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SOCIETY OF THE FRIENDS OF AFRICA

ORIGIN AND HISTORY.

The Society of the Friends of Africa owes its existence to Miss Winifred Holtby. Miss Holtby came to South Africa in 1926 on a lecture tour on behalf of the League of Nations. She then saw the need of the African people for advice and assistance in their struggle for economic and political organisation and advancement.

On her return to England she formed a Committee which decided to send out a man who should provide this assistance. The choice of the Committee fell on Mr. W. G. Ballinger. Mr. Ballinger was Secretary of the Motherwell and Wishaw Trades Council and a member of the Amalgamated Engineering Union. He had also had many years practical experience of consumers' co-operatives in Scotland and had studied consumers' and producers' co-operatives at first hand in Denmark. He was a member of the Town Council of Motherwell and the Parish Council of Dalziel, Scotland.

Mr. Ballinger agreed to accept the Committee's offer of the post they planned. He came to South Africa in 1928, and from that date until the outbreak of war Friends of Africa in London carried the main financial responsibility for his work in this country. The war, however, made the continuation of this responsibility extremely difficult and in 1940 a Committee was formed in Cape Town to take over the work initiated by the London organisation.

Since that date Branch Committees have been established in Pretoria and Johannesburg, subscribing to the aims and accepting the methods of work on which the South African Central Committee at Cape Town was formed, and it is anticipated that other branches will soon come into existence in Durban, East London and other centres.

AIM AND OBJECTS.

The aim and objects of the Society are set out in paragraphs 2 and 3 of the Constitution as follows:

2. Aim:

The aim of the Society is to work for the recognition of the Brotherhood of Man, through the promotion of co-operation and harmony between all races of Southern Africa for the benefit and uplift of all, and with this aim in view to pursue the undermentioned objects.

3. Objects:

The objects of the Society shall be as follows:

- (a) On the basis of the recognition of the sacredness of individual personality, to secure the abolition of all discrimination based solely on race or colour in the laws of the Union of South Africa and all other territories of Africa south of the Equator (hereinafter referred to as Southern Africa) through lawful and appropriate action in the political, economic and social fields.

- (b) To improve the economic and social conditions of the races of Southern Africa, more especially of the members of such races as are employed in mining, farming, commercial and industrial undertakings.
- (c) To extend and safeguard the application of the principles of civil and political liberty in relation to all races of Southern Africa.
- (d) To strengthen the political, economic and social organisation of the African, Coloured and Asiatic races of Southern Africa through the medium of advice, encouragement and assistance.

FIELD.

The field in which Friends of Africa functions is mainly that of industrial organisation and negotiation, and co-operative enterprise.

METHOD.

The method of Friends of Africa is to work as far as possible through the people it is designed to help, helping them to help themselves.

REPORTS.

The Society issues half-yearly reports on its work as well as special reports on particular problems.

INDUSTRIAL ENTERPRISES.

In the industrial field the Society encourages Africans and other under-privileged workers to form Trade Unions. It provides instruction in the methods and functions of trade unions, supplies model rules and provides established concerns with advice on administration and financial control.

Trade unions are now coming into existence in every industrial centre in the Union, small as well as large.

On behalf of the workers it has also initiated requests to the Wage Board for investigation into and regulation of the conditions of employment of lower-paid workers in commerce and industry, and in many cases has prepared and presented the case for the workers. It is estimated that already the office has taken part in negotiations resulting in the covering of over 300 occupations in trades and industries throughout the country with agreements. In a number of cases Mr. Ballinger has been specially summoned by the Board to give evidence on behalf of the workers and to act as the accredited spokesman of the workers.

CO-OPERATIVE ENTERPRISE.

Propaganda in the field of co-operative enterprise has led to the establishment of a number of co-operative trading ventures. These would have been more numerous except for the condition of registration of such societies by the Government, that a society must have sufficient capital in hand to give reasonable hopes of success to the venture.

Four years ago the Registrar of Co-operative Societies paid public tribute to the valuable and unique pioneering work done by Friends of Africa in the field of co-operation for Africans.

OTHER ACTIVITIES.

In addition to these activities the Society continually gives advice and assistance to Africans and others in respect of their difficulties as workers and wage earners.

FINANCE.

The Society needs money, not merely to maintain the present level of work, but to enable it to enter the new fields opening before it with the progressive industrialisation and awakening consciousness of the African people. In addition to Mr Ballinger, the office employs an African Consultant—Mr. Self Mampura, trained in co-operative organisation and practice at the Co-operative College in Manchester.

Our present commitments are nearly £750 per annum and the expansion of our work is hampered only by lack of funds.

WE DO NOT WANT MONEY FOR LARGE SALARIES AND HIGH COSTS BUT FOR MORE WORKERS AND ESSENTIAL TRAVELLING EXPENSES.

WE APPEAL FOR SUPPORT ON THE FOLLOWING GROUNDS:

No other organisation covers the same ground.

The organisation is a practical experiment working towards a democratic society and thus must appeal to those thoughtful people who recognise that a nation can develop only on the increased purchasing power of the lower-paid workers, and can develop peacefully only on a foundation of social justice.

HOW YOU CAN HELP US TO GO FORWARD.

The Society wants thirty Donor Members subscribing £50 each. It could then engage much-needed extra skilled and office personnel for its ever-expanding activities.

WILL YOU BECOME A DONOR OR WILL YOU OBTAIN FOR US DONORS, ORDINARY MEMBERS OR AFFILIATED MEMBERS?

ORDINARY MEMBERSHIP is available by making an annual subscription of £1 or more.

AFFILIATED MEMBERSHIP: Organisations may become affiliated on the payment of a subscription of not less than £10 per annum.

A DONOR preferring to support rather than to join the Society must donate a minimum of £10.

Office Reports will be sent to all Ordinary Members, Affiliated Members and Donors.

Please make your donations or subscriptions payable to:

Allan W. Davis, Hon. Treasurer, Society of the Friends of Africa,
P.O. Box 206, CAPE TOWN.

Race Relations

23/6/1944

BASUTOLAND



Explanatory Memorandum

Basuto National Treasury



Please Return

No. 1/47.

The Basuto Nation will see attached hereto a copy of a Memorandum explaining the proposals for a National Treasury. I desire that my people should carefully study these proposals and give their views fully and openly without fear as to their true opinions in the matter.

After the Nation has thus expressed its views and I shall know what these views are I shall express my final views on the whole matter when it comes before the Council.

'MANTSEBO SEEISO
PARAMOUNT CHIEF.

23rd. June, 1944.

*E. H. Mofolo,
Box 26,
Randfontein.*

BASUTO NATIONAL TREASURY

Explanatory Memorandum

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CHAPTER I.

INTRODUCTION

1. During the early part of 1942 the Resident Commissioner (then Sir Edmund Richards) took up with the Paramount Chief the question of establishing a National Treasury in Basutoland. The matter was discussed at a meeting of the Sons of Moshoeshoe in May of that year, and following the meeting the Paramount Chief agreed with the Resident Commissioner that her representatives should go to the Bechuanaland Protectorate to study the working of the Tribal Treasuries there.

2. In September 1942, therefore, the Government Secretary took the Paramount Chief's representatives to the Bechuanaland Protectorate where they visited Serowe and Kanye and saw the Bamangwato and Bangwaketsi Tribal Treasuries in operation. On their return another meeting of the Sons of Moshoeshoe was held at Matsieng to hear their report and discuss the proposal that a National Treasury should be established in Basutoland.

3. The speakers at this meeting were divided in opinion as to whether a National Treasury should be established or not. The majority of speakers, however, accepted the proposal in principle, and accordingly the Paramount Chief agreed with the Resident Commissioner's suggestion that a Committee should be appointed to work out a draft scheme for the establishment of the National Treasury. The Committee's proposals would then be laid before the Nation and the Basutoland Council.

4. Meanwhile Sir Edmund Richards had left Basutoland and his place as Resident Commissioner had been taken by Lieut.-Colonel C.N. Arden Clarke, C.M.G. It was the new Resident Commissioner who had suggested to the Paramount Chief that a Committee should be appointed, and when this proposal had been accepted his next step was to make a statement to the Basutoland Council regarding the principles underlying the proposed establishment of a National Treasury.

5. The Resident Commissioner's statement (which is set out in the next chapter) was debated by the Council and the conclusion was reached that it was impossible for any decisions regarding the National Treasury to be made until the Committee had put forward its proposals. The Council agreed therefore that the Committee should proceed with its work, and elected four Councillors to the Committee as its representatives.

6. The Committee held its first meeting in January 1943 and after ten days' discussion had put forward a number of proposals regarding the establishment of the National Treasury. One of the main duties of the Committee — the preparation of draft estimates — could not however be attempted at the first meeting owing to lack of information regarding Court fines, the revenues of Chiefs, etc. The Committee accordingly adjourned pending the collection of the required information.

7. The Paramount Chief then sent a circular to all Chiefs instructing them to assist the District Commissioners in supplying this information. A summary of the returns which the District

Commissioners submitted was placed before the Committee at its second meeting in December 1943, and the Committee was able to complete its work by preparing draft estimates.

8. As the Resident Commissioner explained in the last paragraph of his statement to the Basutoland Council (paragraph 23 below), the proposals of the Committee would be placed before the Basutoland Council and the Nation, to give everyone an opportunity of discussing them and, if necessary, putting forward amendments. The Committee has now completed its task and the recommendations it has made are set out in this explanatory booklet for the information of the Basuto people.

9. This booklet is being circulated throughout Basutoland, among the African Auxiliary Pioneer Corps soldiers in the Middle East, and on the mines, so that everyone may have an opportunity of seeing what proposals have been put forward for the establishment of the National Treasury. One point must be clearly borne in mind: namely, that the Committee's recommendations are only recommendations and not final decisions. These recommendations are first being placed before the Nation: they will then be discussed by the Basutoland Council and will be considered by the Paramount Chief. The views of all will thus be obtained. The matter will then be referred to the High Commissioner and the Secretary of State in whose hands the final decision will rest.

10. This explanatory booklet has been set out in the following manner:-

Chapter II: The statement regarding the proposed National Treasury made by the Resident Commissioner to the Basutoland Council at the session in November, 1942.

Chapter III: A summary of the Committee's recommendations, giving a broad outline of the whole scheme which has been put forward.

Chapter IV: A review is given of the main problems which faced the Committee in its deliberations as to the best way of establishing the National Treasury. This review forms the background against which the Committee's proposals should be regarded.

Chapters V — VIII set out one by one the recommendations put forward by the Committee, with an explanatory note after each to show how the recommendation was arrived at.

Chapter V: The constitution of the National Treasury and the Regulations proposed to govern it.

Chapter VI: National Treasury Revenue.

Chapter VII: National Treasury Expenditure in respect of the Chieftainship and the Courts.

Chapter VIII: Other National Treasury Expenditure.

Appendix: Draft Estimates.

CHAPTER II.

RESIDENT COMMISSIONER'S STATEMENT TO THE BASUTOLAND COUNCIL

11. The following is the text of the statement made by the Resident Commissioner to the Basutoland Council at the session held in November, 1942:-

12. "The other day I was reading the "Petition of the Basutoland Council in the name of the Basuto Nation" which was submitted to the King at the Audience which his late Majesty King George V was pleased to grant to the late Paramount Chief Griffith and the deputation of Basuto Chiefs on the 7th. November, 1919.

13. That petition contained three prayers, the third of which was:-

"That in Your Majesty's own good time Your Majesty will extend still further steps in the direction of self-government to the Chiefs, Headmen and people of the Basuto Nation, in terms of the expressed wish of the late Chief Moshesh when he sought the protection of the Government of Great Britain."

14. That was twenty-three years ago and today we are considering a most important step forward in the direction of that self-government, for which the Basuto Nation then prayed — that is the establishment of a Basuto National Treasury.

15. Every government has three sets of functions to fulfil and needs to be given by law the powers necessary to fulfil them. First there is the executive, which includes the making of laws, regulations or rules and the issuing of orders which people are compelled to obey; in Basutoland powers to carry out certain of these functions have been delegated by the Central Government to the Native Administration, i.e. to the Paramount Chief, Chiefs, Sub-Chiefs and Headmen, by the Basutoland Native Administration Proclamation of 1938. The second set of functions is the judicial, to ensure the peaceable and just settlement of disputes and the punishment after fair trial of those who have offended against law or rules or disobeyed lawful orders: here powers to carry out these functions have been delegated to the Native Courts established and working under the Native Courts Proclamation of 1938. The third set of functions is financial, the imposition and collection of taxes, fees and levies and the wise and proper expenditure of the revenue so collected: so far practically no powers to carry out these functions have been delegated to the Basuto Native Administration and everything has to be done by the Central Government and its Treasury.

16. The structure of any government, whether it be of the Central Government or of a local government body like a Native Administration, may well be compared to a three-legged stool. The Basuto stool of self-government has got two legs, the executive and judicial, but it lacks the third, the financial and a three-legged stool with one leg missing cannot stand by itself: it is high time we fitted your stool with its own third leg instead of using the Treasury of the Central Government as a prop to keep it upright.

17. It is the policy of His Majesty's Government to develop and improve the institutions of self-government among all the people of the Empire, to teach them to stand on their own feet. It is for that reason that you Basuto must learn to manage your own National Treasury, to collect your own revenues and expend them wisely in the best interests of the Nation. It has been well said "Probably the best form of education in the art and practice of government is in the exercise of financial responsibility".

18. What I have said may already be well known and fully understood by many of you but I have found that there are many who do not understand these things. For example it has been said to me that there is no need for a second Treasury, a Basuto National Treasury, that you do not find such a thing anywhere except in a few African Territories like Nigeria and Tanganyika and Uganda and the Bechuanaland Protectorate. That, of course is entirely wrong. You find such Treasuries in every country where there is any local self-government. You find them in England, in Australia, in the United States of America, in the Union next door to us. England is divided into counties, the United States and Australia into states, the Union into provinces, and each county, each state and each province has its own Treasury, into which it pays the money it collects in taxes, licence fees, rents, rates, fines, levies, etc., and from which it pays for the various services it renders to the community and the salaries or wages of those engaged on carrying out those services, that is, of its "public servants".

19. Here in Basutoland the Resident Commissioner, the Paramount Chief, the Heads of Departments, the European and Basuto Government officials, the Chiefs, Sub-Chiefs and Headmen are "public servants" charged with certain responsibilities and duties connected with the government of this Territory and its people. You have your own saying "Morena ke morena ka batho". Each public servant should receive a fair and regular salary or wage commensurate with his responsibilities and duties and with the ability and zeal with which he carries them out and serves the people. In establishing a Basuto National Treasury, we shall at the same time be establishing an organised body of Native Administration public servants in whose integrity and efficiency I hope the Basuto Nation will be able to take the same pride as the British take in theirs.

20. I have heard it said that the Basuto are not ready to assume financial responsibilities, that first they should send their sons to be educated in the schools and colleges of England. That is entirely wrong. The Basuto are not such children that they are still incapable of learning how to earn and spend their money wisely. I know many communities, far less advanced and less well educated than the Basuto, who have their own Treasury and conduct it well. It is not in schools and universities that you learn the art of handling money but by practical experience in everyday life. Here in Basutoland is your school and, under the guidance and direction of the High Commissioner and the Secretary of State, I have the honour to be your schoolmaster.

21. I have spoken today only in general terms of the functions and responsibilities which belong to every governing body whether it be the Central Government, a Provincial Council or a National or Tribal Administration, and attempted to show that the

establishment of a Basuto National Treasury is an essential step in the direction of self-government for which you prayed His Majesty the King twenty-three years ago. I realise that the majority of you appreciate this already but there are some who do not. At the meeting of the Sons of Moshesh and other counselors summoned by the Paramount Chief last month at Matsieng to hear the report of the delegation of Chiefs who visited the Bechuanaland Protectorate to study the Native Treasury system there, the large majority were in favour of the establishment of a Basuto Treasury but there was a minority who were opposed to it and it is to that minority and to those others who do not clearly understand what government or the institutions of self-government mean that I have addressed myself today.

22. I have not attempted to describe except in general terms of what the revenues of the proposed National Treasury should consist, for what services it will be responsible, what salaries will be paid or to whom. A practical workable scheme dealing with all these points has yet to be prepared. The Paramount Chief, after consultaion with the Sons of Moshesh and others, has agreed to my suggestion that a Committee should be appointed consisting of representative Chiefs and a number of Government officials who will meet under my Chairmanship to work out a draft scheme and prepare tentative estimates. The Paramount Chief has appointed the following Chiefs as members of that Committee: Chiefs Letsie, Gabashane Masupha, Lerotholi Mojela, Leloko Lerotholi, Maama Lechesa, Khosimotse Ntaote, Mahabe Makhaola and Soko Letsie. The other members will be the Government Secretary, Mr. Kennan, the Financial Secretary, Mr. Russell, and three Administrative Officers. The Committee will have the benefit of the advice of Heads of Departments and others as may be required. I hope to arrange for the first meeting of the Committee as soon as possible after the conclusion of His Excellency's visit next month.

23. When the Committee has completed its task of formulating workable proposals for the National Treasury and preparing tentative draft estimates, it is my intention, after consultation with the High Commissioner and Paramount Chief, that the proposals should be circulated to all District Commissioners, Chiefs and members of this Council, who will be asked to summon pitsos and obtain the views of the people. A special session of this Council will then be summoned in order that members shall have full opportunity of expressing both their own views and those of their people and advancing any criticisms and suggestions. You may rest assured that there will be the fullest consultation and ample opportunity for discussion. This is a matter of national importance and, if real progress in self-government is to be made, the National Treasury must come into being with the goodwill and genuine cooperation of the whole Nation."

CHAPTER III.

SUMMARY.

The Committee's recommendations may be summarised in broad outline as follows:-

24. A National Treasury should be established at Matsieng under the control of the Paramount Chief who will be advised and assisted by a Finance Committee representative of all the districts and sub-districts of Basutoland (paragraphs 51 and 53).
25. The Treasury will be conducted by a Treasurer who will have a staff of officials and clerks at Matsieng with a sub-accountant and a number of clerks in each district (paragraphs 58 and 82).
26. The Committee has laid down rules in accordance with which the Treasury is to be conducted and has prescribed the duties of the Finance Committee (paragraph 53), how annual estimates are to be prepared (paragraph 54), how provision is to be made for additional and new expenditure (paragraph 55), what the Reserve Funds should be (paragraph 56), the duties of the Treasurer and his staff (paragraph 58), the accounting procedure to be adopted (paragraph 59) and what audit and surprise checks are to be carried out (paragraph 60).
27. The Committee has recommended that the National Treasury should be responsible for all expenditure involved in carrying out the duties and responsibilities which have been delegated to the Basuto Native Administration, that is the executive and administrative work performed by the Chieftainship and the work of the Basuto Courts (paragraphs 42 — 47). In addition to these duties the Committee recommended that the Native Administration should now take over from Government the responsibility for the collection of the Native Tax (paragraph 69) for the maintenance of anti soil-erosion works which have been handed over to the people (paragraph 90 (2)), for the village tree planting campaign (paragraph 90 (1)), and for the receipt, disbursement and proper accounting of its own revenues and expenditure. Other duties could be assumed as the Native Administration proved its capacity to take them over from Government (paragraphs 50 and 86).
28. The Committee was of opinion that the existing system whereby the Chieftainship was "fed" by "eating" the fines imposed by the Courts and the proceeds of the sale of stray stock led to abuse and was open to serious objection (paragraph 41). Under this system the numbers of Chiefs, Sub-Chiefs and Headmen who had been "placed" and the numbers of Courts which had been established were far in excess of the numbers required by the Nation in the interests of efficient administration and of justice (paragraphs 44 — 45). The time had come when the Basuto Nation should adopt the practice, which other countries have found it necessary to adopt in the interests of the people, and pay allowances or salaries to those engaged on the work of the Basuto Native Administration and ensure that all public moneys collected by its public servants are brought properly to account and paid into the revenues of the Native Administration. It would not however be justifiable nor would it be possible to pay these allowances

or salaries unless the numbers of the recognised Chiefs, Sub-Chiefs and Headmen and the numbers of the Courts were reduced to more reasonable proportions (paragraphs 42 — 46).

29. The Committee accordingly recommended that allowances should be paid to the Paramount Chief and to Ward Chiefs and that provision should be made for the remuneration of those Chiefs, Sub-Chiefs and Headmen whose work and responsibilities justify the payment of an allowance (paragraph 42). After this system has been adopted, no Chief, Sub-Chief or Headmen shall be recognised as such until he has received a Certificate of Appointment setting out his duties, powers and jurisdiction as an executive and administrative official of the Native Administration (paragraph 47).

30. As regards the Courts, the Committee considered that the present 1,340 Basuto Courts of Record were grossly excessive and should be reduced to 117 which would be sufficient for the administration of justice and would adequately meet the needs of the people. In the districts all the Courts should be Courts of the Ward Chief who would decide the area of jurisdiction and headquarters of each Court and would appoint the members of each Court in his Ward. From all the Courts in a Ward appeals would lie direct to one Appeal Court, that of the Ward Chief, and thence direct to the Paramount Chief's Appeal Court at Matsieng (paragraphs 46 and 77). Sub-Chiefs and Headmen should be allowed to hold Courts of Arbitration for the settlement of minor domestic disputes but such Courts of Arbitration would have no criminal jurisdiction nor any power to inflict punishment by way of fine or imprisonment and would not be Courts of Record nor would they be allowed to impose any fees (paragraph 47). At Matsieng the Committee recommended there should be three Courts of the Paramount Chief and two Circuit Courts of Appeal all of equal status and from all of which appeals would lie direct to the Subordinate (i.e. the District Commissioners') Courts (paragraph 76). The Committee considered that the time had come to impose fees in the Basuto Courts (paragraph 65) and to pay a subsistence allowance of one shilling a day to witnesses (paragraph 81 (3)). If these proposals were adopted it would be possible and it would be right and desirable to pay salaries to all those engaged on the work of the Basuto Courts of Record. The Committee made provision accordingly in its draft estimates of expenditure (paragraph 78).

31. The Committee also made provision for the payment of salaries to the Treasurer and his staff engaged on the work of the National Treasury (paragraph 82) as well as for the performance of those other duties such as collection of tax (paragraph 80 (3)), maintenance of anti soil-erosion works and the village tree planting campaign which the Committee recommended that the Native Administration should take over from Government (paragraph 90).

32. The Committee considered that the revenue of the Treasury should consist of all fees and fines collected by the Basuto Courts (paragraphs 64 and 65) and the proceeds of the sale of unclaimed stray stock (paragraph 67) together with an annual grant from the Government Revenues, which should be expressed either as a percentage of the Native Tax or of the total annual

revenue of the Territory as the High Commissioner might decide, sufficient to enable the Treasury to meet its obligations (paragraph 63). The Committee suggested certain new means of raising additional revenue which might be adopted at a later stage after the Treasury had been established and was in a position to undertake new and additional duties and services (paragraph 68).

33. The Committee further recommended that the Government should make a special grant from its accumulated surplus balance to the National Treasury to establish the Special Reserve Fund and provide the working capital required in the first year of the Treasury's life (paragraph 57). It also proposed that Government should meet the expenditure on building and equipping the offices and staff quarters required for the National Treasury and its staff at Matsieng and in the districts (paragraph 92).

34. It will be seen that the Committee's recommendations provide for remedying defects and improving the efficiency of the present executive and judicial machinery of the Native Administration (paragraphs 42 — 47), for carrying out duties connected with the receipt, disbursement and proper accounting of its revenues and expenditure and for taking over the responsibility for certain existing services from the Government (paragraph 50). Most of the expenditure recommended is on allowances and salaries. The Committee considered that new services should not be undertaken until the Native Administration had proved its capacity and the National Treasury was in working order (paragraph 68).

35. The revenues of the National Treasury from Court fines and fees and stray stock are estimated to amount to £22,000 per annum. The expenditure recommended by the Committee amounts to £85,000 and Government will therefore have to make a grant of £63,000 per annum to the National Treasury to enable it to meet this expenditure. Of this £63,000 Government is already spending £21,000 on services which are to be transferred to the National Treasury, and the difference of £42,000 represents the amount of new money which Government will have to find in order to finance the National Treasury. In addition it is recommended that Government should provide the offices and equipment required by the National Treasury at the start and that it should make a grant of £49,000 from its accumulated surplus balances to form the Special Reserve and Working Capital of the National Treasury's Reserve Fund (paragraph 93).

CHAPTER IV.

THE BACKGROUND to the COMMITTEE'S PROPOSALS.

36. The Committee which was appointed to draw up a draft scheme and prepare draft estimates for the National Treasury consisted of the following members:-

Chairman: His Honour the Resident Commissioner,

Members nominated by the Resident Commissioner:-

The Government Secretary,	} (District Commissioners).
The Financial Secretary,	
E.G. Dutton, Esq., O.B.E.,	
H.J.D. Elliot, Esq.,	
F.I. Parnell, Esq. (Assistant District Commissioner) Secretary to the Committee.	

Members nominated by the Paramount Chief:

Chief Letsie Motsoene	Chief Leloko Lerotholi
" Gabashane Masupha	" Mahabe Makhaola
" Soko Letsie	" Khosimotse Ntaote
" Lerotholi Mojela	" Maama Lechesa

Members appointed by the Basutoland Council:

Chief Theko Makhaola	Chief Mopeli Jonathan
" Makhobalo Theko	Mr. Z. D. Mangoaela.

Owing to the absence of Chief Khosimotse Ntaote on other duties his place at both meetings was taken by Chief Bolokoe Malebanye. Chief Theko Makhaola was prevented from attending the second meeting by his return to the Middle East.

37. The duty of the Committee was, to quote the Resident Commissioner's phrase in paragraph 16 above, to see how the third leg could be fitted to the Basuto Native Administration stool. The first two legs, the executive and judicial functions of Government, are already there and have been clearly defined by the Native Administration and Native Courts Proclamations of 1938 (the "Khubelu"). The third leg, the financial function of Government, does not yet exist in the Native Administration stool, the Central Government carrying out all the financial work of the Territory.

38. The principle underlying the establishment of the National Treasury is that the Native Administration and the Central Government should in future share the financial function between them, just as at present they share between them the executive and judicial functions of Government. The Committee's problem was decide how much of the financial work the Native Administration should take over.

39. The financial function of government consists of the collection of revenue from various sources (e.g. Native Tax, Poll Tax and Income Tax on Europeans, Customs and Excise Duty, Licence Fees for traders etc., Wool and Mohair Export Duty etc.), and the expenditure of the money so obtained on the various services performed by Government (e.g. the Resident Commissioner and his staff at Headquarters, the District Com-

missioners and their staffs, the Police and Prisons Department, the Medical, Education and Agricultural Departments etc.). Among the services performed by Government are included the payment of allowances to the Paramount Chief and certain Chiefs, and the payment of tax gratuities. The Committee recommended that when the National Treasury is started, it should pay allowances to the Chiefs and Government should cease paying them: similarly, that tax collection should be carried out by the Native Administration and the National Treasury should pay those responsible for the collection, Government ceasing to pay tax gratuities.

40. With regard to revenue, the Committee recommended that the National Treasury should be accorded a share of the total revenue of the Territory (paragraph 63 below), that all fees and fines received by Native Courts should be paid into the National Treasury (paragraphs 64 and 65) and that the proceeds of the sale of unclaimed stray stock should go to the National Treasury (paragraph 67).

41. These items of revenue are fully discussed in the paragraphs referred to, but it is necessary to draw attention here to the very important proposal that Court fines should no longer go to the Chief but should be paid into the National Treasury. Section 34 of the Native Courts Proclamation (No. 62 of 1938) lays down that the High Commissioner may make rules governing the disposal of Court fines, and the explanatory note to this section in the "Khubelu" states "At present fines go to the Chief... later on it may be considered desirable that these fines and any Court fees should be paid into a special fund or into general revenue and that Chiefs etc. and members of the Court should be paid salaries." The Committee felt that the time had now come for the fines to be paid into the Treasury and for the Chiefs and Court members to be paid allowances. It is obvious that the system is open to abuse whereby a Chief depends for his salary on the fines which he imposes. This practice was discarded long ago by the Governments of all civilised countries, and the Committee agreed that Basutoland should now follow their example. Similar considerations led to the recommendation that proceeds of the sale of unclaimed stray stock should be paid into the National Treasury (see paragraph 67 below).

42. These proposals lead to the question of National Treasury expenditure. Court fines and stray stock at present go to the Chieftainship. If they are to be paid into the National Treasury, then the latter must pay allowances to the Chieftainship instead. The Committee recognised that it would be the National Treasury's first duty to pay allowances to the members of the Native Administration, and the following recommendation was made as a basis on which to work:-

"As far as funds permit, allowances in accordance with their standing and responsibilities should be paid to those Chiefs, Sub-Chiefs and Headmen whose services to the Native Administration warrant it, and fixed salaries should be paid to members of the Native Courts."

43. The proposal that allowances or salaries should be paid to members of the Native Administration made it necessary for

the Committee to review the present establishment of the Native Administration to see whether any modifications were necessary in order to make the payment of salaries more practicable. The first question that naturally arose concerned the very large number of Chiefs, Sub-Chiefs and Headmen and the almost equally large number of Courts.

44. In dealing with this problem the Committee decided at the outset that the executive functions of the Chieftainship could, and in fact should, be considered separately from the judicial function. The executive duties of Chiefs are to see that orders issued by the Paramount Chief are made known and enforced among the people, to issue under the direction of the Paramount Chief such orders as may be necessary for the proper control and regulation of matters committed to their charge, to allocate land and control reeds and thatching grass and open veld in accordance with Basuto custom and generally to prevent crime and maintain peace and good order among their people. The judicial function is concerned with the settlement of disputes and the punishment of offenders in and by the Courts (see paragraph 15 of the Resident Commissioner's statement). Although this distinction is clear it was not understood when the Native Administration and Native Courts Proclamations were introduced in 1938, for practically every Chief, Sub-Chief and Headman who was given recognition under the first Proclamation was also given a Court Warrant under the second Proclamation, irrespective of whether all these Courts were necessary for the needs of the people and the requirements of justice.

45. For a number of reasons the Committee came to the conclusion that the number of Courts established by Warrant is far in excess of the requirements of justice. Firstly, returns submitted by District Commissioners showed that the majority of cases taken by Native Courts are heard by the Senior Courts. These Senior Courts, mainly Chiefs' Courts, are very few in number yet they take more cases than all the Minor Courts put together. Secondly, adequate supervision of all these Courts both by the Chiefs' Courts and by the District Commissioners is impossible, and irregularities which may occur in the Minor Courts and which might lead to injustice are seldom disclosed. Thirdly, the large number of Courts makes the taking of appeals a very long and tedious business. At present an appellant may have to go through as many as four Courts to get from his Headman's court to Matsieng. It is necessary in the interests of justice that the taking of appeals should be simplified. Lastly, the Committee was concerned with the payment of salaries to Court members, and it was obvious that the National Treasury would be unable to afford the payment of salaries to members of the existing 1,340 Courts.

46. In the light of these considerations the Committee recorded the following opinion:-

"The number of Courts at present established by Warrant is grossly excessive, leading to delay and inefficiency in the administration of justice. It is not essential for the proper administration of justice that every Sub-Chief and Headman should have a Court. There should be sufficient Courts established to render justice readily available for everyone."

The Committee went on to recommend that the number of Courts of Record should be reduced, and that in each Chief's ward all the Courts should be the Courts of the Chief (paragraph 77). The reduction of Courts from the existing establishment of 1,340 to a proposed establishment of 117 makes it possible for the National Treasury to pay salaries to Court members.

47. The recommendation that Courts should be reduced and that all Courts should belong to the Chiefs means that Sub-Chiefs and Headmen will no longer conduct Courts of Record, unless they are appointed by the Chief to preside over one of the Chief's Courts. In making this recommendation the Committee fully realised that Sub-Chiefs and Headmen would still be able to exercise their executive authority and carry out their duties without having Courts of Record (see paragraph 44). In order to define the duties of the Chieftainship it was proposed that "Certificates of Appointment" should be issued to Chiefs, Sub-Chiefs and Headmen setting out their powers and duties in accordance with the provisions of the Native Administration Proclamation (No. 61 of 1938), and defining the areas over which their authority would be exercised. In addition it was proposed that Sub-Chiefs and Headmen should be given power to conduct Courts of Arbitration for the settlement of minor civil disputes. These Courts of Arbitration would have no criminal jurisdiction, and would not have the power to try or to punish people charged with offences by fine or imprisonment nor would they be allowed to impose fees. It would be the duty of Sub-Chiefs and Headmen to pass on to the nearest Court of the Chief all criminal cases and all serious disputes. **The Committee recommended that no one should be liable to be fined until he has been duly tried and sentenced in a legally constituted Court.** The establishment of Courts of Arbitration would make it unnecessary for the people to travel to the Chief's Court for the settlement of their petty civil disputes, unless they wished to do so.

48. The explanation which has been given above of the Committee's recommendations regarding the Chieftainship and the Courts should help to dispel certain rumours which have been circulated in the Territory concerning the Committee's proposals. It has been said, for example, that the rights of Chiefs are being taken away. That this is not so is shown by the proposal that "Certificates of Appointment" should be issued to recognised members of the Chieftainship defining their lawful authority. The fact that it is proposed to reduce the number of Courts of Record, and to put them all in the hands of Chiefs, and to give Sub-Chiefs and Headmen power to conduct Courts of Arbitration, does not mean that rights are being taken away. **Courts are not money-making machines for Chiefs, Sub-Chiefs and Headmen.** Their purpose is to ensure the even-handed application of the law without fear or favour to all alike and the just and peaceful settlement of disputes in a manner that is satisfactory to the people. If the Courts are too many, they cannot be properly supervised, justice may not be administered and appeals have to go through too many courts before a final decision is given. If Courts are too few, people will not have ready and easy access to them and will be dissatisfied. If judges depend for their salaries on the fines they inflict, they may be biased in their judgments and impose fines that are too severe. The Committee

has based its recommendations on the need for justice and the rights of the people and there is no intention to deprive the Chieftainship of any of its lawful rights.

49. Another rumour has been circulated to the effect that "Moshoeshoe is being starved", and this probably refers to the proposals that Court fines and stray stock should go to the National Treasury. It has been shown, however, that Court fines and stray stock will continue to feed Moshoeshoe, for they will be paid into the National Treasury and from them the National Treasury will pay allowances to the Chieftainship. It should be mentioned here that although the Committee gave consideration to the suggestions that the proceeds of lira lands and of the sale of reeds and thatching grass should also be paid into the National Treasury, these suggestions were rejected by the Committee as it was felt that they would constitute an infringement of the customary rights of Chiefs.

50. Having considered the main items of expenditure which the National Treasury will have to face (the payment of allowances to Chiefs and members of the Courts), the Committee went on to recommend certain other services which it considered the National Treasury should carry out. These services are set out in the chapters on National Treasury expenditure, and include tax collection (paragraph 69), tree planting and the maintenance of consolidated anti-erosion works (paragraph 90) etc., etc. These are services which are at present carried out by Government, and it was made clear in the Committee that in deciding how much of its revenues it would grant to the National Treasury, Government would take into account the fact that the National Treasury was taking over some of the expenditure now incurred by Government. Similarly, as the National Treasury progresses and takes over more services from Government and develops new services of its own, so the revenue of the National Treasury would be increased by transferring a greater share of the Government revenue, by developing and expanding existing sources of revenue, by finding new sources of revenue, or by a combination of these methods to enable it to carry out the services. This, however, is looking far ahead. The Committee was concerned only with the establishment of the National Treasury and the work which it will carry out at the start. The following chapters set out the recommendations which the Committee made in this respect.

CHAPTER V.

CONSTITUTION of the NATIONAL TREASURY
and NATIONAL TREASURY REGULATIONS.

Establishment
and control of
National
Treasury.

51. Recommendation.

(1) One Treasury should be established, situated at Matsieng, with Sub-Accountants in each of the nine Districts and Sub-Districts. The Sub-Accountants should for the time being work at the District Commissioners' (or Assistant District Commissioners') Offices thus ensuring for them the guidance which will be necessary at first.

(2) The Paramount Chief should be generally responsible for the conduct of the National Treasury, which should be subject to such supervision and control by Government as is necessary to prevent waste and misappropriation.

Notes or Explanation.

Although there are a number of tribes in the Territory (e.g. the Batlokoa, Makhoakhoa, Bataung, etc.) all are regarded as Basuto and the Basuto all owe allegiance to a single head, the Paramount Chief. It is obvious, therefore, that at first one Treasury only should be established and that it should be under the control of the Paramount Chief. As the conduct of financial matters is entirely new to the Native Administration it will be necessary for Government to maintain close supervision over the National Treasury. For this purpose it is proposed to post a Government Officer for full time duty in an advisory capacity at Matsieng. The supervision and guidance of the Sub-Accountants will be in the hands of the District Commissioners and the Assistant District Commissioners at Butha Buthe and Mokhotlong.

Note.

52. Paragraphs 53 — 61 set out the regulations which the Committee drafted to govern the working of the National Treasury. The Regulations are based on those in force in Tribal Treasuries in the Bechuanaland Protectorate and have been adapted to suit conditions in Basutoland.

Constitution,
Powers and
Duties of
Finance
Committee.

53. FINANCE COMMITTEE

(1) There shall be appointed a Finance Committee consisting of two representatives from each of the nine Districts and Sub-Districts, one from each District or Sub-District to be nominated by the Paramount Chief and the other to be elected by the Basutoland Council. Not less than 12 members shall form a quorum. Members shall hold office for a period of one financial year, and will be eligible for re-nomination or re-election. Persons who are not members of the Basutoland Council shall also be eligible for nomination or election.

(2) The Paramount Chief will appoint a suitable and competent person as Secretary to the Committee, who will be responsible for convening the meetings and keeping the minutes. The Secretary will have no vote.

(3) The duties of the Committee will be:-

(a) To advise the Paramount Chief and Nation regarding national finance.

- (b) To consider and to coordinate all demands made for national services.
- (c) To prepare estimates for consideration by the Paramount Chief and Basutoland Council.
- (d) To make recommendations for the re-allocation of any provision in estimates or for any additional provision.
- (e) To supervise generally the National Treasury.
- (f) To conduct on behalf of the Paramount Chief surprise checks and visits of inspection at the offices of the Treasurer and Sub-Accountants.

(4) The Committee will meet at least once a quarter in February, May, August and November, and shall meet at other times as it may resolve or when directed by the Paramount Chief or at the request of any six members. At all meetings it will elect its own Chairman. For the first year or for a longer period if the Resident Commissioner considers it necessary an Administrative Officer appointed by him shall attend all meetings in an advisory capacity; such officer shall have no vote.

(5) Every member of the Committee shall have a vote and questions shall be decided by a majority of votes, the Chairman having a casting vote if the number of votes is equal.

(6) The Committee may invite any person to attend its meetings with a view to obtaining from that person evidence or expert advice on any given subject. Any person so invited shall have no vote.

(7) The Committee shall have full power to call for and examine any records, etc. relating to any of the financial transactions of the Native Administration.

(8) All proceedings of the Committee shall be submitted to the Paramount Chief and no resolution shall be valid unless and until his confirmation in writing has been received.

(9) At the regular quarterly meetings a statement prepared by the Treasurer on the prescribed form will be placed before the Committee showing all revenues collected and all expenditure to date as compared with that for the corresponding period in the previous year. All items shall be open to discussion. The Committee should make a point of inquiring into the progress of any work or contracts on hand and the Treasurer will answer all questions of a relevant character. In the early stages of the National Treasury all Sub-Accountants may be required to attend the regular quarterly meetings of the Finance Committee.

(10) In its deliberations the Committee must remember that it is dealing with public moneys; that the object of its existence is the safeguarding of public moneys, and that it is in a position of trusteeship to see that these moneys are spent in the best possible manner, not for the benefit of any individuals but for the welfare and advancement of the Nation.

Notes or Explanation.

It is customary for the Paramount Chief to have advisers to assist in administrative and judicial matters, and the Committee considered that the formation of a Finance Committee was necessary for the assistance of the Paramount Chief in conduct-

ing the National Treasury, which will not only be an important branch of the Native Administration, but will involve an entirely new type of work. The proposal that the Finance Committee should consist of two members from each District and Sub-District was designed to ensure that it would be truly representative of the whole Territory.

Estimates.

54. ESTIMATES.

- (1) Draft estimates will be prepared by the Finance Committee and submitted for the consideration of the Paramount Chief and Basutoland Council. After consideration by the Council, the Paramount Chief will cause the draft estimates to be forwarded in the prescribed form before the 31st. October of the year preceding that to which they relate to the Resident Commissioner for his consideration.
- (2) No expenditure under the estimates may be incurred until the approval of the High Commissioner has been received.
- (3) Estimates of revenue and expenditure will be prepared on the prescribed forms.

Notes or Explanation.

As the High Commissioner's approval of the estimates is required before any expenditure may be incurred, the proposed estimates must be sent forward in good time to enable this approval to be given before the financial year begins.

The financial year of the National Treasury will be the same as that for Government, namely 1st. April one year to the 31st. March the next year.

The estimates must be submitted in the same form every year so that the revenue and expenditure for one year can be compared with that of previous years.

Sources of
revenue.**REVENUE**

- (4) Revenue will be derived from:-
 - (i) such percentage of the Native Tax or of the total revenues of the Territory as may be approved by the High Commissioner,
 - (ii) all fees and fines imposed and collected by Native Courts,
 - (iii) such other items as may be approved by the Resident Commissioner after consultation with the Paramount Chief.

Notes or Explanation.

See chapter VI for Revenue recommendations.

Categories of
Expenditure.**EXPENDITURE**

- (5) Estimates of Expenditure will be divided into three sections:-

(A) Administration, Heads I — VI	}	Recurrent Expenditure
(B) Development, Heads VII — XII		
(C) Capital Works		

A. Administration. In this section will be shown under the appropriate head and sub-head the amounts payable to the personnel of the Native Administration, and such other items of expenditure on Administration as may be recommended.

B. Development. In this category provision will be included under the appropriate head and sub-head for the maintenance of Native Administration buildings and works, e.g. water supplies, consolidated anti soil-erosion works and dams, etc. for the wages of the employees engaged on these works, for medical and agricultural, etc. expenditure, for the purchase of stationery, etc. and for contingencies.

C. Capital Works. In this section will be specified in detail items of non-recurrent expenditure, e.g. new Native Administration buildings, roads, transport lorries, etc.

Notes or Explanation.

See chapters VII and VIII for Expenditure recommendations.

55. **RE-ALLOCATIONS — ADDITIONAL and NEW EXPENDITURE**

Regulations governing expenditure.

(1) No expenditure shall be incurred in any financial year on any service for which provision has not been made in the approved estimates for that year. The authority for expenditure provided in the approved estimates lapses at the end of the financial year to which such estimates refer and if the whole or portion of any lapsed provision is required for the service subsequently it may not be expended without the prior approval of the High Commissioner. If, however, the Finance Committee considers it necessary to re-allocate expenditure from one head or sub-head of the estimates to another or from one item of capital expenditure to another, the Committee will submit a resolution to the Paramount Chief who will forward it with his recommendation to the Resident Commissioner and no action will be taken pending the Resident Commissioner's decision. Re-allocations between recurrent (Heads I — XII) and capital services will not be made.

(2) Additional expenditure on any service for which provision has been made in the approved estimates may only be incurred on a resolution of the Finance Committee submitted by the Paramount Chief with his recommendation and approved by the Resident Commissioner. Any such proposal for additional expenditure will be subject to the proviso that the total expenditure will not thereby exceed actual revenue in the financial year concerned, and that it is not necessary to draw from the Reserve Fund to meet the excess.

(3) Applications for new expenditure on services for which provision has not been made in the approved estimates will require the approval of the High Commissioner.

Notes or Explanation.

These regulations follow very closely those which govern Colonial Governments and are designed to ensure that the expenditure approved by the High Commissioner in the estimates (see paragraph 54 (2)) is disbursed in the proper manner. To take one example, if the expenditure under a head is unexpected-

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