Nowhere in the world has there ever existed so concentrated a form of capitalism as that represented by the financial power of the mining houses in South Africa, and nowhere else does that power so completely realise and enforce the need of controlling politics.

J. A. Hobson, *The Evolution of Modern Capitalism*¹

A century has passed since J. A. Hobson put forward the theory that the South African War was brought about through the influence of the gold-mining magnates of the Rand, and their financial allies, in their search for increased profits through the replacement of Kruger’s government by a British-dominated administration more sympathetic to the needs of the gold-mining industry.² Hobson’s conclusions about the causes of that war formed the basis of his first theoretical analysis of the role of capitalism in modern imperialism³ and went on to inform two of his best-known books, *The Psychology of Jingoism* (1901) and *Imperialism: a study* (1902). Hobson explored the interconnections between capitalism and imperialism more comprehensively and systematically than anyone previously and developed an economic theory of imperialism which has attracted much attention ever since. His ideas have influenced many writers who have since argued that modern imperialism has involved the subordination of politics to the sectional interests of capitalists or, more generally, to ‘the forces of capitalism’. This view has also influenced the work of many historians of imperialism down to the present day.⁴

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4. Although Hobson visited South Africa in 1899 he did so as a journalist and not as an historian and his book about ‘the causes and effects’ of
the war was essentially a polemic. Later, as a theorist of imperialism, he came to regard the South African War as ‘both a turning-point in my career and an illumination to the understanding of the real relations between economics and politics which were to occupy so large a place in my future work’.\textsuperscript{5} Hobson was not able to test his theories empirically against the evidence in the archives of governments or mining companies. When historians were at last able to do so, during the second half of the twentieth century, they demonstrated that the evidence did not support the explanation for the war, at least as put forward by Hobson himself. Indeed, in 1961, J. S. Marais concluded that, in the run up to the war, far from the capitalists manipulating the politicians, it was rather a case of the other way round.\textsuperscript{6}

The rebuttal of Hobson’s crude ‘capitalist conspiracy plot’ thesis, with regard to the causes of the war, did not mean that what might more broadly be called the ‘Hobsonian hypothesis’, about the relationship between gold mining and government, was abandoned. Rather, it was transferred from the prewar to the postwar era. In this chapter I aim to show how ideas, which were first given prominence by Hobson in 1900 to explain the war, have haunted the historiography of the aftermath of the war, where it has repeatedly been claimed that politics in the Transvaal, especially during the postwar period when it was governed as a Crown colony (1900–07), were dominated by the capitalists involved in the gold-mining industry.

Contemporary fears that the Transvaal government would be dominated by the gold-mining industry were widely articulated, both before and after the war. In the 1890s, officials in the Colonial Office worried about the Transvaal becoming ‘a plutocrats’ republic’, and Joseph Chamberlain declared, in the aftermath of the Jameson Raid in 1896, that whatever defects may exist in the present form of the Government of the Transvaal, the substitution of an entirely independent Republic, governed by or for the capitalists of the Rand, would be very much worse both for British interests in the Transvaal itself and for British influence in South Africa.\textsuperscript{7}

During the war, fears that ‘a capitalist tyranny’ would be established in the postwar Transvaal were widely aired in pamphlets and speeches in Britain, which claimed that the capitalists had inspired the war and would shape the peace.\textsuperscript{8} When gold mining resumed in the Transvaal, after it had been annexed as a British Crown colony in 1900, some