where Boer entrepreneurs or the state dominated, in transport (railway construction), the building materials and milling industry, and public finance.³¹⁰ A leading role in this was played by Eduard Lippert, the cousin and business rival of Alfred Beit. Apart from the dynamite monopoly which he had secured, he set up the first cement factory in Transvaal, in Daspoort near Pretoria, in 1890.³¹¹ He was a confidant of President Kruger and was involved in the establishment of the National Bank (Nationale Bank de Zuid-Afrikaansche Republiek).³¹² He also succeeded in obtaining government concessions for diamond development, and near Johannesburg he produced timber for the mines.³¹³

LIPPERT’S dynamite monopoly offered plenty of scope for conflict, as we have seen. But one thing shown by these conflicts is that commercial and trading disputes do not fit neatly into national categories. Lippert defended his monopoly for years, and with varying success, just as much against the interests of German as of British investors, and of course those of the Cape Colony mine owners.³¹⁴ Furthermore Lippert’s main motivation was making money, not Boer romanticism. He sold his concession to French investors, who as the result of a change in the tariff policy of the Boer republics were allowed to import duty free everything necessary for production, if they undertook in return to manufacture exclusively in the country. That the French did

not abide by their contracts because of the high demand, but took advantage of their special customs position to import finished explosives duty free, disguised as raw materials, does not seem to have impaired Lippert's good relationship with Kruger.

THE international networking and commercial interests of such a large number of participants were diverse and many-layered. In the event of disputes, however, the various interest groups would lobby their own national authorities and do all they could to claim the protection of their home countries.

THE Hamburg business community was particularly nervous about conflict with the British, with whom there were long-standing commercial links, and who were the principal buyers of the goods traded in Hamburg. Moreover, the people of Hamburg were aware that in the event of war the superior British fleet would control the North Sea trade routes, and would blockade access to the Elbe, all of which was essential to the city.³¹⁵ According to the memoirs of Werner von Melle, the fact that Alfred Beit stood on the side of Britain in Anglo-German disputes, but Eduard Lippert was on the side of Paul Kruger, and that both represented conflicting interests, led to a jocular remark by the lawyer Dr. Scharlach going round the city, that the Boer War was actually caused by the disagreements of two men from Hamburg.³¹⁶

BEIT was closely connected with the imperial project of the British in South Africa, but there was also a business dimension to his commitment. This put his identity under strain in a number of ways. Beit's unsuc-

cessful involvement with the Jameson Raid was viewed unfavourably by the British public. He was now regarded as an intriguing, avaricious plutocrat – an interpretation that intensified after the outbreak of the Boer War and throughout its tortuous course. And the Randlords were now portrayed as alien, capitalist Jews who were trying to manipulate British foreign policy to suit their own interests.³¹⁷ The earliest theory, put forward by John Atkinson Hobson, assigning responsibility for the outbreak of the Boer War to the pursuit of economic interests, was allied to a criticism of capitalism laden with anti-Semitism.³¹⁸

BEIT'S imperial commitment and his business ambitions in South Africa at least indirectly contributed to Anglo-German tensions, as the Kruger telegram shows. On the other hand, Beit was the man who strove for a settlement between Britain and Germany, no doubt due to his German origin and his links with Britain that had developed over decades.

THE Anglo-German estrangement had become ever more intense after 1896, largely as a result of German naval policy. An ever more disparaging picture of the British was being painted in the German Reich, but there was also a strong anti-German faction and a hostile press in Britain.³¹⁹ The major colonial rivals, Britain and France, had come to an understanding in an *entente cordiale* in April 1904. The German attempt to undermine this new community of interest, and to rekindle the old colonial rivalry, came badly unstuck in the first Morocco crisis in 1905. The Anglo-German rupture worsened, and German foreign policy ineptness and failures did not cease up to the outbreak

of the first world war. There were serious preparations for war in France during the Morocco crisis, as it was feared that Germany wanted to take advantage of the weakening of France's Russian ally at the time (in the war against Japan in 1904–05).

.....

THIS situation was decidedly alarming for Beit, who was truly convinced of the desirability of Anglo-German rapprochement. It was now that he financed the newspaper "Anglo-German Courier", and founded the Anglo-German Union Club in 1905 along with Sir Edgar Speyer and Sir Ernest Cassel, to promote relations between the two countries.³²⁰ Wilhelm Bode writes on this: "With his financial genius and the extraordinary wealth that [Beit] owed to it, he had also achieved a status politically that was very little in keeping with the nature of the simple and modest man. In keeping with his kind-hearted, amiable character, he sought to use his position to settle difficulties, above all to help steer the rivalry between Britain and Germany into the healthy paths of fruitful competition."³²¹

.....

BEIT would have preferred an Anglo-German entente to that of 1904. But this wish may have given rise to illusions as to the potential for Anglo-German relations. Nonetheless Beit, who had taken British citizenship in 1898, was, with his outlook and the social position that he had achieved, an attractive interlocutor for the Germans, particularly for Kaiser Wilhelm II, who in his tragic way was both anglophile and anglophobe.³²²

.....

ALTHOUGH he had suffered a stroke on a trip to Rhodesia in 1903 and was still in poor health,³²³ at the end of 1905 Beit travelled to

Paris, where in November he had a discussion with the premier Maurice Rouvier, discussing with him Franco-German tensions over Morocco. He then went on to Potsdam, where he was received by the Kaiser on December 29th.

.....

THE meeting went on for more than two hours, and afterwards Beit optimistically remarked to friends that it could contribute to the improvement of Anglo-German relations, even though he did not go into detail about the actual content of the discussion.³²⁴ And what was discussed between the Kaiser and Beit would have probably remained secret, had not Prince Bülow, at that time German foreign minister, found it appropriate to publish in his memoirs in 1930 the long confidential letter that Wilhelm II had sent him on December 31st 1905, following the audience.³²⁵

.....

BOTH Bülow and the Kaiser had their own definite reservations about Beit. Bülow entitled the relevant pages of his memoirs "Wilhelm II and the speculator", and the Kaiser himself characterised Beit in his letter as the "notorious stock exchange friend, and speculator of H[is] M[ajesty] E[dward] VII". Both seemed mistakenly to see Beit as belonging to the entourage of Edward, who, although he liked to surround himself with rich people, had not included Beit in his circle.³²⁶

.....

THE official reason for the audience was the presentation of the catalogue of Beit's art collection, compiled for him by Wilhelm Bode in 1904. Wilhelm II returned the favour with a tour through the residential apartments of Friedrich II (Frederick the Great), which deeply impressed Beit. This

was followed by a long and detailed conversation on relations between Germany, Britain and France.

.....
BEIT appears in Wilhelm's portrayal as a mediator, one who is honestly anxious to dispel the Kaiser's fears relating to Britain's readiness for war, and who is indignant about a good many press statements in London or Paris that have contributed to the aggravation of tensions between the great powers. Beit promises to do whatever he can to work towards a rapprochement in London.

.....
WILHELM, on the other hand, appears convinced of the hawkish intentions in London and Paris, and tries for his part to show that France's fears of war are unfounded. Above all he assumes that he has received valuable information in the discussion with Beit, this being the reason why he is reporting in such detail to Bülow about it. It would go beyond the scope of this book to assess Wilhelm's far-reaching and erroneous interpretations in any detail, but it should be noted that he evidently saw Beit as a man with important political contacts. The Kaiser may have overrated him in this respect.³²⁷

- 300 Laufer, *Südafrikapolitik*, p. 213.
- 301 Röhl, Wilhelm II., p. 872 and 880f., on the Kruger telegram and its consequences p. 871ff. Sections of the German public were of this opinion, cf. Bender, *Burenkrieg*, p. 53ff.
- 302 On German South Africa policy 1890–1898 and 1896–1902, cf. the studies of Laufer and Rosenbach. For the following, Rosenbach, *Das Deutsche Reich*, p. 38ff. and Stoecker/Czaya, *Expansion*, p. 95ff.
- 303 Rosenbach, *Das Deutsche Reich*, p. 28f.
- 304 *Ibid.*, p. 30f.
- 305 Stoecker/Czaya, *Expansion*, p. 98f.; Rosenbach, *Das Deutsche Reich*, p. 31. Contemporary works oriented to emigrants and businessmen active in foreign trade also idealised the Boers, cf. Klössel, *Republiken*, p. 54f.
- 306 Rosenbach, *Das Deutsche Reich*, p. 39; Stoecker/Czaya, *Expansion*, p. 98.
- 307 Laufer, *Südafrikapolitik*, p. 82ff.; Stoecker/Czaya, *Expansion*, p. 98f.; Rosenbach, *Das Deutsche Reich*, p. 35.
- 308 On the change in German South Africa policy after 1895–96, Rosenbach, *Das Deutsche Reich*.
- 309 Cf. Laufer, *Südafrikapolitik*, p. 131ff.; Rosenbach, *Das Deutsche Reich*, p. 23 and on the press Bender, *Burenkrieg*.
- 310 Stoecker/Czaya, *Expansion*, p. 95ff.
- 311 *Ibid.*, p. 98.; cf. on this also Cartwright, *Corner House*, p. 112f.
- 312 Cf. on this also *ibid.*, p. 113ff.
- 313 *Matabeleland Travel Letters*, p. ii.
- 314 Böhm, *Großkaufleute*, p. 46ff. On the confusing tangle of interests with respect to the dynamite issue cf. also Rosenbach, *Das Deutsche Reich*, p. 143ff.
- 315 Cf. on this Böhm, *Großkaufleute*.
- 316 Melle, *Dreißig Jahre*, p. 367f.
- 317 Straelen, *Alfred Beit*, p. 12; cf. on the upsurge in British anti-Semitism in the wake of the Boer War, Terwey, *Antisemitismus*, p. 28ff.; on anti-Semitism in South Africa, Wheatcroft, *Randlords*, p. 53.
- 318 Cf. Terwey, *Antisemitismus*, p. 51ff.
- 319 See also Fort, *Beit*, p. 180.
- 320 Kennedy, *Rise*, p. 304.
- 321 Bode, *Beit as collector*, p. 483f.
- 322 Fort, *Beit*, p. 76f. and 180f.
- 323 *Beit/Lockhart, The Will*, p. 26f.
- 324 Fort, *Beit*, p. 181 and 194.
- 325 Bülow, *Denkwürdigkeiten*, p. 190–196.
- 326 Cf. Camplin, *Rise*.
- 327 After returning to England, Beit then had a long discussion with Lord Esher. Esher, a member of the Committee of Imperial Defence and a personal friend of King Edward, was also a friend of Beit and a frequent guest in Park Lane, and he confirmed in his diaries the content of the conversation more or less as Wilhelm described it to Bülow, cf. *Lockhart/Beit, The Will*, p. 30; Fort, *Beit*, p. 184.

BEIT IN LONDON

ART COLLECTOR

BEIT made London his main residence as early as 1888, after only thirteen years in South Africa. The splendour and wealth of the imperial city, and at the same time the masses of people and their poverty, all contrasted starkly with the colonial world and the dusty expanses in which Beit had spent the previous years of his life.

INITIALLY Beit only took a room in Ryder Street (off St. James's Street) and worked in

the City in the office of Wernher Beit & Co, and was active at the same time as a director of De Beers and the Chartered Company.³²⁸ He paid frequent long visits to South Africa.

LATER Beit purchased a site in Park Lane, on which between 1894 and 1897³²⁹ he built a medium-sized house with two upper floors "in an indescribable style",³³⁰ to which was added a conservatory in the German style from the Jürgens company in Hamburg.³³¹ The architects of the house were Thackeray



Aldford House, Alfred Beit's seat in 26 Park Lane, London

Turner and Eustace Balfour,³³² the Grosvenor estate architect, whom Beit was obliged to use.³³³ The result was described flatteringly as “the most important town house to be erected in London during the last decade”³³⁴ and as an “extraordinarily substantial house”.³³⁵ But it was also sarcastically criticised as “a cross between a glorified bungalow and a dwarf Gothic country mansion”.³³⁶

.....
THIS house, which excessive historical eclecticism robbed of any external uniformity,³³⁷ was at a top London address. In those years, London, banker of the world, increasingly became the preferred place of residence for men who had earned their wealth on the stock exchange and in finance, in diamonds and gold or as industrialists. They included a considerable community of persons of German origin, including Edgar Speyer (New York), Robert Mond and Henri Bischoffsheim (Amsterdam), Hirsch (Munich), Ernest Cassel (Cologne), Sigismund Neumann (Fürth), Schröder, Ellermann, Carl Meyer and Beit (all from Hamburg), Max Michaelis (Eisfeld), Julius Wernher (Darmstadt), George and Leopold Albu (née Blau, Berlin)³³⁸ and Hermann and Friedrich Eckstein (Stuttgart-Hohenheim).³³⁹

.....
THEY had gone through a hard school in the diamond and gold business in South Africa and become fabulously rich in the process, in some cases under most adventurous conditions. Now they jostled into the London upper class. It was therefore not surprising that a critic of Beit’s new house wrote that the only remarkable thing about Aldford House (26 Park Lane) was that it looked so very much like what it was: “the African

lodge transplanted to Mayfair”³⁴⁰ – a foreign body in fine society. Apart from Beit, others who maintained their splendid residences in Park Lane included Barnato, Robinson, Cassel, Albu and Friedrich Eckstein.³⁴¹

.....
MANY of these men came from rather modest backgrounds, Barnato from a real slum area, Whitechapel in London.³⁴² But not only did they lack the family background for a smooth acceptance in the London upper class – some of them also had a rather dubious reputation as businessmen. And others were legendary for their bad manners. J. B. Robinson could not boast loudly enough about the magnificence of his own accommodation and his present life after having slept so long on the bare ground in a tent. When Lloyd George later proposed to George V that Robinson be given a peerage, the king rejected the suggestion as an insult to the crown.³⁴³

.....
EVEN the reserved Beit was not immune to flights of pretentiousness. When the owner of the site in Park Lane, the Duke of Westminster, made it a condition during the laborious lease negotiations that a building worth at least £10,000 would have to be erected on the site, Beit replied that he would spend this amount on the stables alone.³⁴⁴

.....
IT was above all the acquisition of country houses which became symbolic of the efforts of the *homines novi* to establish themselves in the British upper class. In 1902 Beit bought his country residence, Tewin Water, near Welwyn in Hertfordshire, not far from London. This house, built around 1800 in Regency style, was attractively located on a small river. However, there were tasteless



Alfred Beit's country estate in Hertfordshire

Italianisations in the interior.³⁴⁵ Beit acquired the house from the brother of the Bishop of Mashonaland. It is said that he bought it after a weekend stay there, enchanted by the atmosphere and surroundings. He took over the house, located not far from Luton Hoo, the country seat of Julius Wernher, complete with all the furniture and household effects, as well as servants and horses.³⁴⁶

.....
 LITTLE is known about Beit's private life – in this too he observed absolute discretion. Beit had a strong sense of family. The surviving correspondence shows this and even more so it shows Beit's strong attachment to his mother, which despite great distances remained undiminished over the years.³⁴⁷ She is often described as the woman whom Beit loved most in his life. During his years in South Africa, once a week he would put aside his business commitments to write to his mother, although he had no real talent

for letter-writing. It is clear from both an early biography and a family chronicle that Beit's letters were uninteresting and disappointing, revealing little about his life in South Africa and his experiences there.³⁴⁸ On the other hand, they showed his great devotion to his home and to everything connected with it. Their content is restricted to family matters, and they often contained gifts of money, with instructions on how it should be spent, either for entertainment or for all kinds of new purchases.³⁴⁹

.....
 ON his first visit from South Africa, Beit fulfilled a childhood dream and presented his mother with a carriage and horses.³⁵⁰ Then in 1890/91 he had a magnificent new house built for her by his brother-in-law, the architect Gustav Zinnow, at Mittelweg 113.³⁵¹ The mosaic floor, stucco ceilings, panellings of oak and the cast bronze of the banisters all reeked of the oppressive splendour of the "Gründerzeit", as the period was called. The

walls of the porch were clad in dark marble, the stucco ceiling was colourfully painted and a surrounding frieze with presentations of the triumph of Mercury and of metal mining, recalled the son's triumph.³⁵²

.....
THAT Beit remained unmarried prompted press speculation at the time as well as in the historiography about his possible misogyny or homosexuality. In fact, he appears to have had a long-standing relationship with a married woman named Eliza(beth) "Connie" Bennett, whose husband may have been a shopkeeper in Kimberley. In 1888, Mrs. Bennett moved to London when Beit did, there to give birth to their daughter, Olga (called

"Queenie"), in January. During Beit's London years, Mrs. Bennett also lived in the city, though not under the same roof as Beit, but in the vicinity of Hyde Park and outside London on the Thames. There were suggestions that Beit had given up the idea of marriage because he had contracted syphilis in South Africa.³⁵³ However, not only did he father a daughter, but family correspondence from the 1970s indicates that a divorce of the Bennetts, which would have been necessary if he were to marry Mrs Bennett, was not possible: Mr. Bennett may even have been an inmate of a mental hospital.³⁵⁴

.....



Alfred Beit with his early biographer Seymour Fort at his country seat of Tewin Water



Villa Beit, Mittelweg 113, Hamburg



The staircase, decorated with four paintings based on quotations from Goethe's poem "Euphrosyne"



Detail from the wall decoration in the entrance area

THUS one of the richest bachelors in London lived with just two other constant companions: his secretary, Franz Voelklein, another cousin of his, and his beloved fox terrier Jackie.³⁵⁵ One of Voelklein's tasks was to cope with the flood of begging letters sent to Beit.

BEIT's interests had long since extended beyond business and politics. Since living in London, he had acquired a wide collection of paintings, particularly Dutch and English but also Spanish and French masters.³⁵⁶

BEIT's paintings included two works by Metsu, two van Dycks, two Franz Hals, three Jan Steens, four Rembrandts (although two of them are today regarded as works of pupils), two Vermeers (including "Lady Writing A Letter with her Maid"), works by Murillo and eight Gainsboroughs. It is not clear whether many of the Italian masterpieces, such as the three Tintoretts and five Francesco Guardis, which were added later to Beit's collection, were acquired by Alfred or by his brother Otto.³⁵⁷ Apart from oil paintings, Beit also collected (Renaissance) bronzes, Spanish-Moorish

faience, Japanese sword mountings and prints.³⁵⁸

.....
 WILHELM Bode described the interior of Beit's house in Park Lane as "stylish and rich, but without any magnificence and above all



Jan Vermeer's "Lady Writing a Letter with her Maid"

comfortable”: “The hall is in Renaissance style and has the most elegant furnishings with a magnificent marble fireplace by Rovezzano, a splendid double portrait by Veronese and some classic Florentine furniture and bronzes, colourfully enlivened by a rich abundance of flowers. All other rooms on the ground floor are in Regency style, while the smaller rooms on the first floor have simpler modern English furnishing (...). All rooms are furnished with works of art. In the study, the walls are covered with the well-known series illustrating the story of the prodigal son by Murillo from the Dudley collection. The dining room is adorned by some superb portraits of ladies by Nattier. The front drawing room features exclusively English paintings of the 18th century, mostly portraits, all masterpieces by Sir Joshua Reynolds, Hopner, Romney and others. The adjoining room, looking into the conservatory, has as wall decoration the finest pictures of the Dutch genre painters, including two of Metsu’s most beautiful pictures, the ‘Man Writing a Letter’ and the ‘Woman Reading a Letter’, the ‘Milkmaid’ by N. Maes, the famous ‘Letter’ [Lady Writing a Letter with her Maid] by Jan Vermeer, several paintings by A. van Ostade of similar quality and others. The billiard room walls feature various large landscape paintings, which in terms of quality can be described as masterpieces by Jacob Ruisdael, Hobbema and Willem van de Velde. Jan Steen, P. Wouwerman, Rembrandt (including a splendid late portrait), Isaac van Ostade, Jacob Ruisdael, D. Teniers and other works of similar excellence are in the upper rooms. In number and quality, the collection of majolicas is comparable to that of the paintings.”³⁵⁹

ANOTHER description states: “On entering, one found oneself in a dimly lighted hall, with a door on the right leading to the drawing-room. This was the largest room in the house, on its left-hand walls were hung all the larger pictures. At the end, in a sort of bay, were some of the smaller pictures and cases containing rare specimens of jewellery and other minor objets d’art. This bay opened into a winter garden, which was the only one of its kind certainly in Mayfair. Here was a rockery and a fountain on one side, and a palm grove on the other. Tessellated pavements, brown rocks, and green ferns were all intermingled. It was an abode of dim coolness and sheltered silence, and a silence made noticeable by the vague hum of the world outside. On the left of the hall was the dining-room (...). Adjoining this was the billiard room, and on ascending a small flight of stairs, one came to Beit’s suite of rooms – his bedroom, bathroom, and his own particular sanctum. This was a small room, containing a few selected pictures and art treasures, and his book-cases (...).”³⁶⁰

IT was building the Hamburg house for his mother that had prompted Beit to collect works of art. He wanted some of the interior furnishings to be old, and Bode procured for him Renaissance furniture, Persian carpets, good and decorative paintings from Italy, and as wall decoration majolicas, enamels and bronzes from the Falcke collection that had come onto the London market. “This purchase made in 1892,” stated Bode, “from which Beit took the most valuable pieces into his London apartment, prompted him to become a collector himself. Initially to a modest extent and with limited means, as, although he was otherwise generous, he was basically averse to

flaunting his wealth and to unnecessary expenditure. (...) But it was the decision to establish his own home in London that encouraged him to collect in a big way.”³⁶¹

WORKS of art are at one and the same time objects of pleasure, items of value and status symbols. There can therefore be many reasons for collecting: aesthetic feeling, the search for appreciation of art or for relaxation, pursuing a hobby or projecting an image of oneself.

THE development of private art collections had experienced significant growth in Germany after the victory over France in 1871. Considerable private fortunes had been amassed. Supported by French war reparations and by the generally increasing prosperity from industrialisation, numerous private art collections were established, spurred on as well by the example set by the French, and by awareness of such a wealth of art and culture hitherto possessed by others.

THE upper class at this time (the “Gründerzeit”) bought on favourable terms owing to the economic weakness of France in the 1870s and 1880s, which led to the sale of numerous art collections, as well as from the financial problems of traditional art-owning classes such as the English landed aristocracy, whose wealth came from agriculture and was now suffering from falling grain prices.³⁶²

OBTAINING advice from experts was very important for the new collectors. Only with the expertise of the renowned art connoisseur was it possible to value a work and above all assess its authenticity. What seems to us today a matter of course, namely to

prefer an original work of art to a copy, only became the norm in the second half of the 19th century, when it began to determine the purchasing policy of the museums. People began to appreciate a work of art as something unique which could not be reproduced, and which possessed value because of that uniqueness, the actual value being dependent on the quality of the item. Only with expert guidance could a collecting layman be sure of purchasing an original and not a copy. It was the expert’s knowledge which gave the collector assurance not only intellectually, but also that he was making a serious long-term material investment.³⁶³

BEIT made his purchases mainly with the advice and support of Wilhelm Bode, the director of the Kaiser Friedrich Museum in Berlin, and from 1905 director general of the Royal Prussian Museums. Collectors advised by Bode in London also included the Randlords Julius Wernher and Max Michaelis, Beit’s business partners. Wernher collected primarily Italian Renaissance paintings, 17th century Dutch painters and English masters of the 18th century. His collection adorned both his town house in London and his country seat, Luton Hoo.³⁶⁴ It was Wernher who introduced Beit to Bode.³⁶⁵ However, Beit soon displayed a certain connoisseurship and in his acquisitions became increasingly independent of Bode, but without seeking to achieve real expertise.³⁶⁶

OTHER advisors of Beit were Alfred Lichtwark from the Hamburg Art Gallery and Justus Brinckmann, founder of the Museum of Arts and Crafts in Hamburg, as well as the financier and Beit’s business partner Rudolph Kann, born in Frankfurt and based

[The picture is contained in the printed version.]



*Art experts from Berlin and Hamburg – Wilhelm von Bode (above),
Justus Brinckmann (below left), Alfred Lichtwark (below right)*

in Paris.³⁶⁷ Brinckmann too carried on an extensive correspondence with Beit, and like Bode, he compiled catalogues for him, staying as his guest in London.³⁶⁸ However, the experts also expected something in return for their advice, and Bode was entirely open about this: his aim was to expand the public art collection by way of donations from private collectors.³⁶⁹

BEIT could probably not devote a great deal of time to his involvement with art. As for his literary interests, we know that he possessed numerous German classics as well as contemporary British authors and historians, and that he is said to have held Thackeray, Trollope and George Eliot in particularly high esteem, but was not an enthusiast for Dickens. In truth, Beit's many obligations can have left him little time for reading.³⁷⁰

It does seem that Beit's art collecting was probably not based primarily on aesthetic interest. With the establishment of museums, private collections and an art market in the course of the 19th century, collecting art had also become a form of investment.³⁷¹ Although the hunt for a good buy may have its own attraction, Beit was not dependent on it. In his lifetime only a few pieces left his collection unless he gave them away. This points to the likelihood that his art collection was intended mainly as an imposing interior decoration of his own home. The collection was above all a way of projecting his own status.

OWNING art was "just about the only way of displaying wealth that was respectable and considered to be in good taste" (Max J. Friedländer).³⁷² We should probably ac-



Alfred Beit's ex libris

knowledge that at the time we are discussing, qualities such as reserve, modesty, simplicity and naturalness, which are so often attributed to Beit, were also the qualities which every wealthy collector of fine art wished to project; the collector would in this way come to be seen as a man of overall unimpeachable character – almost in spite of his wealth.³⁷³ Expressions like "modesty" are after all not what first come to mind when one considers the house that accommodated this collection.³⁷⁴

SURELY what was really happening was the imitation of the traditional upper class by the nouveaux riches of finance and industry. By acquiring art, one buys into a past culture and tradition, most emphatically by collecting old masters.³⁷⁵ And the Randlords who moved to London were most zealous in



Russborough House, County Wicklow, Ireland

trying to disguise both their often modest origins, as well as the colonial period in their lives, by emulating the lifestyle of the British upper class.³⁷⁶

IN the case of Beit – but other Randlords too, who were in the same situation – the way he was regarded as a German-Jewish financier and the hostility he experienced probably encouraged his efforts to adopt the behaviour and lifestyle of the British upper class by collecting art. Not for nothing did Beit collect so many portraits by famous British society painters of the 18th century such as Gainsborough, Joshua Reynolds and George Romney; he even had himself painted, by Giovanni Boldini,³⁷⁷ and he purchased a large town house, a country seat and horses.

AFTER Beit's death, the most important parts of the art collection passed to a relative in the next generation, Sir Alfred Lane Beit, who from 1952 displayed them at Russborough House, his home in Ireland. In 1974, a detachment of the IRA stole nineteen paintings worth 8 million Irish pounds.³⁷⁸ The paintings were recovered by the police a few weeks later. Seventeen paintings were stolen in another burglary in 1986. Sir Alfred and his wife thereupon decided in 1987 to donate the major part of their collection to the National Gallery in Dublin. However, this did not prevent further burglaries in 2001 and 2002. The pictures that they donated can be viewed today in the Beit Wing of the National Gallery of Ireland.



Alfred Beit in later life, portrait by Giovanni Boldini

INTERNATIONAL PHILANTHROPIST

.....
EVEN during his lifetime, Alfred Beit became an important philanthropist internationally. He established wide-ranging foundations in all three countries where he had lived, in Germany, South Africa and England.
.....

THERE can be various reasons for establishing foundations, as with art collecting: personal reasons can play a part, where there are no heirs for example; a strong belief in the purpose of the foundation, or a major interest in the subject may be a factor, as may political, commercial, or ethical and religious considerations. And again as with the collecting of art, there is often the desire of the self-made man to show that he has succeeded. And there is too the wish to “give back something” to society and perhaps even to ease one’s own conscience – a mixture of public obligation and private catharsis.³⁷⁹
.....

PATRONAGE was a key to social advancement in late Victorian and Edwardian society, the visible sign of advancement³⁸⁰ and thus a means of achieving social recognition. Society’s *quid pro quo* for meeting this social obligation of returning something to the community, was recognition through an increase in social status, in some cases with a title.
.....

SO for a German-“Jewish” financial magnate and Randlord seeking his place in the British upper class, the establishment of foundations was an attractive way, not only of gaining membership of the upper class, but also of overcoming the twin problems of national and religious identity.³⁸¹ More than

a few patrons of British science at the end of the 19th and beginning of the 20th centuries were of German origin, naturalised Britons from Jewish families.³⁸² Whatever the individual reasons for establishing foundations, it would appear that the readiness to do so was at least strengthened by the desire for recognition by the host society.
.....

AND Beit was successful in this respect. His partner Julius Wernher, who also established wealthy foundations, received a knighthood in 1905.³⁸³ In 1897, Beit himself was the only Randlord invited to the costume ball of the Duchess of Devonshire, one of the top social events in Britain, at which Beit appeared in silk and lace as “Stadhouder of Holland”.³⁸⁴ Along with Wernher, he received an invitation to Sandringham from the Prince of Wales (the subsequent Edward VII).³⁸⁵ However, Beit died too early to obtain a title.
.....

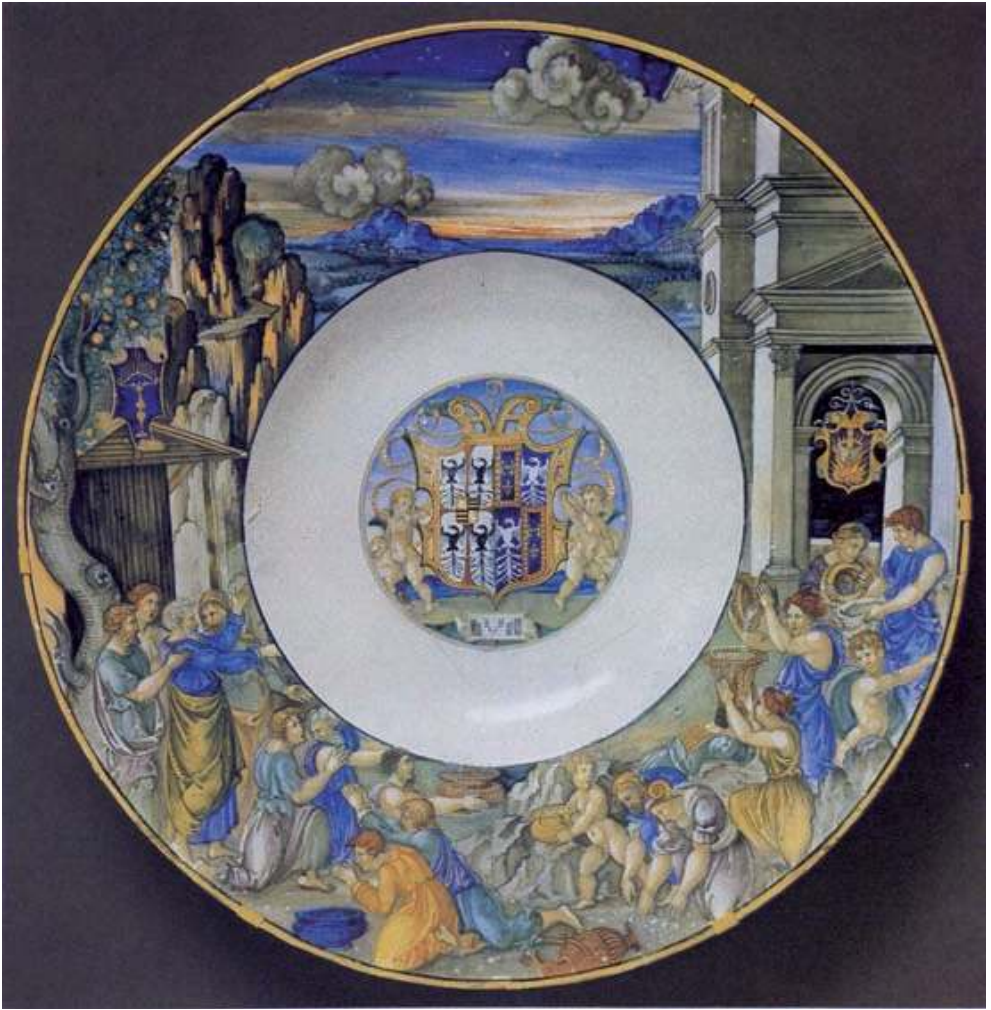
BEIT did not seek the society of celebrities, although not a few were curious about the “nabob from Africa”. He was happiest in the company of his family in Hamburg or his Anglo-German friends and colleagues in London.³⁸⁶
.....

AS early as 1905, he founded the Beit Professorship of Colonial History at the University of Oxford. It was the first of its kind, and it is astonishing that Britain with its immense colonial interests waited for a native German to create such an institute.³⁸⁷ Beit also donated funds to the Bodleian Library for the purchase of books on colonial history.³⁸⁸
.....

BEIT’S colonial interest was also reflected in Hamburg. In May 1906, he promised the di-



Alfred Beit as "Stadhouder of Holland"



*One of the donations of Alfred Beit to the Museum of Arts and Crafts in Hamburg:
Castel Durante, Nicolò da Urbino, ca. 1519/20*

rector of the Hamburg Museum of Ethnology, Professor Georg Thilenius, 10,000 marks in support of the first German African Interior Research Expedition (D.I.A. F.E.) in the Congo (1904–1906). On this trip, the ethnologist Leo Frobenius acquired an important part of the museum's African collection – but was so spectacularly success-

ful that he overspent the museum's acquisitions budget. Thilenius was thus obliged to raise additional funds, and many Hamburg entrepreneurs proved to be generous. Over and beyond his gift of money, Beit supplemented the collections of the museum by leaving it a collection of African idols.³⁸⁹ That Beit supported a German expedition

shows that he had a general interest in the exploration and development of Africa beyond his connection with British imperialism.³⁹⁰

BEIT donated works of art almost exclusively in Germany. In particular the sculpture collection of the Staatliche Museen Preußischer Kulturbesitz (State Museums for Prussian Cultural Heritage), the Hamburg Museum of Arts and Crafts and the Hamburg Art Gallery received regular gifts from Beit after 1889.³⁹¹ He had personal links with all three museums through his art purchase advisors: Wilhelm Bode for the State Museums, Justus Brinckmann for the Museum of Arts and Crafts and Alfred Lichtwark for the Art Gallery. When Beit invited Lichtwark to stay in his London house, he introduced him to Alfred, Baron Rothschild.³⁹²

BEIT's gifts to the State Museums in Berlin were mainly of busts, sculptures, statuettes and reliefs and in 1899 he gave the "The Shipwreck of Aeneas" by Peter Paul Rubens, Gainsborough's "Portrait of Squire John Wilkinson", as well as more modern works such as Honore Daumier's "Don Quixote and Sancho Panza" and in 1906 Vilhelm Hammershøi's "Sunny Livingroom".³⁹³ The Gainsborough was the most valuable gift on the occasion of the opening of the Kaiser Friedrich Museum in Berlin on October 18th 1904. That Beit chose the work of a British painter as a gift for the large, new museum in the German capital may be viewed as a sign of his efforts to bring about a rapprochement between the two countries.³⁹⁴ However, in the light of his British citizenship, Beit turned down the award of the Order of the Red Eagle in return, prob-



Max Liebermann's "The Hamburg Professors' Convention", 1905/06

ably to avoid again becoming the target of animosity in the British press.³⁹⁵

.....

AFTER an initial donation in 1889, the Museum of Arts and Crafts in Hamburg received regular grants from 1901. He supplemented the collection with many arts and crafts items, ceramics, majolicas, faiences or stoneware. Numerous vases, dishes, glasses, goblets, beakers, leather helmets, sets of cutlery and oven tiles, all dating from the 14th to the 17th centuries, came to the museum, which was opened in 1877. The then director, Justus Brinckmann, wrote that no previous donations to his museum had been on the scale of Beit's. The grants were particularly important for the new museum, whose modest budget meant that it was in no position to acquire such items independently.³⁹⁶

.....

To the Hamburg Art Gallery Beit mainly gave works with a connection to the city, the many paintings including works by such

Hamburg old masters as Matthias and Andreas Scheit. In 1891, the gallery obtained the "Man with the herring barrel" at that time attributed to Franz Hals, although this was sold to the Augsburg Municipal Art Collections in 1931. Alfred Lichtwark had also initiated a collection entitled "Works of art with relation to life", which comprised pictures with motifs related to the city, mainly portraits, but also street scenes and cityscapes, as well as landscapes from the surroundings of Hamburg. For this, the museum commissioned contemporary artists, and with his monetary gifts Beit made it possible to commission numerous paintings, including works by Max Liebermann, Leopold von Kalckreuth, Max Slevogt and Wilhelm Trübner.³⁹⁷ Beit also financed Liebermann's large group portrait "The Hamburg Professor's Convention" in 1905–06. But Beit's promotion of the University of Hamburg was quite separate from this aesthetic and artistic support.

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- 328 *Beit/Lockhart, The Will, p. 15.*
- 329 *Crook, Rise, p. 184.*
- 330 *Zinnow, Beit-Chronik, p. 55.*
- 331 *Melle, Dreißig Jahre, p. 366.*
- 332 *Boyd/Phimister, Beit, p. 857; Crook, Rise, p. 184.*
- 333 *Straelen, Alfred Beit, p. 4.*
- 334 *Architecture III (1898), p. 109–116, quoted in Straelen, Alfred Beit, p. 4.*
- 335 *Ibid., p. 4.*
- 336 *Fort, Beit, p. 155.*
- 337 *Straelen, Alfred Beit, p. 4.*
- 338 *Crook, Rise, p. 153f.*
- 339 *Ibid., p. 180.*
- 340 *Ibid., p. 184.*
- 341 *An impression of the in some respects breathtaking magnificence of the town houses, country seats and their interiors is given in J. M. Crook, The Rise of the Nouveaux Riches. — Even Colonial Secretary Chamberlain did not, in political conflicts such as the issue of the import of labour from China to work in the mines, baulk at referring to the bad reputation which with the Randlords were saddled. He warned other ministers against cooperating with “magnates’ who are not creditable acquaintances and who live in palaces, usually in Park Lane”, quoted in Wheatcroft, Randlords, p. 222.*
- 342 *Cf. Emden, Jews, p. 392 ff.*
- 343 *Crook, Rise, p. 183; cf. also Kubicek, Imperialism, p. 125.*
- 344 *Fort, Beit, p. 156.*
- 345 *Beit/Lockhart, The Will, p. 17.*
- 346 *Fort, Beit, p. 177f.; Rosenthal, New Light, p. 140f.*
- 347 *Fort, Beit, p. 52.*
- 348 *However, there are other witnesses, according to whom Beit’s mother revealed that she was well informed about the conditions in Kimberley, as confirmed by visitors from South Africa who paid a courtesy call on Laura Beit while staying in Hamburg, Rosenthal, New Light, p. 53.*
- 349 *Fort, Beit, p. 88; Zinnow, Beit-Chronik, p. 56f.*
- 350 *Fort, Beit, p. 89.*
- 351 *Zinnow, Mittelweg III and 113, not paginated. Five years later, the architect Zinnow was then commissioned by Beit to build another house for himself and his family on Mittelweg 111 and in the immediate vicinity of Laura Beit. On Villa Beit, cf. Baark, Hamburger Häuser, p. 44 ff. (This article, however, is very imprecise as regards Alfred Beit’s life).*
- 352 *Zinnow, Beit-Chronik, p. 18.*
- 353 *Ibid., p. 56.*
- 354 *Cf. principally Neil Munro, Alfred Beit and Mrs. Bennett.*
- 355 *Fort, Beit, p. 157.*
- 356 *The first work that Beit acquired cannot be determined exactly, cf. Straelen, Alfred Beit, Appendices. According to Beit/Lockhart, The Will, p. 16f., it was Nicholas Maes’ “Milkmaid”.*

- 357 *A comprehensive list of the collection (including the dates of purchase and sale) is given in the appendix to the master's thesis of Annette van Straelen, 1998.*
- 358 *Cf. Bode, Kunstsammlungen; Brinckmann, Sammlungen; Valentiner, Sammlungen.*
- 359 *Bode, Beit als Sammler, p. 485f.*
- 360 *Fort, Beit, p. 155.*
- 361 *Bode, Beit als Sammler, p. 485.*
- 362 *Straelen, Alfred Beit, p. 5.*
- 363 *Gaethgens, Wilhelm von Bode, p. 156f.*
- 364 *Straelen, Alfred Beit, p. 6.*
- 365 *Girardet, Müzene, p. 25.*
- 366 *Straelen, Alfred Beit, p. 10.*
- 367 *Fort, Beit, p. 125; Straelen, Alfred Beit, p. 6f.*
- 368 *Ibid., p. 29f.*
- 369 *Gaethgens, Wilhelm von Bode, p. 154.*
- 370 *Fort, Beit, p. 156.*
- 371 *In particular the surviving parts of the correspondence of Beit and Bode show how important the issues of the price and value of a work of art were and how comprehensively they were explained, cf. Straelen, Alfred Beit, p. 5.*
- 372 *Ibid., p. 8.*
- 373 *Cf. ibid., p. 3.*
- 374 *Ibid., p. 4.*
- 375 *Gaethgens, Wilhelm von Bode, p. 159.*
- 376 *Straelen, Alfred Beit, p. 11.*
- 377 *Ibid., p. 13.*
- 378 *Cf. Hamburger Abendblatt, April 29th 1974 (in StA Hbg., ZAS, A 752, Beit).*
- 379 *Straelen, Alfred Beit, p. 4.*
- 380 *Alter, Wissenschaft, p. 71.*
- 381 *Straelen, Alfred Beit, p. 12.*
- 382 *Alter, Wissenschaft, p. 61.*
- 383 *Many Randalords were knighted after the Boer War. In 1902 the first knighthood was granted to Percy Fitz-Patrick, followed by George Farrar, George Albu, Sigismund Neumann, Max Michaelis, Friedrich Eckstein, Joseph B. Robinson, Lionel Phillips, Julius Wernher and later Otto Beit was made a baronet.*
- 384 *Roberts, Diamond Magnates, p. 284.*
- 385 *Straelen, Alfred Beit, p. 13.*
- 386 *Beit/Lockhart, The Will, p. 31.*
- 387 *NL Werner von Melle, SUB Hamburg, Werner von Melle to Gustav Zinnow (draft), October 9th 1932*
- 388 *Rosenthal, New Light, p. 147ff.*
- 389 *Thilenius, Museum, p. 13; Joch, Sammeln, p. 105ff.*
- 390 *Straelen, Alfred Beit, p. 38.*
- 391 *An eight-page list of Beit's gifts to museums is given in the appendix to the master's thesis of Annette van Straelen, 1998.*
- 392 *Ibid., p. 32.*
- 393 *Ibid., Appendix, p. XXIVf.*
- 394 *Ibid., p. 22f.*
- 395 *Ibid., p. 24. On the animosity towards Beit in the British press cf. also the obituaries in The Times, Standard, Daily Express and Daily News, quoted in translation in Hamburger Fremdenblatt, July 22nd 1906 (in StA Hbg., ZAS, A 752, Beit).*
- 396 *Straelen, Alfred Beit, p. 30.*
- 397 *Ibid., p. 32f.*

UNIVERSITY OF HAMBURG

THE idea of founding a university in Hamburg had been under consideration since the late 1840s, but the Hamburg Parliament had never been willing to provide the necessary funds for it. Hamburg was prepared to spend almost anything on the expansion of the port, the main artery of the city, and this also applied to a lesser extent to other improvements of the infrastructure. However, it took a devastating cholera epidemic in 1892 before the city was prepared

to modernise the water supply. Neither was the Senate – dominated by the haute bourgeoisie – prepared to build a university which would enable the working class and the lower middle class to play a part in social and political life. Hamburg merchants looked on higher education as a needless adornment – one might allow one son of the family to study, but only if he was “too stupid for sugar”, as the saying went, meaning that he was not even willing or capable of



The end of a long process – the lecture building what became the University of Hamburg opened in 1911

learning the business with the popular sweetener, which was regarded among merchants as particularly simple, or “idiot-proof”.

THE driving force behind the project for founding a university around the turn of the century was Werner von Melle, president of the First Department of the supervisory school authority. In 1904 he began to solicit private funds for implementing his plan. It was estimated that 20–30 million Reichsmarks would be needed.

VON Melle was open about his strategy. Initially a “scientific foundation” was to be founded in order to expand the existing public lectures, but always with the intention that this should become the nucleus of a university. Even if this objective were not realised, the foundation would still promote academic research in Hamburg.³⁹⁸

AFTER they had discussed the plan together in September 1904, the Hamburg banker Max Warburg held out the prospect of a large donation for the planned foundation on behalf of himself and his brothers, and he also hinted that von Melle should approach Alfred Beit for a larger sum, ideally at a time when Beit was visiting Hamburg.³⁹⁹

BEIT had previously been approached concerning the university project by the Hamburg Mayor Hachmann, who wanted to attract 20 million marks (1 million pounds) for the project at one go. Beit turned down this ineptly over-ambitious, indeed avaricious request.⁴⁰⁰

HOWEVER, von Melle was better positioned

than Hachmann for winning over Beit, as they were old schoolfellows,⁴⁰¹ and he knew him personally. Both had attended Dr. Schleiden’s private school before von Melle went on to the Hamburg grammar school, the Johanneum. The two had been friends at school, but had lost contact, and von Melle was astonished to find out years later that his former playmate had now become a friend of Cecil Rhodes and a multi-millionaire, Beit having given no indication of financial genius at school.⁴⁰²

VON Melle now took up this old connection and in October 1904 he sent Beit’s mother Laura a letter congratulating her on her eightieth birthday and thanking her for the happy hours which he had spent in her house as a boy. Von Melle recalls, “My schoolmate was delighted by this little attention that I had paid to his mother, whom he loved very much, and he sent word through a mutual friend that he would call on me the next time he was in Hamburg to thank me in person. Without further ado I now had the opportunity to communicate our great project to him under the most favourable circumstances.”⁴⁰³

THE meeting with Beit was delayed until autumn 1905, when von Melle was able to explain his plan to him. The meeting went well, and Beit displayed a keen interest in the project and promised to decide at Christmas on the amount he would himself contribute to the foundation.⁴⁰⁴ Thereupon rumours circulated about Beit’s donation among the university proponents. The Hamburg judge, patron and art connoisseur Gustav Schiefler, author of “Hamburger Kulturaufgaben” (“Hamburg Cultural Tasks”) (1899), recalls: “At the Senate recep-



Werner von Melle (1853–1937)

tion (...) on October 14th 1905 [von Melle] whispered to me secretly that I would be well content within a year. He succeeded in persuading Beit to donate two to three million; more was not to be obtained. His sister, wife of the architect Zinnow, told me at an evening party at Ludwig Lippert that he had been very much annoyed by certain insulting articles in 'Hamburger Nachrichten', that he was heavily committed with donations in London, and he also considered that people in Hamburg could do something for themselves."⁴⁰⁵

.....
THE second and decisive meeting between von Melle and Beit took place at the end of 1905, this time in his mother Laura's house,

when Beit promised von Melle two million marks for the university project. Beit simply asked to remain anonymous as the donor of this considerable sum, in order not to be overwhelmed with requests for money. Von Melle departed in a good mood: "When I then took my leave, again expressing my sincere thanks, I did not imagine that I would not see Alfred Beit again. He appeared to be in the best of health at that time."⁴⁰⁶

.....
THAT Beit wanted to remain anonymous speaks against the interpretation that his donations were made mainly for social recognition. Perhaps he was particularly taken with this project. Beit did of course primarily endow educational projects, which seem



Alfred Beit's mother, Laura, in later years



Gustav Zinnow and his wife Bertha, Alfred's sister

to have strongly motivated him. As far as we know, he donated hardly anything to charitable foundations, whereas he frequently supported scientific institutes, research and school projects and medical institutions. Beit's commitment to the University of Hamburg was probably largely based on his connection with his home city, as well as the old, personal link with von Melle, another illustration of Beit's attachment and loyalty to friends. That the old school friend and playmate contacted Beit through his adored mother may have also appealed to Beit's sense of family.

.....
THERE was initial disappointment about the level of Beit's donation among the supporters of the university plans. More had been hoped for; thoughts of ten million had

been in the air. Perhaps there had been an exaggerated idea of Beit's wealth, and on Boxing Day Max Warburg wrote to von Melle: "It's the old story, one loses every sense of proportion when it comes to the great wealth of other people! But it is a large, fine sum, which will certainly secure our plans, and I congratulate you wholeheartedly on your great success." It did not take the organisers long to appreciate what an important contribution they had received to the realisation of their project.⁴⁰⁷

.....
AND in fact Beit's donation was the largest gift that the foundation was ever to receive, right up to the present day. Compared with Beit's contribution, the other donations to the Hamburg Scientific Foundation look modest, however considerable each one ap-



*The founders of the Hamburg Scientific Foundation –
 memorial plaque in the main building of the University of Hamburg*

peared, when judged on its individual merits. The Warburg family gave 250,000 marks, while 100,000 marks each came from the Hamburg-born New York copper industrialist Adolph Lewisohn, the Hamburg merchants Gustav Amsinck, Gustav Diederichsen and Hermann Sielcken and the Hamburg Godeffroy family. The combined donations of 45 other wealthy donors and donor families came to less than Beit's single gift. His share accounted for more than the half of the founding capital, which amounted to somewhat over 3.8 million marks.

.....
BEIT'S generosity – leaving aside all the great dreams of the founders – stands out all the more when his gift is compared with donations received by other institutions at that time. On the founding of the Kaiser Wilhelm Society for the Promotion of Science (the later Max Planck Society) in 1910–11, there were only two donations of more than a million marks: Leopold Koppel, a Berlin banker, donated 1,010,000 marks and Gustav Krupp von Bohlen 1,400,000 marks.⁴⁰⁸

.....
BEIT transferred the money from Kimberley to Hamburg on February 27th 1906. Von Melle expressed his gratitude in a letter: "You (...) have made a great contribution for all time for the further development of our intellectual life and the absolutely vital promotion of the intellectual reputation of Hamburg."⁴⁰⁹ Beit is reported to have said to his mother that he had "never given more willingly than for this purpose".⁴¹⁰

.....
PROBABLY owing to the indiscretion of a bank employee, Beit's name did come to public attention only a short time later. By

the beginning of March he was in all the newspapers.⁴¹¹ This was highly embarrassing for von Melle, as it was he who had assured Beit of anonymity. Beit immediately sent a telegram to him expressing surprise, and asking him to ensure that there would be no more publicity. He later wrote that he was very anxious to know who had been responsible for the indiscretion and requested von Melle to initiate inquiries. Beit was concerned that the announcement would result in him receiving endless begging from all over the world. He enclosed with the letter two cuttings from a London newspaper with the titles in bold print "Mr. Beit's gift to Hamburg" and "Mr. Alfred Beit's denial". Von Melle then sent all Hamburg papers a "correction", with the aim of covering tracks as much as possible.⁴¹²

.....
A wave of ingratitude underlaid by racism poured over Beit from the Hamburg press. The Social Democrat "Hamburger Echo" had previously criticised the plans to found a university, with an ideologically charged attack on "the class-ridden universities of average type", "at whose breasts are suckled class criminals and the bureaucratic henchmen of those who do the most harm". On March 2nd 1906, the paper launched a criticism of capitalism charged with anti-Semitism when it numbered Alfred Beit "and his profiteering fellow capitalists [Rebbachbrüder]" among the "originators of the Boer War", who "yearned for the ownership of the diamond mines of Transvaal" and concluded: "The money made with the exploitation of the mine workers that is now to help found the University of Hamburg is highly tainted." A satire of the "General-Anzeiger" on March 4th 1906 on the "Universitas Hamburgensis Beitii gratia et simil-



In 1901, the “Kladderadatsch” overstepped the borderline of anti-Semitic defamation of Alfred Beit

ium gentium” aimed in the same direction. The Senate of this body looked so well fed that it could only have consisted of theologians, and its protector needed to proclaim his dignity by wearing three golden chains and a golden sash.⁴¹³

ATTACKING the Randlord and “Jew” in Beit was nothing new for the German press, for which Beit’s art foundations in Berlin had already become the target of bitter criticism. The January 1901 caricature “The back stairs affair” in Germany’s most prestigious satire magazine “Kladderadatsch”, portrayed Beit and Wernher as profiteers and propagandists of the Boer War, able to afford gifts of works of art to Berlin in return for the

Reich government keeping quiet, as suggested by the caption.⁴¹⁴

AND Gustav Schiefler, who around the turn of the century had shown strong commitment to cultural matters, and who also supported the founding of a university, joined retrospectively in this chorus as well. After 1914 he began to write a Hamburg cultural history, in which he criticised the “unfortunate idea, and one basically unworthy of a wealthy city like Hamburg, to have relied on an anglicised Hamburg Jew to provide the means necessary for the fulfilment of a cultural obligation.”⁴¹⁵ Even though this criticism was first and foremost aimed at his Hamburg fellow citizens, the disparaging

description reflected above all on Beit.

.....
In an address given in 1907, von Melle commemorated Alfred Beit's donation: "My dear old school friend Alfred Beit, with his immense modesty, would certainly not have wished that his most substantial contribution would be specially remembered at the establishment of the foundation here. He wanted, as he told me, to be named if at all

only as one among many. Nevertheless, it seems to me now (...) that we are obliged in our gratitude to emphasise that without his clear vision, through which he immediately grasped the significance of the growing project, and without his unhesitating and munificent hand, the foundation could not have so rapidly achieved the significance that it already has today."⁴¹⁶

.....
398 *Melle, Dreißig Jahre*, p. 361f.

399 *Ibid.*, p. 363 and 365.

400 *Ibid.*, p. 368.

401 *In his draft of a letter to Gustav Zinnow dated October 9th 1932, Nachlass Werner von Melle, SUB Hamburg, von Melle speaks of a decade.*

402 *Melle, Dreißig Jahre*, p. 365f.

403 *Ibid.*, p. 366.

404 *Ibid.*, p. 368f.

405 *Schiefler, Kulturgeschichte*, p. 359.

406 *Ibid.*, p. 385f.

407 *Ibid.*, p. 386.

408 *Burchardt, Wissenschaftspolitik*, p. 58, 78f. and 157.

409 *Melle, Dreißig Jahre*, p. 389.

410 *Ibid.*, p. 392.

411 *Ibid.*, p. 389.

412 *Ibid.*, p. 390.

413 *Quoted in Bolland, Gründung*, p. 53.

414 *Kladderadatsch*, Nr. 2 (January 13th 1901). Similar attacks were also published in *Kreuzzeitung*, No. 2, evening issue (January 2nd 1901) and *Tägliche Rundschau*, No. 29 (January 23rd 1901), whereas there was an article defending Beit in *Berliner Tageblatt*, Nr. 14 (January 9th 1901), according to *Straelen, Alfred Beit*, p. 18.

415 *Schiefler, Kulturgeschichte*, p. 357.

416 *Melle, Dreißig Jahre*, p. 429.
.....

BEIT'S LEGACY

AT the end of the 1890s, all the various strains on Beit began to take their toll on his health. His nervousness assumed ever greater proportions. Under the pressure of his numerous commitments and driven by the determination to check every detail of his work himself, he developed ticks. His pulling at his moustache that was continually remarked upon seems over time to have become nothing short of compulsive.⁴¹⁷

AFTER the completion of his house in London, Beit set off in 1898 on a three-month Mediterranean cruise to recuperate. He chartered the yacht "Iolaire" and invited old friends from Kimberley to come along: Jameson, just out of Holloway Gaol, J. B. Taylor and Henry Robinow. From Marseilles, the trip went via Monte Carlo, Ajaccio on Corsica, Naples, Tunis, Algiers, Malta and Alexandria to Crete, and from there on to Palestine and Asia Minor, via Jaffa and Smyrna to Constantinople (Istanbul).⁴¹⁸

IN 1901, Beit travelled from Beaulieu on the French Riviera to North Italy, again in the company of Jameson as well as Sir Charles Metcalfe, Arnold Moseley, Captain Rose-Innes and Cecil Rhodes. Together the group undertook extensive motor trips, in which they were pioneering tourists.⁴¹⁹ Cecil

Rhodes died only a year later, in 1902. Beit was deeply affected by his death.⁴²⁰

MANY of the burdens that had previously rested on Rhodes' shoulders were now borne by Beit,⁴²¹ and he returned to the executive board of the Chartered Company.⁴²² However at this time De Beers bought out his and Wernher's rights as lifelong governors – for three million pounds in shares.⁴²³

FROM 1903, Beit was in distinctly poor health. While on an extremely arduous inspection tour of South Africa and Rhodesia, he suffered a stroke near Salisbury on January 8th. This led to symptoms of paralysis on the left half of his body.⁴²⁴ His life was saved, but he never fully recovered from this blow. Of rather frail constitution and delicate health,⁴²⁵ Beit had all his life done the work of two or three men.

WHAT worried Beit above all, as it had done Rhodes, was the thought that new diamond deposits might be found in South Africa, which would bring an end to the monopoly position enjoyed by De Beers. This was in itself a commercial worry, but it was also a threat to their whole life's work. The discovery of significant diamond deposits near Pretoria may have increased the strain on Beit enough to affect his health.⁴²⁶



The work of three men on two shoulders

.....
BEIT was able to return to London on January 28th. He arrived there on February 14th, but immediately went on to Hamburg, where he convalesced for several weeks.⁴²⁷ In September 1904, he was well enough to accept the vice-presidency⁴²⁸ of the Chartered Company that was offered to him when the previous president, Earl Grey, was appointed Governor General of Canada. It was a great honour for Beit, as it was the first time that a naturalised Briton was offered such a position in a company with a Royal Charter. This added further to Beit's responsibilities, anxious as he was to carry on the work of his late friend.
.....

THE company's shareholders welcomed the news; "the market likes it", it was stated in London newspapers, irrespective of the consequences for Beit. As early as March 1905 his health prevented him from taking the

chair at the annual general meeting of the Chartered Company. His friends became alarmed.⁴²⁹
.....

IN the spring of 1906 Beit travelled to Wiesbaden for heart treatment. However nothing more could be done for him there, so by his own wish he retired to his English country seat at Tewin Water, there to die. Alfred Beit passed away on July 16th 1906, aged only 53. He was buried in Tewin Water. On his gravestone is written: "Write me as one that loved his fellow men" – from a poem by Leigh Hunt.
.....

THE funeral was kept very simple, but was attended by many mourners: "A plain coffin stood on the simple hearse, which was drawn by only two horses. A single clergyman performed the service. Two hymns, a short address and a prayer – that was all. The friends of the deceased millionaire had hur-



Alfred Beit's grave in Tewin Water

ried up in large numbers from London and all parts of the country. An extra train with 15 carriages brought the mourners from London, and no fewer than 84 motor cars waited in front of Tewin church. Over four hundred wreaths and other flowers, some of them of truly exotic beauty, had arrived.”⁴³⁰

As Beit was unmarried and without children, he named his youngest brother, Otto, as his main heir in his will. Otto had joined Jules Porgès & Co in London in 1888. In 1890, he was sent to Kimberley and then to Johannesburg, where he worked at the H. Eckstein company. He assumed British citizenship in 1896⁴³¹ and in 1898 moved, like Alfred ten years previously, to London, where he became a partner in the stock-broking firm Ludwig Hirsch & Co. He was

not a partner in any of his brother's companies during the latter's lifetime. Like him, he was a friend of Cecil Rhodes, whom he accompanied to England after the Jameson Raid. After Rhodes' death, he was one of the trustees and later chairman of the Rhodes Trust, as well as a director of the British South Africa Company. After his brother's death, he withdrew from business life.⁴³² He was just as significant a figure as his deceased brother, both as an art collector and as a philanthropist; indeed in the former capacity he even outdid him, and he too was advised by Wilhelm Bode on his acquisitions. His countless charitable foundations earned him a knighthood in 1920, and he was made a hereditary baronet in 1924. Alfred Beit had very much wanted the family to receive a baronetcy.⁴³³



Alfred's younger brother, Otto Beit (1865–1930)

.....
APART from Otto, Alfred Beit's whole family benefited greatly from his will in various ways, as did the employees in his companies in London and South Africa, as well as his domestic staff.⁴³⁴
.....

BEIT also bequeathed significant amounts to individual institutions, including £50,000 in cash and nearly £85,000 in De Beers shares to the Imperial College of Technology in London.⁴³⁵ £25,000 went to the Institute of Medical Sciences Fund of the University of London,⁴³⁶ and £20,000 each to the King Edward VII Hospital Fund and Guy's Hospital.⁴³⁷ £10,000 was received by the Union Jack Club "for soldiers and sailors" in London.⁴³⁸
.....

IN South Africa, Beit bequeathed £200,000 for the founding of a university in Johannesburg. Beit had already created a timber plantation and a farm site, the "Frankenwald" (Franconian Forest), near Johannesburg in the mid-1890s.⁴³⁹ In September 1904, he had announced that he would leave the 3,000 acre property, which was twelve miles outside the city, to Johannesburg for educational purposes, with a view to the establishment of a university. The value of the site was now estimated at £80,000.⁴⁴⁰ After Beit's death, a fierce dispute flared up concerning the fund, which then – in accordance with Beit's will – was rededicated to the newly founded university in Cape Town and received further generous endowments from Julius Wernher and Otto Beit.
.....

THE Rhodes Memorial Fund received £15,000 on Beit's death⁴⁴¹ and Rhodes University in Grahamstown £25,000. £20,000 went to Eckstein & Co for educational,

public and charitable purposes, and £15,000 each to his company in Kimberley, and to Leander Starr Jameson, who had meanwhile been elected Premier of the Cape Colony. £200,000 was given to Rhodesia for educational and charitable purposes.
.....

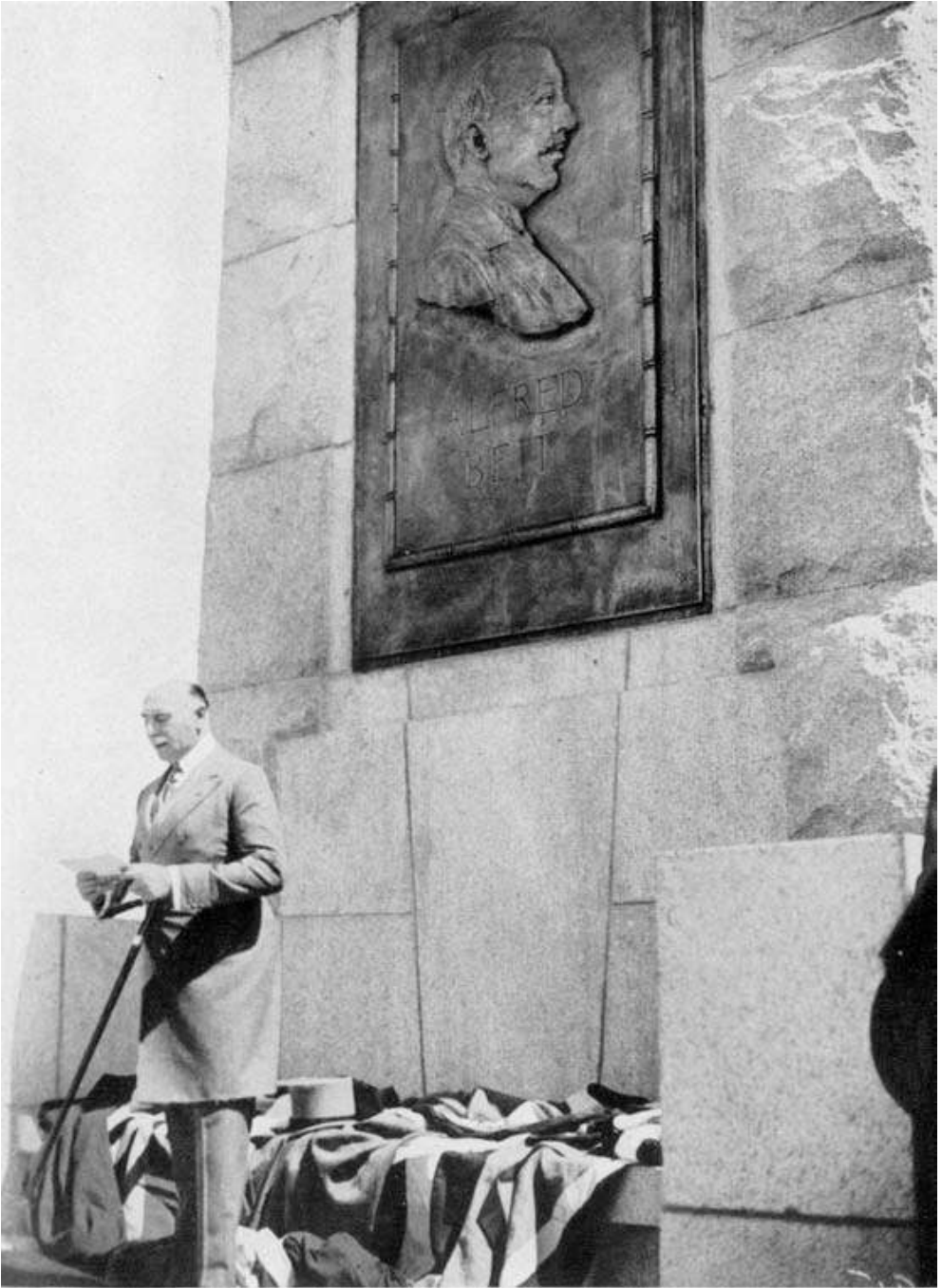
BEIT had the lion's share of his wealth, £1.2 million, put into the Beit Trust. With the proceeds from this capital, the trust was to engage in the expansion of the railway and telecommunications networks in South Africa, mainly the construction of a railway line through the entire African continent from north to south, and a telegraph and telephone link – the implementation of the Cape-Cairo plan as championed by Cecil Rhodes. Otto Beit, Julius Wernher and Bouchier Frances Hawksley were appointed trustees.⁴⁴²
.....

THIS provision in the will clearly stemmed from the wish to realise Rhodes' legacy. It can be said that the death and the will of his friend decisively influenced Beit in defining the objective of his own trust.⁴⁴³ The fact that Beit wanted to know that even after his own death, the completion of Rhodes' project would be secure, is an indication of his extraordinary loyalty to him.
.....

BY our present-day values, Beit, whom history will always place in the shadow of his very dominant friend, regarding him merely as Rhodes' financier, would almost appear the more important figure. Certainly, by furthering the realisation of Rhodes' plans, Beit also engaged in "empire building" – something now consigned to the past. But Beit was guided more strongly than Rhodes by the wish, "to give something back" to South Africa, the country to which he owed



The Alfred Beit Bridge over the Limpopo, 1927–1929 built by Beit-Trust



The governor general of South Africa opening Beit Bridge in 1928

his enormous wealth. Many rich people have established foundations at the end of their lives, but on one point Beit is assured of fame: at the very beginning of the 20th century he left behind him a foundation whose express purpose was the promotion of an underdeveloped country.⁴⁴⁴

.....

IN its first 25 years the trust spent approximately £2.4 million on the construction and maintenance of railways in Rhodesia, and bought shares in rail companies in the country for approximately a further million. £300,000 went into bridge construction and £135,000 into educational and cultural projects. The trustees also increased the capital of the trust to £2.7 million.⁴⁴⁵

.....

BRIDGE building became a focal area among the infrastructure projects financed by the trust. One of its most significant achievements in this respect was the building of the Alfred Beit Bridge over the Limpopo, for a long time the only road link between Rhodesia and Transvaal. Between 1927 and 1929, the trust invested £128,000 in this structure, which stands like a symbol of Beit's wish to create links. It is a useful monument and a fitting memorial. The inhabitants of the country would doubtless have had to wait for many years for state funds for the more than forty bridges built by the trust up to 1932.⁴⁴⁶ Even today, despite a turbulent history, the Beit Trust promotes projects in the educational, health, charitable and environmental protection fields, spending a grand total of about two million pounds in 2005.⁴⁴⁷

.....

IN Germany too Beit remembered in his will numerous institutions with which he was connected. He left the portrait of Joshua

Reynolds "Mrs. Boone and her daughter, later Lady Drummond", as well as the bronze statuette "Hercules" by Pollajuolo to the Imperial Museum in Berlin. The Museum of Arts and Crafts received majolica plates. Both Alfred Lichtwark and Wilhelm Bode had been eager to secure Beit's art collection in the event of his death for their own museum, but did not succeed in this. Both had tried to visit Beit in Wiesbaden immediately before his death to make a final approach in this matter. Lichtwark was not admitted, while Bode did manage to see Beit, but otherwise had little success. Lichtwark even went so far as to suggest that Bode indirectly shared responsibility for the death of Beit, whose health had not been helped by the disturbance.⁴⁴⁸

.....

ALFRED Beit remembered his home city in his will in an unusual way. He bequeathed the city of Hamburg the "Borsteler Jäger", a 188,000 m² site in Groß-Borstel, as a local recreation area for the people of Hamburg. The donation was then worth 400,000 marks. Beit's will defined the purpose of this bequest flexibly, stipulating that the "Borsteler Jäger" be used as a local recreation area, though limiting this requirement to twenty years. If it was found appropriate to sell the site afterwards, the decision was left to the city's discretion. The proceeds were then to be used for charitable purposes.⁴⁴⁹ Beit also gave 400,000 marks in cash to Hamburg philanthropic institutions, including 40,000 marks each to the "Patriotische Gesellschaft" and to the public library, 20,000 marks to the German Benevolent Society for Released Prisoners, 15,000 marks each to Bethanien Hospital and the Central Library for the Blind. A further 43 institutions and associations received



Laura Beit, portrait by Leopold von Kalckreuth

amounts of 10,000, 8,000 or 5,000 marks.⁴⁵⁰

.....
HOWEVER, the philanthropy of Alfred Beit's family in Hamburg did not cease with his will. In 1894 Laura Beit had already donated 50,000 marks to the Paulsenstift School, for a school home at Timmendorfer Strand (on Lübeck Bay), to be used as a convalescent home for infirm and poor children.⁴⁵¹ A 6,000 m² site was purchased, and Gustav Zinnow, Alfred Beit's brother-in-law, designed the building. Laura Beit donated the entire interior furnishings and promised an annual subsidy of 1,000 marks to maintain the house for the first few years. The home was inaugurated on June 7th 1896 and named after Laura Beit's daughter Olga, who had died young of lung disease. On her death in 1918, the 93-year-old Laura Beit bequeathed a further 80,000 marks to the "Olgaheim", which according to its constitution was to provide "a bathing resort at affordable prices for children from all over Germany, without regard to race or confession".⁴⁵²

.....
IN 1909, Laura Beit and her son Otto each gave to the Vaterstädtische Stiftung in Hamburg 100,000 marks "for commemorating and for keeping in remembrance" their deceased son and brother. Laura's uncle, Ruben Hahn, had been on the executive board of the foundation for many years. The Alfred-und-Otto-Beit-Stift House VIII of Vaterstädtische Stiftung, built in Schedestr. 4, Hamburg-Eppendorf in 1909, provided 34 apartments, four family and 30 single flats, which the donors intended mainly for those who had been in domestic service. The architect was Gustav Zinnow, who was responsible for several buildings of the foundation. At the end of the 1920s, the building was expanded with funds from Otto



Olga Beit, Alfred's sister who died young

Beit to provide 46 apartments. Otto's widow continued to make monthly grants to the foundation even into the Nazi era.⁴⁵³ Laura Beit provided 40,000 marks for heating fuel in 1910.⁴⁵⁴

.....
THE Beit family also continued to support the University of Hamburg, or more precisely the Hamburg Scientific Foundation: in 1926–27, Otto Beit gave it three sites, Rothenbaumchaussee 5 and 7 and Alte Rabenstraße 5. Otto Beit had held out the prospect of grants back in 1910, but then the first world war broke out and all links were cut. Werner von Melle tried to renew the contact via Max Warburg only two years after the end of the war, in 1920. However,



Alfred-und-Otto-Beit-Stift of Vaterstädtische Stiftung in Hamburg Eppendorf, built in 1909

Carl Goldschmidt, engaged as intermediary in London, brought the sobering message that Beit's pocket was closed for German institutes – with the exception of charitable foundations “in which his mother was personally interested”.

IT is against this background that the references in von Melle's memoirs to Alfred and Laura Beit, and their interest in the university, must be seen.⁴⁵⁵ Whether intentionally or not, von Melle's efforts were successful. In 1923 Gustav Zinnow Jnr, the nephew of Alfred and Otto Beit, sent von Melle's work as a Christmas gift to London. In a letter of thanks, Sir Otto stated that after reading the

chapter on Beit he was “very much impressed (...) with the evident great sincerity of the writer”, as Zinnow subsequently reported to von Melle.⁴⁵⁶

IN 1924, the tireless von Melle took up the thread again and himself wrote to Otto Beit to sound out his willingness to donate. Gifts and charitable foundations from abroad would have been all the more welcome to the foundation, as the Finance Ministry held out the prospect of exemption from tax. And in March 1926, Otto Beit made the three sites, worth 350,000 marks, over to the foundation.⁴⁵⁷ Alfred Beit's brother had also been generous to his home city.

⁴¹⁷ Fort, *Beit*, p. 157.

⁴¹⁸ Rosenthal, *New Light*, p. 110. In Fort, *Beit*, p. 152f, the yacht was named “S.S. Toulaire” and the trip went via Marseilles, Algier, Alexandria and Cairo to Jerusalem, Jericho and Syria and via Rhodes and Palermo back to Naples.

- 419 Rosenthal, *New Light*, p. 116 ff.
- 420 Fort, *Beit*, p. 163; Rosenthal, *New Light*, p. 120.
- 421 *Ibid.*
- 422 Fort, *Beit*, p. 166; *Beit/Lockhart, The Will*, p. 26.
- 423 Zinnow, *Beit-Chronik*, p. 54.
- 424 Fort, *Beit*, p. 167 f.; Boyd/Phimister, *Beit*, S. 857; Rosenthal, *New Light*, p. 129.
- 425 Cf for example *ibid.*, p. 57 ff.
- 426 *Ibid.*, p. 131.
- 427 Fort, *Beit*, p. 167 f.
- 428 *Ibid.*, p. 168.
- 429 Rosenthal, *New Light*, p. 159.
- 430 *Hamburger Fremdenblatt*, July 22nd 1906 (in *StA Hbg, ZAS, A 752, Beit*).
- 431 Fraser, *Beit*, p. 858.
- 432 *Ibid.*, p. 858.
- 433 *Ibid.*, p. 859. He was married to the American Lilian Carter, the daughter of a mine manager. He had four children with her. The first born, Theodore (b. 1898), took his own life at the age of 19 because of the treatment resulting from his German, and possibly his Jewish origin, in the very traditional British regiment in which he was serving, Zinnow, *Beit-Chronik*, p. 69 f. His daughters were Angela and Muriel. The second son, Alfred (1903–1994), married Clementine Mitford, a cousin of the Mitford sisters, Nancy, Diana and Unity, in 1939.
- 434 Rosenthal, *New Light*, p. 154 ff.
- 435 Boyd/Phimister, *Beit*, p. 857. *Beit's partner, Julius Wernher, donated to Imperial College the even more handsome sum of £250,000, Alter, Wissenschaft, p. 60.*
- 436 Rosenthal, *New Light*, p. 156.
- 437 According to Rosenthal (*ibid.*, p. 150), the money had already gone to the hospitals during his lifetime, with Guy's Hospital receiving only £4000.
- 438 *Ibid.*, p. 156.
- 439 Fort, *Beit*, p. 172 f.
- 440 Rosenthal, *New Light*, p. 142–147.
- 441 *Ibid.*, p. 156. According to Fort, *Beit*, p. 220, only £10,000.
- 442 Boyd/Phimister, *Beit*, S. 857, Zinnow, *Beit-Chronik*, p. 62 f.
- 443 Fort, *Beit*, p. 165; *Beit/Lockhart, The Will*, p. 13.
- 444 *Ibid.*, p. 32.
- 445 Fort, *Beit*, p. 39 f.
- 446 *Ibid.*, p. 41 f.
- 447 Cf. on the further activity of the trust Pye-Smith, *Benefit*, p. 146.
- 448 Straelen, *Alfred Beit*, p. 34.
- 449 Fort, *Beit*, p. 220 f.
- 450 On the institutions remembered by Beit in his will, cf. in detail *Hamburgischer Correspondent*, November 18th 1906 (in *StA Hbg., ZAS, A 752, Beit*).
- 451 Anna Wohlwill became head of the school.
- 452 *Das Olgabeim*, not paginated
- 453 Hönicke, *Jüdische Stiftungen*, p. 627; Eissenhauer, *Wohnstiftungen*, p. 136; Schwarz, *Stiftung*, p. 99 f.
- 454 *Ibid.*, p. 120.
- 455 Melle, *Dreißig Jahre*, p. 366 and 385, especially 391 f.
- 456 NL Werner von Melle, SUB Hamburg, Gustav Zinnow to Werner von Melle, December 31st 1923.
- 457 Archives of Warburg-Stiftung, Hamburg, folder "Hamburgische Wissenschaftliche Stiftung": Warburg to Goldschmidt, November 16th 1920; Goldschmidt to Warburg, November 22nd 1920; letter to Warburg, November 19th 1920; Warburg to von Melle, December 3rd 1924; von Melle to Warburg, December 31st 1924; balance sheet of Hamburgische Wissenschaftliche Stiftung, December 31st 1926.

EPILOGUE

FOR centuries, Hamburg possessed a State Silver Treasure, a collection of magnificent candlesticks, jugs, cups, dishes, presentation plates and centrepieces, which served as table silver on great festive occasions of the Senate. The old Hamburg City Hall went up in flames in the great fire of 1842, and with it the Silver Treasure was also de-

stroyed.⁴⁵⁸ Only molten remnants of it were to be found.

.....
OVER the years, the citizens of Hamburg raised donations for a new Silver Treasure for their City Hall. The precious objects testify to the citizens' love of their city, their pride and also their little vanities. Hamburg

[The picture is contained in the printed version.]

This silver bread basket was donated by Laura Beit in 1906 to the council of the City of Hamburg in memory of her son



Alfred Beit Memorial in Kimberley

Jews and converted Jewish families, including the Beits, were among those who participated with donations.

IN September 1906 Laura Beit donated a silver bread basket in memory of her son who had died early. Alfred had himself given her the basket, an oval piece decorated with rocailles, blossoms and leaf tendrils with a lattice-like perforated pattern in rococo style. It had a plate with the inscription “Donated by Frau Laura Beit in memory of her son Alfred Beit”.⁴⁵⁹

WHEN the murderous political and racist madness of the Germans, which had be-

come apparent from the end of the 19th century, reached its full, ghastly climax under Nazi rule, the Beits were once more declared to be Jews.⁴⁶⁰

EVERYWHERE willing helpers sought evidence of Jewish life in the city in order to obliterate it, and one place where they found it was among the Hamburg Silver Treasure, where they came across the engravings of the Hertz, Wedells, Nordheim or Lippert families. These engravings were removed. The name Beit was also deleted from the bread basket in June 1940⁴⁶¹ in an attempt to obliterate the memory of that generosity which Alfred Beit’s family had shown its home city, and which fitted so ill into the world view of the new rulers. This violation was only one of the many small steps taken to exclude the Jews, which led down the road to mass murder.

THE engravings were not reinstated until 1996–97 – a gesture of atonement by a Hamburg publishing house to at least rectify the physical damage where the guilt itself could not be removed. Among those present on that occasion was an English descendant of Otto Beit.

TODAY, the small inscription again recalls that extraordinary successful mine magnate and far-sighted financier, the shy and wealthy man who with a joyful heart and without making any public commotion left to his home city significant funds for good causes, and who to a greater extent than any other private individual of his day, was prepared to advance the founding of a university to promote the intellectual life of Hamburg.

.....
458 *The very old Hamburg State Silver had already been melted down once during the Napoleonic Wars at the beginning of the 19th c. After that, a start was made on the collection that was destroyed in 1842.*

459 *BILD Hamburg/Heyl, Silberschatz, p. 162 and 173.*

460 *In many books, Alfred Beit is designated as a Jew (in the Oxford Dictionary of National Biography of 1912 Beit was described as “Jewish by race, Lutheran by religion”, Art. Beit, p. 127). This is surprising for us today, as Beit was after all the son of parents who had converted to Christianity. If we do not regard Jews as a “race”, then we should not refer to converts to Christianity as Jews.*

461 *BILD Hamburg/Heyl, Silberschatz, p. 154.*
.....

AFTERWORD BY NEIL MUNRO TO
THE ENGLISH TRANSLATION OF
ALFRED BEIT: THE HAMBURG DIAMOND KING

It was a kind and welcome gesture by the Hamburgische Wissenschaftliche Stiftung to invite the Beit Trust, and through them a member of the English branch of the Beit family, to write an afterword to this English translation of Henning Albrecht's excellent short biography of Alfred Beit.

I am doubly pleased to be writing this, both as Alfred Beit's great nephew, and as someone for whom over many years Beit's home city of Hamburg has been something of a second home. Indeed my experience of living and working in Hamburg began long before I knew very much about "great uncle Alfred". This began on the second occasion when I lived in Hamburg; during the 1960s my wife and I lived on Maria-Louisen-Straße, a short walk from the Heilwigstrasse family home of my cousin Eric Zinnow, grandson of Alfred Beit's much loved sister Bertha. We still have some of Alfred Beit's letters to her from his early days in South Africa. Eric, whose family still lives in Hamburg, was a fine family historian and it was he who sparked my own interest in the Beits. I later translated into English his "Die Beit-Chronik", which led me on to further research and writings on aspects of Alfred Beit's life and legacy. I was delighted to have been able to place some of the archive material in my possession at the disposal of
Dr Albrecht.

Dr Albrecht's book is in my opinion a thorough and balanced account of the most significant parts of Alfred Beit's life. I am no literary critic, but it is without doubt well written and full of much interesting detail. Its context is of course the foundation of Hamburg University, and this results in a particular benefit for English speaking readers, many of them in southern Africa; this is the perspective from a German viewpoint, and in particular one from the period being discussed, the late nineteenth and early twentieth centuries. Dr Albrecht does not shy away from controversy; he is direct in his description of some negative aspects of contemporary German opinion, but equally he does not hide the difficulties which many of us have had in assessing Alfred Beit's role in the Jameson Raid and indeed the later

build-up to the Boer War. He has perceptive insights into Beit's motivation for all of his activities and into the all important relationship with Cecil Rhodes. Much of the existing material about Alfred Beit is distinctly anglocentric and I found it fascinating to read a German view of Beit's probable divided loyalties between the British Imperial Project and contemporary German ambitions in Africa. English speaking readers owe Henning Albrecht a debt of gratitude for widening perspectives on Alfred Beit.

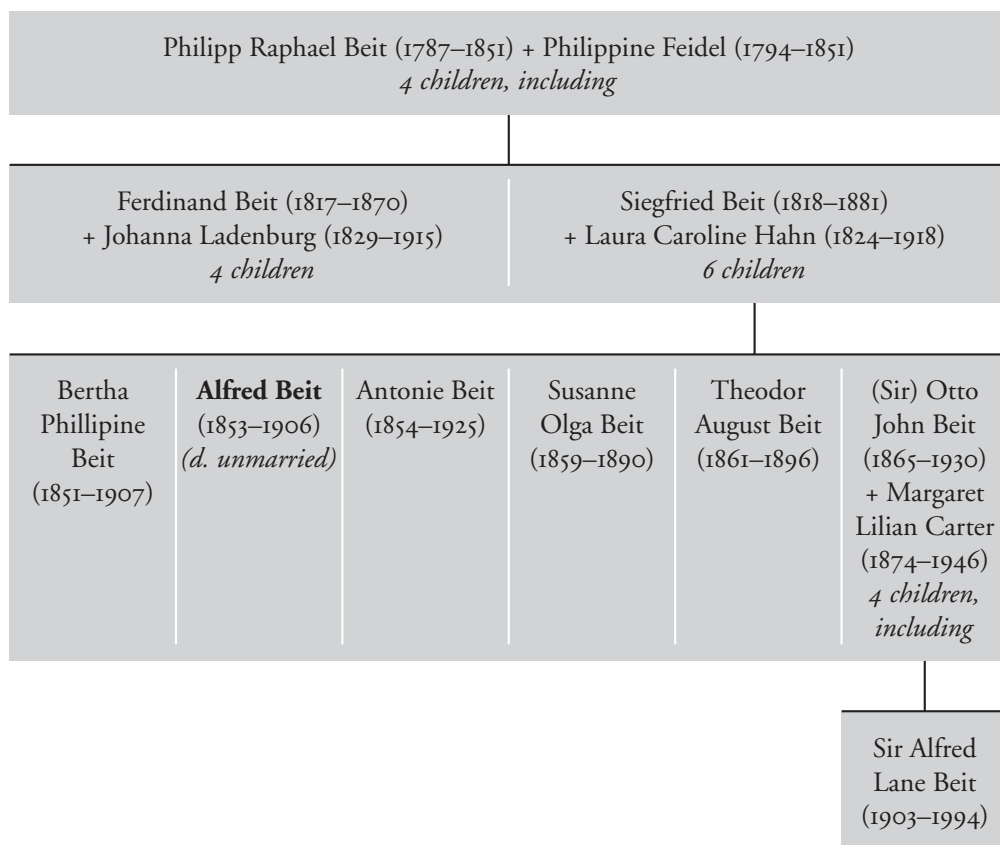
In all this, it should be said that what emerges is a thoroughly sympathetic portrait of Alfred Beit, confirming the almost universal opinion of him as a most decent man.

If I may end on a personal note, it is to record that my final Hamburg encounter with Beit history was an invitation, in place of Eric Zinnow who was unwell, to celebrate the reinstatement under the sponsorship of the Axel Springer organisation of those items of the Hamburg silver collection which had been donated by members of the Hamburg Jewish community, and whose inscriptions had been erased under the Third Reich. This was a touching and generous act of reconciliation which left me proud both of my Beit ancestry and of its association with Hamburg.

A handwritten signature in cursive script that reads "Neil Munro".

Neil Munro, Wimbledon, 2012

APPENDICES

FAMILY TREE (EXTRACTS)⁴⁶²

⁴⁶² For a comprehensive Beit family tree, cf. Zinnou, *Beit-Chronik*, p. 108 ff.; for his closer relatives, id., *Hahn-Chronik*. Also Jacobi, *The Beit (Beyth) Family* (however not totally reliable).

MILESTONES IN ALFRED BEIT'S LIFE

February 15th 1853	Born in Hamburg
1870–1875	Commercial training in Hamburg and Amsterdam; military service
1875	Beit goes to South Africa as diamond dealer for D. Lippert & Co
1878	Beit sets up on his own
1879	Beit meets Cecil Rhodes; Beginning of a close “financial friendship”
1880	Employee of Jules Porgès & Co
1884	Sole representative of Jules Porgès & Co in South Africa
1886	Beginning of Beit's investment at Witwatersrand
1888	Founding of De Beers Consolidated Mines Ltd.; setting up of diamond monopoly; governor for life of De Beers; partner of Jules Porgès
1888	Move to London; regular visits to in South Africa
1889	Founding of British South African Company (BSAC) by Cecil Rhodes; Beit becomes one of the directors
1890	Jules Porgès & Co becomes Wernher, Beit & Co
1891	Trip to Matabeleland
1895/96	Jameson Raid on Transvaal. A board of inquiry of the House of Commons judged that Beit must resign as director of the BSAC
1898	Beit assumes British citizenship
1899–1902	Boer War
1902	Death of Cecil Rhodes
1903	Beit suffers a stroke
1904/05	Foundation of a chair of colonial history at the University of Oxford
1902/04	Return to the board of BSAC; vice president
1905	Donation of two million marks to Hamburg Scientific Foundation
1905	Audience with Wilhelm II
July 16th 1906	Death; founding of Beit Trust

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My thanks first to Mr. Neil Munro, Wimbledon, who provided helpful support with information and the provision of materials for this study. I should also like to thank Mr. Angus Ramsay and Beit Trust. My thanks to Dr. Angelika Dombrowski, Hamburg, for the temporary transfer of her family chronicles and Ms Annette Kicken, nee van Straelen, for a copy of her master's thesis. I thank Max Warburg, Hamburg, for his willingness to open the family archives for me, Dr. Dorothea Hauser there for her support and dedication in procuring the materials. I am also grateful for the support of Dr. Angela Graf of the Museum of Arts and Crafts, Hamburg, the staff of Hamburg Museum and Hamburg State Archives.

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Preliminary remark: No complete personal estate of Alfred Beit has been preserved. Papers of Beit are dispersed in many archives, but in many cases have probably also been destroyed or lost. According to van Straelen, Alfred Beit, p. 14 and Appendix I, p. I Beit's correspondence was destroyed after his death and at his own wish by his friend Julius Wernher. However, there are detailed statements on Beit's family correspondence in Fort, Beit, p. 89, which could indicate that parts have been preserved.

The whereabouts of the records in the possession of Eric Zinnow (a grandchild of Alfred Beit's sister, Bertha), for instance Beit's military pass card, some letters, the family tree, compiled by Oswald Lassally in 1936, is according to his daughter Dr. Angelika Dombrowski, Hamburg, not clear.

The correspondence in South African and British

archives (for instance in Rhodes House, Oxford) could not be used in the context of the present study. Access to the letters of Beit in the estate of Alfred Lichtwark in the archives of Hamburg Art Gallery was refused for conservational reasons. The materials in the archives of Berlin National Gallery (Inventory No. 2077) were not evaluated, and the 47 letters of Beit from the period 1891 to 1906 in the partial estate of Wilhelm von Bode in the central archives of Staatliche Museen Preußischer Kulturbesitz, Sign. 727 were also not considered. For these two collections, reference could be made to the detailed study by Annette van Straelen. The following were evaluated:

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