Buying Land on Credit: Networks of debt, risk and investment among black land purchasers in early 20th Century Transvaal

‘As the great classicist Moses Finley often liked to say, in the ancient world, all revolutionary movements had a single program: “Cancel the debts and redistribute the land.”’


Debt cancellation and land redistribution were not just demands of revolutionary movements in ancient times. In South Africa redistribution of land is at the heart of contemporary activism, enlivened by recent moves towards a new Expropriation Bill. But two of the questions currently missing from public debate about expropriation in South Africa are: who will own the land when it is redistributed and where will they get the funds to implement the plans they have for that land? These questions are also key to resolving the problems in collective land holding entities developed for land reform, like Communal Property Associations and Community Trusts. Ownership of land and access to credit are often overlooked not only in present land reform debates, but also in histories of land acquisition and land struggle. My PhD on a history of collective property ownership in South Africa, between 1900 and 1994, aims to tackle this oversight. By tracking the arc of black South Africans’ engagements with property law and the making of communities in rural Mpumalanga, I intend to reconstruct a history of practices and intellectual traditions that black farmers developed around collective property ownership. Doing so offers insight into the alternatives that people developed to the limiting conceptualizations of property entrenched during the apartheid period. The reified notions of property recognized by the state were often expressed as a binary of communal land under chiefs versus individual title deeds.

This paper explores how black South Africans navigated credit networks in order to invest in land-buying syndicates (companies made up of a group of land buyers) in the early 20th Century. Credit is key to understanding how people ‘made’ and continue to ‘make’ property. Farmers’ attempts to carve out forms of collective property are strongly intertwined with questions of belonging and identity, and the making of political and economic communities. My paper focuses on the settlements
of Driefontein and Daggakraal, near Ermelo, as a case study. In 1912, black farmers from around the country came to Driefontein and Daggakraal in the Wakkerstroom district of the then Transvaal to buy into a collective property scheme. The scheme was set up by the Native Farmers Association (NFA), a company established by ANC founder Pixley ka Seme. In this paper, I look particularly at a group of land buyers who arrived in Daggakraal from Harrismith in the Free State. They formed a syndicate of their own within the broader NFA syndicate. In doing so they infused the NFA with land practices and credit networks drawn from their experiences as sharecroppers, preceding the NFA’s formal existence. My research on the issue of credit is still in progress and this paper serves as the basis for one of my PhD chapters.

In an earlier chapter, I will explain how families and groups came together to buy into Seme’s scheme – but in the process, did not necessarily buy into the vision of community and property that Seme advanced. I argue that NFA land buyers contested Seme’s argument that a self-sufficient black community should be built on a foundation of individual land rights and respect for traditional leaders. They tried to squeeze their own forms of collective property ownership into the narrow forms established by state and other major players like Seme. How land buyers navigated credit networks and risk factors to acquire, hold onto, defend and manage land is a key part of this story about property. Understanding how credit worked for land buyers offers insight into the political economy of land in early 20th century South Africa. Although some syndicates tried to pool resources in ways resembling mutual aid or co-operation, they came up against the long arm of finance capital and land speculators, and had to adapt to meet this reality.

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In the 19th century, some black people living in the Cape and Natal (both British territories) were legally allowed to buy land. Land purchase by black people was outlawed in most of the Boer republics, including the Orange Free State.¹ Land could

be granted to black people for services to the Boer republic. Stuurman’s location is one example of this. It is a piece of land next to Driefontein, and is now known as KwaNgema. In most of the Transvaal the situation was slightly different. The 1881 Pretoria Convention made land purchase possible but only through a trusteeship system. Black individuals or groups would pay for land via a white-owned institution or white individual (often a mission station, lawyer or politician). When the British took over the Transvaal after the South African War, government administrators accepted some purchases made in the name of a “tribe”, with the chief as the sub-trustee, and the Native Commissioner as the main trustee. Both the Bakgatla and Bafokeng followed this land acquisition route, initially acquiring property under the names of missionaries and later as a “tribal trust.”

The legal landscape changed in 1905, when Minister Edward Tsewu of the African Methodist Episcopal (AME) Church won a case in the Transvaal Supreme Court, which made it possible for black people to register land in their own names. Tsewu’s victory meant that after 1905 and before the notorious 1913 Land Act, black land buyers in Transvaal were limited less by law, and more by whether they had the funds and connections to acquire land. Hence the story of credit access and property ownership becomes intertwined. Those who were able to buy land were usually of high class and status, relative to other black South Africans. In both urban areas like Evaton and rural areas like Driefontein, the land buyers tended to come from two backgrounds: mission-educated intellectuals and theologians from Natal, and wealthy share-croppers from Free State and the Transvaal. The majority of black South Africans could not afford to buy land and so they lived as rent-payers on land legally owned by white companies, individuals and the government (Crown land and the reserves, later Bantustans). This was the lot of black farmers in Tenbosch, also in the Transvaal province. Since they did not hold title deeds, their rights to land went unrecognized by the formal legal system. They were therefore even more vulnerable to eviction than land buyers, and it is only since 1994, that South Africa’s legal

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2 Ibid, pp. 76-77.
5 Based on my oral history interviews with land claimants in Tenbosch, Mpumalanga.
system has recognized their land claims as land rights.

Between 1905 and 1913, hundreds of black individuals and syndicates bought land in both urban and rural parts of the Transvaal. As of 1914, the Beaumont and Stubbs Commissions indicate that black individuals or syndicates owned about 27305 morgen (21844 hectares)\(^6\) worth of land in the Transvaal, only 0.28% of the total land in that province. Black land buyers owned 8151 morgen (6520 hectares) in the Wakkerstroom district, with the NFA’s purchases making this the largest proportion of black-owned land in any Transvaal district.\(^7\)

The literature on black land buyers suggests that syndicates financed their purchases through the sale of livestock and crops,\(^8\) pooling savings from wage labour,\(^9\) and levies instituted by chiefs (the ‘tribal trust’ regime that Gavin Capps describes in relation to the Bakgatla ba Kgafela is one of the most well-documented examples of this kind of financing).\(^10\) These factors all contributed to the funds required for land purchase. In most cases though, even when people did come together as collectives, they took out some kind of credit to buy land. Very few people – in the past, like nowadays – could buy a large property outright in one sum, even if they sold other assets or formed a savings club.

Deborah James argues that for much of the 20th century, black South Africans were living under “credit apartheid.”\(^11\) During the apartheid period, it was almost impossible for black South Africans to gain access to credit through formal avenues, such as banks. James argues that this led to a proliferation of informal credit practices, in the form of savings groups, stokvels, burial societies, moneylending, shop credit and pyramid schemes.\(^12\) However, it seems that there was a window period between 1905 and 1913 in which some formal credit options were open to black South Africans. It is notable that this coincided with black people’s legal right to register property in their own names.

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\(^6\) To give you a visual idea, 1 hectare = nearly 1.5 soccer fields


\(^8\) Tim Keegan, *Facing the storm: portraits of black lives in rural South Africa* (Cape Town: David Philip, 1988). See Keegan on Mogopa and Klipgat.

\(^9\) Ibid. See Keegan on Mathopestead.

\(^10\) See Gavin Capps on Bakgatla ba Kgafela and Sonwabile Mnwana on the Royal Bafokeng.


\(^12\) Ibid, p. 96.
It is likely that banks, businesses and other intermediaries like lawyers (white and black) saw the window of opportunity in 1905 to encourage more black people into a formal credit economy – and make good money from that. Between 1908 and 1914, the average interest rates on mortgages for whites were between 6% and 8%.\(^{13}\) For black land buyers, average rates were higher: between 8% and 10%. This is ironic considering that many land sellers at the time remarked that they would bank on black farmers being profitable more than white farmers.\(^{14}\) During this early 20\(^{th}\) century period, banks lent to land buyers in Evaton and Alexandra.\(^{15}\) The National Bank of South Africa gave bonds of £50 to syndicates of black farmers in Lichtenberg and Potchefstroom.\(^{16}\) Many more white companies and individuals offered loans to syndicates.\(^{17}\) Pixley ka Seme took out mortgages from three companies, all owned by American cinema and property tycoon I.W. Schlesinger, to finance his NFA project. The space for credit access began to close down after 1913, limiting land buyers’ options and making it much more difficult for those who had already bought land to successfully pay it off.\(^{18}\)

To understand the kind of collective entity that NFA land buyers built in Daggakraal and Driefontein, we should not only look at the moment of “contract.” The contract moment refers to the signing of an agreement or deed or sale between groups of land buyers and the NFA. In his work on the credit networks involved in Somalian piracy, Jatin Dua points out that “guarantees – of friendship, trustworthiness, and reputation” associated with existing social networks predate and undergird the moment of contract.\(^{19}\) The signing of a contract brings these obligations into the legal sphere. In this paper, I will look at how the prior worlds of the land buyers, sellers, financers, lawyers and money-lenders were brought to bear on their relationships as members of a new NFA ‘community.’ Old and new credit networks in the Wakkerstroom district made possible the pooling of risk that was necessary to

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\(^{13}\) Keegan, *Rural Transformation*, p. 167.

\(^{14}\) Keegan, *Facing the Storm*.


\(^{16}\) Insert correct reference (National Archives, Pretoria).

\(^{17}\) 1909-1913: Many bonds offered by individual whites, especially lawyers, missionaries and farmers (example: £600 to a syndicate in Zeerust, £1800 from George Alfred Robinson to Bapo chief, over £1000 also to Bakgatla from Jan H. Robbertse). Insert correct reference (National Archives, Pretoria).

\(^{18}\) James, *Money from Nothing*, p. 95

get a collective land-holding project off the ground. In the half-century that followed, these networks brought into play an intriguing web of characters, which influenced the boundaries of community and forms of property management that people in Driefontein and Daggakraal produced.

**The NFA pre-1919: The Seme era**

*Building community within the NFA*

By buying into the NFA, black farmers were building a kind of experiment in collective resource management. People went into the NFA with particular ideas of how they sought to manage land, drawn from prior experience as sharecroppers, farmers on mission land etc. When they came together, they drew upon existing relations of trust, but also did work to maintain them and build new relationships with others who settled at Daggakraal and Driefontein. It is clear that land buyers built relationships across language barriers, rather than in relation to a particular ethnic identity. Ethnic consciousness does crop up in relation to the predominantly Zulu-speaking land buyers who replaced Sesotho speaking buyers from Harrismith in Daggakraal (see further down, my discussion of the case of *Sehlako vs. Dlamini*). But ethnic consciousness was not a major feature of life in Driefontein and Daggakraal, unlike certain parts of Natal that Paul La Hausse describes, where land-buying syndicates relied on a philosophy of self-help bound up with a version of Zulu ethnic identity.²⁰

The choosing of Daggakraal as the first site for the NFA project was not by chance. I interviewed members of the Ngenywa-Dlamini family, who were some of the first land buyers in the area. They believe it was easier for their grandparents to acquire the area due to a debt of honour owed by white farmers for a case of injury to the Ngwenya brothers, as a result of an assault that took place at a horse race. This made farmer Willem Gouws more likely to sell. Dlamini was brother in law to Ngwenyas and a friend of Seme. It is likely Dlamini made Seme aware of the area. And the fact that the location was at crossroads of the Transvaal, Natal, and Free State

was also very promising. Already relationships that were in existence prior to the NFA’s acquisition of Daggakraal and Driefontein set the groundwork for what people could build there.

In his biography of Pixley ka Seme, Bongani Ngqulunga narrates the history of Seme’s involvement with financer I.W. Schlesinger, offering vital insight into Seme’s credit dealings. My understanding of Seme’s credit practices relies a great deal on Ngqulunga’s findings, but also builds upon them to explore the role played by a host of other figures involved with building the NFA – financers, lawyers, land-buyers, their representatives and leaders.

Seme originally founded the NFA in 1909 in Natal. In this first iteration, the company’s directors were all black men. Seme took out his first mortgage of £14000 to finance the purchase of land from the African Guarantee and Indemnity Company, owned by I.W. Schlesinger. The NFA was making inadequate progress in paying this back, so Seme applied for a second loan from another of Schlesinger’s companies: the Colonial Banking and Trust Company. Schlesinger agreed but on condition the NFA move to Transvaal and that there be shadow white directors and shareholders. So, in 1912, Seme moved the NFA to Transvaal and took out a mortgage from Colonial
Banking and Trust Company for £1300. Seme gambled on being able to pay back these mortgages by making the NFA an economic success. He also built in a mechanism to recoup debt: although Seme had bought land from William Gouws at £3 per morgen, he sold it to land buyers at £7 per morgen.²¹

Why was Schlesinger willing to finance the NFA in the first place? Schlesinger was a property as well as movie mogul. He owned Zebediela citrus estates (founded 1913), a huge series of commercial fruit farms in the Transvaal, which employed (and notoriously exploited) thousands of black workers. In 1912, Schlesinger saw a gap in the market for black property holders, especially since Seme and co desperate to buy land before impending legislation like the Land Act came into effect.

Schlesinger is best known for his financing of the cinema industry in South Africa. But Schlesinger began his career in Johannesburg in the 1890s with the U.S.-owned Equitable Insurance Company. He cut his teeth on insurance and sales. He travelled all over the north of South Africa, selling life insurance policies to everyone from mine workers to Swazi chiefs. After the South African War, he returned to the country to start his own company, the African Realty Trust, which bought up land and built housing in suburbs of Houghton, Killarney and Orange Grove. Some black families bought houses in the latter neighbourhood. Schlesinger ran his own mortgage bond and loan office. According to historian Neil Parsons, the “secret to his [Schlesinger’s] success was giving salary earners an opportunity to buy their own homes on an instalment basis.”²² This was Schlesinger’s model for African buyers too. In 1905, Schlesinger bought the old JB Robinson Bank, renamed it Colonial Bank Trust Company of Africa and used it to offer savings accounts to black customers. In 1911, the Bank employed J.H. Langeni, a former teacher, to promote its business. Langeni penned several ads in prominent Zulu-language newspaper iLanga lase Natal, encouraging people to put their savings in the bank and obtain a good interest rate.²³ The bank also offered loans for start up businesses. The NFA was one of these businesses.

Schlesinger was closely involved with promoting the NFA. In Seme’s newspaper, Abantu Batho, numerous advertisements appearing between 1912 and

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1920 advised prospective land buyers to visit Schlesinger’s office for information and to make down payments. Here is an example, featuring a picture of Schlesinger’s office, where the caption reads: “The Colonial Banking and Trust Company of Africa is the best bank for a black person because the money is well-invested and well treated and because the people who go there will be respected.”

Families who joined the NFA’s collective property scheme in Daggakraal and Driefontein bought 10 morgen plots (around 8.5 hectares or 10.5 soccer pitches) for between £200 and £600. They put down a deposit and were encouraged to pay the rest to the NFA via annual instalments: a kind of mortgage arrangement. To fund the initial down payment, families often pooled their resources gleaned from previous farming ventures, sold their livestock or took employment with the NFA itself as sales agents or messengers.

The prior social networks, property and credit practices of the people who arrived in Driefontein and Daggakraal informed the kinds of property and community they

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24 Abantu Batho, October 1912. NTS 3439 56/308 (National Archives, Pretoria).
built as NFA members. There was a multi-ethnic and multi-lingual character to the families already living in the Transvaal who made the move to Daggakraal and Driefontein. They spoke a mix of Zulu, siSwati and Sesotho. Many had decided not to throw their lot in with particular ethnically or tribally defined syndicates in other parts of the province. This pre-existing diverse community in the Wakkerstroom district set the tone for the way people there would identify for years to come: as a community founded on self-help and land purchase, rather than through an origin story linked to ethnic identity.

The arrivals from Natal were mostly Zulu-speaking “kholwa” (Christian, educated) families who owned small farms in places like Newcastle and Edendale. As peasant farmers, some had struggled to complete payment for their land in Natal, so they sought a move elsewhere. At same time that these families went to Driefontein in the Transvaal, others went to Evaton or Alexandra near Johannesburg. Many of these families were involved in the AME church and were inspired by a “gospel of self-help” popular among African American businesspeople. They appealed to the values of British liberalism and were committed to individual title deeds, seeing them as a signifier of progress. Some of the families that joined the NFA had likely also been involved with other joint stock companies such as the Zulu Industrial Company and the Isivivane (“Small Savings”) Society.

Some of the land buyers from Natal had strong connections to the Edendale mission station. Through the Edendale connection they had come to know many lawyers, political leaders and intellectuals of the time, such as Seme, the Msimang brothers, Alfred Mangena and John Dube. They were keen readers of newspapers like iLanga lase Natal (Dube was editor) and Abantu Batho (Seme was editor). Families heard about land buying opportunities in Daggakraal and Driefontein via these networks.

The archival evidence available on credit practices offers particularly rich insights into the history of families from Harrismith in Free State who bought into the NFA. So it is this group on which my paper mostly focuses. The Harrismith arrivals tended to come from well-off sharecroppers stock and were willing to take a leap towards

25 Khumalo, “From Plough to Entrepreneurship”; La Hausse, Restless Identities.
26 Khumalo, “From Plough to Entrepreneurship”.
27 La Hausse, Restless Identities.
28 See Sheila Meintjies’ PhD thesis on Edendale.
business. The majority of them did not swear strong allegiance to chiefs. Some had ended up in the Free State as a result of the Mfecane, or because they had “voted with their feet” and left chiefs’ control. They spoke a mixture of Sesotho and Zulu.

Sharecroppers were very skilled farmers who shared the “risks and rewards” of farming with other sharecropping families and the white landowner. They would offer some of their produce to the white landowner on whose farm they lived, in exchange for the right to use the land. Often sharecroppers lived on the lands of absentee white landlords, which suited them well. Another plus was that sharecroppers did not have to fix themselves to a place by paying rent. One could argue that they paid rent in kind. But the absence of a monetary relationship affected the kind of mutual obligations sharecroppers developed with others on the farm. When a family left a farm, often other families would follow. In this sense, when a group of families settled on a new farm they assisted each other to set up anew and were linked together through bonds of kinship and labour. Many Free State sharecroppers found their bonds with white farm owners broken when these owners turned on them after the 1913 Land Act. The Land Act subsidized white farmers (so that they could rely less on sharecroppers) and also made sharecropping illegal. The Act aimed to eradicate sharecropping economically and legally.

In response to the pressures that they faced around the time of the Land Act, sharecroppers formed syndicates: they sold livestock, pooled savings from crop sales and scouted for land to buy. Free State sharecropper syndicates bought land in undivided shares in various parts of Transvaal, including Mogopa, Mathopestead Klipgat and of course Daggakraal. In all these places they paid for land in instalments. Individual families bought on outskirts of towns like Evaton, Piet Retief and Vereeniging.

When 200 people from Harrismith arrived in Daggakraal 2 in 1913, they brought with them bonds of mutual obligation and aid established through decades of sharecropping. In 1913 the NFA bought a farm (later to be called Daggakraal 2) belonging to a Mrs Potgieters for £11000 thanks to a bond from another Schlesinger

29 Keegan, Rural Transformation, p. 57.
30 Keegan, Rural Transformation, p. 53.
34 Ibid, p. 76
company, the African Realty and Trust Company. The NFA then sold it for £34000 to the Harrismith group, making a huge profit in the process, as Bongani Ngqulunga points out. As wealthy stock-farmers, the Harrismith group was able to finance their deposit through the sale of livestock. They intended to continue farming livestock to pay off the rest of their mortgage. The Wakkerstroom magistrate, Mr Griffith, remarked early on that he foresaw this being a problem, as the stock were in poor condition after the journey.

Blue print for Daggakraal 2, drawn up with the help of Alexander Dlamini in 1913

There were around 25 families from Harrismith involved in the purchase of Daggakraal 2. Among them was the family of Maitse Popo Moloi, a local chief. Seme had been in discussion with members of the group for several years and all had put money towards the purchase. But when the moment of contract arrived, Seme signed the deed of sale in the name of Chief Moloi alone. Other members of the group later explained that they assumed that when Moloi signed, he signed as a representative of their syndicate, and not as a more important stakeholder than anyone else.

There was risk involved in buying land collectively, but also security in doing so. The Harrismith group surmised that by purchasing together and dealing with potential losses together, they could secure some protection from the effects of

economic downswings. They could also maintain a space in a commercial farming market that was becoming increasingly dominated by individual white families.  

The Harrismith families stated their intention to buy the land in undivided shares. This meant they would manage and use land in common, with an agreement in place that certain families had priority to certain plots. As Morobane Ngakane described in relation to another “undivided” farm in Klipgat: “as an undivided farm, everyone amongst us had the right to own it from one corner to the another.” The Harrismith families felt that undivided shares best approximated the way they had managed land as sharecroppers. This system of a kind of commons could only succeed with relationships of trust and a working set of land governance norms that could be used to hold people to account. Decades of farming together or alongside each other gave the Harrismith group a good base. Buying as a syndicate therefore enabled a certain kind of politics: a politics that carved out a co-operative way of financing and managing land in the context of a system of racial capitalism which tended to exclude them.

In addition to a good working relationship amongst themselves, including with Chief Moloi, the Harrismith families had been negotiating with Seme for several years, and therefore invested some trust in the relationship with him. They also had a shared political project: through the NFA business, they intended to create a space for a self-sufficient black community. Jonas Moloi, a prominent leader in the Harrismith group, moved in the same political circles as Seme and fellow ANC leader John Dube. In Daggakraal 2, the Harrismith families lived alongside several families from Natal, including NFA secretary, Alexander Dlamini. Jonas Moloi and Alexander Dlamini made trips together to Natal in 1913 and 1914 to promote the NFA’s land buying scheme.

*Broken bonds*

Despite the foundation it had established, the Harrismith syndicate, with its alternative political possibilities to chiefs’ power over land and individual title deeds, ultimately went unrecognized by both Seme and the white establishment. When Chief Moloi

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36 Keegan, *Rural Transformation.*
defaulted on one of his payment instalments, the NFA declared the whole Harrismith syndicate’s contract was broken, as Moloi had been the sole purchaser listed. Everyone would forfeit his or her land. Moloi later reflected, “we were not aware we bound ourselves to such a heavy burden.”

Seme defended the NFA’s decision by arguing that the residents were all members of Chief Moloi’s tribe, stating “I know that an individual member of a tribe has no right to land, there is no individual tenure.” Seme privileged Chief Moloi, perhaps for convenience’s sake, or perhaps because he believed in traditional leaders’ powers over land. Either way, the Harrismith group’s sense of trust in Seme was broken when he refused to recognize the pre-existing networks that structured their relationships.

In this belief in chiefs’ power over land, Seme was challenged vociferously by the Harrismith land-buyers. A number of these dissenting voices emerge from the court case of Tys Dlamini vs. Molapisi Sehlako. Sehlako had arrived from Harrismith in 1913 and bought land at Daggakraal. When Chief Moloi forfeited the Harrismith group’s land, the NFA eventually agreed to allow some individual members of the group to obtain title to land in their own names, commensurate with what they had paid up to that point. They would also need to pay an additional sum of £100 to secure the payments. Sehlako claims to have been one of these members. However, in the intervening years, the NFA began selling plots that had already been purchased and occupied by the Harrismith farmers, to other people (mostly Zulu and Swati speakers). Tys Dlamini bought a plot in this context in 1917 and since Sehlako was away at the time, built a house on the plot. Hence a dispute between the two land buyers ensued. The Harrismith group was furious. Jonas Moloi remarked: “I know the native tribal customs” and “Daggakraal was not bought in the name of the chief, it was bought in the names of the 23-24 men— I was one of the men.”

It seems that as a political project and a business, Seme saw farmers in the NFA scheme as replaceable. But for the residents of Daggakraal 2, both from Harrismith and elsewhere, the NFA’s double sale of land broke some of their trust in the company. In 1916, Zacharia Lakage narrated the double payment as follows: “In 1913, Jonas Moloi called us together, suggested we should buy land in the Transvaal.

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38 Harrismith group meets Magistrate Ham to discuss where money they owe is (23/08/1922). NTS 3440 56/308 (National Archives, Pretoria).
39 Seme’s affidavit, Dlamini vs Sehlako. NTS 3440, 56/308 (National Archives, Pretoria).
40 This argument is also made by Ngqulunga, The Man Who Founded the ANC, Kindle location 2834.
41 Dlamini vs Sehlako, 25 February 1918, in the Wakkerstroom Magistrate’s court. NTS 3439 56/308 (National Archives, Pretoria).
Those who agreed to buy were to pay £20 down to show their willingness to buy. These names were to be sent to Pretoria. However, now Moloi says he has lost the money and that we will need to start afresh … we now have to buy a plot of 10 morgen in extent at a yearly payment of £12 annual for 12 years.” In the 1920s, Jonas Moloi demanded payment from the NFA to defray costs of what he still owed for his family’s plot of land. He claimed he was working in the service of the company to collect payments. The company refused, arguing they never formally employed him.

Catherine Madlala remembers her grandparents telling a similar story of betrayal to Lakage. She says her were misled first by their own chief and Seme, then later by Schlesinger and other moneylenders. Her family had to buy their plot of land three times over: in 1913, when they arrived from Harrismith; in 1916 when the NFA agreed to sell the plots initially signed in Chief Moloi’s name to individual families and then again in 1923, by which time Schlesinger had taken over the NFA from Seme and instituted yet another new agreement for land buyers. The multiple payments put Madlala’s family into debt from which they are still struggling to recover today.

In their frustration, a number of land buyers at Daggakraal 2 expressed their desire to hold land as individual families. Joas Mafokeng from Harrismith argued, “I paid more than my fair share.” He said he stopped paying instalments as he had noticed others had stopped paying after Chief Moloi forfeited the land. Alexander Dlamini and Andries Hlongwane were both previously members of the NFA leadership. Dlamini remarked, “we could not decide whether to have individual or collective title but now Seme has done wrong by us.” Hlongwane added that “now we all want individual titles.”

In later years, further complaints followed against Seme, his lawyer colleague Ben Boshoff and Harrismith leader Jonas Moloi. Ben Boshoff was an Afrikaans lawyer from Amersfoort near Daggakraal, who had helped Seme set up the NFA. Land buyers complained they had paid instalments variously to Seme, Boshoff and Moloi, for which they never received an agreement of sale. In 1923, legal proceedings

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42 Testimony in Dlamini vs Sehlako, NTS 3439 56/308 (National Archives, Pretoria).
43 Interview with Catherine Madlala in Driefontein (February and August 2019).
44 See Memo of Agreement in NTS 3440 56/308, which also sets out this history.
45 Zulu and siSwati speakers meet to discuss grievances with officials (23/08/1922) NTS 3440 56/308.
were launched against Seme and Boshoff for embezzlement. Along these lines, Ngqulunga argues, “Seme’s luck ran out in 1927 when he was charged and convicted for stealing £100 from Ndhlozi Manana, a black resident of the Wakkerstroom district. Justice Barry of the Supreme Court sentenced Seme to one year of hard labour, which was suspended when Seme agreed to pay a fine of £184 before 31 May 1927.”

David Graeber’s argument about debt is pertinent to understanding how the NFA credit networks operated. He argues debt arises from a situation in which there are two parties who are “potential equals but who are not currently in a state of equality” and “while debt remains unpaid, the logic of hierarchy takes hold. There is no reciprocity.” While it is too definite to say no reciprocity was involved in the relationships between land buyers and their creditors, the point about inequality is an important one. White farmers in Orange Free State held the trump card in their relationship with sharecroppers, even though they relied on sharecroppers’ produce. Seme too held the trump card over the NFA land buyers. The buyers would not get the title deed handed to them until their debt to the NFA was settled. At the same time though, Schlesinger held power over Seme. While Seme and NFA’s debts remained unpaid, all the buyers’ land rights remained unsteady. And mortgages were not the only debts Seme had; these also accrued from the hidden administrative costs of running a property company, such as land surveyors, deeds registry work and legal work.

Bonds of trust helped to ameliorate the inequalities between land buyers and their creditors to some degree. For instance land buyers wrote to the NFA, asking for extensions to pay the instalments they owed. These extensions were often granted – but less so once Seme and black directors lost control of the company. But even under Seme’s control, extensions and leniency could not be counted upon, especially since the creditor – in this case Seme and NFA – was itself in debt and needed to recoup that money to avoid losing their land rights too. For example in 1923 Seme was forced to give up land that his relatives lived on in Driefontein to Schlesinger’s Colonial Banking and Trust Company to cover a debt.

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46 See 1924 correspondence on how a criminal case might be launched in NTS 3441 56/308.
47 Ngqulunga, The Man Who Founded in the ANC, Kindle location 3051.
48 Graeber, Debt, pp. 256-257
49 Colonial Banking and Trust Company Limited Versus Pixley Ka Isaka Seme in TPD volume 229, 177/1923, 1923-1928 (National Archives, Pretoria). Ngqulunga reveals that Seme was also in debt in
Within seven years of the NFA’s existence, the bonds of trust that the Harrismith syndicate established became broken to the point where many people felt the risk of the collective project outweighed the benefits. The archives show that a number of land buyers asked to opt out of a collective scheme, and demanded individual title deeds instead. They made this demand not necessarily because it met their reality of land tenure (in fact it often belied the ways in which people were farming collectively) but because it seemed the best of a bad set of options available to them in official law. Lack of trust in Seme grew, and this continued when Schlesinger took over the company from Seme in 1919. Land buyers adopted the route of individual titles pragmatically.

**NFA post-1919: The Schlesinger era**

*Networks of credit, 1930-1960*

In 1919, Schlesinger repossessed the NFA after claiming it was in financial turmoil of Seme’s making. Government administrators also found fault with the NFA. In addition to seeing Seme as a problem, they blamed the nature of land buying syndicates. In highly paternalistic tones, they argued black farmers were ill equipped to navigate such high-risk ventures. They opposed black groups from taking out mortgages. They encouraged tribal trust regimes instead, and installed a system of tribal levies to enable land purchase.\(^{50}\)

Land buyers’ fears that creditors would dispossess them of their land brought several lawyers onto the scene. Like Seme and Boshoff, these lawyers not only represented the land buyers in court. They also acted as credit intermediaries, receiving instalments from NFA members, taking a cut and passing on the money (or sometimes not passing it on) to the NFA. The network of lawyers included Cyril Kershaw Barry and W.B. Schuurman of Wakkerstroom, and Fred Kleyyn and V.M.C. Beck of Amersfoort. After 1919, and in Seme’s absence as an official NFA director, they played a more active role as credit intermediaries. This section of the paper discusses how these networks operated. These networks offer insight into the kind of

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relation to his personal properties. For example he hadn’t paid off his Sophiatown house. Ngqulunga, *The Man Who Founded the ANC*, Kindle location 3096. 50 Mbenga and Manson, *People of the Dew*, p. 94.
challenges that land buyers faced long after the “moment of contract.” They urge us to look beyond the acquisition of land in order to understand what land ownership meant to land buyers legally, economically, socially and politically.

Land buyers’ lack of trust in the NFA extended under Schlesinger. But buyers remained able to get credit. And not just through informal means like savings clubs. Why and how were people able to get credit under ‘credit apartheid’? Some creditors were motivated to lend out of self-interest. But others, including family members, employers and white or Indian individuals, may have been motivated by other factors. This is subject of on-going research but here I will make some very preliminary arguments.

For Schlesinger, the NFA was purely business. Unlike when Seme in charge, Schlesinger’s NFA was not interested in black farmers’ best interests. After the 1913 Land Act made it even more difficult for black people to buy land, Schlesinger noted that the business of selling land to black people remained profitable. In 1919, as Schlesinger was preparing to take transfer of NFA, records emerged of Schlesinger’s “unscrupulous business practices.” Ben Boshoff was at the time representing Zulu-speaking land buyers in Driefontein. He alleged that one of Schlesinger’s companies had sold “certain plots at Orange Grove to Natives...as being an excellent investment in the aggregate for 19,000, where as municipal evaluation was only 5,000.” Boshoff claimed Schlesinger sold plots without “himself obtaining transfer of the property.” He warned of future exploitation by Schlesinger – a prediction that would indeed come to pass.

A letter from the ‘Daggakraal Natives Committee’ in 1920 indicates NFA land buyers’ lack of trust in Schlesinger. The letter notes, “the relation between the natives and the Native Farmers Association of Africa Limited has never been one of complete confidence, mutual trust and happiness.” It goes onto state that land buyers’ fear liquidation of company “unsettles their desires to pay regularly and promptly.”

Many land buyers could not keep up with their annual instalments – either because of a lack of funds to do so or a refusal to pay on principal, as the Daggakraal

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51 Letter ‘Sale of land to Natives on Farms ‘Daggakraal’ and ‘Vlakplaats’ (16 June 1919) addressed to Secretary NA by G.A. Godley, the local N ative Commissioner, in NTS 3440 56/308.
52 Insert reference from National Archives.
53 ‘Memorandum of the Committee of Daggakraal Natives to His Worship the Native Commissioner for Wakkerstroom’ 3440 56/308.
Natives’ Committee suggested. Those that did not pay could lose their land. The NFA regularly produced lists of “natives in arrears” documenting their attempts to chase down those who owed money. Many of those who owed were difficult to reach, since they lived in Johannesburg but kept a plot at Daggakraal or Driefontein.\textsuperscript{54} In 1929, V.M.C. Beck wrote to the Wakkerstroom Native Commissioner on behalf of various land buyers who had been served with eviction orders. He argued that many of his clients had good reason to delay payment. Most had suffered due to several poor and drought-stricken seasons. Some, like Diamond Dlamini and Thomas Malindisa, were still owed money by the NFA for services rendered to it during Seme’s time in charge. Others like Paul Masuku claimed to have already paid what was due.\textsuperscript{55}

The NFA responded to each of Beck’s claims, saying the general problem was land buyers had failed to account for interest and had not kept their. Their claims on the NFA for credit were there invalid. The company took a moral tone on the debt situation of the land buyers, implying they had been irresponsible and that their poverty was not the fault of the company. Schlesinger commented on Malindisa’s situation that, “I have used every endeavour to get him to realise his obligations, but all to no avail, and he and no one else is to blame for his present position.”\textsuperscript{56} Graeber and James point out that there is a long history of casting moral aspersions on debtors.

Catherine Madlala’s family was evicted from their plot in Daggakraal in the 1950s due to their failure to keep up with their annual instalments. She remembers her grandfather going to Wakkerstroom to pay at the office of lawyer C.K. Barry. In 1916, Barry had represented Molapisi Sehlako and the Harrismith group against the Tys Dlamini NFA, arguing for the Free Staters’ land rights to be respected. By the 1930s Barry had become the NFA’s legal representative and in charge of visiting land buyers like the Madlalas to issue them with eviction notices.

Most payments from land buyers to the NFA passed through the account book of the firm of Barry and Schuurman.\textsuperscript{57} The account books reflect the payments coming in from land buyers, then being debited straightaway to the NFA. Barry and Schuurman’s books also reflect payments received from lawyers Ben Boshoff and Fred Kleyn on behalf of Daggakraal land buyers. It is clear that these lawyers, who

\textsuperscript{54} See ‘Basotho and other payers in arrears’ (1924) in 3441 56/308.
\textsuperscript{55} F. Glen Leary, Native Commissioner of Wakkerstroom to Native Commissioner of Johannesburg. (09/05/1928) in 3441 56/308.
\textsuperscript{56} Insert reference from National Archives.
\textsuperscript{57} I had the fortune of acquiring this book through the generosity of Anton Roets, grandson of W.B. Schuurman, Barry’s partner in his Wakkerstroom law firm.
represented various land buyers in court between 1912 and 1920, were still involved in the NFA in the late 1920s. Barry and Schuurman, like Seme and Boshoff, acted as both lawyers and creditors. For example, on December 12th 1928, Schuurman bought plot 36 in Vlakplaats from NFA and held it in Trust for Jonas Mothapeng until Mothapeng could afford to pay it off. Schuurman notes. Mothapeng gave Schuurman an initial down payment of £20 for safekeeping, which Schuurman put in a trust account for him. The NFA as well as land buyers paid Barry and Schuurman’s fee for this administrative work. The community of black landowners was big business in the Wakkerstroom area.

When many families lost their land because of debt, other black farmers came in to buy it from them. What is interesting is that most people who bought land after 1940, managed to pay off their debts to the company over a period of a decade. Some paid in large amounts every few years, others in small amounts each year. An NFA journal records purchases that took place between 1942 and 1954. For example, Josiah Moloi bought land in 1944 for the price of £100.76, with an interest rate added a total of £32 to the original price by the time Moloi settled his debt in 1951.

*Subverting 'credit apartheid', 1930-1960*

The question remains, how were black land buyers able to buy property in the 1940s and how did they pay off their land? In a context in which loans from banks were very rare\(^\text{58}\), one means to finance land purchase was through savings clubs, which has been well documented by other scholars. Deborah James argues, “probably starting soon after labour migration itself, they [migrant workers] invested money in savings clubs. Founding and becoming members of what were known locally as *stokvels, itimi or megodišano* – South African variants of a worldwide phenomenon – workers have grouped together to put aside some of their wages for specific purposes.”\(^\text{59}\)

Another means of paying off property debt was with the help of employers. By the 1950s, most farmers in Driefontein and Daggakraal could not make a living off the land. They had to supplement their farming with wage work. Several people I interviewed explained that their parents had acquired loans from their employers.

\(^{58}\) There was one example from 1935, in which the National Building Society passed a mortgage passed over land in Driefontein for Paul Sitebe to the tune of £50 at an interest rate of 8% per year. See URU 965 (National Archives, Pretoria).

\(^{59}\) James, *Money From Nothing*, insert page no.
Soon after joining PUTCO as a bus driver in 1956, Daniel Hlongwane was able to secure a loan from the bus company to buy a plot in Driefontein. An attorney for PUTCO, Edward Gordon, wrote to the Bantu Affairs Department in 1963 to check if the property “can be placed in bond to offer the necessary security” in a context where black South Africans’ land rights could be stripped. After several years, Hlongwane successfully paid off his debt and went on to work for PUTCO for 30 years. The company deducted payments from this monthly salary as well as his pension fund. Daniel Hlongwane worked for PUTCO for thirty years. Like in this example, employers had access to information on their debtors’ financial information, from which to base their interest rates on loans. This practice resembles James’ description of credit to migrant workers, where money debited would be debited from their accounts as soon as payday arrived.

Some individuals who lent money to land buyers were well known for their exploitative practices. For example, Freddie Maseko bought “a certain undivided one-half share” of land in Vlakplaas (also owned by the NFA) with help from Nathan Evans. Evans was a well-known moneylender from Johannesburg who offered loans at high interest rates to black property owners in Natal and Transvaal (including in Daggakraal, Driefontein and Evaton). In 1941, Evans was hauled before the courts for “money lent to 32 natives at a higher rate than authorized by law.” Evans operated by banking on people not being able to pay off their loans. But not all moneylenders were predatory. James argues that some moneylenders in the Transvaal (often Jewish or Indian, as was the case in the Wakkerstroom area) were sympathetic to black debtors, as they too had come from peasant societies.

It should be noted that while many NFA landowners took on tenants, this rent was very low and not enough to cover the owners’ debts. Tenants did compensate owners in other ways. They provided additional labour sometimes. They also offered protection by maintaining the presence of the landowner even when the owners were

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60 Conversations with Dr. Ali Hlongwane at Wits University, Johannesburg, and his sister Fakazile in August and October 2019. I am grateful to Dr. Hlongwane for sharing his father’s papers with me.
61 Ibid.
63 URU 1864 868 (National Archives, Pretoria).
64 Rand Daily Mail, Oct 30 1941, via Readex: World Newspaper Archive.
65 James and Rajack, “Credit Apartheid.”
66 Interview with Beauty Mkhize in Driefontein, November 2018 and with Sibongile Mtshali in Driefontein, August 2019.
away, working elsewhere.

In the context of the migrant labour system, in which men were often away from Daggakraal and Driefontein, women played a vital role in land management, protection and negotiating credit networks. While this role is underrepresented in the government archives, it is hinted at by many of my oral history interviewees. In particular, my interviewees pointed out that although women often took the lead in farming enterprises, they were not considered as credit-worthy by men, had fewer places of formal employment or did not have their names on the title deeds. This limited their ability to apply for credit from employers or individual lenders. From the 1970s onwards, women’s savings groups including *manyanos*, became intimately linked with the movement to resist forced removals in Daggakraal and Driefontein – and this is a subject of a later chapter in my thesis.67

**Conclusion**

Over the decades that followed the NFA’s purchase of land in the Wakkerstroom area, most white farmers made it very difficult for the Daggakraal and Driefontein farmers to succeed. After the NFA overcame the legal obstacles put before it as a black-owned company, white farmers tried to cut it off economically. While the apartheid government and neighbouring white farmers failed to physically remove the residents of Daggakraal and Driefontein, by the 1960s they had succeeded in choking the area’s black farming class. In this context, land buyers in NFA changed their land and credit practices in order to survive. They were pragmatic in navigating credit networks in order to make best of difficult situations. As relationships of trust between the land buyers and their creditors broke down, a truly collective enterprise became difficult.

The story of Driefontein and Daggakraal is not just about how black farmers tried to squeeze customary and collective kinds of property into the narrow forms established by state and other major players like Pixley ka Seme. It is also about how land claimants navigated financing and credit networks to acquire, hold onto, defend and manage land. As importantly, this is a story about how we breathe life into understanding land reform and land restitution in South Africa now. It begs the

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67 Interview with Lydia Kompe in Polokwane, Beauty Mkhize and Jane Vilakazi (the latter two both in Driefontein), November 2018.
question of what credit options are available to land claimants in contemporary times. These questions are a key component of understanding land and property. The history of Driefontein and Daggakraal in that it sheds light on how black farmers navigated credit networks, what worked for them and what did not.

Assessing how people in the past made communities and managed property is not just a question of the moment of acquisition, the moment when property becomes “owned”. It is also about the practical and technocratic ways in which people sustain, produce and build property and community before and after that moment of acquisition. Studying the credit practices of the NFA members brings this point to the fore. It demonstrates that ownership of property in practice is a continuum and not a moment. The relationships that precede the moment of ‘contract’ make certain kinds of land ownership possible. They affect how land claimants engage with each other, define belonging and community, as well as understand property. But the relationships that come after the moment of “contract” also do this work of building property and community. Credit is intimately tied up in these processes. People cannot do anything with land unless they have resources. Legal ownership should not be the end goal but rather a part of the process. If we think only of the moment of acquisition when we think of land reform, then we limit our imaginaries of the kind of politics that people have produced around land. These are questions that are not just relevant to South Africa. They are about property – particularly collective property – writ large.