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Review of Steven Press, *Blood and Diamonds: Germany's Imperial Ambitions in Africa*

by Tristan Oestermann

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STEVEN PRESS, *Blood and Diamonds: Germany's Imperial Ambitions in Africa* (Cambridge, Mass.: Harvard University Press, 2021), 352 pp. ISBN 978 0 674 91649 4 (hardback), \$35.00 / £28.95 / €31.50

After years in which cultural history dominated the study of German colonial rule in Africa, interest in its economic history is back on centre stage. In the wake of the new history of capitalism and other approaches, historians are increasingly researching the economic basis of German colonial rule. Steven Press's book on the economics of diamond mining in the German colony of South West Africa is an important example of this renaissance. And Press does not limit himself to this colony. He also looks at how German diamond production was embedded in—and changed—the economic structures of global diamond trading in South Africa, Britain, Belgium, and the United States, thus breaking up the national perspective which irritatingly still prevails in German colonial history. Press asks many important questions about the economic significance of the German colonial empire. While historians have generally viewed Germany's colonies as economically insignificant, Press argues that we should rethink this. Not only was colonial business more profitable than usually acknowledged; it also played a large role in domestic politics and debates.

Press starts with a tour de force through the history of German colonial rule in South West Africa. It began with Otto von Bismarck's unfortunate approach to colonialism as company rule, when he backed Adolf Lüderitz and his successor, the Deutsche Kolonialgesellschaft für Südwest-Afrika (DKGSWA), in pursuing their dubious claims in South West Africa. The DKGSWA eventually became a prosperous diamond company, but at first it failed to govern the new colony, and Bismarck had to establish a conventional colonial administration to take over. However, the DKGSWA continued to claim rights over large swathes of land in which it was prospecting for mineral wealth—especially for diamonds, which had made nearby South Africa rich. Minerals, however, did not materialize. Instead, Germany promoted South West Africa as a settler colony. The arid country offered only limited possibilities for farming. The settlers therefore soon ran into violent conflicts over land and water with the African inhabitants, which escalated into a genocidal war against the Herero and Nama in

1904. South West Africa was a burden for Germany, marred by failing businesses, scarcity, and violence, until 1908, when diamonds were finally found, unleashing a mining boom.

Consumers in Europe and North America used diamonds to store value. This only worked because diamonds were regarded as scarce, and people paid huge amounts for them. Diamond finds in South Africa near Kimberley had endangered the idea of scarcity and, therefore, the high prices diamonds fetched. In the 1880s, Cecil Rhodes and the diamond company De Beers brought this threat under control by buying up almost all South African mines, thus re-establishing the scarcity of diamonds by limiting production. By 1900, Rhodes and a London-based syndicate that collaborated with him had established a quasi-monopoly over the global diamond trade, and wholesalers, cutters, importers, and retailers depended on them.

In South West Africa, diamonds turned up from time to time near Lüderitz Bay, but prospectors were unable to find large deposits. They were searching geological formations similar to those in neighbouring South Africa – and walked past diamond fields without noticing. The search was not successful until 1908. Press links the diamond strikes to the genocidal military campaigns of 1904–8. In the destruction of the Nama in particular, ‘the turning of the German military eye to the stretch abutting Lüderitz Bay improved the odds of large-scale diamond discovery and created a new momentum toward it’ (p. 53). Sometimes the military deliberately directed violence to areas where diamonds were expected to turn up: ‘Prospective diamond riches and violence . . . reinforced one another’ (p. 53).

Diamonds were discovered in the desert near Lüderitz Bay by Zacharias Lewala, a South African railway worker with mining experience, but it was the engineer August Stauch who secretly bought up land along the railway and became South West Africa’s first diamond tycoon. What followed was a chaotic rush which Press colourfully describes. Within months, Lüderitz became a boom town as people flocked to the desert to make their fortunes. There was a risk that prospecting could descend into chaos. Miners made conflicting claims and sold diamonds at rock-bottom prices. Most of them did not know that diamonds were precious because they were rare. In reaction, the German colonial secretary, Bernhard Dernburg – the secret

hero of this book—recognized the claims of the moribund DKGSWA. He declared large swathes of the Namib Desert a Forbidden Zone where only the company could decide who would be allowed to mine. To control production and marketing, Dernburg established the diamond Regie—a ‘state-approved, national cartel’ (p. 88)—and put an end to the first chaotic months of prospecting to ensure that diamonds remained scarce. He had a larger plan: to establish a corporation to rival De Beers and its London-based syndicate. Press shows that the potential was there: stones from South West Africa were easier to mine, of superior quality, and smaller in size, corresponding to the wishes of US middle-class buyers. This was a relevant consumer group, as around 75 per cent of all diamonds mined went to the United States, where many of them graced engagement rings, which were becoming ever more popular.

Here Press for the first time abandons his narrative style and lays out the importance of his work for the history of German colonial rule in general. He argues that historians have underestimated the significance of the diamond economy. While Horst Gründer writes that German diamond exports accounted for 52 million marks between 1908 and 1913, Press points to statements by De Beers that in 1913 alone, South West Africa exported diamonds worth 59 million marks. Including smuggled stones, Press estimates that the real value of diamonds from the German colony was closer to 118 million marks in 1913. I can confirm from my own research on the rubber trade in the German colony of Kamerun that official data often did not reflect the sums actually exported.<sup>1</sup> Press, therefore, rightly sees a ‘need to reexamine the anatomy of the German colonial economy. There was more money motivating this colonial regime, and more money generated from its exploitation of Indigenous peoples, than has been acknowledged in curt dismissals’ (p. 90).

In the chapter on labour, Africans move more into the centre of the narrative. Germany’s policy of extermination in 1904–8 had exacerbated the problem of labour in a colony which was only thinly populated. Labourers for the diamond industry had to come from

<sup>1</sup> Tristan Oestermann, ‘Kautschuk und Arbeit in Kamerun: Soziale Mobilität, Zwang und Militanz unter deutscher Kolonialherrschaft’ (Ph.D. thesis, Humboldt University of Berlin, 2021).

elsewhere. Some Africans went from the Cape Colony to South West Africa. Ovambo migrants from the colony's north, however, provided a lasting solution to the problem. Thousands travelled to the diamond fields, where they faced appalling working conditions—bad sanitation, housing, and violence at the workplace. Many found an early death in the desert. Press explains this as a result of the colonists' racist mindset and the fact that the state had little say in the Forbidden Zone, where the DKGSWA ruled out government standards for working conditions. However, Press's account of African labourers remains superficial. While he mentions Ovambo authorities making deals with their German counterparts to provide labour, young men wanting to earn money so that they could marry, and migrants from the Cape choosing South West Africa because of higher wages, the social conditions enabling the emergence of this system of labour migration remain hidden. Rather than stressing their agency, Press reproduces the story of Africans as helpless victims of all-powerful colonial actors.

In Germany, the diamonds led to a frenzy on the stock markets—with the DKGSWA as the rising star. Before 1908, shares in colonial companies had not been of any interest for most investors. But now, diamond companies paid unbelievable dividends of up to 3,800 per cent. According to Press, this diamond mania was a 'singular phenomenon in Imperial German financial history' (p. 136), which soon turned into a bubble. Fraudsters and bogus companies mushroomed on the colonial stock market, which lacked proper state regulation by design. Illicit activity did not stop there. The exclusive role of the Regie also created a large black market for diamonds. Smuggling was not a marginal phenomenon, according to Press. At least 50 per cent of all South West Africa's diamonds found their way on to the world market illegally. Even though the state tried to stop smuggling by employing a diamond police and secret agents and introducing measures to control the African population, it was unsuccessful. While the public connected smuggling with Jewish networks and Africans, it was, in fact, settlers, officers, soldiers, and especially women who used every loophole to take the stones out of the country.

Obviously, many people felt left out by the diamond boom. Dornburg not only excluded individual miners, but also ignored German

diamond cutters and struck a deal with Antwerp, an old but ailing centre of the diamond industry. Antwerp was well connected with the world market for diamonds, and especially with the USA, home to most of their consumers. This connectedness was important to Dernburg, even though co-operating with Antwerp meant losing a share of the business associated with the stones and facing furious reactions in German politics. Social Democrats, antisemites, and others criticized Dernburg's capitalist colonial policies. Equally, criticism came from settlers in South West Africa, who feared the rapid industrialization of the agrarian colony and wanted to have a say in how the new wealth was spent. Thus Dernburg and his policy were under pressure from the start. Political forces in Germany and South West Africa criticized the fact that diamonds only benefited wealthy capitalists.

In 1910, the diamond stock bubble burst. Dernburg lost his last backers and left office in June. A Reichstag commission now freed the way for the diamond Regie to be reformed. New people who became members of its board, such as Stauch and the journalist Paul Rohrbach, gave the Regie a more populist agenda. Dernburg's cartel, designed to steer production in order to maintain the impression that diamonds were scarce, came to an end. Production rates increased. However, Press argues, this undermined the future of the diamond industry in South West Africa. Diamond prices plunged and the Antwerp syndicate ran into financial problems. In 1914, the Germans entered into an agreement with De Beers, putting an end to the idea of a competitive German diamond industry. During the First World War, diamonds from South West Africa continued to be of global importance. Smuggled stones funded the German war effort. Diamonds also played a part in arms production and storing wealth in societies with devaluing currencies. After the war, Ernest Oppenheimer, a South African businessman, bought up Germany's mining rights and became the world's most powerful diamond tycoon.

Press provides a strong and convincing narrative which suggests that further studies in German colonial economics will be very revealing. He deserves praise for placing German South West Africa's diamond boom into a global framework. Nevertheless, he rarely presents generalizing arguments, and when he does, he is often in danger of overstretching them. Writing that 'genocidal violence and

diamonds' were 'the defining traits of Germany's short-lived overseas colonies' (p. 10) makes his topic too big. Similarly, when he writes that 'Diamond labor dynamics . . . constitute a new kind of link "from Windhoek to Auschwitz"' (p. 232), he is searching for relevance in the wrong place and ignoring the ample literature on similar colonial labour conditions elsewhere in the world, which obviously did not lead 'to Auschwitz'. Generally, Press singles out German colonial rule and presents it as especially ruthless and brutal, silently implying a German *Sonderweg* or special path in Africa. While diamond mining was hard and often deadly work, comparing it with contemporary practices in the neighbouring South African mining industry and its labour migration patterns would have put this into perspective. Finally, African agency is of only marginal importance to Press. His book is a history of colonial economics, centred on European actors, which is totally legitimate as he provides us with a strong and compelling narrative, revealing hitherto unknown connections of Germany's colonial economy. This narrative may motivate others to follow him and to pick up parts of this history lying hidden in the past, like diamonds in the desert.

TRISTAN OESTERMANN is a research assistant at the Humboldt University of Berlin. His Ph.D. thesis, which will be published as *Kautschuk und Arbeit in Kamerun* (forthcoming), is a labour history of the colonial rubber economy in German Kamerun. His current research focuses on the history of global pharmaceutical companies in the colonial and post-colonial world, especially the Belgian Congo/Zaire. He is also working on the impact of steamship lines on the history of migration in West Africa.