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INCREASED NATIVE TAXATION

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Trans memo by Chief Native Commissioner and comments on

July 26 1920 (L. C. ...)

Colonel ...
to H. H. ...

I have no objection, ...
we will accept the view of
the ... in all matters of
the rate of tax applicable to
different areas - always within
the ... of ...
It is clear that the ...
and ... into the
question very carefully.

6/26

I ask receipt ...
- arrived at ... that
I ... appreciate the care
with which the question of
applying the ...
rates has been investigated
July 27 1920

subsequent Paper
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30 June, 1920.

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My Lord

In accordance with the instructions conveyed in Your Lordship's telegram of the 21st May, I have the honour to transmit a copy of a minute by the Chief Native Commissioner together with a Proclamation and relative schedule detailing the rates of native taxation which it has been decided in the various Districts of the Protectorate.

2. Your Lordship will observe that an equal rate has been adopted throughout for Hut and Poll Tax as the result of recent deliberations in the Legislative Council. Such an equalization had prevailed hitherto, and the opinion of the Council did not favour any departure from precedent in this respect.

3. It has been represented by certain Provincial Commissioners that Rs:7.50 would form an inconvenient unit for collection and, in view of the adoption of the florin as the standard coin of the Protectorate, it has been considered advisable, except, in special cases, to fix upon equivalent multiples of that coin as the rates of Hut and Poll Tax in native areas.

RIGHT HONOURABLE
VICOUNT MILNER, P.C., G.C.B., G.C.M.G., &c., &c.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W.

4. I trust, therefore, that Your Lordship will appreciate the reasons influencing the application of a rate of Rs:8/- per annum over the greater part of the Protectorate despite the sanction given in your telegram of the 21st May.

5. The specific rates for the various areas have been decided after consultation with the Provincial Commissioners, on the understanding that a proportion of the revenue will be definitely devoted to native interests, such as improved medical, educational and veterinary services in the Reserves. With reference to the 6th paragraph of Mr. Ainsworth's memorandum I have to state that as a result of further discussion the Provincial Commissioners, Uruka, has now agreed to the imposition of a tax of Rupees 8/- per annum in the areas of Kitui and Mumoni. The Schedules submitted by Mr. Ainsworth have been amended accordingly.

6. It is considered that the Masai generally can well afford to pay the maximum limit of Rs:10/- per annum. Had a steak tax been imposed the proceeds per hut or pell would have reached a far higher figure, as the tribe possesses a quantity of steak but of all proportion to the number of taxable huts or adult males.

7. The contribution of the Coast tribes hitherto has been assessed at Rs:5/- per annum and the enhanced rates in those districts have been placed accordingly on a lower level than in other parts of the Protectorate. The Taita tribe are the only exception in the Seyidie Province, as the Acting Provincial Commissioner is of opinion that they are well able to afford the sum of Rs:10/- per annum.

8. There has never been a regular system of tax collection in Jubaland or the Northern Frontier District.

In Jubaland the procedure is to collect a percentage on stock sales as the equivalent of tax assessment, whilst payment in kind under section 11 of the Hut and Poll Tax Ordinance 1918 is the accepted method of contribution in the Northern Frontier Districts. The actual rate fixed by proclamation for these areas is, therefore, of little consequence, and 10% per annum has been proposed as a nominal figure.

9. A similar limit is being imposed on the Suk price in the Naivasha Province. These people are rich in cattle and are willing to trade, but up to the present have been handicapped by lack of veterinary supervision and by quarantine restrictions. It is proposed, if funds permit, to allocate a sum for the provision of dipping facilities on the Suk trading routes and once conditions are improved it should be possible to increase the burden of taxation.

10. I attach, for Your Lordship's information, a memorandum from the Chief Native Commissioner covering his estimate of the revenue which will accrue during the current financial year under the revised rates of native taxation. The difficulties to be encountered in the initial collection are explained by Mr. Ainsworth and it is possible that the figures given may prove too liberal as three months of the year are likely to elapse before collections can be started and in the meantime a sense of uncertainty has prevailed amongst the native population as to the actual assessment to which they would be liable ultimately.

I have the honour to be,
Your Lordship's
humble, obedient servant,


ACTING GOVERNOR.

of all Masai fair and as the officer in charge is of the same opinion I think it should be fixed at the maximum. The same rate should be applied to the Usin Gishu Masai for the same reasons.

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6. The Provincial Commissioner, Ukamba, considers that the Kitui and Mumoni people cannot afford to pay more than the Rs. 5/- suggested and he cannot recommend a higher rate. I am not prepared to oppose this view and therefore put forward the rate recommended.

7. The Acting Provincial Commissioner, Seyidie, recommends the rate of Rs. 5/- for cattle which he considers they can well afford to pay and Rs. 5/- for the rest of the Province. He states that in the case of latter the rate per hut or poll up to March 31st, 1920, was Rs. 3/- but during 1919 he was instructed that the rate for 1920-21 would be Rs. 5/- and that the people were informed accordingly. He also considers that the people of the Coast District cannot at present afford to pay more than Rs. 5/- and therefore he cannot recommend a higher rate. He hopes however that the five rupee rate will tend to stimulate the people to greater efforts in industry and that as a consequence they may be able in a year or two to meet a higher rate. The Acting Provincial Commissioner adds that in the Vanga District the people have not yet entirely recovered from the effect of the German occupation of the country during the war, and as regards the Nyika Reserve the affairs generally in that area upto lately have not been conducive to the best of relations between the people and the Government and that it is only with increased administrative effort that the people will become more contented, therefore the present is not a good time to raise the tax over Rs. 5/-. As regards Mombasa District and town he is opposed at present to the tax being more than Rs. 5/-.

8. The Provincial Commissioner, Lamaland, proposed at first a hut tax of Rs. 7/- and a Poll Tax of Rs. 10/- but on being informed of the decision that the poll tax should not be higher than the hut tax he considers that the rate should be Rs. 7/- for both hut and poll as he considers the great majority of the hut owners cannot pay more. He however considers that there will be a reluctance to pay the increased rate or indeed any rate but he thinks Rs. 7/- per hut or poll amount will stimulate the people to become industrious, a stimulation which they are very much in need of. To allow however of the tax being collected in the same manner it will be necessary to provide an additional officer.

9. Regarding Jubaland and the Northern Frontier District you are possibly aware that there has never been any regular system of collection either Hut or Poll Tax. The procedure in Jubaland is to collect a certain per-centage on stock sales as an equivalent of hut or poll tax. I understand that it is not possible to make any other arrangement. The procedure therefore would appear to be that provided for under Section 11 of the Hut and Poll Tax Ordinance 1914. The Northern Frontier District also works on the lines provided for in Section 11. As a result of this procedure it would appear to be of no consequence whatever rate is fixed by Proclamation for these two areas. I propose however to give it at Rs. 6/-. I have asked whether the same can be subjected to a regular assessment and collection but so far have no reply.

10. There remains to be dealt with the question of Native Reserves on farms and forest areas in the Naivasha Province. So far the Acting Provincial Commissioner has been unable to supply me with any figures which he can consider as

nealy approximate. It is therefore difficult for me to deal with figures under this head with anything approaching certainty. Mr. Horne when Acting Provincial Commissioner in Naivasha informed me that he estimated there were somewhere from 38,000 to 40,000 natives on various farms etc. in the Naivasha, Nakuru, Molo, Uasin Gishu and Trans-Kisumu areas. I consider it therefore fairly safe to estimate for 12,000 tax payers and consider that the tax should be Rs. 8/- which can very easily be earned if the people own to work. The Acting Provincial Commissioner states it may tend to put up wages but I do not consider that this point should enter into the question.

11. Should the Acting Provincial Commissioner, Naivasha, feel that he is not in a position to make any recommendation as to the rate of tax to be fixed for the various tribes in the Province I consider that the rates should be fixed as follows:-

Kumasia, Elgeyo, Karakwet and Kipsips	Rs. 8/-
Sub	Rs. 6/-
Uasin Gishu, Kapsai	Rs. 10/-

I consider that the Kumasia, Elgeyo, Karakwet and Kipsips own, if they so wish, earn ample money on the Plateau, the Trans-Kisumu and in the Molo areas. They are taking to turning out to work on the farms. There should therefore be no difficulty in their earning money very much more than sufficient to pay the tax.

As to the Sub the rate of Rs. 6/- is suggested. The reason for the amount being less than the Kumasia etc. is because they are further away from productive development areas. The Sub can easily pay the tax by trading in stock this however is contingent upon adequate veterinary arrangements being provided. The people are very willing to trade but are handicapped by lack of veterinary supervision and means for free passage of stock.

12. I feel that I must make very strong reference to what is apparently the universal opinion of all Provincial Commissioners and that is the absolute necessity for showing to the natives concerned that the Government is really in earnest as to providing for medical and educational schemes out of the increased revenue. My personal opinion is that we must undertake these services and that they have already been too long delayed. I fully realize that the extent of these benefits will be the amount of revenue available, at the same time however the mere fact of raising the rate is, I feel, a commitment on our part to start in with the schemes indicated.

There is not a single Provincial Commissioner who has not pointed out the undesirability of raising the rate unless we are definitely prepared to make a return to the natives in the way of schemes for their betterment which can be applied in the different districts year by year.

13. I attach a schedule showing the estimated collections for each Province at the rate suggested. The total comes to Rs. 4,938,452 which is over the estimated collection as shown in the Estimates for 1920-21, but from this it may be necessary to deduct a sum of Rs. 78,679 (vide Mr. P. G. Kenya's remarks on the schedule). If the Acting Provincial Commissioner's apparently precautionary surmise, actually has effect the actual collections in Kenya will be short of the Kenya Estimate and will affect the total Protectorate Estimates by Rs. 13,895. The first year of collection of an increased rate of tax is not really a good test of what the actual revenue should be. It is therefore to be expected that unless each district concerned is fully staffed during the period of collection that there may be other districts that will show a falling off against the estimate, therefore

if a full collection is to result we must provide for a proper check of the assessment and a close collection while any exemptions claimed will require to be carefully considered.

4. Notwithstanding the possibility of the actual estimate not being reached I consider that it remains with the Government to give material evidence of its intention to introduce the Medical and Educational services and to set, if necessary, to savings in other directions to meet any shortage.

ED/- JOHN AINSWORTH.

CHIEF NATIVE COMMISSIONER.

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PROCLAMATION.

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In Exercise of the power conferred upon the Governor by the Native Hut and Poll Tax Amendment Ordinance 1915 and the Native Hut and Poll Tax Amendment Ordinance 1920, I, Charles Albert Baring, Knight Commander of the Most Excellent Order of the British Empire, and Companion of the Most Distinguished Order of Saint Michael and Saint George, Acting Governor of the West Africa Protectorate hereby declare that on and from the date of this Proclamation in the Districts and areas set out in the Schedule annexed hereto the sum payable in respect of hut and poll tax as the case may be, leviable under the Native Hut and Poll Tax Ordinance 1910, shall be increased to the amount shown in each case.

Given under my hand this seventh day of June, 1920.

SD/- C. C. BARING,

ACTING GOVERNOR.

SCHEDULE.

Per hut or poll as
the case may be

<u>Nyanza Province</u> All Districts and areas	Rs. 8/-
<u>Nyanza Province</u>	Rs. 10/-
Masai Reserve	Rs. 8/-
Kamalia, Elgeyo, Marakwet, Njemps	Rs. 10/-
Usisi Gishu Masai	Rs. 8/-
<u>Ukamba Province</u> All Districts and areas	Rs. 8/-
<u>Ukamba Province</u>	Rs. 8/-
Kitui District	Rs. 8/-
Ulu District	Rs. 8/-
Nairobi Town and District	Rs. 8/-
Kitui and Masoi	Rs. 8/-
<u>Seyidie Province</u>	Rs. 8/-
Teita District	Rs. 5/-
Nyika Reserve	Rs. 5/-
Malindi District	Rs. 5/-
Vanga District	Rs. 5/-
Mombasa Town	Rs. 7/-
<u>Tanzania Province</u> All Districts and areas	Rs. 8/-
On all alienated lands and Crown lands	Rs. 8/-
outside native Reserves in the Teita	Rs. 8/-
District, in the Ukamba, Masai, Nyanza	Rs. 8/-
and Nyanza Provinces	Rs. 8/-
Jubaland and Northern Frontier District	Rs. 8/-

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A 6/3/17

Chief Native Commissioner's Office,
Nairobi, June 1, 1920.

Hon. Ag. Chief Secretary.

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Hut and Poll Tax Revenue 1920-21.

I forward herewith a Schedule showing estimated Revenue on Native Hut and Poll Tax for 1920-21 at the rates named.

The total sum under this head shown in the Draft Estimates for 1920-21 is Rs. 5,592,500. After very considerable discussion with Provincial Commissioners concerned it is extremely doubtful whether this amount can be realized and I feel that it will be most unwise to expect this sum. The reasons are that it is always most difficult to collect the full tax due in the first year of increase of the rate, to attempt to achieve it will for one thing mean a full Administrative Staff in each district, and as tax evasion will, it is felt, be numerous. It must also borne in mind that the original estimate was put up by Officers who will not be in the Province for the greater part of the period during which the tax will be collected and that it was, I believe, a top estimate. The first year of collection at an increased rate has never in the past been a fair index of what the actual of real taxable quantity is likely to be. Therefore from every possible point of view I very strongly advocate a considerable reduction in the Estimate in the hope that during 1921-22 the full tax at the increased rate will be forthcoming, when also it may be possible to bring the Coast Districts on to the same rate as is applied in the majority of districts up country.

In view of the foregoing I submit a revised schedule of Revenue by Districts, the total so estimated comes to Rs. 6,565,675. This sum I hope will be realized, the difference as between this and the original estimate is Rs. 1,073,175.

I would ask that this memorandum be read with previous correspondence put up on this subject.

I attach 20 copies of the revised revenue schedule.


Chief Native Commissioner.

Copy to Hon. Treasurer.

Estimate of Native Hut and Poll Tax Revenue
for 1930-31 at the rates shown.

	Rate.	Rs.	Rs.
Uganda Provinces.			
Kisumu District	8/-	838000	
North Kavirondo	8/-	960000	
South "	8/-	818000	
Lushoto	8/-	148000	
Wandi	8/-	108000	2860000
Kenya Provinces.			
Nyeri	8/-	548216	
Fort Hall	8/-	528288	
Meru	8/-	368064	
Mabu & Chuka	8/-	348780	1777368
	10/-	180000	180000
Uganda Reserve.			
Uganda Provinces.			
Kidugaya	8/-	208000	
Ulu & Kikumilla	8/-	378000	
Kitui & Mumoni	8/-	270000	
Nairobi Town	8/-	80000	998000
Siwash Provinces.			
Dak	8/-	48000	
Kanada, Elgeyo	8/-	148000	
Wasin Uluhu Masai	10/-	8000	
Resident Natives on farms.		80000	276000
Wild Provinces.			
Taita	8/-	80000	
Walia Reserve	8/-	128000	
Malindi	8/-	80000	
Yam	8/-	80000	
Wanda on District & Town	8/-	80000	548000
Island Provinces.			
Yam River	7/-	40000	
Lamu, Pasa, Witu etc.	7/-	80000	95810
Island Provinces.			
	6/-	80000	
	6/-	40000	68000

18 August 1920.

Sir

Field Marshal

I have the honor to acknowledge the receipt of your letter of August No. 70 of the 30th inst. and to enclose herewith the subject of the rate of contribution in the various Districts of the Protectorate.

DRAFT.

No. 1197

Minute.

- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]

I have noted the details of the proposed rates and have to express my appreciation of the care with which the question of adjusting the amount to be then been investigated.

G. MILNER

36816/EA
for [unclear]
add