

Capitalist Mode of Power Speaker Series

The Power of Love

Diamonds and the Accumulation of De Beers

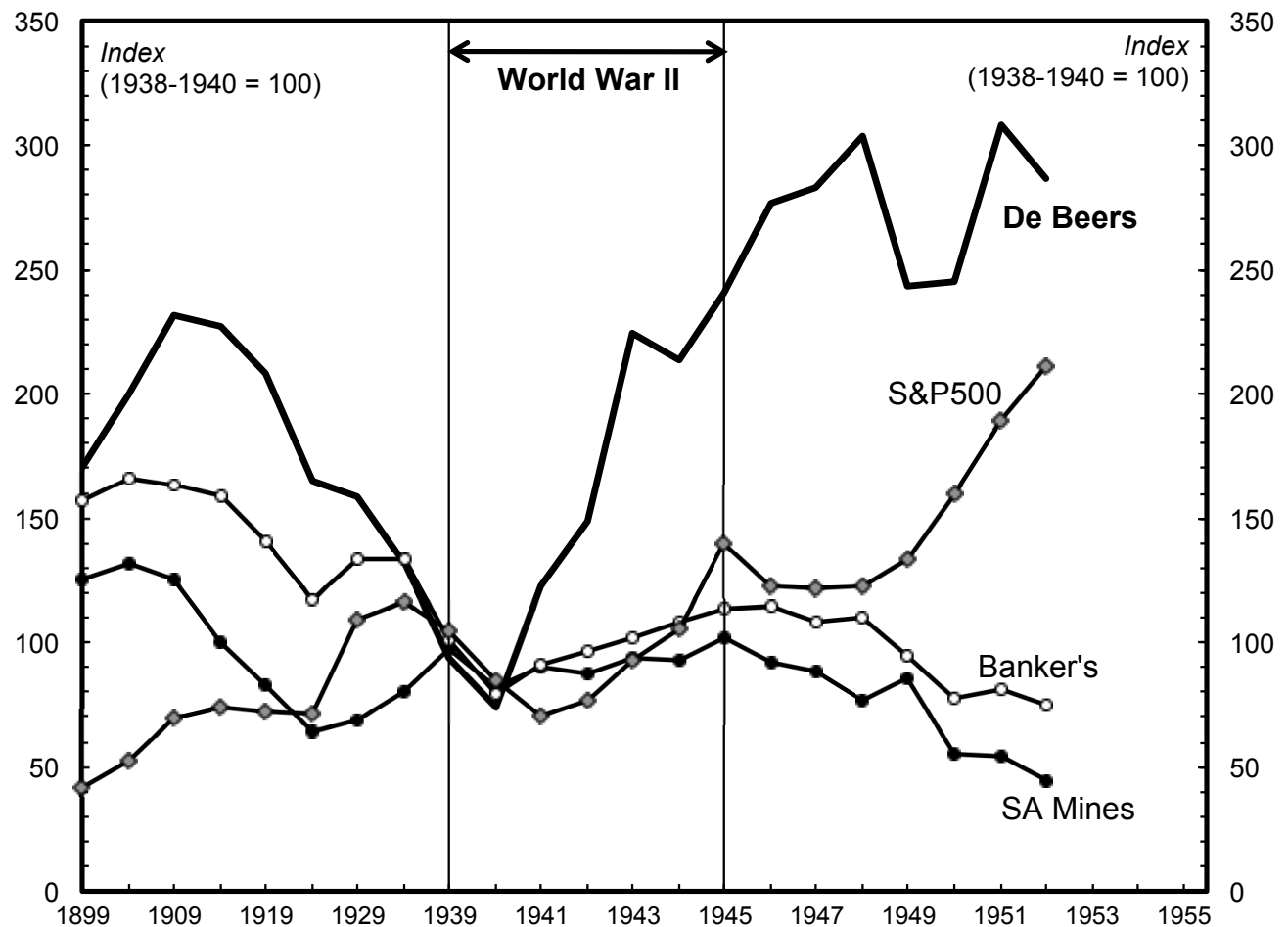
CHART BOOK

D.T. Cochrane

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Abstract: Through the early-20th century, the power of the De Beers' diamond cartel was dwindling. Its resurrection came with WWII. The company's reversal of fortune required the construction and maintenance of relations with romantic couples, industrial diamond users, multiple government agencies and diamonds themselves. This presentation will examine De Beers' accumulation and the translation of these qualitative relationships into capital.

FIRST FIGURE

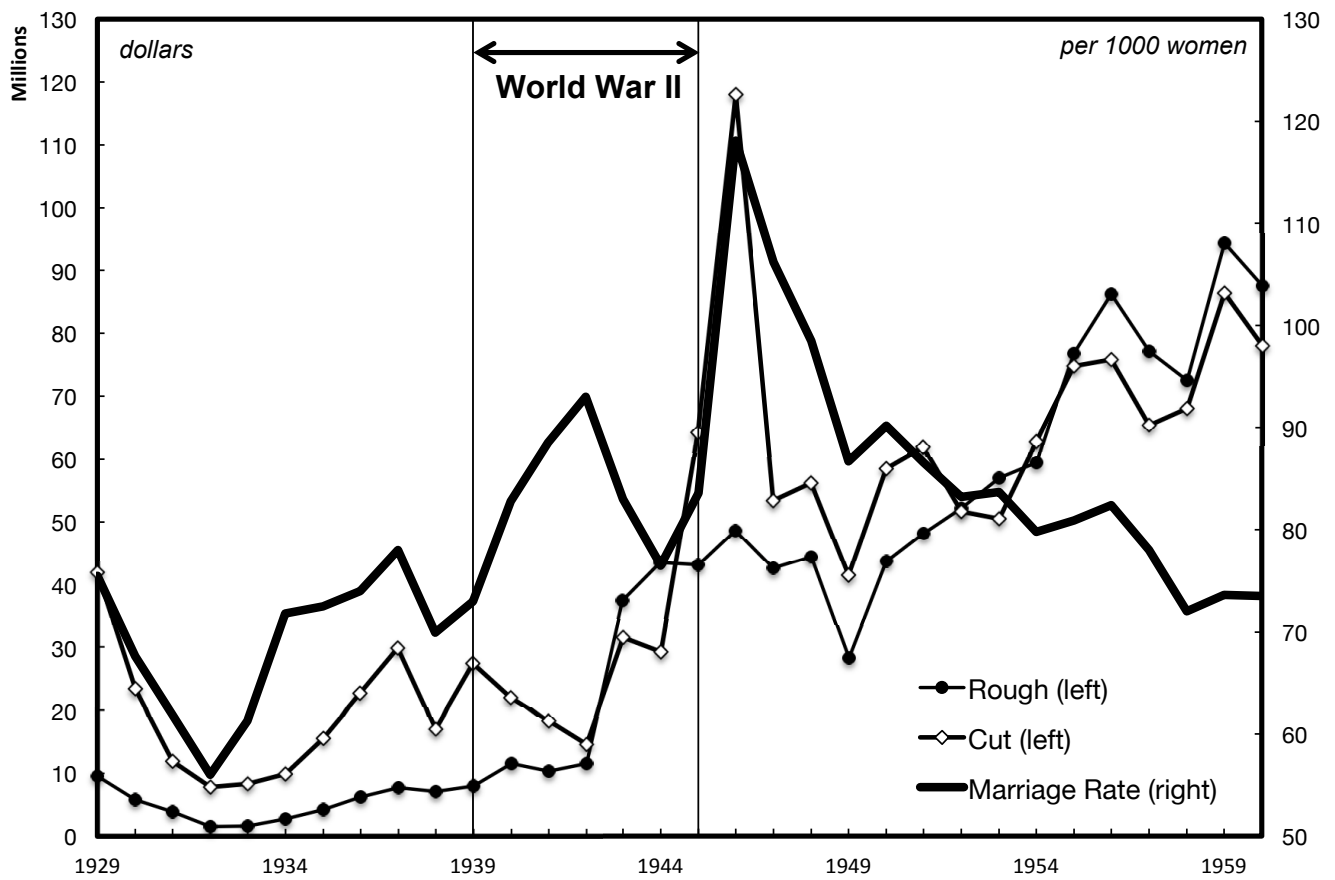


Wartime Accumulation: De Beers v. US, UK and South Africa, 1889-1952

DATA: De Beers: The Times (London), various issues; Investor's Monthly Manual Project, Yale School of Management; S&P500: Online Data Robert Shiller (www.econ.yale.edu/~shiller/data.htm); Banker's and SA Mines: Global Financial Data, series GBALLVM and GBBSAFMM, respectively.

NOTE: De Beers is the indexed market capitalization (preference and deferred shares, plus debentures). S&P500, Banker's and SA Mines are indexes constructed for public corporations in the US, the UK and South Africa. De Beers, Banker's and SA Mines are adjusted for the UK-US Exchange Rate. 1899-1934: Data points are every five years and represent a ten-year moving average. 1939-1952: Data points are annual.

SECOND FIGURE

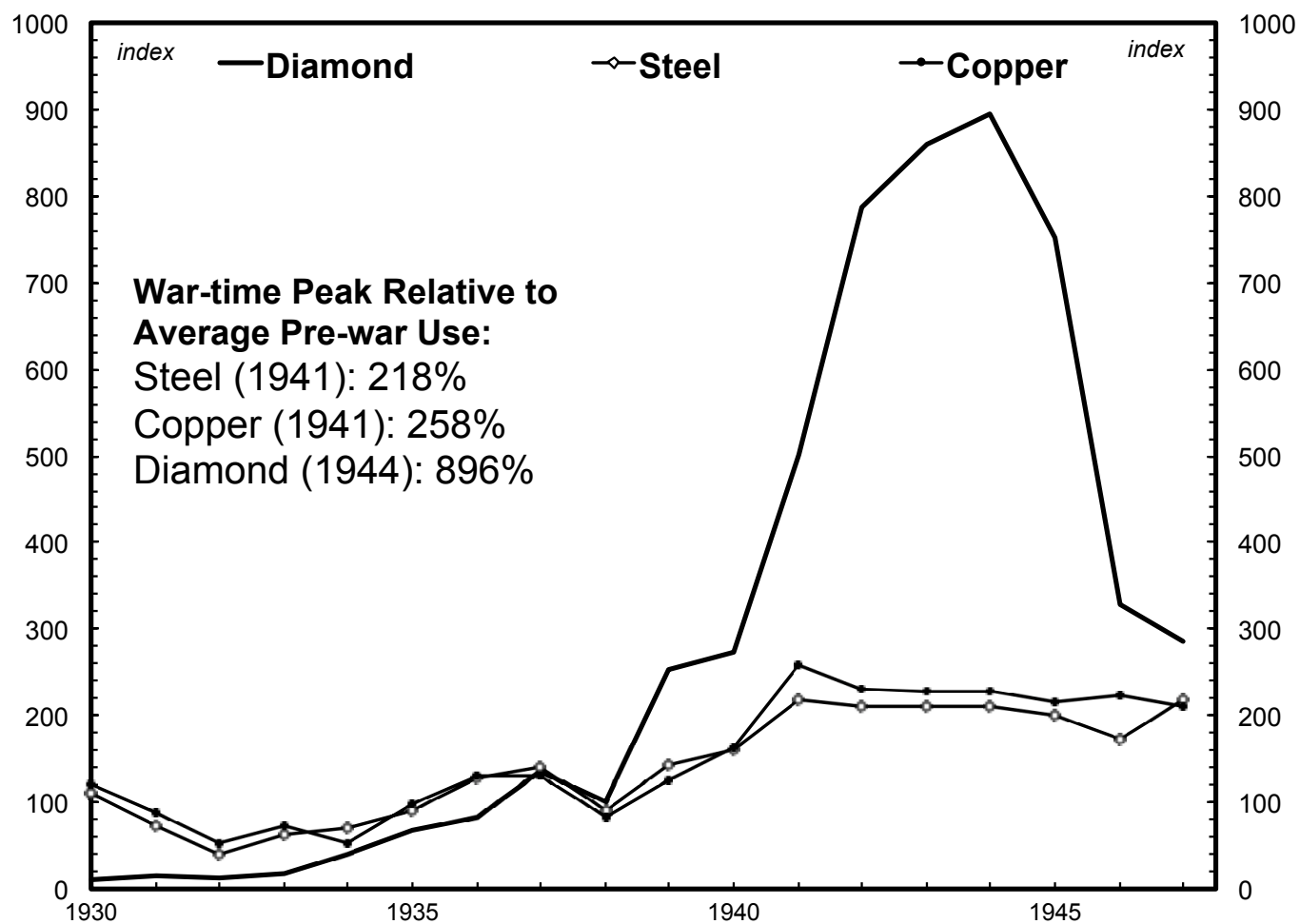


Catalyzing Tradition: Diamonds & Marriage, 1929-1960

DATA: United States Geological Survey, Minerals Yearbook; United States Historical Statistics

NOTE: Rough and cut denote US imports of rough and cut stones in millions of dollars. Marriage rate denotes the number of marriages per 1000 adult women

THIRD FIGURE

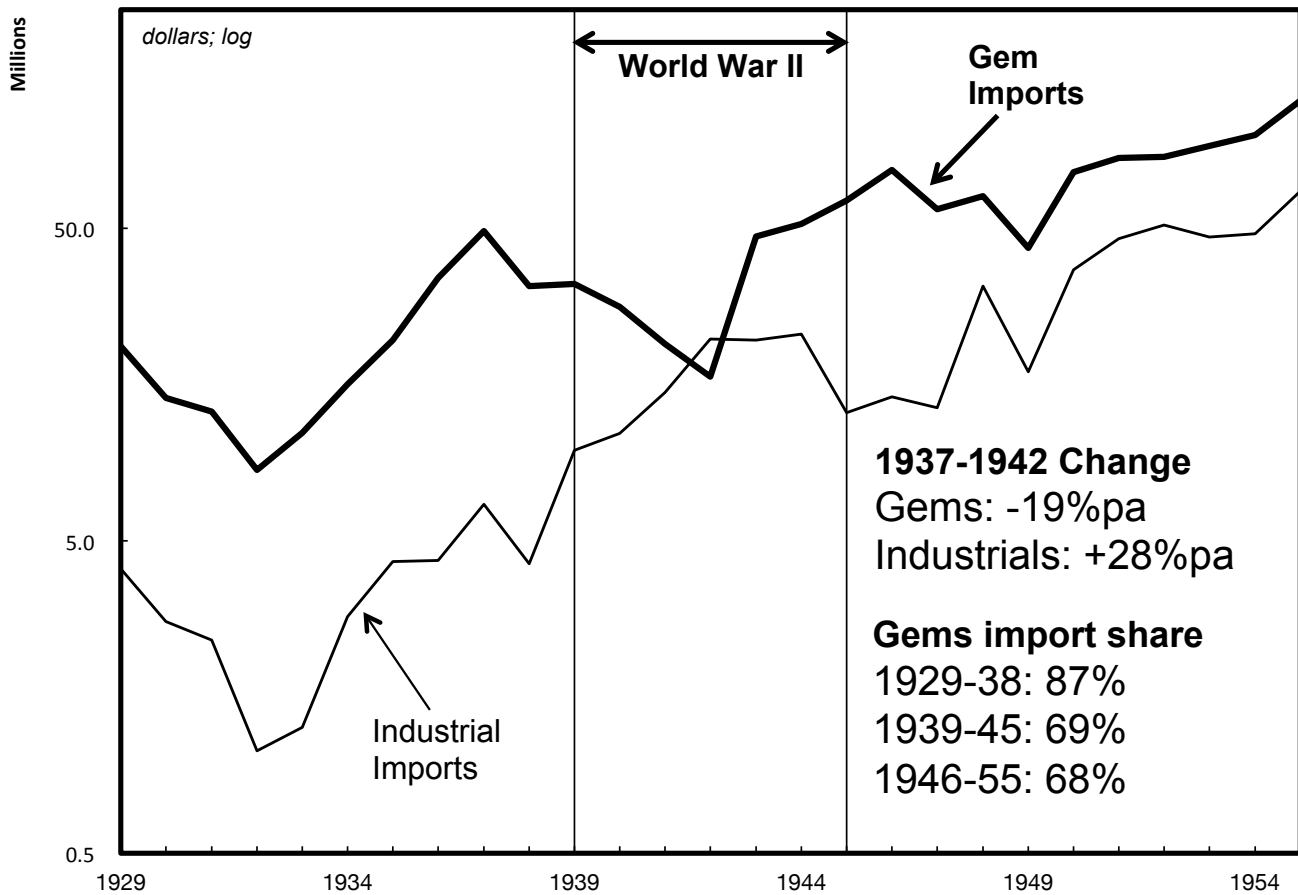


Diamond, Copper and Steel Use, 1930-1947

DATA: United States Geological Survey, Minerals Yearbook.

NOTE: Series are indexed (1931-1940 = 100). Use is based on 'apparent consumption' as reported in the USGS Minerals Yearbook. Apparent consumption is calculated as production plus imports minus exports minus change in stockpiles.

FOURTH FIGURE



Diamond Imports: Industrials v. Gems, 1929-1955

DATA: USGS, Minerals Yearbook; Bureau of Economic Analysis.

NOTE: Both series are the dollar value of imports and U.S. GDP. Industrial diamonds are the value of all imports. Gem imports are the value of rough stones plus cut stones. The value of cut stones have been adjusted for the imputed price of rough stones to exclude the value added from cutting.