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## A HISTORICAL CONTEXT OF LESOTHO'S INTEGRATION INTO THE 1910 CUSTOMS UNION AGREEMENT, 1870s-1910s

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### ABSTRACT

*This paper chronicles the historical context of Lesotho's (then Basutoland) integration into the 1910 Customs Union Agreement. The paper examines the period of colonisation, colonial state-making and integration of Lesotho into the regional market economy that emerged after the discovery of minerals in modern-day South Africa (1870s-1910s). Using historical sources, it explores changing regional politics, conditions, economic formations, and social order in the second half of the nineteenth century. The paper argues that the British's integration of Lesotho into the customs union must be situated within shifting regional politics and power dynamics of this period. On the one hand, the British integrated the country into the customs union as part of its long-term plan to ultimately incorporate Lesotho into South Africa. Along with colonial tax, the inclusion of Lesotho into the customs union was, at the time, a temporary measure to solve the problems of lack of viable economic options towards financing the colonial administration before the country could finally be incorporated into South Africa. On the other hand, the paper advances that the sequence of events leading to the integration of Lesotho as well as the role that the Basotho played, and their resistance to British imperial policy, contributed significantly in shaping the nature of integration into the customs union in 1910. Due to the Basotho's history of alliance formation and resistance, the British were forced to cautiously approach the subject of incorporation. As a corollary to this, they had to acknowledge Lesotho as a geopolitical entity while claiming suzerainty and economic control.*

**Keywords:** Southern African Customs Union, 1910 Customs Union Agreement, Lesotho, Basotho, Colonisation, Economic Integration, Resistance, South Africa, Tax and Customs

## 1. INTRODUCTION

This paper explores a scantily researched area in the economic history of Lesotho<sup>1</sup>: the story of how Lesotho's economy was integrated into the regional colonial economy through one of the earliest customs arrangements in the world, the Customs Union Convention (CUC) between the Cape Colony and the Free State, in 1891, laying the basis for Lesotho's membership of CUC's successors, the Customs Union Agreement in 1910 (CUA) and, then, Southern Africa Customs Union Agreement (SACUA, better-known simply as SACU) in 1969.<sup>2</sup>

Lesotho is landlocked within the regional economic giant, South Africa. To-date, the country is dependent on imports from, and through, South Africa, foreign direct investment, foreign aid, and SACU revenues, constituting an average of about 60 per cent of the national income.<sup>3</sup> During the colonial and postcolonial periods, the ordinary Basotho depended on mining wages, remittances, and small-scale agriculture as well as small businesses.<sup>4</sup> Consequently, the country has been labelled as a "dependent economy".<sup>5</sup> Reacting to acute poverty and perpetual political instability, arguments for and against Lesotho being the tenth province of South Africa, continue to be heated in the everyday popular discourses and scholarly debates.<sup>6</sup>

With few studies published, the economic history of Lesotho is still in its infancy. Elizabeth Eldredge studied Lesotho's political and economic organisation and production in the nineteenth century.<sup>7</sup> In his seminal paper,

1 The name Lesotho was made official in 1966 to refer to the territory known as the Basutoland in the colonial era. In this paper, Lesotho is used to refer to the territory throughout the pre-colonial and colonial period. The name Basutoland appears in quotations and is used as a descriptive term for laws, institutions, and so on.

2 The 1910 Customs Union Agreement assumed became the Southern African Customs Union in 1969.

3 Central Bank of Lesotho, *Lesotho Central Bank economic review* (Maseru: Central Bank of Lesotho, 2012), p.3.

4 C Murray, "From granary to labour reserve: An economic history of Lesotho", *South African Labour Bulletin* 6 (4), 1980, pp. 3-20; C Murray, *Families divided: The impact of migrant labour in Lesotho* (Cambridge: Cambridge University Press, 1981); S Maliehe, "An obscured narrative in the political economy of colonial commerce in Lesotho, 1870-1966", *Historia* 59 (2), 2014, pp. 28-45; S Maliehe, "Money and markets for and against the people: The rise and fall of Basotho's pre-colonial economic independence, 1833-1930s". In: K Hart (ed.), *Money in the human Economy* (Oxford: Berghahn Press, 2017), pp. 229-249.

5 M Ward, "Economic independence for Lesotho?", *The Journal of African Studies* 5 (3), 1967, pp. 355-368; P Wellings, "The 'relative autonomy' of the Basotho state: Internal and external determinants of Lesotho's political economy", *Political Geography Quarterly* 4 (3), 1985, pp. 267-352; M Lundahl and L Peterson, *The dependent economy: Lesotho and the Southern African Customs Union* (New York: Taylor and Francis Group, 1992).

6 See, M Thabane (ed.), *Towards an anatomy of persistent political instability in Lesotho, 1966-2016* (Roma: National University of Lesotho, 2017).

7 E Eldredge, *A South Africa kingdom: The pursuit of security in nineteenth century Lesotho* (Cambridge: Cambridge University Press, 1993).

“From Granary to Labour Reserve”, Murray studied the economic history of Lesotho’s integration into the regional mining economy.<sup>8</sup> Timothy Keegan studied trade in the nineteenth century.<sup>9</sup> James Walton and Christopher Danziger wrote the two biographies of the Frasers Company.<sup>10</sup> Motlatsi Thabane explored various aspects of the colonial economy.<sup>11</sup> Sean Maliehe devoted his research to the history of commerce in Lesotho.<sup>12</sup>

Generally, the history of Lesotho’s integration into SACU is subsumed within studies that explore the history of the organisation. These studies focus their attention on the actual history of customs union, processes of regional integration, structure of the organisation, and the nature of relations among the member states.<sup>13</sup> Some studies focused on the customs and trade relations between South Africa and other regional economies. Ian Phimister and Abraham Mlombo studied customs and trade relations between Zimbabwe and South Africa, focusing on the interwar period.<sup>14</sup>

Therefore, it is important to study the history of Lesotho and its integration into the customs union. This paper chronicles historical conditions and politics leading to, and surrounding, the integration of Lesotho into the 1910 Customs Union Agreement. It focuses on the period between the 1870s and 1910s. This was the period of colonial state-making and integration of Lesotho into the regional capitalist economy that emerged after the discovery of the minerals (diamonds and gold) in the second half of the nineteenth century in modern-day South Africa.

8 Murray, “From granary to labour reserve”, pp. 3-20.

9 T Keegan, “Trade, accumulation and impoverishment: Mercantile capital and the economic transformation of Lesotho and the conquered territory, 1870-1920”, *Journal of Southern African Studies* 12 (2), 1986, pp. 196-216.

10 J Walton, *Father of kindness and father of horses - ramosa le ralipere: A history of Frasers Limited* (Moriya: Morija Printing Works, 1958); C Danziger, *A traders' century – The fortunes of Frasers* (Cape Town: Purnell, 1979).

11 M Thabane, “Aspects of colonial economy and society, 1868-1966”. In: NW Pule and M Thabane (eds.), *Essays on aspects of the political economy of Lesotho, 1500-2000* (Roma: Department of History, National University of Lesotho, 2002), pp. 103-30.

12 S Maliehe, *Commerce as politics: The two centuries of Basotho struggle for economic independence* (Oxford: Berghahn Books, 2021).

13 HPE Ngalawa, “Anatomy of the Southern African Customs Union: Structure and revenue volatility”, *International Business and Economics Research Journal* 13 (1), 2014, pp. 145-156; Lundahl and Peterson, *The dependent economy*; R Gibb, “The new Southern African Customs Union Agreement: Dependence with democracy”, *Journal of Southern African Studies* 32 (3), 2006, pp. 583-603; G Maasdorp, “The Southern African Customs Union – an assessment”, *Journal of Contemporary African Studies* 2 (1), 1982, pp. 81-112.

14 A Mlombo, “Settler colonialism and trade in the periphery: Customs relations between Southern Rhodesia and South Africa”, *African Economic History* 47 (1), 2019, pp. 92-115; I Phimister, “Industrialisation in the periphery: Southern Rhodesian and South African trade relations between the wars”, Paper presented at the African Studies Institute, University of the Witwatersrand, Johannesburg, July 1986.

The paper revisits the internal and external factors that shaped the history of Lesotho's integration into the customs union. It places emphasis on the role that the Basotho played in the process. In particular, it situates the integration of Lesotho into the customs union within the broader historical context of colonisation, asymmetric integration into the regional capitalistic economy, and the Basotho's resistance in their struggle for political sovereignty and economic independence. This is one important aspect that has been neglected by studies exploring customs and trade relations in the region.

In his work on the historical roots of persistent political instability in Lesotho, Thabane situated the history of Lesotho's integration into the customs union within the broader history of colonisation in the last three decades of the nineteenth century. The current paper emulates and expands on this approach. Thabane aptly observes that Lesotho was colonised with the ultimate aim to be incorporated into the Cape Colony, where it would be governed through the Department of Native Affairs like other African communities in South Africa. Owing to Basotho's loss of productive lands to the Free State Boers in the period between the 1830s and 1860s, when they colonised the Basotho, the British considered their territory to be an economically non-viable state, with bleak opportunities for economic independence.<sup>15</sup>

As a result, colonial policies of annexation --the annexation of Lesotho to the Cape Colony in 1871, the country's inclusion into the customs union in 1891, the aspiration to incorporate Lesotho into the Union of South Africa in 1909, and its integration into the 1910 Customs Union Agreement --were advanced with the view to ultimately incorporate Lesotho into South Africa. In the context of lack of viable economic options, tax and customs became one of the central means of financing colonial administration, especially after 1884 when Lesotho was disannexed from the Cape to be ruled directly from Britain.<sup>16</sup>

This paper builds on Thabane's argument by providing historical nuances indispensable to the story and context of Lesotho's integration into the customs union in 1910. The argument of the current paper is layered. On the one hand, it concurs with Thabane's argument that the integration of Lesotho into the customs union served as a pragmatic measure to finance the colonial administration in a context of lack of viable economic options at the

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15 M Thabane, "Towards an identification of historical roots of Lesotho's political instability". In: Thabane (ed.), *Towards an anatomy of persistent political instability in Lesotho* (Roma: National University of Lesotho, 2017), pp. 13-14.

16 Thabane, "Towards an identification of historical roots of Lesotho's political instability", pp. 13-14.

time. It adds that this was a temporary and transitory platform to ultimately achieve the colonial goal of incorporating Lesotho in South Africa.

On the other hand, the nature of Lesotho's integration into the Customs Union Agreement was a manifestation of fickle relations, conditions and power dynamics that forced the British to acknowledge Lesotho as a geopolitical entity but claim suzerainty and its economic control. In 1868, Lesotho was placed under the British High Commission in the Cape. In 1871, the country was annexed to the Cape Colony. After annexation, the Cape aggressively introduced colonial changes, including introduction of colonial taxes, to turn Lesotho into a source of cheap labour for South African mines. This is an imperial approach that the British took in the region.<sup>17</sup>

This approach sparked resistance among the African communities. The Basotho were no exception. In the face of early forms of African resistance, the Cape used big capital and military strategies to squash African pre-colonial political and economic formations that had sustained their independence. In 1880, the Basotho went to war against the British in what came to be known as the Gun War in the historiography of the country. The British failed in their bid to disarm the Basotho, and were on the verge of abandoning the whole project of colonising Lesotho. However, fearing colonisation by the more brutal Afrikaner nation across the new colonial boundaries, the Basotho negotiated continued protection from the British. The British agreed on conditions that the Basotho contributed financially towards their administration. The Basotho had already agreed to this, in 1868, hence introduction of taxation in 1871. Accordingly, the Basotho accepted imperial government's reforms of colonial taxes. It was under imperial rule, in 1891, when, through a customs agreement of that year, between the Cape Colony and the Free State, Lesotho's economy underwent further integration into the regional colonial economy, dominated by parts of the region that became South Africa. This agreement generated income for the Basutoland government, as did its successor SACU, for governments of independent Lesotho, after 1966.

The argument of this paper is organised around six sections. Following this introduction, the first section examines a new regional economy, trade and shifting power dynamics in the second half of the nineteenth century. The second section explores the changing regional formations and the nature of British imperialism after the discovery of the minerals. The third section

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17 G Arrighi, "Labour supplies in historical perspective: A Study of the proletarianisation in Rhodesia", *Journal of Development Studies* 6 (3), 1970, pp. 197-234; C Bundy, *The rise and fall of the South African peasantry* (Michigan: Heinemann, 1979); S Amin, "Underdevelopment and dependence in Africa – Origins and contemporary forms", *Journal of Modern African Studies* 10 (4), 1972, pp. 503-524; Murray, "From granary to labour reserve", pp. 3-20; CH Feinstein, *An economic history of South Africa: Conquest, discrimination, and development* (Cambridge: Cambridge University Press, 2005).

chronicles the Basotho's early forms of resistance, particularly Chief Moorosi<sup>18</sup> rebellion, and the fourth revisits the Basotho anxieties in the British's shifts to consolidate its power in the region. The last section, demonstrates the integration of Lesotho into the 1910 Customs Union Agreement.

## 2. A NEW REGIONAL ECONOMY, TRADE AND SHIFTING POWER DYNAMICS

The origins of the modern-day Basotho nation, and the Lesotho Kingdom, are traceable to the nineteenth century. It is a particular formation of the post-*Lifaqane* (*Mfecane*) war period, when Moshoeshoe I and his allies amalgamated various *Bantu*-speaking groups and war refugees in the early nineteenth century.<sup>19</sup> The nascent Basotho polity was integrated into the modern global economy emerging after the Napoleonic wars when the British took over the Cape from the Dutch. What began as a refreshment station on the Asian trade route dominated by the Dutch East India Company changed the region's history as its occupants settled and made in-roads into the interior. Following their mass exodus from the Cape in the late 1830s and 1840s – in the *Great Trek* or *Boer Trek* – the Voortrekkers, later Afrikaners, conquered territories claimed by Moshoeshoe and beyond, later naming it the Orange Free State.<sup>20</sup>

The missionaries were among the first groups to settle and work in the interior of the region. In 1833, the Paris Evangelical Missionary Society (PEMS) arrived on Moshoeshoe's request. The missionaries promoted Christianity, European ideals, and commerce, which had been disrupted by the *Mfecane* wars.<sup>21</sup> The missionaries introduced the ox-drawn plough, some domestic animals, variants of fruit trees, some vegetables, and some grain

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18 In the country's historiography and naming practices, Moorosi was known as Morena (Chief Moorosi of the *Baphuthi* people. In this article, I will refer to him as Chief Moorosi. This will apply to other chiefs, princes and princesses referred to in the article. The precolonial naming practices of the Basotho were different from the modern naming practices, which entail a first, middle and last name. The latter was a Christian and colonial introduction. Before, individuals were known by a name(s) linked to their patrilineal lineage and clan. See, M Guma, "The cultural meaning of names among Basotho of Southern Africa: A historical and linguistic analysis", *Nordic Journal of African Studies* 10 (3), 2001, pp. 265- 279.

19 P Sanders, *Moshoeshoe, Chief of the Sotho* (Sandton: Heinemann, 1975); L Thompson, *Survival in two worlds: Moshoeshoe, 1786-1870* (Oxford: Clarendon Press, 1975).

20 Feinstein, *An economic history of South Africa*; S Swart, *Riding high: Horse, humans and history in South Africa* (Johannesburg: Wits University Press, 2010).

21 E Casalis, *The Basutos: Or, twenty years in South Africa* (London: James Nisbet and Co, 1861).

varieties.<sup>22</sup> The mission stations became vibrant commercial centres of a new class of Christian converts (*Majakane*). This was a local elite group consisting of members of the royal family and some commoners. Other groups of the Basotho supplied labour to the Europeans in the Free State and the Cape.

Equipped with new agricultural technologies, the Basotho became significant players in the new regional economy. From the mid-1830s, most of their trade was conducted with the Afrikaners. They depended on the British to supply guns, ammunition, and other European goods. The Basotho supplied the coastal areas with grain, wool, mohair, cattle, and skins, in return. They bought soap, salt, arms and ammunition, cattle and horses from the Afrikaners and some manufactured goods such as clothes, utensils, iron hoes and saddles from the British.<sup>23</sup>

The Basotho were so significant within these emergent trading networks that the "Eastern Cape was heavily dependent on Basotho grain supplies, and during the frontier wars of the late 1840s and 1850s, enormous quantities of wheat were imported from Basutoland", and by the 1850s, they "had also become large-scale exporters of livestock and horses".<sup>24</sup> Missionary accounts celebrated "Basutoland ... [as] the granary of the Free State and of part of the (Cape) Colony".<sup>25</sup> By 1850, a British official observed that "[t]he Basuto people have within the last few years become exceedingly rich in cattle and horses" and possessed "more firearms than all other tribes in the [Orange River] Sovereignty put together".<sup>26</sup>

The Basotho economic opportunities expanded with the discovery of diamonds in Kimberley. They supplied the new mining towns with grain and livestock.<sup>27</sup> The economic and political advances that the Basotho had made were soon replaced by conflicts with the Afrikaners over land and livestock, which resulted in famine and economic stagnation. Moshoeshe had granted the Afrikaners temporary grazing rights when they first arrived in the 1830s and 1840s. This was a common practice. At first, he saw the Afrikaners as a buffer between his people and his enemies on the western side, particularly the *Ndebele* people and the mounted *Griqua* commando units. Conflicts arose, however, when the Afrikaners made moves to occupy the land permanently. They turned the land into private property and transferred it among themselves.

22 H Ashton, *The Basuto: A social study of traditional and modern Lesotho* (London: Oxford University Press, 1967), pp. 134-135.

23 Casalis, *The Basutos*, p. 170; Keegan, "Trade, accumulation and impoverishment", p. 198.

24 Keegan, "Trade, accumulation and impoverishment", p. 198.

25 RC Germond, *Chronicles of Basutoland: A running commentary on the events of the years 1830-1902 by the French protestant missionaries in Southern Africa* (Morija: Morija Sesuto Book Depot, 1967), p. 459.

26 Swart, *Riding high*, p. 88.

27 Murray, "From granary to labour reserve", pp.3-20.

In October 1844, Moshoeshoe sent a warning letter to the Afrikaners to halt private transfers of land, but they ignored him.<sup>28</sup> For Basotho, the land belonged to the people. It was held in trust by chiefs who had administrative rights over it, while the people had rights of usufruct.<sup>29</sup> Both Basotho and white settler's herded animals and competition for pastures increased to fierce altercations.<sup>30</sup> Eugene Casalis, one of the PEMS missionary close to Moshoeshoe, advised him to seek British intervention, which led to British annexation of the Basotho in 1868 after a series of wars with the Voortrekkers.

In their competition with the Voortrekkers for domination of the region's diplomacy and commerce, which had erupted in the 1830s, the British saw the Basotho as a militarily powerful chiefdom in the region capable of checking Afrikaner expansion. The British were particularly keen to stop the latter from reaching the seaports, which would give them more autonomy.<sup>31</sup> After escaping from British rule in the Cape, from the 1830s, the Afrikaners had eyed Port Natal, a move not favoured by their arch-rivals. The British conquered Natal in 1843 and declared it their colony. In this power play, the British saw the Basotho as militarily powerful chiefdom in the region capable assisting them to counter Voortrekkers' expansion and commercial autonomy. Accordingly, they then acted with a view to turn the Basotho's territory into a buffer zone and part of their means to control the region. The "...British harboured fears that if the Boer commandos conquered Lesotho, the Free State would have had access to a seaport at Port St. Johns in the Eastern Cape", observes Thabane.<sup>32</sup>

Access to seaports would reduce the Afrikaners' dependence on the British-controlled seaports. "Specifically, the Free State would be able to import arms and ammunition without having to secure permission from British officials in the Cape." If that became the case, "... it would make redundant the one weapon that the British had used over the years to maintain their supremacy in the region; namely, a balance of power in which they controlled the weights".<sup>33</sup>

By the mid-nineteenth century, the British were in full control of the seaports, dictating imports and exports terms and heavily taxed inland territories, the Afrikaner Republics of the Transvaal, and the Orange Free

28 GM Theal, *Basutoland records*, Volume I (Cape Town: Struik, 1883), p. 81.

29 P Duncan, *Sotho laws and customs* (Morija: Morija Museum and Archives, 2006).

30 T Mothibe and M Ntabeni, "The role of the missionaries, Boers and British in social and territorial changes, 1833-1868". In: NW Pule and M Thabane (eds), *Essays on aspects of the political economy of Lesotho, 1500-2000* (Roma: Department of History, National University of Lesotho, 2002), pp. 44-45.

31 Theal, *Basutoland records*, Volume I, p. 170.

32 Thabane, "Aspects of colonial economy and society", p. 91.

33 Thabane, "Aspects of colonial economy and society", p. 91.



State, in particular. This aggravated historic conflicts between the two. After the Transvaal obtained its independence from Britain in 1852, it negotiated access to the seaports with Portugal, hoping to gain access to *Lourenço Marques* (modern-day Maputo in Mozambique) in the 1860s and 1870s without success.<sup>34</sup>

### 3. THE MINERAL REVOLUTION, BRITISH IMPERIALISM AND CHANGING REGIONAL FORMATIONS

The discovery of the minerals in the sub-region significantly changed emergent post-*Lifaqane* economic and political formations and social conditions. New power dynamics and hierarchies emerged favouring the British. In 1868, diamonds were discovered in Kimberly. In 1886, gold was also discovered in the Witwatersrand. After overcoming Transvaal Settlers' resistance against British capital's domination over gold wealth in the 1890s, the British adopted a more aggressive imperial policy using force and big capital to exploit the mineral and extract cheap labour. As a result of loss of territory and repeated warfare during the 1850s and 1860s, and resulting economic stagnation, the Basotho gradually lost their economic independence. "The losses of the Basotho in the prolonged and desultory campaign are not easy to assess. One estimate puts their casualties between 1865 and 1868 at 2000..." Geoffrey Tylden observes, adding that: "Their morale was completely broken. They were nothing more than a collection of small bodies of men living insecurely in the hills, without cohesion or unity". In contrast, "[t]he chiefs still had food and the warriors arms and ammunition but they were in no condition to use them".<sup>35</sup>

When Philip Wodehouse declared Basotho the British subjects in 1868, he placed their territory directly under his personal charge as the High Commissioner in the Cape. In April 1868, Wodehouse held a national gathering (*Pitso*) at Koro-Koro (Mokema), mid-way between the capital of Thaba-Bosiu and the popular Morija mission station. In this gathering, Moshoeshoe publicly surrendered to the British declaring that: "The country is dead, we are all dead, take us and do what you like with us!"<sup>36</sup>

The High Commission had its own terms of annexations which the Basotho had to agree to. First, magistrates (later became District Commissioners) had to be placed to govern different parts of the country, all answerable to the Governor's Agent (later became a Resident Commissioner).

34 Lundahl and Peterson, *The dependent economy*, pp. 98-99.

35 G Tylden, *The rise of the Basuto* (Cape Town: Juta and Co., Limited, 1950), p. 108.

36 Tylden, *The rise of the Basuto*, p. 108.

Through a dual system of governance, the chiefs had to enforce colonial laws. Subsequently, the country was divided into four major districts: Thaba-Bosiu, Berea, Leribe and Cornet Spruit.<sup>37</sup> Second, the colonial office demanded that the Basotho must agree to finance the new colonial government in Lesotho primarily through tax. In a Government Notice of 13 May 1870, Wodehouse promulgated that: "Every person [allocated land] shall be made [sic] bound to pay to the said Agent, for the purposes of the Government of British Basutoland, a hut tax, at a rate of ten shillings per annum...". The law added that: "The tax shall be also payable for every hut occupied by any unmarried man".<sup>38</sup> In the context of bleak economic prospects, this was also a strategy that the colonial government took to finance the colonial administration, not just in Lesotho but across the region.<sup>39</sup>

James Henry Bowker was appointed the country's first Governor's Agent. When he arrived in 1868, Bowker stationed his police post at *Mokema*. He moved to Maseru in March 1869, next to the Caledon (*Mohokare*) River in the central western lowlands. Maseru -- a place of creamy sandstone -- subsequently became the central colonial administrative town. Since then, it has been the country's capital.<sup>40</sup> As far as the British were concerned, the whole colonial project rested on the Basotho's willingness to meet the tax condition. Writing to Bowker, Wodehouse made it clear that he had instructed the former to,

...inform Basuto that the completion of their transfer...[and] allegiance of Her Majesty must depend entirely on their keeping faith in their promise to provide a sufficient Revenue [sic] for the Government of the Country, more particularly in the shape of a Hut Tax...In the event of a failure on the part of the Basutos to provide a sufficient revenue, it will rest with my successor in the Government to decide on the arrangement to be made with regard to the Reserve.<sup>41</sup>

The chieftainship institution was instrumental in enforcing the payment of colonial tax. They were strategically placed within the communities and knew their people, but they had to be incentivised. To this end, the colonial government allocated a portion of the tax revenues to them. In the same letter to Bowker above, Wodehouse advanced that: "It will no doubt be necessary

37 GM Theal, *Basutoland records 1871-1872*, Volume VI (Roma: National University of Lesotho, Institute of Southern African Studies, 2002). The country was later divided into seven districts: Maseru (the capital), Mohale'sHoek, Leribe, Berea, Mafeteng, Quthing and Qacha's Nek.

38 Theal, *Basutoland records*, Volume VI, p. 295.

39 See, T Mkandawire, "On tax efforts and colonial heritage in Africa", *The Journal of Development Studies* 46 (10), 2010, pp. 1647-1669.

40 D Ambrose, *Illustrated history of Maseru* (Morija: Morija Museum and Archives, 1993), pp. 35-36.

41 Theal, *Basutoland records 1871-1872*, Volume VI, p. 288.

to assign to the Chiefs and Headmen a percentage on the amount of Hut Tax collected in their subdivisions” but this had to be done on a condition that “... you are satisfied that they exert themselves in promoting its payment”.<sup>42</sup>

When the British introduced Hut Tax in 1870, they allowed payments in different forms and many Basotho used livestock to pay. Soon the colonial regime insisted that tax must be paid in a monetary form. The shift to money-based tax payments was so rapid that the Governor’s Agent commented that “... in 1870, the first year that the Hut Tax was collected, several thousand sheep and as many “muids”<sup>43</sup> of grain were received in lieu of money”; and “last year only a few hundred sheep and as many “muids” of sheep were collected”. The Agent concluded that “this year I think the Hut Tax will be paid almost entirely in money”.<sup>44</sup>

In a financial year that ended on 31 May 1872, revenue collected by the government exceeded its expenditure. Hut Tax contributed the highest share of about 90 per cent of the revenue collected (£5 300 of £5 900).<sup>45</sup> Trading Licence fees came second with a marginal contribution of about £530. The same year, the government expenditure was calculated at a total of about £4 900. The biggest share of the expenditure (£4 100) went to government salaries and allowances.<sup>46</sup>

Colonial taxation was one of the major instruments used by the British to asymmetrically pull the African communities into the colonial power matrix and market economy.<sup>47</sup> The discovery of the minerals was decisive in this shift. With limited bargaining power and influence, the Basotho lost their economic independence. At the beginning, they ripped various economic benefits from the discovery of the minerals supplying grain, livestock and labour, but soon this changed when the British adopted an aggressive policy of cheap labour extraction. The Basotho were forced to accept various unfavourable conditions from the colonial authorities. Colonial tax served a dual mandate. It forced the Basotho men to work for wages in the mines while it became one of the major sources of revenue for the newly formed Lesotho state. However, these imperial advances encountered resistance from the Basotho as they sought to protect their social fabric and independence.

42 Theal, *Basutoland records 1871-1872*, Volume VI, p.290.

43 “Muid” is a French word; its English equivalent might be “hogshead”, a large cask used to measure liquids or solids.

44 Theal, *Basutoland records*, Volume VI, p. 500.

45 I rounded-off these numbers to the nearest 100.

46 Theal, *Basutoland records*, Volume VI, p. 163.

47 See, Mkandawire, “On tax efforts and colonial heritage in Africa”, pp. 1647-1669.

#### 4. EARLY FORMS OF RESISTANCE TO COLONIALISM: ANNEXATION AND THE MOOROSI REBELLION

The new mining industrial complex generated high demands for labour. Colonial authorities became more aggressive in extracting labour from the indigenous communities. They pulled them into the capitalist nexus, subjugating resistance through violence and war. Coercion became a routine feature of the system. The British doubled tax to force Basotho men to work in the mines for wages. As Wodehouse had warned, the approach produced its own anti-thesis. The Basotho rebelled, starting first with two senior Chiefs: Chief Moorosi of the *Baphuthi* people and Chief Masopha, Moshoeshoe's third son from his senior wife.

In 1871, Basotho's territory was annexed to the Cape Colony. Wodehouse's approach had been that colonial laws and policy must be implemented gradually, lest the Basotho rebelled. He never lost sight of the fact that they were still a powerful nation in the region despite their losses. The Cape took a different approach. It was aggressive. It needed labour for the emerging mining economy. The British took advantage of their global economic advantage to consolidate their power within the region. They completed their conquest of the Afrikaner republics (Free State and Transvaal) and the African communities within the region – the *Zulus*, *Xhosas*, *Sothos*, *Swazis*, *Tswana*, and others.<sup>48</sup> In the mining complex, the Basotho were coercively forced to supply cheap labour. However, this was not something that the British had absolute control over despite their power and interests.

The imposition of the colonial system in Lesotho meant that the chieftainship was strengthened and centralised around the Paramount Chief. Southern *Sotho* groups were subjected to Moshoeshoe's lineage (*Mokoteli* lineage). The British were eager to promote the idea that various groups living in a colonised territory were to be put "under one Family", as Henry Barkley, High Commissioner and Governor of the Cape Colony, expressed.<sup>49</sup> However, there were still unresolved internal political conflicts within the Basotho nation. Moshoeshoe died at Thaba-Bosiu in March 1870 at the age of 84. His death was followed by succession conflicts. The colonial government confirmed his eldest son, Letsie as his successor. This was something that his two brothers, Molapo and Masopha, vehemently opposed. Growing up, both, especially

48 Arrighi, "Labour supplies in historical perspective", pp. 197-234; Bundy, *The rise and fall of the South African peasantry*; Amin, "Underdevelopment and dependence in Africa", pp. 503-524; Murray, "From granary to labour reserve", pp. 3-20; Feinstein, *An economic history of South Africa*.

49 Theal, *Basutoland records*, Volume VI, p. 290.

Masopha, showed keen interest in their father's political affairs, demonstrating their managerial ability. Letsie turned out to be the opposite.<sup>50</sup>

Although dominant, the *Mokoteli* lineage had not completely consolidated its power as the country's uncontested monarchy before the country became a British Crown Colony. Some groups were only allies, but, not Moshoeshoe's subjects. The *Baphuthi* of Chief Moorosi were one of them. Both the colonial government and Letsie considered Moorosi to be an unruly rebel. They claimed that "... he was not always a very obedient vassal".<sup>51</sup> To demonstrate his autonomy, Chief Moorosi persistently described himself as "totally emancipated from Moshoeshoe".<sup>52</sup> His "rebellious" proclivities posed a problem for the colonial government which sought to centralise authority under one chief for ease of control.

When the colonial government attempted to expand Basotho's reliance on cash, and to promote a market economy, and to introduce colonial laws, Moorosi had been the first to challenge these impositions openly. Chief Moorosi held that the use of money would destroy the social fabric of their society. Speaking to the commercialisation of traditional beer, he warned: "... You know that if people begin selling beer, then travellers will suffer hunger if they don't have money to buy ... I know it will be extended to bread".<sup>53</sup> This was only the beginning of Moorosi's resistance to colonial rule.

Moorosi intensified his revolts from the late 1870s when the colonial government took over his territory. In 1877, the colonial government divided the *Cornet Spruit* (Quthing district) into two and installed a Resident Magistrate, Hamilton Hope. As a result, relations between the colonial government and the *Baphuthi* people assumed a hostile character. Following an incident when a rifle misfired accidentally killing a person at a public gathering (*Pitso*), Hope banned guns from public gatherings. Moorosi disregarded this.<sup>54</sup>

Hope's frustration with Moorosi was exacerbated when the Magistrate's office called a public gathering to read colonial laws to the people after his arrival in July 1877. As Charles Maitin, a colonial official, was reading the laws, Moorosi got increasingly irritated to a point where he stood up and asked his people: "Are you my people, or are you the Government's people? If you are Government people you are fools. Do you obey this man (pointing at

50 Thabane, "Aspects of colonial economy and society", p. 124.

51 Germond, *Chronicles of Basutoland*, p. 332.

52 R Ajulu, *The Gun war in Basutoland, 1880-1881: Some aspects of the destruction of the natural economy and the origins of articulation* (BA, National University of Lesotho, 1979), p. 34.

53 Ajulu, "The Gun War in Basutoland, p. 34.

54 E Eldredge, *Power in colonial Africa: Conflict and discourse in Lesotho, 1870-1960* (Wisconsin: The University of Wisconsin Press, 2007), p. 45.

Hope) or do you obey me? They all with one voice cried out, we obey Morosi [sic]". The angry Hope stormed out of the gathering leaving behind Maitin and accompanying policemen and constables.<sup>55</sup>

Following rumours that Moorosi was planning to expel Hope, the Cape Colonial Affairs Office sent a letter to Moorosi. In it, the Secretary for Native Affairs, William Ayliff, threatened war against Moorosi. For some time, Moorosi exercised restraint but this was short-lived. His oldest son, Doda, rekindled the *Baphuthi's* resistance against various colonial impositions. For example, Hope imposed tax on four women that had lost their husbands in his territory. Doda rejected this and assembled a small army promising to fight if the government attempted to make any arrests. In April 1878, about 80 of Doda's men attacked the constables sent to confiscate two head of cattle as tax payment and fled with the animals. The government issued summons against Doda and others, who openly refused.<sup>56</sup>

In October 1878, Colonel Griffith became the Governor's Agent and Hope was replaced by John Austen as Resident Magistrate of Quthing. With the colonial government's backing, Austen went for Moorosi and Doda. He intended to punish the whole group. He jailed Doda, his two brothers and their men at Aliwal North in the Free State and confiscated relatives' livestock as punishment for aiding the fugitives. During the festivities and drunkenness of the New Year's Eve, Moorosi's men broke Doda and others out of prison.<sup>57</sup>

The Cape authorised military intervention to punish Moorosi and his people. With support from Paramount Chief *Letsie* I, they successfully defeated the *Baphuthi*. Following the prison break, the latter prepared for war; they drove their animals into the mountains and took the women and children for safety. They then attacked the colonial government's offices, looted a trading store, and confiscated the property and stock of colonial loyalists. Austen fled. The Governor's Agent, Griffith, wrote to various districts and chiefs seeking support. He put a bounty of two herds of cattle on Moorosi and approved the raiding of livestock during the battle. In November 1879, the Cape Colony mounted a surprise attack at night on *Moorosi* and his men, who were hidden in a cave on top of his mountain fortress. As a result, with little resistance, they captured them, while others including Doda, escaped. Moorosi was shot and decapitated.<sup>58</sup>

The Moorosi rebellion was crucial in the economic and political history of Lesotho. It illuminated dissenting voices and resistance against the ruinous impacts of the capitalist economy and British imperialism. In the face of

55 Eldredge, *Power in colonial Africa*, p. 43.

56 Eldredge, *Power in colonial Africa*, pp. 50-51.

57 Eldredge, *Power in colonial Africa*, pp. 50-51.

58 Eldredge, *Power in colonial Africa*, pp. 67-69.

a changing social order, some groups of the Basotho acted to protect their interests and formations, but internal politics undermined a sense of collective social cohesion which existed in the first half of the nineteenth century under Moshoeshoe's prime years. Increasingly, the Basotho's conditions in the region changed unfavourably.

## 5. THE GUN WAR AND THE BASOTHO'S REVOLT AGAINST THE CAPE COLONY

The Moorosi rebellion was the beginning of a protracted struggle between indigenous communities and the British leading to an armed African revolt, the Gun War. Despite British power, they failed in their attempts to disarm the Basotho, forcing them to reconsider their imperial policy. This was because they could not control the Basotho as they wished. The war even led to regime change in the Cape parliament. The Gun War was the epitome of the Basotho's resistance against British imperialism.

In May 1878, the British tabled the Disarmament Bill before the Cape Parliament. In August 1878, the Bill received Royal Assent as the "Peace Preservation Act" (Act 3 of 1878). The Act was an attempt to "remove an obvious temptation to resist lawful authority and even rebellion".<sup>59</sup> Chief Moorosi and Moshoeshoe's sons, especially Masopha, had already demonstrated these proclivities. In October 1879, the new Cape Prime Minister, Gordon Sprigg, held a public meeting in Maseru to inform the Basotho that they were to be disarmed. Sprigg infuriated them further when he also announced that the tax would be increased from ten shillings to £1. He added that the government intended to alienate the *Baphuthi's* territory from the rest of Lesotho and allocate it for European settlement.<sup>60</sup> Not surprisingly, Moorosi, Masopha and some other dissident chiefs condemned the disarmament.<sup>61</sup>

With assistance from Adolphe Mabile, a Swiss Evangelical missionary and Eugene Casalis' son-in-law, Letsie sent a petition to the Queen of England in January 1880. The Cape did not budge. Fearing war, the missionaries were opposed to disarmament of the Basotho. They proposed, instead, an imposition of tax on guns as a way of reducing their popularity. Reverend Mabile owned the only printing press in Lesotho at the time.

59 Thabane, "Aspects of colonial economy and society", p. 36.

60 Thabane, "Aspects of colonial economy and society", pp. 36-42.

61 Thabane, "Aspects of colonial economy and society", pp. 104-105.

Despite Sprigg's threats, he refused to translate and print the government's Peace Preservation Act for wider circulation.<sup>62</sup>

Despite strong resistance and military potential of the Basotho, the Cape proceeded with its strategy and passed the Peace Preservation Act in April 1880. The Act forced the Basotho to surrender all their guns to local magistrates in return for monetary compensation. About half of the adult male population owned guns. The majority refused to comply, and by July 1881, protesting groups of the Basotho were attacking and confiscating the property of those who returned their guns. The Basotho termed these loyalists the "*Matikita*" – a term derived from the "tickets" that they received upon surrendering their guns. The government was forced to return the loyalists' guns so that they could protect themselves against the aggression of their fellow countrymen. Fearing for the loyalists' and Europeans' lives, Letsie requested arms and ammunition from the Cape to protect them. He also asked that the loyalists be allowed to rent farms in the Free State, but his efforts fell on deaf ears. Sprigg held that only military punishment could restore law, order, and obedience in Lesotho.<sup>63</sup>

In September 1880, a contingent of colonial Cape Mounted Rifles arrived in Lesotho. The first battle of the Gun War was fought. Between then and February 1881, Cape regiments fought against Joel (one of Molapo's sons), Masopha and Lerotholi, Paramount Chief Letsie's eldest son, in different places of the country. The Cape colonial government had borrowed more than £1 300 000 from Standard Bank, without security, to fight the war. When the war ended in April 1881, it had cost the British about £3 000 000.<sup>64</sup>

During the war, Sprigg continued to demand the Basotho to adhere to the Peace Preservation Act but the chiefs refused. Again, the Free State prohibited the selling of arms and ammunition to the Basotho, but this only established an underground trade through which some Afrikaners sold weapons to the Basotho secretly. Despite significant property damage and loss of lives, the Basotho took full advantage of their mountainous topography and landed heavily on the Cape forces and defeated them. The House of Assembly in the Cape was forced to pass a motion of no-confidence against Sprigg. As a result, Sprigg's government collapsed, and he was replaced by Thomas Scanlen.

62 WK Storey, *Guns, race, and power in colonial South Africa* (Cambridge: Cambridge University Press, 2008), pp. 287-318.

63 Storey, *Guns, race, and power in colonial South Africa*, pp. 287-318.

64 Thabane, "Aspects of colonial economy and society", p. 111; Storey, *Guns, race, and power in colonial South Africa*, pp. 315-316. The same year, 1879, the British went to war against the *Zulus*. For the Anglo-Zulu War, Standard Bank had lent the Cape Government no less than £400 000 a month.



## 6. CHANGING COLONIAL POLICIES, BASOTHO ANXIETIES AND BRITISH CONSOLIDATION OF POWER

Following the Gun War, the Basotho had the option of choosing to be independent. But, with an eye to Afrikaner aggressions from across new colonial borders, they decided to remain under British protection and negotiated new terms of protection. The British took advantage of the Basotho's requests to consolidate their power. They aligned with the chieftainship and used the institution to enforce colonial laws, tax and to demand extra labour. Effectively, the chiefs were divorced from the people in-service of colonial interests.

Like before, the British authorities had several conditions that the Basotho had to meet, which they did. Accordingly, Lesotho was "disannexed" from the Cape and placed under the British High Commission in 1884. At the time, there was a sense within the British corridors of power that pursuing alliances with the Basotho was a problematic and costly endeavour. They British wanted to pull out. The colonial office held a view that:

In the meantime a strong feeling in favour of the entire abandonment of Basutoland had grown in the Colony, and at the request of the Colonial Ministry the Imperial Government decided to undertake for a time the administration of the country on the condition that satisfactory evidence was given by the Basuto of their desire to remain under British Crown...<sup>65</sup>

Like before, the British High Commission had several conditions. First, it demanded that both the Basotho and the Afrikaners must obey the new borders. Second, it wanted the colony to contribute towards the cost of administration of the customs revenues collected on goods imported into Lesotho, and a "...provision was made in the Basutoland Disannexation Act, 1883, for the payment of £20 000 a year".<sup>66</sup> Accordingly, the Paramount-Chief and the colonial office called a nation-wide gathering on 29 November 1883 to discuss the terms, to which the Basotho "... unanimously expressed their willingness to comply with the conditions on which the Imperial Government was prepared to assume the responsibility of the administration of the country".<sup>67</sup>

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65 Union Office of Census and Statistics, *Official year book of the union and of Basutoland, Bechuanaland protectorate and Swaziland, No.3 -1919* (Pretoria: Ministry of the Interior, 1920), p. 920.

66 Union Office of Census and Statistics, *Official year book of the union*, p. 920.

67 Union Office of Census and Statistics, *Official year book of the union*, p. 920.

In 1891, Letsie died and he was succeeded by Lerotholi who came from his second wife since he had only a daughter, Senate, from the senior wife. Letsie preferred Maama, his first son by third wife's son; but the British confirmed Lerotholi as the new Paramount Chief.<sup>68</sup> Masopha and Maama continued to be popular chiefs among the Basotho. They vehemently opposed colonial meddling in domestic politics. Upon arrival in early 1884, Godfrey Lagden observed that the Basotho were "... willing to be governed ... But the success of Masopha in defying authority was a serious bar to unity. He was able to centralise disaffection and detach a strong body of ardent rebels who kept alive opposition to any form of government and hatred of the loyals [sic]."<sup>69</sup>

Lerotholi's uncles, Masopha and Molapo, controlled the central and northern districts of the country. Generally, Lerotholi was taken to be weak and his love for brandy won him a reputation of an indecisive alcoholic. While his rivals had firm support from many sub-ordinate chiefs, Lerotholi was only supported by the colonial administration. The Paramount Chief kept his precarious position by appeasing the colonial government; but he had no power over significant parts of the country. Land disputes between 1897 and 1898 gave Lerotholi a pretext to declare war against Masopha.<sup>70</sup> The Paramount Chief personally ploughed four contested fields that had been claimed by Masopha. Masopha thanked his nephew for harrowing "his" fields. Lerotholi then allocated Masopha's fields to two of his men. His uncle promised war if Lerotholi did not reverse his decision. Although the colonial government supported the Paramount Chief and sought to end all forms of rebellious tendencies against the colonial authorities, they claimed that peaceful negotiations should be privileged over bloodshed.

One incident forced the colonial government to change its approach in dealing with Masopha. This provided a pretext for supporting the Paramount Chief's aggressions against Masopha. In early 1897, Masopha's son, Moeketsi and his friends, crossed into the Free State chasing after a man who had run off with another man's wife. When they caught him, they assaulted and castrated him. The Free State arrested Moeketsi and jailed him; but he escaped. This incident became an international scandal. Masopha refused to assist in handing back his son to the Free State. As a result, Lagden passed on this responsibility to the Paramount Chief and put pressure on him to arrest Moeketsi.

In January 1898, the Paramount Chief and his troops surrounded Masopha's villages at Thaba-Bosiu. Lagden panicked because of this and

68 Union Office of Census and Statistics, *Official year book of the union*, p. 34.

69 Union Office of Census and Statistics, *Official year book of the union*, p. 19.

70 Union Office of Census and Statistics, *Official year book of the union*, p. 125.

informed the High Commissioner of these military developments in the arrest of Moeketsi. During the short battle, the High Commissioner endorsed and pledged to support Lerotholi's measures. He wrote to Ladgen: "... Lerothodi has begun well. Let him finish it quickly and bring Moeketsi as ordered. The High Commissioner is with you but do not delay. Let no walls stop you".<sup>71</sup>

With colonial backing, Lerotholi launched his final attack on Masopha towards the end of January and defeated him. The Paramount Chief finally arrested his uncle, and forced Masopha to pay a heavy fine. He pushed Masopha out of his Thaba-Bosiu stronghold. Masopha died a few months later in July.<sup>72</sup> Masopha's defeat ended various forms of disobedience towards the colonial authorities.

Increased land disputes between Lerotholi, Masopha and other chiefs near the end of the nineteenth century were fuelled by population increase, land shortage, soil degradation and several environmental and economic catastrophes. These buttressed colonial government's aim to turn Lesotho into a cheap labour reserve for South African mines. From the 1870s and 1880s, Basotho flocked into their home country from the Free State, Transkei, and Natal along with their property and livestock. By the 1890s, the previously uninhabited mountain areas were populated by permanent residents cultivating crops along the slopes. These areas were previously used as seasonal grazing lands, *Metebo*.<sup>73</sup>

The country experienced severe drought from 1894 to 1898. In the 1890s, their crops were attacked by several plagues of locusts. In 1891, the rinderpest epizootic culled 4 in 5 of Basotho cattle. The inevitable result was famine at fluctuating levels of intensity. Furthermore, the cattle epizootic persuaded the Free State to deploy protectionist measures. It halted importation of livestock from Basotho and other African communities. In 1893, the Free State further imposed tariffs on grain from Lesotho to protect Boer farmers who had turned to crop production. When railway lines linking coastal areas with the interior were completed in the 1890s, the Cape imported cheaper grain from Australia.<sup>74</sup>

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71 Murray, "From granary to labour reserve", pp. 3-20.

72 Murray, "From granary to labour reserve", pp. 3-20.

73 Eldredge, *Power in colonial Africa*, pp. 67-69.

74 Murray, "From granary to labour reserve", pp. 3-20.

## 7. INTEGRATION OF LESOTHO INTO THE 1910 CUSTOMS UNION AGREEMENT

Though the British had consolidated their power over the Basotho, they did not underestimate them. They controlled the chiefs and the Basotho's economy. They ensured that the Basotho remained tied to the regional market economy and left the everyday politics of governance to them. The British had to acknowledge geopolitical entities but claimed suzerainty and economic control, while striving to find economically pragmatic options to administer the country. The integration of Lesotho into the Customs Union Agreement in the manner it did was a manifestation of these fickle conditions and power dynamics, on the one hand.

On the other hand, the British failed to disarm the Basotho in the Gun War, as shown. As a result, the British were no longer eager to pursue the project of colonising the Basotho. Apprehensive of the Boer aggression across the new colonial borders, the Basotho chose to align with the British, to which they agreed subject to conditions that the Basotho must participate in the generation of revenue towards administration of the country. As shown, they had already agreed to the payment of tax in 1871. As Thabane aptly observes, the Basotho were colonised with the objective to incorporate them into the Cape Colony. This colonial aspiration was buttressed by the country's poor economic and political conditions following the Basotho's loss of their land and economic independence. The British considered the territory as economically non-viable state.<sup>75</sup>

As a result, the integration of Lesotho into the customs union served as a first step towards achieving the colonial goal of incorporating the country into what became South Africa, while being a source of revenue for the colonial administration. Thabane observes that "...running through policies of annexation of Basotho and their territory to the Cape Colony, in 1871, their inclusion in a customs union with the Free State, in the late 1880s" with the "possibilities of incorporation into the Union of South Africa, in 1909, was the recognition that, as was the case at the moment of colonisation and annexation, Lesotho's material circumstances did not favour creation of an economically viable and political stable state".<sup>76</sup>

In 1889, the Cape Colony and the Orange Free State established a customs agreement with the aim to free trade zone internally and create a

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75 Thabane, "Towards an identification of historical roots of Lesotho's political instability", pp. 13-14.

76 Thabane, "Towards an identification of historical roots of Lesotho's political instability", pp. 13-14.

common external tariff (CET).<sup>77</sup> The British integrated Lesotho, along with British Bechuanaland<sup>78</sup>, into the Customs Union Convention in 1891, and Bechuanaland (Botswana) in 1893. It was only after the 1898 Convention that the Transvaal joined the customs union following lengthy persuasions. In 1899, the Transvaal finally signed a Treaty of Friendship and Commerce with the Orange Free State and accordingly signed for inclusion into the customs union. Natal joined the same year.<sup>79</sup> Opting to distance itself from the British, the Transvaal had charted its own imports routes with the Portuguese. After the Delagoa Bay railway line (Pretoria-Maputo railway) was completed in 1890, it imported goods through Mozambique.<sup>80</sup>

Lesotho and Botswana were included "... under a separate protocol which categorised them as second-class members with diminishing rights", and with no voting rights.<sup>81</sup> The prevailing justification at the time was that the High Commissioner would act in their interest though "their imports were insignificant in comparison with those of the colonies and they did not attach very great importance to the tariff..." as Grant Maasdorp observed.<sup>82</sup> Nonetheless, Lesotho received about £18 000 until 1901 towards its administration.

Between 1899 and 1902, the Anglo-Boer broke out. The war was fought before the 1898 Convention could come into effect. As a result, the British and the Boers established a new customs convention in 1903. In this convention, the British integrated Southern Rhodesia. Along with North-Western Rhodesia (Barotseland), Swaziland (Eswatini) was admitted into the new agreement in 1904 and 1905, respectively. Until then, Swaziland had been a member of the Transvaal-Maputo trade agreement from 1894. The agreement crumbled when Natal withdrew in 1905, forcing the members to re-negotiate a new convention in 1906.<sup>83</sup>

The South African Act of 1909 which established the Union of South Africa was a turning point. It terminated the new convention and amalgamated the British colonies and the Afrikaner republics into one country. The aim was to ultimately incorporate the High Commission Territories into the Union, but the British were careful not to rush the process since it would provoke hostility. Akinola Aguda supports that,

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77 Lundahl and Peterson, *The dependent economy*, pp. 98-99.

78 As a British Protectorate, it was constituted by the districts of Vryburg, Taung, Kuruman, Gordonia and Mafikeng.

79 Lundahl and Peterson, *The dependent economy*, pp. 98-99.

80 G Maasdorp, "A century of Customs Union in Southern Africa, 1889-1986". Paper presented at the conference of the economic society of South Africa, Johannesburg, September 1989, p. 12.

81 Ngalawa, "Anatomy of the Southern African Customs Union", p. 146.

82 Maasdorp, "A century of Customs Union in Southern Africa", p. 13.

83 Gibb, "The new Southern African Customs Union Agreement", pp. 586-587.

... by 1909 when the South Africa Act which created a Union out of the existing Colonies in South Africa was being debated in England, considerable pressure was exercised by the European Governments of these South African Colonies on Great Britain to hand over the Bechuanaland Protectorate (with Basutoland and Swaziland) to the Union which was about to be born. Britain was hesitant but the people of this country had no illusions as to where their future lay.<sup>84</sup>

A “temporary” resolution came out of a short document signed four times by Gladstone, the Governor of the Union and High Commissioner of the three territories. This was the 1910 Customs Union Agreement (CUA) signed on 29 June 1910 in Potchefstroom. The Agreement established an economic partnership between the Union and the British High Commission Territories.<sup>85</sup> Controlled from the Union’s Treasury, the Agreement established a revenue sharing mechanism through which members proportionally received an average amount of the total customs and excise duties collected and placed in a common revenue pool.<sup>86</sup>

The treasury of the Union of South Africa collected all the customs revenues and excise duties and distributed them to the member states quarterly.<sup>87</sup> By the mid-1900s, the Union Office of Census and Statistics reported that: “The Territory (Lesotho) is financially self-supporting, the principal sources of revenue being the Native Tax (Hut Tax), Customs and Licences”.<sup>88</sup> In 1916, tax contributed the highest share of the national revenue at about £103000. It was followed by customs revenues calculated at £51 000. Licences came third but only constituted £6 900. The gap between the three was too wide. In 1919, taxes increased to approximately £106 000 and customs to £60 000.<sup>89</sup>

Being of colonial origin, the Agreement perpetrated inequality and marginalisation of the territories. The Union dominated the Agreement, earning the highest share. Basutoland earned 1.3 per cent of the total revenue, Botswana and Eswatini received 0.3 per cent and 0.9 per cent, respectively.<sup>90</sup> Systemically, the Union ensured that these members remained

84 JA Aguda, “Legal developments in Botswana from 1885-1966”, *Botswana Notes and Records* 5, 1973, p. 52.

85 South-West Africa (Namibia) was included in 1921 after South Africa took over from the Germans in 1915.

86 Gibb, “The New Southern African Customs Union Agreement”, p. 589.

87 Lundahl and Peterson, *The Dependent economy*, pp. 98-99.

88 Union Office of Census and Statistics, *Official year book of the Union*, p. 926. For a compressive history of colonial commerce and trading licenses see, S Maliéhe, “An obscured narrative in the political economy of colonial commerce in Lesotho, 1870-1966”, *Historia* 59 (2), 2014, pp. 28-45.

89 Union Office of Census and Statistics, *Official year book of the Union*, p. 926.

90 Maasdorp, “A century of Customs Union in Southern Africa”, pp. 16-17.

peripheral. The contribution of the territories only included overseas imports at the exclusion of those from the Union. Worse, some of the goods were processed in the Union adding further leakages on their revenue contribution. Botswana was further marginalised by the fact that its capital was in Mafikeng within the Union and high volumes of imports of the capital were excluded from its contribution.<sup>91</sup> Richard Gibb supports that: “SACU has its origins in a colonial strategy that considered the independence of the [High Commission Territories, HTC] as non-viable, both economically and politically...” He added that: “Overall, the 1910 Agreement made no provision for the HCTs to manage their own economies as economic development beyond resource extraction was never envisaged as a serious option”.<sup>92</sup>

The marginalisation and impoverishment of the territories served both the British and Afrikaners politically. Successive Prime Ministers (Jan Smuts and James Barry Hertzog) pushed for the incorporation of the territories into the Union and ensured that they remained weak so that it could continue to dominate them. With the growth of the Afrikaner movement in the early twentieth century, the British, sought to retain its control over the region, and was less keen on making the territories economically attractive.<sup>93</sup>

## 8. CONCLUSION

This paper revisited the history of Lesotho's integration into the 1910 Customs Union Agreement. It chronicled the historical context and politics in the integration of the country. It focused on the period between the 1870s when the country was annexed to the Cape and 1910s, when it was integrated into a new customs agreement. The paper observes that the manner, in which the process of integration unfolded, was a reflection of the objective and subjective conditions of the time. First, this was a practical, but temporary, measure to finance the colonial administration after Lesotho was disannexed from the Cape to be ruled directly from Britain. Second, militant conflicts among the Basotho, the British and the Afrikaner groups in the Free State contributed in shaping the nature of the union. Exploring the historical conditions and politics of the time, especially, the Basotho's resistance to British imperialism, the latter had to cautiously approach the question of incorporation of Lesotho into South Africa. On the one hand, the British recognised Lesotho a geopolitical entity, and on the other, ensured that they had control over the administration and economic control of the country.

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91 Maasdorp, “A century of Customs Union in Southern Africa”, pp. 16-17.

92 Gibb, “The new Southern African Customs Union Agreement”, pp. 588-589.

93 Gibb, “The new Southern African Customs Union Agreement”, p. 591.

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