

The Cape of Good Hope and the world economy, 1652–1835

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In 1651, on the advice of two of their officers who had been shipwrecked in Table Bay and had spent a year there, the Directors of the Dutch East India Company (VOC) decided to found a small permanent station at the Cape of Good Hope. In doing so they did not hope for commercial gains in South Africa itself, and indeed the Cape station was run at a very considerable loss throughout the 143 years of its existence. Rather, as their instructions to their first commander, Jan van Riebeeck, made plain, the Heren XVII saw the Cape as a refreshment station and 'general rendezvous' for the large fleets which they sent every year from Europe to the East. It was therefore essential that the ships find there 'the means of procuring vegetables, meat, water and other needful refreshments and by this means restore the health of their sick'.¹ The settlement which grew up around the VOC's station, later known as Cape Town, was thus at first a port of call on the oceanic shipping routes, and this function it long maintained, initially for the VOC exclusively and later for all ships on the sea route between Europe and Asia.

The VOC establishment was generally able to fulfil many of its fleets' requirements itself. The fort was sited at one of the few points on the south-west coast where fresh water was always available, and the Company controlled land alienation and irrigation rights. Vegetables for the ships' crews were grown, largely by slaves, in the Company's gardens in Table Valley. Firewood was cut from the Company's closely guarded preserves on the slopes of Table Mountain and later further inland by the large force of slaves and European employees of the Company.² The dockyard, too, was manned by a combined slave and European workforce.³ The hospital was not a wonder of medical efficiency, even by the standards of the seventeenth and eighteenth centuries, but it probably provided better conditions for the sick – and certainly better rations – than an East India ship would have done. Moreover, Cape Town was undoubtedly far superior as a place for recuperation than a

ship's deck could be.⁴ Nevertheless, very soon after Van Riebeeck established the Cape station, it became clear that the VOC could not itself profitably produce the bread and meat needed by the fleets, nor could it achieve a sufficient supply of wine, which was necessary for the sailors, both to keep them contented and as a preservable anti-scorbutic. Nor could the VOC acquire what it needed by trade with the Khoikhoi.⁵ From 1657, therefore, servants of the Company were encouraged to leave its employment at Cape Town and to set up as farmers. It took thirty years, and the extension of settlement beyond the slopes of Table Mountain, before agriculture was sufficiently well established for the cereal requirements of even the Company itself to be met. But, even before 1700 Europeans had learned, in a somewhat rudimentary way, how to exploit the virgin soils of the Cape, and further expansion of both arable and pastoral activities was limited only by the necessity of conquering the land and by the feasibility of establishing viable farms in the territory so conquered.⁶

More or less simultaneously with the first agricultural freeburghers, men (and a few women) began to settle at the Cape to engage in a whole range of other occupations. Most importantly, they became keepers of drinking and lodging houses, serving the needs of the passing ships. From the earliest days, though, they began to fulfil a much wider range of urban functions, as shopkeepers and general traders, as bakers and brewers, as builders and carpenters, as smiths, coopers and potters and even as silversmiths.⁷ With an increasingly large Company establishment, Cape Town quickly grew into a modest town.

By around 1700, then, the economic basis for the colony's continued existence had been laid. The port, its town, and its agricultural and pastoral hinterland had become firmly rooted; their existence was never seriously threatened by attack from within the colony. Slaves had already been imported in fair numbers as the basis for the Colony's labour force. The first Africans, in this case Khoisan, had been at least semi-proletarianised in European service. Nevertheless, the Cape Colony in 1700 was still minuscule. By the 1830s its population had risen from around 2,000 to about 150,000,⁸ and stretched, no longer just to the Berg river, but rather to the Orange and the upper Kei. Cape Town was no longer a village of some 70 houses.⁹ It had grown to a town with more than 1,500 dwellings, nearly 20,000 inhabitants and the full range of urban attributes.¹⁰ Moreover, although it was still by far the largest settlement in the Cape, it was no longer the only one which could reasonably be called a town. Stellenbosch, Paarl, Worcester, Genadendal, Swellendam, Port Elizabeth, Graaff-Reinet and Grahamstown were all,

at the very least, substantial villages. Though by no means at the end of its development, the colony of the 1830s was close enough to maturity for its settlers to begin to agitate for a Parliament.

In general, historians have tended to consider this qualitative and quantitative change as natural and self-explanatory, and as puny in comparison with the socio-economic revolution which followed on the mineral discoveries of the late nineteenth century. After all, such growth was characteristic of colonies of white settlement and of slave societies – and the Cape was both. Indeed, the Cape's success story was far less spectacular than those of, for instance, British North America or the West Indies. All the same, the economic history of the pre-industrial Cape Colony needs to be written in terms which are comparable to those of other colonies, concentrating on the increase of production, the development of export crops, and the establishment of instruments of trade and commerce. These are the important issues in the economic history of the Cape, rather than the much discussed trekboers, and the alleged subsistence economy.¹¹

The VOC and the economy

The position of the Dutch East India Company, as both government and commercial company, had elements of contradiction. Obviously, the main task of the high officials was to keep the costs of the Cape as low as possible, since there was never any hope that the station would make a profit for the VOC. At the same time, however, they had to develop the economy to fulfil the role set for it by the Heren XVII, namely the victualling of the Company's ships and the supply of various products, above all wheat to Batavia. In addition, like all eighteenth century officials, whether of commercial companies or European governments, they saw no reason why they should not exploit their offices for personal gain, the prohibitions of the Heren XVII notwithstanding. After the dismissal of Governor Willem Adriaan van der Stel (see ch. 6, pp. 303–07), officials could no longer engage directly in production, but they retained privileged access to the import trade in particular.

The VOC had the legal right to impose monopolies over the sale of goods from outside the Cape, over shipping and over the purchase of the produce of Cape farms.* In the event, it did all of these things only in

* This last should more strictly be described as a monopsony.

part. As regards the sale of imports, the VOC had certain advantages, which, however, fell far short of total control of the colony's economic life. The large number of ships that it sent annually from Europe to the East invariably had a certain amount of unused cargo space, so that it could import bulk, low-value goods, including iron and coal, without transport costs; hence it dominated the trade in these items.¹² It was also, naturally, the sole importer of those goods whose production it monopolised at source – the spices of the Moluccas, Banda, and Sri Lanka, cloves, nutmeg, mace and cinnamon.¹³ In addition, it also tried to enforce by ordinance a monopoly on tobacco imports in the late seventeenth and early eighteenth centuries and on coffee imports towards the end of its rule.¹⁴ Nevertheless, the former monopoly died a natural death, as the Company itself developed no great trade in tobacco, which was not yet produced to any extent within the area of its charter. Rather, the Company focussed increasingly on the importation of Asian goods into Europe,¹⁵ but, even so, it made no attempt to acquire a monopoly in products such as Indian textiles, which did form a major component of its imports to Europe. Thus as the number of non-Dutch ships putting into Cape Town harbour increased in the latter half of the eighteenth century, the VOC's share of the importation to the Cape apparently declined.

As to shipping, the VOC, even had it wished, could not have isolated the Colony from the world's traffic putting into Cape Town harbour. Even its most arbitrary measure along these lines, prohibiting the Cape colonists from chartering or outfitting their own ships for the trade in Eastern waters, probably had little effect on the colony's economy;¹⁶ after the prohibition was lifted in 1792, the colonists sent out only a few ships.¹⁷ Even in the favourable conditions of the early nineteenth century, Cape-based international shipping got no further than working the route between South Africa and Mauritius, Réunion and Madagascar. In other cases it was generally more advantageous for merchants to hire cargo space in ships which were sailing between Europe and Asia.

Although it never monopolised the purchase of the colony's wine, wheat and meat, the VOC considerably affected how these three main agricultural products were marketed. Its income from the retail sale of wine was one of its main sources of revenue at the Cape. As was usual in the Netherlands, each year the Company auctioned the franchise to sell wine in Cape Town's taverns. The franchise holder or *pachter* thus gained a strong, and sometimes excessive, grip on the wine market.¹⁸

However, the Company as such did not directly control the buying

Cape from
import of
goods from Europe

the
grain
meat

and selling of wine. Indeed, it could not even control the sales of the one product in which it was particularly interested, namely wine from the two Constantia estates, which had become one of the first 'chateau' wines to receive recognition in Europe. The company was able to sell around f.25,000's worth a year in Europe in the second half of the eighteenth century¹⁹, but it could only acquire the product on the basis of its contracts with the Constantia owners. These contracts were regularly open for negotiation, both as regards price and quantity, and the owners were not required to sell exclusively to the VOC. Indeed they could use the presence of the VOC's competitors, notably the Danes and the Swedes, to drive up the price.²⁰ Rather than have the Company monopolise the purchase of the wine, local officials of the VOC preferred to use Constantia wine to attract foreigners to the Cape.²¹

*bel. 1777
Constantia
VOC had contracts
with Constantia
signatures
Company was not
exclusive but open*

As the sole exporter of grain, the Company was the largest buyer from the farmers. The price it set for its purchases remained constant for long periods, immune to annual fluctuations. This had the effect of ensuring the farmers a guaranteed minimum price for their produce, on which they could base their calculations. This was because the free market price in Cape Town did not drop much below the VOC's figure even in years of abundant harvests, but could rise well above it in years of scarcity, despite the best efforts of the VOC and the Cape Town *Burgerraad* (which in this represented the consumers) to hold it steady. Indeed the sharp rise in the free market price during the Fourth Anglo-Dutch War of the 1780s forced the VOC, too, to buy wheat for nearly double the sum it had paid previously.²²

The meat market was more complicated. The VOC secured its own supplies by putting a contract out to tender for five years, in general to three people. These contractors acquired certain privileges, notably to use the Company's shambles in Cape Town and the Groen Kloof farms north of the city where the stock driven from the interior could recuperate and put on weight before being slaughtered. However, by the end of the century, the VOC bought only a part of the colony's meat, probably no more than a quarter, and there were alternative uses for cattle in particular, notably as draught oxen and producers of butter. In the face of these competing buyers, contracted butchers could not drive down the purchase price and harm the Cape farmers.²³ The VOC did require all foreign ships visiting Cape Town to buy their meat from the contracted butchers, who could charge the foreigners monopolistic prices and so recoup the losses they suffered in their sales to the VOC. Evidently, then, the more foreign ships that put into Table Bay, the lower the Company's own expenses, and the local officials did what they could

*uses
single contract*

to foster these visits.²⁴ On the other hand, the game could only be played so far, since Cape Town could price itself out of the market of victualling the fleets of Europe's other trading nations.²⁵ In this, as in so many of its activities, the Company could only seal off the colony to a very limited extent from the world market.

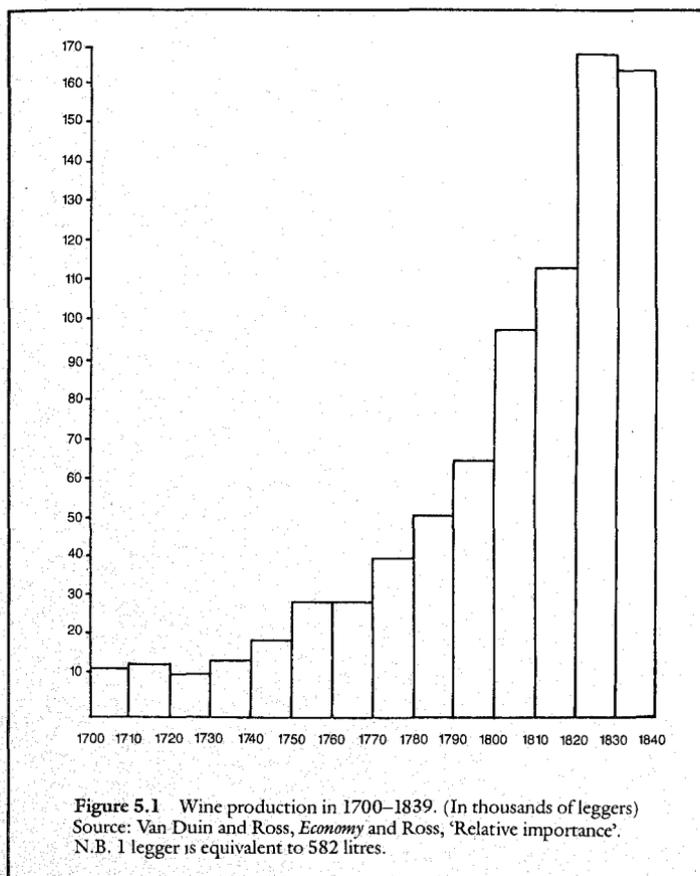
Production

Since the Dutch East India Company was not an effective monopolist, the economy of the Cape Colony can be analysed, much as any other, by discussing the factors of supply and demand.

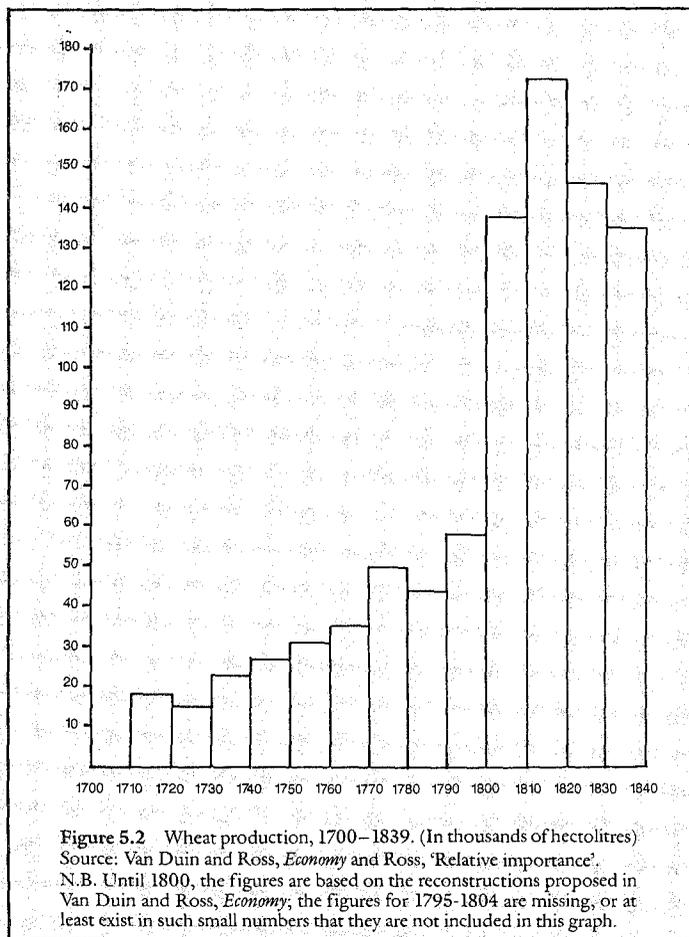
The production levels of the various agricultural commodities has to be estimated from the annual tax returns, known as the *opgaaf*. Unfortunately, these were subject to very considerable underreporting, especially during the VOC period. This unreliability was least pronounced in the case of wine production, because after 1744 the VOC no longer taxed wine production on the basis of the *opgaaf*, but rather charged f.74 † for each barrel that entered Cape Town. This new impost could not be evaded and was thus much more favourable to the VOC. It also removed any motive to underreport wine production. As shown in Figure 5.1, production rose rather regularly through the eighteenth and early nineteenth centuries. For instance, in 1725 1,133 *leggers* (about 660,000 litres) of wine were produced, in 1775, 5,528 (nearly 3-¼ million litres) and in 1806, 9,643 *leggers* (over 5-½ million). The only major discontinuity was the sharp rise in the 1820s, during the minor boom caused by the temporary preference given Cape wine on the British market.²⁶

It is far less easy to provide figures for grain production or for stock holding, where underreporting was rife. For example, between the *opgaafs* of 1795 and 1798 the colony's wheat production is recorded as having increased by 419 per cent, its cattle herd by 351 per cent and its sheep flock by 346 per cent – an unbelievable rate of growth. The dramatic rise in figures was due to the farmers' fears after 1795 that the new British government would punish evasion more severely than the Company had done. Nevertheless, it is possible to make rough estimates of the level of evasion for both grain and stock.²⁷

† The two main units of currency in the Netherlands and its empire were the guilder (f.) worth 20 stuivers and the rijksdaalder (rixdollar) worth 48. In 1795 the rixdollar was worth £0.20 sterling.



The reconstructed development of wheat production is outlined in Figure 5.2. As with wine, it shows the steady rise in production levels throughout the period; from perhaps 15,000 hectolitres in the 1720s to over 50,000 by the 1770s and over 130,000 by 1806. There was only one decade, the 1740s, when production seemed temporarily to be running ahead of consumption, but this was shortly solved by a combination of inferior harvests and an increase in the foreign shipping in Table Bay, because of the outbreak of war.²⁸ Later, from the 1780s on, the danger



was that the Cape would be short of grain – and on one occasion it even had to import one million pounds from the United States to avert a potential shortfall.²⁹ This was probably because the Cape's poor roads restricted the economic cultivation of grain to those areas from where the market could be reached without crossing a major mountain pass. Only toward the end of the eighteenth century were any attempts made

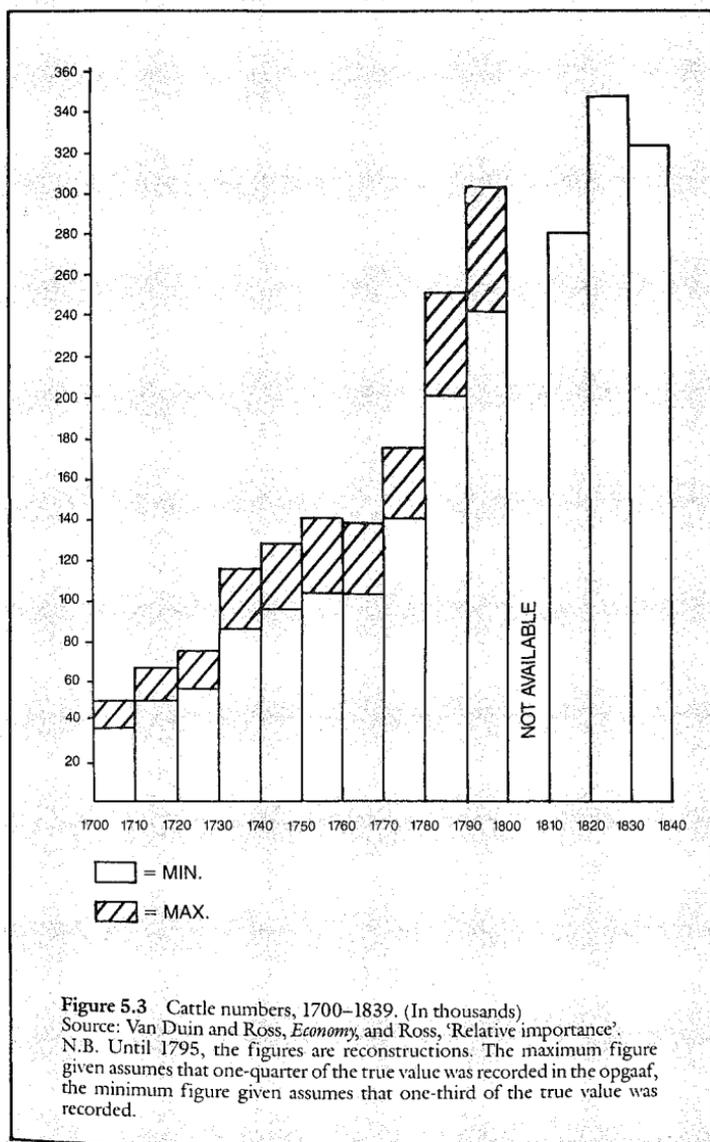
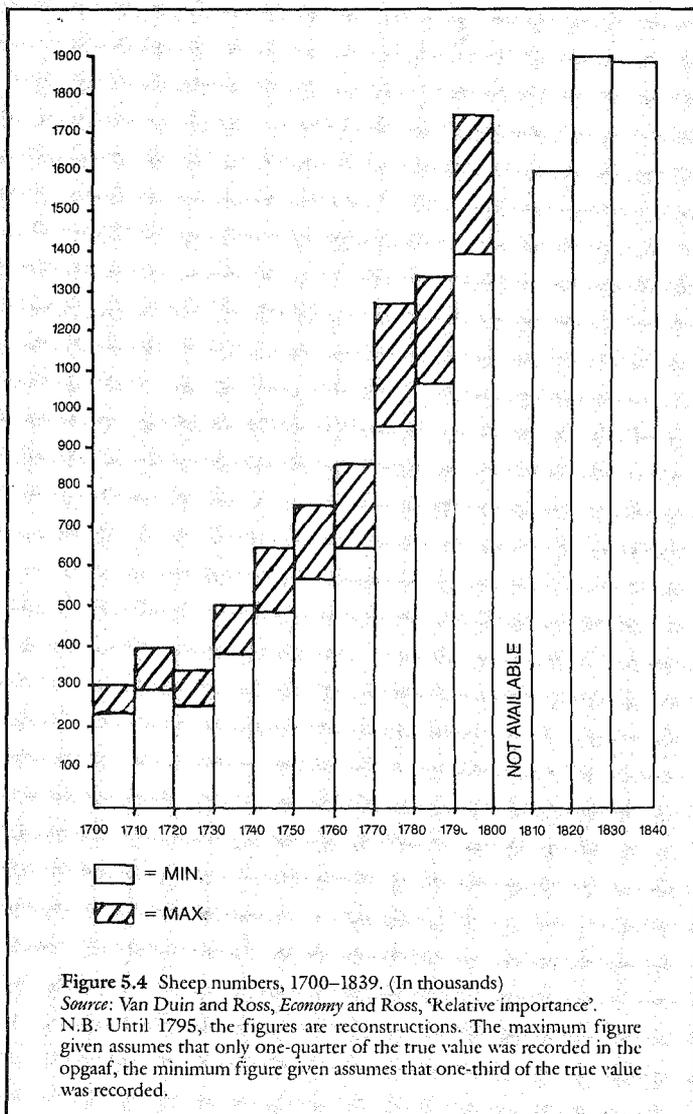


Figure 5.3 Cattle numbers, 1700–1839. (In thousands)

Source: Van Duin and Ross, *Economy*, and Ross, 'Relative importance'.
 N.B. Until 1795, the figures are reconstructions: The maximum figure given assumes that one-quarter of the true value was recorded in the opgaaf, the minimum figure given assumes that one-third of the true value was recorded.



to extend the area of potential arable land by developing coastal shipping. The initial experiment, in the Mossel Bay area in the 1780s, failed because of a temporary decline in the market following the end of the Fourth Anglo-Dutch War.³⁰ After the British take-over, this project was revitalised and the plains from Caledon to Mossel Bay, and also around St. Helena Bay to the north, became growing centres for grain production.³¹

In Figures 5.3 and 5.4 the reconstructed totals for the colonial cattle herd and sheep flock are given. In the 1720s the colony had rather more than 250,000 sheep and rather under 100,000 cattle. In the 1770s there were more than a million sheep and around 250,000 cattle, and the numbers continued to grow thereafter, to over 1-3/4 million sheep and over 300,000 cattle by the 1820s. This was of course the result of the steady *trekboer* expansion into the Cape's interior, which was conquered from the Khoisan and later the Xhosa. Although the most distant trekboers were initially not as closely tied to the market as the farmers of the southwestern Cape, in time the butchers would make their presence felt in each successive region, usually within a few years of its initial settlement by whites. In the early years, and in the western Karoo until deep in the nineteenth century,³² the butchers drove the stock to Cape Town on the hoof. For this reason, Cape hairy sheep, which keep their weight well under such conditions, were for a long time raised in preference to European sheep in such areas. Nevertheless the establishment of small harbours along the southern coast, and especially of Port Elizabeth, was to reorient much of the livestock trade and to provide for the first time a satisfactory outlet for the hides, horns and skins that were previously a discarded by-product of the stock industry. These outlets would then provide the commercial basis for the shift to wool production in the eastern Cape, which was just getting under way in 1835 and which in the later nineteenth century would lead to Port Elizabeth becoming the most dynamic financial and commercial centre in the Cape.³³ It had begun earlier in a few areas of the better capitalised west, but even there, serious expansion had to wait for the importation of the first merino sheep, which unlike the Dutch animals with which the VOC had made a few abortive attempts, were suited to the arid environment of the Cape Colony.³⁴

The steady expansion of all sectors of the agricultural economy during the eighteenth and nineteenth centuries demonstrates that South African farmers' actions were not limited by anything other than the availability of capital and markets. When new transport facilities or new markets opened, they responded quickly, at least when they could raise

the capital required. Their expansion, particularly of arable crops, was determined by the possibilities they saw of selling their produce, however imperfect these forecasts may have been. In other words, their actions can be explained more in terms of economic rationality, than in terms of Afrikaner 'cultural lag',³⁵ or other theories which would see their economic behaviour as irrational 'overproduction.' Had there really been chronic 'overproduction' at the Cape, as some historians have argued, there would necessarily have been a decline in prices and widespread bankruptcies among farmers. Neither in fact occurred – at least not until the 1820s when the market for Cape wine contracted sharply with the abolition of preferential tariffs on the British market.³⁶

The market for Cape products

The steady growth of production was a response to a continual increase in the size of the market for agricultural products, both at the Cape and overseas. Notwithstanding the intermittent complaints of the farmers, which have led historians to believe that they generally produced more than they could sell, in fact normally Cape agricultural produce found a ready market. Exports never played the predominant role that they did in the frequently export-led economies of the New World. With the exception of elephant hunting, which contributed considerably to the colonists' knowledge of the Cape's interior but little to the economy as a whole, there was no sector which produced exclusively, or even predominantly, for the overseas market. The early exports consisted largely of wheat to the Asian factories (trading sites) of the VOC, where it was made into bread for European traders, and also of butter and wine.³⁷ For a time in the 1770s, too, Cape wheat production was sufficient to allow considerable shipments to Amsterdam, to compete with Polish grain.³⁸ Nevertheless, this trade did not produce such great profits, either for the VOC or for the Cape grain farmers, that the Cape wheat production expanded explosively. A series of bad harvests, coupled with the growth of the local market during the Fourth Anglo-Dutch War of the 1780s, curtailed the trade to Europe. Thereafter, grain production was never again sufficient for more than a trickle of exports, although it expanded sufficiently to keep abreast of local demand.³⁹

Wine exports, particularly to Europe, were at a much lower level during the eighteenth century because Cape wines – the Constantia vintages excepted – were too inferior or too expensive to find large markets overseas. After the British conquest, by contrast, a new market

opened up in England, as a result of imperial preferential tariffs. A very considerable increase in production resulted, until the abolition of the tariff advantages ended the boom. Substitute markets were found after 1830, largely in Australia and South America, but they were insufficient to absorb the temporary glut. A large number of bankruptcies ensued among wine farmers in this single, rather mild, example at the Cape of the boom-and-bust pattern so characteristic of slave economies everywhere.⁴⁰

In the days before refrigeration, direct export of livestock products was necessarily limited. However, some tallow was sent to Europe, and salted Cape butter was sent to Batavia,⁴¹ while the early commercial development of what was to become Port Elizabeth was based on the salting of meat for Mauritius.⁴² Surprisingly, there is no indication of the eighteenth-century export of hides, which later became important in the mid-nineteenth century. Wool exports were beginning in the 1820s and 1830s, a period which saw the acclimatisation of merino sheep to South African conditions and the heyday of the colony's largest sheep estate owned by Van Breda, Reitz, Joubert and Co. near Cape Agulhas,⁴³ wool did not, however, become a major export until the 1840s.

In all cases, except perhaps that of wine production during the early nineteenth century, the local market considerably exceeded foreign markets as an outlet for the Cape's agricultural produce. This can be demonstrated by comparing the amounts brought into Cape Town, or the amounts said to be required by the urban population, with the quantities sent overseas.⁴⁴ These figures are not always available before the late eighteenth century, but on the reasonable assumption that the consumption patterns of Capetonians and visiting ships did not change drastically over the eighteenth century, a sufficiently accurate reconstruction can be made of the earlier period to support this conclusion.⁴⁵ It must be noted, however, that Cape Town did not comprise the entire local market for wine and grains. There was also a regular exchange of produce between the wheat and wine farms.

Stock production was, by contrast, somewhat less oriented to the market. A considerable proportion of the natural increase of herds and flocks was used by farmers both to build up viable breeding stocks and for their own needs. They also sold stock to the agrarian districts which needed only meat and, more importantly, draft oxen, which were frequently in short supply and without which crops could not have been grown, harvested, or transported to town.⁴⁶ In the late eighteenth century only about three to five per cent of the colony's cattle and sheep was butchered annually in Cape Town. This seemingly meagre figure

obviously does not represent the totality of the pastoralists' involvement with the market. Virtually all farmers maintained links of varying strengths with the Cape Town market and responded to the pressures which emanated from it. These pressures became steadily greater as, in any given district, European settlement became more firmly established. Moreover, from the beginning, it was often the most active of the colony's entrepreneurs who invested in the opening up of even the most distant areas of the colony; their goals were to supply their own farms with oxen, to ensure deliveries of meat to the Cape market and, later to pioneer wool production. In this they operated alongside those who went to the frontier because they hoped to build up a good estate on the basis of relatively little capital.⁴⁷

Imports

Before 1807 the most important imports of the Cape Colony were slaves, without whom the economy could not have functioned. The total must have been several tens of thousands, spread over the 155 years of the traffic. While the VOC organised a fair number of expeditions to provide slaves for its own use, much of the trade was privately organised, with slaves imported in small numbers, either as part of the illegal, but tolerated, perquisites of VOC sailors and officers or off-loaded from the slavers rounding the Cape of Good Hope en route from Madagascar or Mozambique to the Americas⁴⁸ (see ch. 3, pp. 112-19).

The remaining imports to the Cape comprised cotton and other textiles, largely from India; a whole range of consumer goods, led by tropical products such as coffee, tea, sugar and spices but eventually including a wide range of European manufactures as the white Cape community became more established and its tastes more developed; and finally, agricultural and other implements and materials, such as iron, for fabricating them. Significantly, the import business of the Van Reenen family during the 1780s, then the most diversified, enterprising and successful entrepreneurs in the colony, centred on the import of agricultural tools.⁴⁹

As was pointed out above, the VOC did not attempt to impose a monopoly over imports to the colony, except for spices, coffee and, ineffectually, sugar. Other goods were imported quite legally, both from Europe and the East, either by individual sailors using space allowed to them on VOC ships,⁵⁰ or by foreigners. Nor did the VOC levy duties on these imports, this being a personal perquisite of the fiscal. As a result,

we do not have figures on imports, except for those goods sold by the VOC, which, in all probability, formed a relatively small proportion of total imports. Some indication of the level of private trading can be gathered from the quantities of money that individuals transferred to Europe via the VOC to pay for imports. Such transfers ran at about f.425,000 per annum in the 1750s, rising to f.600,000 by the late 1780s.⁵¹ After the arrival of the British, exact figures for imports were produced. During the First British Occupation (1795-1802), they amounted to on average £280,000 (or 1,120,000 rixdollars) per year. Information is again unavailable during the Batavian period, but after 1806, until the end of the Napoleonic wars in 1815, imports were low, consistently under £100,000 annually. Since this was also a time of high military expenditure in Cape Town there was probably a build-up of cash in the colony, so that, as trade became easier after 1813, the annual value of imports grew quickly, and only dropped below £300,000 four times before 1835, when they stood at an all-time high of £534,000 per annum.

The pattern of exports paralleled that of imports, though consistently at a much lower level. For the VOC period precise figures are not available, but nevertheless the speed with which silver coinage drained out of the colony would seem to indicate a very considerable excess of imports over exports.⁵² During the Napoleonic wars, exports were almost always under £100,000 a year, but after 1813 they rose steadily to reach a value of £370,000 in 1834. Of these exports, a proportion ranging between 92 per cent (in 1824) and 77 per cent (in 1822) were of Cape products, the rest being re-exports from Asia and Europe, mainly to Mauritius and Réunion.⁵³ Thus the balance of Cape trade was conspicuously negative. Between 1807 and 1835, when there are definite figures, there were only three years in which exports exceeded imports and indeed the deficit was often larger than the volume of exports itself. In part this deficit would have been counterbalanced by such invisible exports as the victualling of ships in the harbour, but this activity would not have been nearly adequate to achieve anything approaching a balance of payments.

Nevertheless, the colony's trade imbalance was somewhat rectified over the long term by the transfers of money, first from the Netherlands and then from Great Britain, for the government administration, the army and the navy. Clearly Cape agriculture was kept in business, and its economy allowed to expand, even during the wine and wool export booms, above all by the absorptive qualities of the military and governmental sectors of the colony's economy. W.S. van Ryneveld was

quite correct to see the commercial prosperity of the Cape as dependent on the size of its garrison,⁵⁴ and indeed the economy's growth in the first half of the nineteenth century was largely financed by British military remittances.⁵⁵

Recognition of the importance of the Cape's internal market for agricultural producers is nonetheless a recognition of the strength of the economy's links to the world economy. The ships and the garrisons were not only very considerable consumers in their own right but also they provided the opportunities on which the non-rural population of the colony could subsist. The income they generated was spent within the colony and thus led to the creation of more income. † Large proportions of the non-agrarian population of the colony were either the direct agents first of the Dutch East India Company and later of the British state, or acquired their living by providing them with services, though naturally the rural economic growth also brought into being numerous merchants and artisans, who in their own turn became consumers of bread, meat and wine. In this way the effect of the world economy penetrated far deeper into Cape society than might appear from an analysis of direct purchases by outsiders.

Currency, credit and banking

As we have seen, the Cape's economy increasingly became commercialised and hence dependent on money and credit arrangements. In the eighteenth century, such facilities were informal but by no means absent. The Cape was linked to the monetary system of the Dutch Empire and the Indian Ocean. As a result, a large variety of coins were in circulation, all in silver, and hence all easily convertible. The Spanish reals (or pieces-of-eight) were the most popular, because their purity was most trusted, Spanish America being the greatest source of the world's silver. The Company's annual shipments of coin to the Cape, which provided a large proportion of the Cape's money, therefore always contained a certain number of reals, although increasingly the Company attempted to replace them with Dutch guilders, to keep the profits from minting coin in the Dutch Republic.⁵⁶ The British too, found it necessary to pay their troops in Spanish dollars.⁵⁷

† This is of course the multiplier effect of economic theory. For a useful exposition, see G.R. Hawke, *Economics for Historians* (Cambridge, 1980), pp. 63–74.

Credit arrangements in the eighteenth century were also largely informal. Individuals with capital lent it out, particularly to those beginning an agricultural enterprise, generally at 5 per cent interest. Many of the creditors were the Company officials, who had better opportunities than freeburghers to accumulate wealth and fewer avenues for investment, since they were forbidden to directly engage in agriculture.⁵⁸ Thus, at his death in 1761, Joachim von Dessin, longtime head of the Orphan Chamber and founder of the South African Library, held f. 25,919 in interest-bearing loans made to 33 different people, many of them farmers.⁵⁹

A number of burghers also engaged in lending, and it seems that some of them retired from farm ownership to become rentiers at the end of their life.⁶⁰ In addition, the funds of the church were used to provide mortgages⁶¹ and the *Wees- en Boedelkamer* (the Orphan Chamber) acted as a fairly large-scale provider of credit, since it administered the estates of those who died without heirs in South Africa, at least until the heirs could be found. Since there were many single, uprooted men in the service of the VOC, this fund could grow rapidly. In 1720 it stood at over 200,000 rixdollars; by 1780 it had risen to nearly 400,000, in 1800 to over a million and by 1830 to just about three million (admittedly devalued) rixdollars.⁶²

The Orphan Chamber and the church were involved largely in financing long-term mortgages. There was also a need for short-term commercial credit, to enable tradespeople to pay for their wholesale purchases before they could resell them. This need was fulfilled in part by private lenders, but even more by the licensed auctioneers. Public sales, for instance of imported goods, were controlled by these people, and they were assured of first claim on the assets of any of their creditors who went bankrupt. As a result, they were willing to provide credit to the purchasers of goods at auctions, to which they were empowered to admit only merchants whose credit they trusted. They were also allowed to charge the high interest rate of 10 per cent.⁶³

Between 1782 and 1808, considerable changes occurred in all these matters. First, the metallic basis of the currency was abandoned. In 1782, confronted with a disruption of silver supplies during the Fourth Anglo-Dutch War (1780-84), the Cape government found it necessary to issue money on stamped parchment, in denominations running from an eighth of a rixdollar (six stuivers) to sixty rixdollars. The proclamation of the new currency was accompanied by a promise that it would be redeemed by the Company, when sufficient hard money became available, and by a strict prohibition on the export of precious metal

credit arrangements
informal

loan
private
mortgages
- orphan chamber

with
orphan chamber
↓
long-term
private
licensed
auctioneers
bankrupts
merchants

1782-1808
stamped

from the colony.⁶⁴ The latter provision proved a complete dead letter, and the inconvertibility of the Cape currency led to an increased haemorrhage of silver from the colony.⁶⁵ On the other hand, the Company did honour its commitment to buy back the notes it had issued,⁶⁵ redeeming most of them until the shortage of currency at the Cape again became acute in 1792 and paper money once again had to be issued. Thus by the time the British first captured the Cape in 1795, there was a total of 1,291,276 rixdollars and 42 stuivers in paper money in circulation.⁶⁶

Thereafter, paper currency was employed in the Cape until 1825, theoretically backed by government land and buildings, not by silver.⁶⁷ Therefore, the steady drain of metallic currency from the colony continued, ordinances to the contrary notwithstanding.⁶⁸ At the same time, the buying power of the rixdollar fluctuated considerably, although the trend was steadily downwards. Thus by 1803, it stood at 30 per cent below its original value of 4 British shillings[¶] and with the outbreak of war in 1805 it declined very sharply, since the opportunities for money transfers to the Netherlands were few.⁶⁹ After regaining par value in 1806, it devalued steadily until by 1821 it was worth only about one shilling and six pence, or three-eighths of its face value.⁷⁰

In 1825, the British Treasury decided that all the currencies of the Empire, including rixdollars, should be made dependent on sterling. The estimated 3,108,000 rixdollars then in circulation were thus to be made convertible into sterling at a fixed (no longer a floating) rate of one shilling and sixpence each, minus a small premium which was reckoned to cover the costs of transporting British coins to South Africa. As a result, the rixdollar slowly faded out of existence, being replaced by British coinage and promissory notes, until on 31 March 1841 it ceased to be legal tender.⁷¹ The measure, which was in effect devaluation, led to vigorous protests in the Cape Colony. A petition signed by 2,115 people was sent to London requesting that the ordinance be rescinded, and their representations were supported by a group of leading merchants and by the board of the Orphan Chamber. The Orphan Masters argued that capitalists would pass on their losses by raising rents and interest rates, causing suffering among debtors, tenants, and in general, the colony's poor.⁷² In the event, the devaluation caused considerable losses to those who had borrowed money in sterling to invest in South Africa and who thus needed many more rixdollars to repay their loans.⁷³

§This is a classic example of the workings of Gresham's Law, which states that bad money always drives out good.

¶ Until 1970 there were 20 shillings, each consisting of twelve pence, to the pound.

Nevertheless, the effect on the Cape's economy as a whole seems to have been minor, since the colony's inhabitants had long taken account of the diminished value of the rixdollar in their transactions.⁷⁴

It was a matter of considerable contemporary controversy why the rixdollar devalued so fast.⁷⁵ John Trotter, commissioned by the Cape Chamber of Commerce to investigate the matter, argued that the negative balance of payments was to blame, but his reasoning was attacked by P.W. Grant, his superior in the Indian revenue service. In general Grant's position has been supported by later investigators. Grant claimed that the excessive issues of money had driven down the value of the rixdollar. The increase in the Cape's money supply, with its unwanted devaluatory consequences, derived from the government's financing public works by printing more money, but also, and probably above all, by its repeated augmentation of the capital of the government-owned *Bank van Lening* (known after 1795 as the Loan or Lombard Bank).⁷⁶

The Loan Bank was set up by the Commissioners-General Nederburgh and Frijkenius in 1793.⁷⁷ Their stated motive was to stem the haemorrhage of specie out of the colony, but the effect of their actions, which they probably foresaw, was to give the government a very substantial stake in the lucrative credit business. The Bank did not accept deposits, but rather functioned as a combination of mortgage institution and pawn-broker, lending money against the security of fixed property and valuables, such as precious metal and jewellery. In 1822, however, it began to accept small deposits, but not at a rate of interest likely to attract large sums of capital. The great proportion of its capital was provided by the government, and this was augmented in 1802 by another 165,000 rixdollars, and rose steadily over two million rixdollars.⁷⁸ The government profited from interest on the money it loaned to the Bank, which, less the costs, amounted to 25,000 rixdollars in the 1790s rising to over 90,000 rixdollars in 1824.⁷⁹

In addition to the Lombard Bank, a Discount Bank was set up at the Cape in 1808. The two institutions were closely linked, and had the same chairman, but their functions were clearly distinct. The directors of the bank hoped to put an end to the practice whereby money lent on the security of real estate was re-lent at a higher rate of interest to those who required short-term credit.⁸⁰ Therefore the Discount Bank provided short-term loans,⁸¹ but it also solicited deposits from Cape Town's inhabitants. Although after 1814 it no longer provided interest on such money, the convenience the bank provided for mercantile transactions induced many people to make deposits. Some depositors wished to remain in good standing with the bank, which was frequently forced to

refuse its loan services to the public for want of funds.⁸² At any event, by 1824 there were 214 accounts at the bank, with a total of more than one and a half million rixdollars.⁸³ Of these, 29 were said to belong to Government officials, two to the English East India Company, 34 to merchants and the rest to 'tradesmen and other individuals'. Clearly the Discount Bank had penetrated fairly well into Cape Town's commercial community.

In general, the two government banks did not run great risks by providing credit to the merchants. In a small community like Cape Town, accurate information was available on the financial position of all merchants. In 1812 the president of the two banks commented that no one was astonished when a merchant went bankrupt, because his affairs were perfectly known in advance.⁸⁴ His attitude may have hastened the merchant's bankruptcy, but it was certainly a sufficient defence for the financial institutions. The banks were perhaps somewhat less conservative in their dealings with the farmers, and the Lombard bank was badly hit in the late 1820s after the crisis in the wine industry caused a fall in the value of agricultural property.⁸⁵

At first these banking and credit arrangements were limited to Cape Town and its immediate environs (although of course the mortgages on agricultural property spread further up country). It would not have been possible, declared the president of the Discount Bank as late as 1825, to provide the same services in Graaff-Reinet or Grahamstown.⁸⁶ Indeed, the great bulk of the colony's currency also remained in the southwestern Cape. This fact does not indicate a lack of commercialisation amongst eastern farmers, who were certainly concerned with the state of the currency, and indeed petitioned against the introduction of paper money immediately on its introduction.⁸⁷ Moreover, an alternative form of money (and for that matter of commercial credit) came into existence in the east, namely the so-called *slagters briefjes*, which were promissory notes issued by the travelling butchers.⁸⁸ These performed the function of a circulating medium in the country districts but could be cashed only in Cape Town, either by a farmer during his regular but infrequent visits there or, probably increasingly, by the *smousen*, or travelling pedlars. Consequently, the bankruptcy of a major butcher would have widespread repercussions deep into the *platteland*, as those caught with his *briefjes* might not be able to meet their obligations.⁸⁹

Credit provided by farmers to butchers was not the only form of private lending after the founding of the Loan and Discount banks. A goodly proportion of the credit market continued to operate outside the

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auspices of the government banking system, which could not meet the demands made on it, simply for lack of funds. As the colony's economy expanded in the first third of the nineteenth century, it was natural that attempts should be made to set up private banks, but nevertheless the government blocked the first attempt, by J.B. Ebdon in 1826, largely in order to safeguard the revenue it acquired from the state institutions.⁹⁰ Such a policy, however, could not last in the laissez-faire climate of the nineteenth century. Pressure for the establishment of a private banking system grew sharply, with the Cape Town Chamber of Commerce, for instance, attributing the bankruptcy of several of its members to temporary cash-flow problems which the Discount Bank could not alleviate.⁹¹ As a result, the first private Cape bank was founded in 1837, the joint stock Cape of Good Hope Bank, and it was rapidly followed by many others, not merely in Cape Town but also in the interior of the colony. In 1843, the government banks abandoned their normal banking operations and became mere adjuncts of the colonial treasury.⁹²

The structure of commerce

Although almost from the beginning of the colony's history a number of colonists had engaged in the import trade, particularly in slaves,⁹³ only in the last third of the eighteenth century did large-scale merchants begin to acquire the leading positions they would maintain throughout the pre-industrial period. Previously, the richest burghers had acquired their wealth through farming, butchering, large-scale fishing, exploiting of liquor franchises, and supplying building materials.⁹⁴ By the 1770s, though, major import houses first emerged of the type that would be characteristic later. The first two were La Fèbre and Co. and Cruywagen and Co., both consortia headed by Company officials. These companies were to be among the major targets of the Cape Patriots' complaints (see ch. 6, pp. 309–15). This was not surprising since they were the major competitors of certain leading Patriots, notably the Van Reenens, and enjoyed what were seen as unfair advantages, such as prior access to incoming ships, first claim on the transfer of money to the Netherlands and preference in acquiring cargo space in the VOC ships.⁹⁵ The last service was arranged by their agents in Holland, who contracted VOC sailors to fill their sea-chests with the goods ordered by the Cape merchants.⁹⁶ Perhaps as a result of the Patriot agitation, the partnerships of Cruywagen and Co. and La Fèbre and Co. seemingly lost importance after 1780 and faded out of existence, although a number of participants remained important Cape businessmen.⁹⁷

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About the same time, the economic boom at the Cape during the Fourth Anglo-Dutch War (1780-84) stimulated the development of private mercantile activity, as can be seen most clearly in the activities of the Van Reenen family. Previously engaged in importation, they decided in 1781 to re-enter this business, reckoning both on the discomforture of the officials as a result of Patriot agitation, and on the improvement of economic conditions which would result from the Anglo-Dutch War, and the consequent presence of a large French force at the Cape. The development of their business was made easier by the presence of Jacobus van Reenen in the Patriot delegation that had gone to the Netherlands in 1779. Unfortunately, however, relations between Jacobus and his son Johannes Gysbertus, in charge of the Cape Town operation, became strained and led to a major court case between them.⁹⁸ The younger Van Reenen was almost certainly the major importer to the Cape in the 1780s. In three years, his father spent f.136,252 on his behalf buying goods in Europe and sending them to the Cape. Apparently these imports yielded a reasonable profit for his son.⁹⁹ After 1784, details even of the younger Van Reenen's activities are missing, except for occasional glimpses, such as the bill of lading for about f.30,000 worth of ironware (largely agricultural implements), wine, hops and clothing that he had shipped to the Cape via Jan and Willem Willink of Amsterdam in 1787.¹⁰⁰ On the activities of other merchants, nothing is yet known.

In 1792, the Commissioners-General Nederburgh and Frijkenius simultaneously tightened up payment of freight charges and import duties on goods sent to the Cape in Company ships and, for the first time, allowed Cape burghers to own their own ships and to import almost all goods both from Europe and from Asia.¹⁰¹ In the first years after 1792, probably in part as a result of the outbreak of the French Revolutionary Wars, the Cape was temporarily starved of imported goods. When the British took over in 1795, J.F. Kirsten wrote that 'at present the inhabitants are in great want of Iron, which is not to be procured for money, as well of Cloath, Coals, Timber etc.'¹⁰² The problem was so great that the British were forced to suspend the Navigation Acts with respect to the Cape, an unprecedented step in their imperial history, and numerous American, Danish and Swedish ships arrived in Cape Town.¹⁰³ Nevertheless the shortage of imported goods was so desperate that Henry Dundas, Secretary for War and Colonies, had to prevail upon a London trader to send a consignment of agricultural equipment to the Cape in 1798.¹⁰⁴

During the period of the First British Occupation and the Batavian

Republic, the conditions of war and uncertainty about the future discouraged the establishment of a settled merchant class. Considerable profits were made, both in the slave trade and in other activities, but the dealings were in general somewhat shady. The most successful individual, Michael Hogan, found it expedient to depart to the United States with his profits after a few years in Cape Town.¹⁰⁵ In addition, under the British, the East India Company attempted to impose a monopoly on the importation of Asiatic goods to the Cape.¹⁰⁶ Nevertheless, very considerable quantities of goods were imported during the First British Occupation, nearly six million rixdollars worth during the four years 1799-1802, excluding smuggled goods.¹⁰⁷ Of these 28 per cent came from the East, the rest from Europe and America. The majority of goods came in English ships. However, both these goods and those that came in American, Danish and Swedish ships were sent by overseas speculators, not on the order of Cape merchants.

In the Batavian period (1803-06) trade suffered as a consequence of war. Goods were up to four times as expensive at the Cape as in the Netherlands, a reflection of the difficulties of transport.¹⁰⁸ Nevertheless, Commissioner-General J.A. de Mist developed plans in this period to turn the Cape into a staple port where Asiatic goods could be stored and resold to European merchants who would thus not have to journey all the way to India or the East Indies archipelago. However, the Dutch government had made no decision on how to re-organise the economics of its colonial empire - the VOC had collapsed in 1795 - when the British reoccupied the Cape in 1806.¹⁰⁹

In the Second British Occupation, the channels of commerce had to be re-established. In 1812, the president of the Bank commented that there were no more than half a dozen merchants in the colony who imported from England.¹¹⁰ These would almost certainly not have included members of the old VOC commercial elite, and it has therefore been supposed that the new merchants were all British traders with better access to British business circles than their Dutch predecessors and competitors.¹¹¹ This is only partially true. For instance, Constant van Nuldt Onkruidt, who had been landdrost of Swellendam under the VOC, was nevertheless President of the Cape Town Chamber of Commerce in 1808.¹¹² To succeed in commerce at the Cape in the early years of British rule, one needed, not just sufficient capital, acumen and good fortune, but also the ability to straddle the worlds of old and new Cape Town. Significantly, several of the most successful British merchants married into established Cape families, notably Hamilton Ross (a former British army officer who was fluent in Dutch by his

death), J.B. Ebden and, somewhat later, all three of the partners in the firm of Barry and Nephews, who all married Van Reenens.¹¹³

During these early years Ebden and Ross established their positions as two of Cape Town's leading merchants, which they were to hold until mid-century. Their activities included not only importation to the Cape, but also provisioning Réunion and Mauritius, where the Cape had been a major supplier since the 1770s.¹¹⁴ At the same time they and other merchants had to contend with the monopoly on Eastern goods jealously guarded by the English East India Company.¹¹⁵ Nevertheless, even after the Company's charter was revised in 1813, reducing its monopoly privileges effectively only to tea,¹¹⁶ the position of Cape Town's merchant community remained parlous. There were numerous bankruptcies among the British settlers in the town.¹¹⁷ Only in the 1820s, despite the abolition of the preferential tariff for Cape wine, did matters improve, perhaps because of the establishment in London of the Cape of Good Hope Trade Society and the foundation of firms there specifically concerned with Cape trade, notably Abraham Borrodaile and Co.¹¹⁸

This stabilisation can be seen not just among the major merchants and mercantile houses but more generally in the structure of the colony's distribution and retail system, both in Cape Town and in the countryside. In the eighteenth century, it was generally reported that every householder in Cape Town was a merchant, either full or part-time.¹¹⁹ The irregularity with which commodities arrived at the Cape led to rapid price shifts and thus encouraged speculation, which was particularly rife at the auctions.¹²⁰ Only by putting a heavy mark-up on the goods acquired at such sales before they were sold to rural customers, could traders protect themselves against the losses inherent in this system. There was little to encourage merchants to specialise in a particular line of goods. As Edward Hanbury noted as late as 1819, 'In this place ship chandlers and storekeepers deal in anything'. To get the business of the shops, Hanbury had to keep 'a general store of goods calculated to retail to the town as well', a combination which was eventually to lead to his bankruptcy.¹²¹ By the 1820s, general merchants and chandlers continued to do business in Cape Town, but there was a steady move towards specialisation: business was no longer conducted from private houses, and there was a steady trend towards the establishment of definite shops, albeit without shopwindows for the display of goods.¹²²

The sale of foodstuffs was organised in a number of ways. The retailing of wine was closely contracted and there were also licensing systems for

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butchers and bakers. However, the retail sale of cakes and biscuits, fish, fruits and vegetables was largely in the hands of the slaves.¹²³ Initially, retailing by slaves had been organised by the owners of the bakeries, the market gardens in Table Valley and, perhaps, the fishing smacks, but increasingly the slaves themselves came to act as petty entrepreneurs, agreeing to turn over a fixed sum to their master or mistress at the end of the week. If they failed, they risked a flogging, especially as it was believed (generally erroneously) that slave entrepreneurs gambled their proceeds away.¹²⁴ A few of the successful slaves were able to use this system to build up their own capital, and thus to purchase their own emancipation. For this reason, there were considerable numbers of fruit-sellers and small retailers among the Free Blacks, who also owned Cape Town's first 'chop-houses' or cheap restaurants, usually in the vicinity of the harbour.¹²⁵

In the country districts a similar process of specialisation occurred, although the continuing expansion of the colony meant that it had to be repeated regularly in district after district. The first persons who commercially penetrated a given district were the smousen. As early as 1774, the Council of Policy had reason to complain of those persons who 'for some time back . . . have made it their business to wander about everywhere in the Interior, from one District to another, with goods and merchandise, conveyed on wagons, horses or pack oxen, thus causing many irregularities in the said districts.'¹²⁶ Therefore it decided to forbid this trade, which was being practiced not only among the European settlers but also already among the Xhosa. Nevertheless, this prohibition was neither observed nor enforced, probably in part because Cape Town merchants, including officials, were already providing the financial backing for such trading trips.¹²⁷ From then on, until at least the 1930s, these travelling smousen were a regular feature of the Cape Colony's countryside. They also penetrated into Xhosa territory, north to the Tswana and the Ndebele and, after the Great Trek, into the Orange Free State and the Transvaal.¹²⁸ Often Dutch, and later, British young men made a number of trips as smousen in the hope, often illusory, of building up the capital they required for more permanent and settled business. To do this, they began with funds borrowed from major Cape Town or Grahamstown merchants.¹²⁹

Trade across the frontier, both with the Xhosa in the east and with the Griqua in the north, required substantially more regulation by the colonial authorities than did the activities of the smousen within the colony. Otherwise, the risks to the traders themselves, on the one hand, and of the sale of firearms, on the other, were too great. In addition, the

main source of red ochre, a substance of considerable ritual importance within Xhosa society, was from 1820 within colonial territory, so that many Xhosa would now enter the colony purely to acquire the clay. For this reason, regular fairs were set up, first at the clay pits in the Coombs river valley to the east of Grahamstown and then, from 1824, weekly at Fort Willshire on the Keiskamma. From 1819 annual fairs for Griqua from the northern border were held at Beaufort West. In the beginning, a wide spectrum of colonists traded at these fairs, but quickly the business came to be concentrated in the hands of a small number of professional traders.¹³⁰

Within the colony itself, at least from the early nineteenth century onwards, the *smousen* had to compete with settled traders in the increasing number of small towns. For example, in the 1790s, when John Barrow visited Graaff-Reinet, he commented that virtually nothing could be bought there.¹³¹ Nevertheless, by 1811 the Circuit Commission reported that there were 25 tradesmen settled in Graaff-Reinet,¹³² and two years later it reported that the local shopkeepers were complaining that they had to pay a licence fee to trade while the 'country pedlars' were exempt from such an exaction, an anomaly that was removed shortly thereafter.¹³³ By the 1830s, Graaff-Reinet had become a sizeable commercial centre, visited by many farmers from further north who thus were spared the annual trek to Cape Town.¹³⁴

The development of the country towns ran parallel with the establishment of larger merchant houses outside Cape Town. This, in turn, was facilitated by the opening of the various bays from the Berg river mouth to Port Elizabeth (as the settlement at Algoa Bay was named in 1820).¹³⁵ The pioneer in this coasting traffic was Frederik Korsten, who in 1811 took on a contract to supply Mauritius with salt meat from Algoa Bay. His raw materials were cattle from the Zuurveld and other eastern Cape regions and salt from the Uitenhage pans. From this base he was later able to diversify into sealing, whaling and, later, wool farming.¹³⁶ As an Eastern Province entrepreneur, he was followed above all by certain of the 1820 Settlers (ch. 10, pp. 472-74).¹³⁷

The most significant example of the merchant penetration of the Cape countryside was further west, in the commercial empire built up around Swellendam by the firm of Barry and Nephews.¹³⁸ Joseph Barry, the senior partner, arrived in South Africa in 1819 and soon began in the coasting trade. He was primarily responsible for opening up Port Beaufort, at the mouth of the Breede River, as an outlet for the produce (above all wheat and wool) of the Swellendam plains. This was a business full of risks, above all that of shipwreck, and Barry went bankrupt in 1827.

Nevertheless, he was able to remain in business and two years later cleared his debts. Thereafter in partnership with his two nephews, and aided by the marriages into the Van Reenen family which all three of them made, he was able to engross a considerable proportion of the business between Swellendam and Port Beaufort. In time the Barrys were able to open ten stores from Worcester to Mossel Bay and at least in this area to drive the smousen into insignificance.¹³⁹

In 1835, the growth of Cape merchant houses was still in its early stages. Nevertheless, the Barrys' success, along with those of other, less prominent, merchants throughout the Cape, illustrates the steady thickening of the Cape's commercial network through the early nineteenth century.

The world economy and the structure of Cape society

This chapter has so far been strictly concerned with economic, and where possible measurable, matters. It has demonstrated that the colony's incorporation in the world economic system resulted in a steady and cumulative increase in commodity production and exchange, both during the Dutch and early British periods. Wine, wheat and livestock production steadily increased. Imports and, to a lesser extent, exports expanded greatly. The Cape's monetary and credit systems became at once less chaotic, more sophisticated and more closely tied to those of the imperial motherland. These interlocking economic processes, in turn, shaped the social structure of the colony, not directly by fostering racial attitudes, but by aiding the establishment of structures of white domination from which racial attitudes were, at least in part, derived and for which they were used as justification.

What were these social effects? First, and most fundamentally, the very existence of the colony and the immigration to South Africa of two of the major population groups, the white settlers and the slaves, was a direct result of the world economy. Without the commercial requirements of the Dutch East India Company the Cape would not have been colonised in 1652; without its networks in the East, and without the slaving routes from East Africa and Madagascar to the New World, it would not have acquired the major component of its labour force; and without the needs of the British imperial system it would not have changed colonial masters around 1800.

Secondly, it was their differing positions in the world economy which gave rise to the sharply divergent worlds of Cape Town and the

countryside, a contrast which would long endure. Cape Town was the commercial and, increasingly, the financial centre of the colony, the seat of government and by far the major port; it was thus the sluice through which passed all the colony's contacts with the outside world. The wide range of urban requirements brought into being a substantial skilled artisanate, both free and slave. There were builders, carpenters, smiths, tailors, dressmakers, and cobblers in addition to the small army of slaves who fetched Cape Town's water, cut and hauled its firewood, disposed of its rubbish and shifted its goods about.¹⁴⁰ The skilled slaves, unwilling to submit to the strict discipline of manual labourers, frequently worked on their own, paying their owners a fixed sum (known as *koeliogeld*) at the end of the day or week, as did the slave retail traders. It was not necessarily a humane system, but nevertheless it did give considerable opportunity to the slaves, and encouraged the development of an urban slave culture impossible elsewhere. Moreover, the multiplicity of economic functions meant that contrasts of status between slave and free were not necessarily absolute. Thus the employment opportunities of Cape Town, its pre-emancipation slave culture and the relatively fluid social structure of urban life – all indirectly products of Cape Town's position in the world economic system – led to a relatively more open society for brown and black people after the emancipation of the slaves in the 1830s.

The contrast with the countryside is stark. There, the requirements of wheat, wine and meat production led both to the atomisation of the slave population on isolated farms and to the brutal exploitation of both slaves and the Khoisan.¹⁴¹ The regular needs of grain growing and wine farming meant that slaves were continually driven, and were shifted from one farm to another to cover the peak periods of two sectors' production cycles. Slaves were worked till they dropped, and if they survived but were worn out, they were likely to be sold up-country as shepherds.¹⁴² In general, the worse the economic conditions, the worse their treatment. Moreover, there was always the danger that they would be flogged to death for alleged misdemeanours.¹⁴³

Thirdly, links between Cape agriculture and the world economy enabled the Cape's merchant community to gain prominence. In the eighteenth century, of course, the merchants were the rulers, and at least in Cape Town everyone traded in whatever commodity seemed likely to offer the best profits. The British traditions of government were somewhat different. An aristocrat like Lord Charles Somerset, son of the Duke of Beaufort, Major-General in the British Army and, perhaps even more significantly, ex-lieutenant-colonel of the highly prestigious

Coldstream Guards, would not have dreamed of trading openly. Nevertheless the British government came to rely on the merchant elite whose own links were with the City of London, together with the larger landowners, particularly in the southwestern Cape. In the 1820s, for example, the governor was ordered by the Colonial Office in London to appoint a legislative council, whose unofficial members were to be chosen from 'the chief landed proprietors and principal merchants of the colony'.¹⁴⁴

Finally, the nature of economic contacts with Cape Town, and through Cape Town with the rest of the world, did much to determine the course of social developments on the frontier. In the early years of European settlement, for instance in the Graaff-Reinet district, the brutality of relations with the Khoikhoi may well have been the result of the district's comparatively weak links with the market. The farmers' desperate attempts to create a cash income and a desirable life-style led them to acquire labour by the most vicious measures (ch. 1, pp. 31–33). In the first decades of the nineteenth century, as commercial ties became firmer and the district prospered, such excesses were no longer necessary or tolerated.¹⁴⁵ Commercial development, in turn, gave impetus to further expansion. Simultaneously, the Cape's incorporation into the British empire finally provided a military force on the frontier sufficient to ensure eventual European hegemony over the Xhosa (see ch. 10, pp. 478–88). The rise in land values which preceded and followed the introduction of merino sheep led not only to the demand for territory newly conquered from the Xhosa,¹⁴⁶ but also for the extension of colonial settlement into new areas, particularly north of the Orange.¹⁴⁷

These varying social and geographical developments were, then, products of the steady expansion and diversification of the Cape Colony's economy. From the small beginnings of Van Riebeeck's post in 1652, this economy had grown enormously, largely as a result of its position within the world of the Dutch and, later, the British imperial systems. In comparison with the economies of other colonies and ex-colonies, notably the United States of America, the Cape economy was in all respects still puny. Nevertheless, it had laid the foundation upon which South Africa would later build after the mining of diamonds and gold began later in the nineteenth century.

Chapter Five Notes

1. D. Moodie, *The Record* (reprinted Amsterdam and Cape Town, 1960), pt. I, p. 7.
2. A. Appel, 'Die Geskiedenis van Houtvoorsiening aan die Kaap, 1652-1795', (MA thesis: University of Stellenbosch, 1966).
3. M.P. de Chavonnes and Baron van Imhoff, *The Reports of De Chavonnes and his council and van Imhoff on the Cape* (Cape Town, 1918), p. 130; O.F. Mentzel, *A Geographical and Topographical Description of the Cape of Good Hope*, 3 vols. (Cape Town, 1921-44), I, 152.
4. Anna Böeseke, 'Die Nederlandse Kommissaris en die 18de eeuse samelewing aan die Kaap', *ATB* (1944), pp. 145 ff.
5. Richard Elphick, *Kraal and Castle, Khoikhoi and the Founding of White South Africa* (New Haven and London, 1977), esp. ch. 5.
6. On the establishment of settlement, see above ch. 2, pp. 69-73.
7. G.C. de Wet, *Die Vryliede en Vryswartes in die Kaapse Nedersetting 1657-1707* (Cape Town, 1981), chs. 6-10.
8. The figure for 1700 refers to those who were incorporated into the colony, and thus not to the Khoikhoi who still inhabited the great majority of what was to become the Cape Colony.
9. R. Raven-Hart, *Cape of Good Hope, 1652-1702: The first 50 years of Dutch colonization as seen by callers*, 2 vols. (Cape Town, 1971), II, 402, citing Christoffel Langhansz, who was in Cape Town in 1694.
10. In 1822 there were 1468 houses: W. Bird, *State of the Cape of Good Hope in 1822* (reprinted Cape Town, 1966), p. 338. For further statistical information see the *Cape of Good Hope Blue Book and Statistical Register*, in manuscript in the PRO until 1837, thereafter printed.
11. For this tendency see S.D. Neumark, *Economic Influences on the South African Frontier, 1652-1836* (Stanford, 1957); Guelke, above ch. 2, pp. 87-92, and Robert Ross, 'Capitalism, Expansion and Incorporation on the South African frontier', *The Frontier in History: North America and Southern Africa Compared*, ed. Howard Lamar and Leonard Thompson (New Haven and London, 1981), pp. 212-16.
12. This is based on an examination of the *Rendementen*, annual lists of VOC sales in Cape Town which are held in the Algemene Rijksarchief. There are extant lists for 26 years in the eighteenth century, covering the period 1747-77.
13. The best survey of the VOC's activities is F.S. Gaastra, *De Geschiedenis van de VOC* (Haarlem, 1982) and F.S. Gaastra, 'The Shifting Balance of Trade of the Dutch East India Company', *Companies and Trade; Essays on Overseas Trading Companies during the Ancien Régime*, ed. L. Blussé and F.S. Gaastra (Leiden, 1981), pp. 47-70. For the establishment of the monopoly of cloves in the Moluccas, see G.J. Knaap, 'Kruidnagelen en Christenen: De Verenigde Oost-Indische Compagnie en de bevolking van Ambon, 1656-1696', (Ph.D. thesis: University of Utrecht, 1985). For Dutch Sri Lanka see above all D.A. Kotalawe, 'Agrarian Policies of the Dutch in South-West Ceylon', *A.A.G. Bijdragen*, XIV (1967), pp. 3-33. Dutch Banda awaits its modern historian, but for an indication of the process of conquest, see John Villiers, 'Trade and Society in the Banda islands in the

- sixteenth century', *Modern Asian Studies*, XV (1981), pp. 723–50.
14. There were numerous *plakkaten* against the sale of tobacco. The last seems to have been issued in 1740. KP II, 188. For coffee, see *ibid.*, IV, 85.
 15. See Gaastra, *Geschiedenis van de VOC*; J.J. Steur, *Herstel of Ondergang: De Voorstellen tot redding van de V.O.C. 1740–1795* (Utrecht, 1984), esp. pp. 237–46 and J.P. de Korte, *De jaarlijkse financiële verantwoording in de Verenigde Oost-Indische Compagnie* (Leiden, 1984).
 16. A request to this effect was made on 18 July 1719: H.C.V. Leibbrandt, *Precis of the Archives of the Cape of Good Hope: Requesten (Memorials)*, 2 vols. (Cape Town, 1905), I, 49, but was refused. It was repeated at intervals through the eighteenth century.
 17. KP, IV, Plakkaat of 21 Nov. 1792, pp. 141–55; Gerard Wagenaar, 'Johannes Gysbertus van Reenen: Sy aandeel in die Kaapse Geskiedenis tot 1806' (M.A. thesis: University of Pretoria, 1976), pp. 145–50; A. Böeseken, 'Kommissarisse', pp. 177–78; On the case of the *Herstelder*, owned by the whaling company Fehrzen & Co., which was captured by the British during its voyage to the Netherlands, see PRO, HCA 32/668/82 and RCC, O.G. de Wet *et. al.* to General Craig, July 1796, I, 408–10.
 18. E.g. VOC 4278, *Resolutiën van de Politieke Raad*, 6 Dec. 1774.
 19. Steur, *Herstel of Ondergang*, p. 244.
 20. G.J. Jooste, 'Die Geskiedenis van Wynbou en Wynhandel in die Kaap Kolonie, 1753–1795' (M.A. thesis: University of Stellenbosch, 1973), pp. 132 ff.
 21. VOC 4319, Governor and Council to XVII, 1 July 1786, pp. 22 ff.
 22. For grain prices, see Leonard Guelke, 'The Early European Settlement of South Africa', (Ph.D. thesis: University of Toronto, 1974), p. 264; A.J. du Plessis, 'Die Geskiedenis van die Graankultuur tydens die Eerste Eeu, 1652–1752,' *Annale van die Universiteit van Stellenbosch*, (Cape Town, 1933), II, 80; J.H.D. Schreuder, 'Die geskiedenis van ons graanbou (1752–1795)' (M.A. thesis: University of Stellenbosch, 1948), pp. 42–67. For complaints, see e.g. Leibbrandt, *Requesten*, I, 135, 154–55, 160–67.
 23. For the conditions of the meat *pacht*, see the *Resolutiën van de Politieke Raad* for 1 February at, usually, five-yearly intervals. From 1749 this was in the years four and nine of each decade. For the best analysis of the meat market in the last decades of Company rule, see Wagenaar, 'Johannes Gysbertus van Reenen', chs. II and III. See also Pieter van Duin and Robert Ross, *The Economy of the Cape Colony in the Eighteenth Century*, Intercontinent No. VII, (Leiden, 1987).
 24. See their concerns on the sales of Constantia wine, cited above in note 21.
 25. Wagenaar, 'Johannes Gysbertus van Reenen', p. 82; C.F.J. Muller, *Johannes Frederik Kirsten oor die toestand van de Kaapkolonie in 1795*, (Pretoria, 1960), pp. 85–86. It was possible for a ship to travel from Europe to Asia (or the reverse trip) without putting into port, and St. Helena was always available to allow rewatering.
 26. See J.J. Janse van Rensburg, 'Die Geskiedenis van die wingerdkultuur in Suid-Afrika, 1652–1752', *ATB* (1954), p. 2; Jooste, 'Geskiedenis van Wynbou en Wynhandel'; D.J. Van Zyl, *Kaapse Wyn en Brandewyn, 1795–1806* (Cape Town and Pretoria, 1975); Van Duin and Ross, *Economy*, ch. IV.
 27. With regard to livestock ownership, this could be done by comparing

- individual farmers' *opgaaf* returns with inventories of their estates taken shortly afterwards. See A. J. H. van der Walt, *Die Auschnung der Kolonie am Kap der Guten Hoffnung (1770-1779)*, (Berlin, 1928), p. 77; Guelke, 'Early European Settlement', p. 259. The same procedure has been used, e.g. by Du Plessis, *Geskiedenis van die Graankultuur*, to establish the level of evasion with regard to grain, but this is highly suspect, since any grain marketed between the harvest and the making of the inventory would not appear in the latter, while conversely any grain held for longer than one year would reduce the apparent level of evasion. Since a far smaller proportion of stock would have been marketed, the distortions caused by this problem would have been far lower in this case. Levels of wheat evasion were determined, very approximately, by estimating level of consumption in those years when it is known that supply and demand were in equilibrium and comparing that to the *opgaaf*. For a detailed explication of this, see Van Duin and Ross, *Economy*, ch. III.
28. Van Duin and Ross, *Economy*, ch. III.
 29. VOC 4315, p. 576.
 30. Muller, *Kirsten*, p. 61; *Belangrijke Historische Dokumenten over Zuid-Afrika*, ed. G.M. Theal (London, 1911), III, 36-38; D.G. van Reenen, *Die joernaal van Dirk Gysbert van Reenen*, ed. W. Blommaert and J.A. Wiid (Cape Town, 1937), p. 285.
 31. John Marincowitz, 'Rural Production and Labour in the Western Cape, 1838-1888, with special reference to the wheat growing districts', (Ph.D. thesis: University of London, 1985), p. 18; Edmund H. Burrows, *Overberg Outspan: A Chronicle of People and Places in the South Western Districts of the Cape*, (Cape Town, 1952), p. 233; H.L.G. Swart, 'Die ontwikkeling van handel aan die Kaap tussen die jare 1795 en 1806', (M.A.: University of Cape Town; 1949), pp. 89-93.
 32. See Cape of Good Hope, *Statistical Blue Book of the Colony* (1860), JJ4, 7.
 33. Alan Mabin, 'The Rise and Decline of Port Elizabeth, 1850-1900', *International Journal of African Historical Studies* XIX (1986), pp. 275-303.
 34. VOC 4202, Res, 4 Sept. 1756, p. 374; H.B. Thom, *Die Geskiedenis van Skaapboerdery in Suid-Afrika* (Amsterdam, 1936); R.S. Lopez, 'The Origins of the Merino Sheep', *The Joseph Starr Memorial Volume* (New York, 1953).
 35. Cf. Randall G. Stokes, 'Afrikaner Calvinism and Economic Action: The Weberian Thesis in South Africa', *American Journal of Sociology* LXXXI, (1981), pp. 62-81. The apparent dynamism of British settlers in agriculture in the nineteenth century probably derived from their greater access to capital, either personal or as a result of banking policy. See William Beinart and Peter Delius, 'Introduction,' *Putting a Plough to the Ground: Accumulation and Dispossession in rural South Africa, 1850-1930*, ed. W. Beinart, P. Delius and S. Trapido (Johannesburg, 1986), p. 28.
 36. Eighteenth century records of bankruptcies can be found in the series CJ 2928-2948. In the period 1728-92, there were 155 cases of people going bankrupt or dying insolvent. For the nineteenth century boom-and-bust cycles see Van Zyl, D.J., *Kaapse Wyn en Brandewyn*, pp. 123-36; Mary Rayner, 'Wine and Slaves: the failure of an export economy and the ending

- of slavery in the Cape Colony, South Africa, 1806–1834' (Ph.D. thesis: Duke University, 1986), ch. 4.
37. On these exports, see Van Duin and Ross, *Economy*, ch. II.
 38. 'Plan om den handel van tarwe van de Caab bij aanhoudendheid te kunnen drijven', *Kroniek van het Historisch Genootschap gevestigd te Utrecht*, XXVI (1872), pp. 203–05.
 39. D.J. van Zyl, 'Die Geskiedenis van Graanbou aan die Kaap, 1795–1826', *AYB* (1968), I, 222–33.
 40. Rayner, 'Wine and Slaves', p. 218.
 41. See Van Duin and Ross, *Economy*, ch. II; F. de Haan, *Oud Batavia: Gedenkboek*, 2 vols. (Jakarta, 1922), II, 542.
 42. See, e.g., reports of the Commission of Circuit for 1812, *RCC*, IX, 89 and for 1813, *RCC*, X, 98.
 43. E.H. Burrows, *Overberg Outspan* (Cape Town, 1952), ch. 4.
 44. When these figures are available for the eighteenth century, they are given in Van Duin and Ross, *Economy*, ch. III; for the nineteenth century see Van Zyl, 'Graanbou', p. 273 and D.J. van Zyl, *Kaapse Wyn en Brandewyn, 1795–1860* (Cape Town and Pretoria, 1975), pp. 104–05.
 45. For an attempt to do this, see Van Duin and Ross, *Economy*, ch. III.
 46. E.g. *RCC*, IV, 195.
 47. On the first group see Leonard Guelke and Robert Shell, 'An early colonial landed gentry: land and wealth in the Cape Colony, 1682–1731', *Journal of Historical Geography*, (1983), p. 272; Wagenaar, 'Johannes Gysbertus van Reenen', p. 12. In general on the problem, see Guelke, above ch. 2, pp. 84–93 and 'The making of two frontier communities: Cape colony in the eighteenth century', *Historical Reflections/Reflexions Historiques*, XII (1985); Susan Newton-King, 'Some thoughts about the Political Economy of Graaff-Reinet in the Late Eighteenth Century', unpublished paper (1984); Robert Ross, 'The Origins of Capitalist Agriculture in the Cape Colony: a survey', in Beinart, Delius and Trapido, *Putting a Plough to the Ground*, pp. 62–63.
 48. On the slave trade, see Robert Ross, *Cape of Torments: Slavery and Resistance in South Africa*, (London, 1983), pp. 3–14; Nigel Worden, *Slavery in Dutch South Africa*, (Cambridge, 1985), pp. 42–48; Robert C.H. Shell, 'Slavery at the Cape of Good Hope, 1680–1731' (Ph.D. thesis: Yale University, 1986), ch. 2 and above ch. 3, pp. 110–22.
 49. Wagenaar, 'Johannes Gysbertus van Reenen', pp. 137–39.
 50. The estate papers in the archive of the Orphan Chamber, Cape Archives, contain numerous printed forms which record the contact by which a sailor was to deliver his chest to a named merchant in Cape Town.
 51. Van Duin and Ross, *Economy*, ch. VI.
 52. See below, p. 261.
 53. Robert Ross, 'The Relative Importance of Exports and the Internal Market for the Cape Colony', *Figuring African Trade*, ed. G. Liesegang, H. Pasch and A. Jones (Cologne, 1985) pp. 2–54.
 54. *Willem Stephanus van Rynveld se Aanmerkingen over de Verbetering van het vee aan de Kaap de Goede Hoop, 1804*, ed. H.B. Thom (Cape Town, 1942), p. 41.
 55. Ross. 'Relative Importance', pp. 248–60.

56. F.S. Gaastra, 'De Verenigde Oost-Indische Compagnie in de zeventiende en achttiende eeuw: de groei van een bedrijf. Geld tegen goederen. Een structurele verandering in het Nederlands-Aziatisch handelsverkeer', *Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden*, XCI (1976), p. 254; K P, 111, 136; RCC, Proclamation by Sir David Baird, 23 Jan. 1806, V, 305-06.
57. Brian Kantor, 'The Rixdollar and Foreign Exchange', *South African Journal of Economics*, XXXVIII (1970), p. 70.
58. For the operations of J.H. Blankenburg in this respect, see MOOC 14/36/ii.
59. J.L.M. Franken, 'n Kaapse Huishou in die 18e Eeu uit Von Dessin se Briefboek en Memoriaal', *AYB* (1940), I, 53.
60. See, e.g., the estates of P.J. Coetse (deceased 1776), MOOC 14/59/14, Johan Smith (deceased 1776), MOOC 13/17/24 and Andries van Sittert, (deceased 1786), MOOC 14/68/4.
61. 'Report of the Commissioners of Enquiry to Earl Bathurst on the Finances', RCC, XXVII, p. 459.
62. 'Geschiedkundig Tafereel der Weeskamer', *Het Nederduitsch Zuid-Afrikaansch Tijdschrift*, IX (1832), pp. 310-11.
63. 'Report of the Commissioners of Enquiry . . . on the Finances', RCC, XXVII, 459.
64. *KP*, III, 135-36.
65. *Ibid.*, III, 161-62. Indeed the Company was forced to mint guilders, a denomination that had never previously been sent overseas, in order to meet this debt. See *Resolutiën van de Staten Generaal*, 12 Dec. 1785. Under the Batavian Republic, coins were also struck specifically for the Cape, but when they arrived De Mist considered the situation too precarious and ordered that they be sent on to Batavia, to avoid capture by the British: C. Scholten, *De Muntten van de Nederlandsche Gebiedsdeelen Overzee, 1601-1948* (Amsterdam, 1951), p. 66. I owe this information to my colleague F.S. Gaastra.
66. H.L.G. Swart, 'Developments in Currency and Banking at the Cape between 1782 and 1825, with an account of contemporary controversies' (Ph.D. thesis: University of Cape Town, 1953), pp. 19-21.
67. RCC, Macartney to Dundas, 20 Oct. 1797, I, pp. 189-90.
68. A.L. Geyer, *Das Wirtschaftliche System der Niederländischen Ost-Indischen Kompanie am Kap der Guten Hoffnung, 1785-1795*, (Munich and Berlin, 1923), p. 80.
69. Swart, 'Developments in Currency and Banking', p. 69.
70. Kantor, 'Rixdollar', p. 89, citing British Parliamentary Paper 438 of 1826, papers respecting a British Metallic Circulation at the Cape of Good Hope', p. 28. The figures were calculated on the basis of the premiums which had to be paid for the various bills on England, particularly for the army and navy commissariats. Since the military expenditures at the Cape provided the main channels for the transfer of funds from the Cape to England, and as a merchant could pay into the army account in Cape Town, and have his agent draw an equivalent amount from the army's account at the exchequer in London, these premiums provide an index of the real value of the Cape rixdollar, at least in relation to sterling.

71. Kantor, 'Rixdollar', pp. 86–88.
72. BPP 438 of 1826, pp. 50–59.
73. E.g. Memorial of Thomas Rowles, 15 June 1826, BPP 438 of 1826, p. 46.
74. Kantor, 'Rixdollar', p. 86.
75. The main contestants were John Trotter, *A letter addressed to W Robertson Esq. and the other members of a committee nominated on the part of the mercantile body of the Cape of Good Hope to draw up a report on the state of the commerce, finances and agriculture of that colony for the consideration of His Majesty's commissioners of enquiry* (Calcutta, 1825) and P.W. Grant, *Considerations on the State of the Colonial Currency at the Cape of Good Hope* (Cape Town, 1825). For a handy summary of the controversy see Swart, 'Developments in Currency and Banking', pp. 379–536.
76. The British Colonial Secretary once described the Loan Bank as 'one of the most ingenious expedients ever hit upon for introducing paper currency into a colony and raising a permanent revenue on that circulation', *RCC*, Castlereagh to Caledon, 12 May 1809, VI, 499.
77. *KP*, VI, 284–94. It is a significant comment on the so-called monopolistic position of the VOC that such a measure was instituted so late in the period of Company rule.
78. *RCC*, Statement prepared by H. Groux, 30 Nov. 1824, XIX, 184–86.
79. Swart, 'Developments in Currency and Banking', pp. 730–31.
80. *RCC*, Evidence given by Mr. Francis Dashwood to the Commissioners of Enquiry, 12 Feb. 1825, XX, 22; Report to the Commissioners of Enquiry on the Finances, *ibid.* XXVII, 461.
81. On the workings of discount banks, see J.G. van Dillen, *Van Rijkdom en Regenten: Handboek tot de Economische en Sociale Geschiedenis van Nederland Tijdens de Republiek* (The Hague, 1970), pp. 439–60.
82. *RCC*, Evidence given by Mr. John Marshall to the Commissioners of Enquiry, 28 Dec. 1824, XIX, 428.
83. BPP 496 of 1827, Documents referred to in the Report of the Commissioners of Inquiry upon the Cape of Good Hope, p. 13.
84. CO 36, Dashwood to Cradock, 6 Aug. 1812, cited in Swart, 'Developments in Currency and Banking', p. 251.
85. Rayner, 'Wine and Slaves', pp. 214–15.
86. *RCC*, Evidence of John Marshall, XIX, 414.
87. Jan Smook et al. to Governor and *Raad*, 15 July 1783, *Kaapse Archiefstukken, 1783*, ed. M.K. Jeffreys, (Cape Town, 1932), I, 164; Susan Newton-King, 'Commerce and Material Culture on the Eastern Cape Frontier, 1784–1812', Unpublished Seminar Paper, Institute of Commonwealth Studies, London (1985).
88. *RCC*, Report of the Commissioners of Enquiry on Finances, XXVII, 471. 471.
89. See the cases of Jonas Albertus van der Poel (Butcher), CJ 2944/377, 11 Sept. 1788; Johannes Davel, Aug. 1789, and Jan Hendrik Stroebel, CJ 2945/393, Aug. 1789.
90. Marian George, 'John Bardwell Ebdon; His business and political career at the Cape, 1806–1849' (MA thesis: University of Cape Town, 1980), pp. 40–64.
91. See the annual report of the Commercial Exchange for 1834, cited in

- R.F.M. Immelman, *Men of Good Hope: The Romantic Story of the Cape Town Chamber of Commerce, 1804-1954* (Cape Town, 1955), p. 114.
92. Kantor, 'Rixdollar', p. 88.
 93. J.L. Hatting, 'n Ontleding van sekere aspekte van slawerny aan die Kaap in die sewentiende eeu', *Kronos*, I (1979).
 94. For the Van Reenen, see Wagenaar, 'Johannes Gysbertus van Reenen'; for Melck, see J.H. Hoge 'Martin Melck', *Tydskrif vir Wetenskap en Kuns*, XII (1934); for H.O. Eksteen, see J. Hoge 'Personalia of the Germans at the Cape, 1652-1806', *ATB* (1946), p. 86; and Mentzel, *Description*, II, 76; *Res*, VIII, 310-311.
 95. C. Beyers, *Die Kaapse Patriotte gedurende die laaste kwart van die agtiende eeu en die voortlewing van hul denkbeelde* (2nd edition; Pretoria, 1967), esp. pp. 156-58.
 96. See above, note 50.
 97. For instance, Christoffel Brand, posthouder of Simon's Town Sec. C. de Jong, 'Walvisvangst bij de Kaap de Goede Hoop tijdens de Bataafse Republiek' *Historia*, XII (1967), pp. 171-98; RCC, Fehrzen & Co. to Craig, July 1796, I, 408-10.
 98. Wagenaar, 'Johannes Gysbertus van Reenen', pp. 130-40. It is to this case that we owe our information on these trading activities, since the papers of the case fill a whole volume of the Court of Justice *Civil Processtukken* in the Cape Archives (CJ 2169). No doubt, if others among the circa 1000 volumes of the Civil processtukken were examined, much more would be discovered about the trading activities, and economic life in general, of the Cape citizens.
 99. Wagenaar, 'Johannes Gysbertus van Reenen', pp. 136-38.
 100. *Ibid.*
 101. *KP*, IV, 141-62.
 102. Muller, *Kirsten*, p. 64.
 103. Judith B. Williams, *British Commercial Policy and Trade Expansion, 1750-1850* (Oxford, 1972), p. 31.
 104. Hermann Giliomee, *Die Kaap tydens die Eerste Britse Bewind, 1795-1803*, (Cape Town 1975), p. 147.
 105. R.C.-H. Shell, 'The Impact of the Cape Slave Trade and its Abolition on the Demography, Regional Distribution and Ethnic Composition of the Cape Slave Population, 1652-1825', unpublished seminar paper, Yale University, 1979; Peter Philip, *British Residents at the Cape, 1795-1819* (Cape Town, 1981), pp. 182-83.
 106. On this, see the various works of Marcus Arkin: 'John Company at the Cape: A history of the Agency under Pringle, 1795-1815', *ATB*, II, (1960); 'Supplies for Napoleon's Gaolers: John Company and the St. Helena Trade during the Captivity, 1815-1821', *ATB*, I, (1964); 'Agency and Island: John Company and the Twilight years of the Cape - St. Helena Trade, 1822-1836', *ATB*, I, (1965) and *Storm in a Teacup, the Later Years of John Company at the Cape, 1815-1836* (Cape Town, 1973).
 107. Swart, 'Ontwikkeling van handel', pp. 112-17.
 108. J.P. van der Merwe, *Die Kaap onder die Bataafse Republiek, 1803-1806* (Amsterdam, 1926), p. 377; Theal, (ed) *Belangrijke Historische Dokumenten*, p. 277.

109. *Ibid.* p. 329.
110. CO 36, Dashwood to Cradock, 6 Aug. 1812, cited in Swart, 'Developments in currency and banking', p. 253.
111. E.g. Muller, *Oorsprong*, pp. 148–49.
112. Giliomee, *Kaap tydens die Eerste Britse Bewind*, pp. 201–04; John Campbell, *Travels in South Africa, undertaken at the Request of the Missionary Society*, (London, 1815), pp. 3, 13–15.
113. George, 'Ebden', p. 3; *Dictionary of South African Biography*, II (Cape Town and Johannesburg, 1972) pp. 606–07; A.P. Buirski, 'The Barrys and the Overberg' (M.A. thesis: University of Stellenbosch, 1952), pp. 7–9.
114. George, 'Ebden', pp. 7–40; *Dictionary of South African Biography*, II, 606–07.
116. This privilege was itself to be abolished in 1834, after a sharp struggle with, among others, Cape merchants. See Arkin, *Storm in a Teacup*, pp. 3–125.
117. Roger Beck, 'Edward Hanbury: Cape Town ship chandler and merchant, 1819–1825', *Quarterly Bulletin of the South African Library*, 39 (1984–85); P.H. Philip, 'The vicissitudes of the early British settlers at the Cape', *idem*, 40–41 (1986).
118. George, 'Ebden', pp. 74 ff.; Immelman, *Men of Good Hope*, pp. 59–70.
119. For descriptions, see e.g. Mentzel, *Description*, II, 75–80; C.P. Thunberg, *Travels in Europe, Asia and Africa performed in the years 1770 to 1779*, 4 vols. (London, 1793), II, 117.
120. Mentzel, *Description*, II, 76–77; 'Auctions – their good and evil tendencies', ed. Robert Shell, *Quarterly Bulletin of the South African Library*, 39–40 (1985).
121. Beck, 'Edward Hanbury'. The citation is from p. 27.
122. Immelman, *Men of Good Hope*, p. 26, P.W. Laidler, *The Growth and Government of Cape Town*, (Cape Town, 1939), pp. 203–09.
123. Robert Ross, 'The Occupations of Slaves in Eighteenth Century Cape Town', *Studies in the History of Cape Town*, II, 11.
124. For examples of this see cases against Talima van Soping, VOC 4253, 4 Oct. 1770; VOC 4182, Robo van Bouton et al., 1 Oct. 1750; and VOC 10984, Alexander van de Kust et al., 13 Sept. 1785. In 1794 the belief that these activities gave such great opportunities for slaves to dispose of stolen goods caused them to be forbidden: *KP*, IV, 248. However, this proved unworkable and in 1805 the prohibition was rescinded: *KP*, VI, 241.
125. See, for instance, *The African Court Calendar for 1814*, (reprinted, Cape Town, 1982), entries for Amarelia van Bougies, Fura van Batavia, Lys, Maart van Bengalen and Thomas van de Kaap.
126. *KP*, III, 93. I have followed the translation in Moodie, *Record*, pt. III, 24.
127. Moodie, *Record*, pt. III, 1, pp. 21–34. Newton-King, 'Commerce and Material Culture' describes the goods which the various trekboers acquired. See also J.B. Peires, *The House of Phalo: A History of the Xhosa People in the Days of their Independence* (Johannesburg, 1981), p. 98.
128. Peires, *House of Phalo*; C.F.J. Muller, 'Robert Scoon, vriend van die Afrikaner en die Matabele', in his *Leiers na die Noorde: Studies oor die Groot Trek* (Cape Town, 1976).
129. See, e.g., the letter by Mr. Crout cited in Neumark, *Economic Influences*, p. 147 and *The Reminiscences of Thomas Stubbs*, ed. W.A. Maxwell and R.T.

- McGeogh, (Cape Town, 1978), p. 100.
130. Roger B. Beck, 'The Legalisation and development of trade on the Cape Frontier, 1817-1830', (Ph.D. thesis: University of Indiana, 1987), chs. 4-6.
 131. John Barrow, *An Account of Travels into the Interior of Southern Africa*, 2 vols. (London, 1801-1803) I, 112-14.
 132. *RCC*, VII, 299.
 133. *RCC*, X, 98.
 134. Andrew Steedman, *Wanderings and Adventures in the Interior of Africa*, 2 vols. (London, 1835), I, 124.
 135. For a survey, made by the Commissioners of Enquiry, see *RCC*, XXXV, 275 ff.
 136. *RCC*, Reports of the Commissioners of Circuit for 1813, IX, 89; for 1814 *RCC*, X, 98; *Dictionary of South African Biography*, II, 371-72, Basil A. le Cordeur, *The Politics of Eastern Cape Separatism 1820-1854* (Cape Town, 1981), p. 39.
 137. Le Cordeur, *Eastern Cape Separatism*, pp. 40, 123-29.
 138. The Dutch name for this firm gave rise to one of the Cape's first advertising slogans: 'Als jij lekker wilt leven, koop bij Barry en Neven'; see Burrow, *Overberg Outspan*, p. 255.
 139. Buirski, 'Barrys', p. 94.
 140. Ross, 'Occupations'.
 141. This is argued in Ross, *Cape of Torments and Worden, Slavery in Dutch South Africa*. For a divergent point of view, see Shell, 'Slavery at the Cape of Good Hope', esp. p. 227; on the Khoikhoi, see Henry Bredekamp and Susan Newton-King, 'The subjugation of the Khoisan during the 17th and the 18th centuries', Conference on Economic Development and Racial Domination, Bellville, (1984) and Susan Newton-King, 'Background to the Khoikhoi rebellion of 1799-1803', *Collected Seminar Papers of the Institute of Commonwealth Studies*, London: The Societies of Southern Africa in the nineteenth and twentieth centuries, X (1981).
 142. Robert Shell, personal communication based on an analysis of slave sales from the 1820s.
 143. Worden, *Slavery in Dutch South Africa*, pp. 101-13.
 144. Cited in T.R.H. Davenport, 'The consolidation of a new society: The Cape Colony', in *The Oxford History of South Africa*, ed. Monica Wilson and Leonard Thompson, 2 vols. (Oxford 1968-1971), I, 320. For more on this alliance, see Rayner, 'Wine and Slaves', ch. 2.
 145. On this, see D. van Arkel, G.C. Quispel and R.J. Ross, *De Wijngaard des Heeren? Een onderzoek naar de wortels van 'die blanke baaskap' in Zuid-Afrika*, (Leiden, 1983), pp. 55-60.
 146. See for instance, Peires, *House of Phalo*, p. 123.
 147. The standard work on this is still P.J. van der Merwe, *Die Noordwaartse Beweging van die Boere voor die Groot Trek (1770-1842)*, (The Hague, 1937).