



EAST AFRICAN PAPER
No. 4368

4 DEC 08

Governor. No. 502

(Subject.)

1908

Land Ordice

R. No. last previous Paper.

Order minute by Council of Lands & other for the
revenue making provision to Co. section regarding (a)
imposition of duties to prevent excessive accumulation
of land & (b) regulation of rents after 33rd & 66th years of lease.
Submits plans & recommends postponement of these measures.

(Minutes.)

Mr. Read

The Order has been read a first
time & will be found in the
Gazette of which a copy is circulated
herewith. The provisions as to
duties to prevent excessive accumu-
lations will be found in ch. 127
and those as to regulation
in ch. 128, 129.

These provisions were inserted in
accordance with the
instructions in his despatch of 9th
March 1908 directed for the
Ch. 127 & 129, part 9 of 1908
The Order will be found in

and was 16.7 Jan 09

33rd year which gives a sufficiently long tenure.

(c) The revaluation is only made on the unearned

improvements.

The amount cannot in any case exceed
an amount of the revaluation at the end of the 33rd year
and 2/3d of the value of the 66th year.

The proposals I have spatch re
may be favourable to the settler who is fair to be
at present we are spending large sums on helping the
farmer and it is not much to say that in 33 year's time
the settler should get something back.

I think we should tell the Governor that the
principle of these two clauses must be preserved; the
proposals being amended so as to coincide with
Lord Blyth's instructions. An argumentative despatch
should be written showing once more how reasonable the
proposals are.

F.D.E. 8/12

I suppose that the matter
will be before the Executive Committee

H. J. R.

19th

I've been a candidate for the
Executive Committee, but, if we
don't have a committee, as we may do
before long, I should be inclined
to suggest that he might call
on the Hon. Mr. Blyth's Report
and a committee would

ment, however, the bill
the settlers. It is for them to
state their objections and propose
for alterations in the Bill.

any line, the
got the Council of Lands
might be answered as Mr.
Ellis proposes. The Secy of State
will not, I imagine, consent
to depart from the main prin-
ciples of the Bill, and the
official members should be
prepared to defend them in
the Legislative Council. But
we don't want them to force
the Bill through the Council
without as it stands. There
is no lobby room for your
debate in details; and what
is most wanted here is that
the Bill should be fully
discussed. I don't think
there may be no misunderstanding
about it here and my
purpose is to

We shall have to consider the
details of the application to the
Order when we get them
I was a party to the original
proposal & I will refer to
them but we must give our
best favour to the opponents
were listening to

TJH

7.12

Yes, but the main principles are sound,
and surprisingly moderate, and I hope
we shall not budge.

95

17.12.

The difficulty in all these cases is
to steer between the luxury which
has so mischievous in Australia,
and a rigidity which hampers
and a rigidity which hampers
enterprise, and it is a very real
difficulty. The view of the members of
the Governor and the Commission of
Lands, it will suffice at present
to say that it is by address to the spirit
that means must be found of allowing
to the Govt. i.e. the Commission, a
share in future investment, and that
in our opinion the need is not met
by the possibility of a land-tax the
introduction of which cannot be regarded.
Then let the points at issue be
expressed out in the Legislative Council,
as being understood both the Order here
the field would any particular provision
be proposed to require amendment -

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GOVERNMENT
MAIL

PROCESSED
NO. 552
(Incl. 1)

My Lord,

I venture to request if you can in any

64-99807

connection with the...

to the Col.

orders of the...

like you to come
to see where matters
with the state
The

tion of...

U.S. Principal Bureau for State

of the Colon

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6. As a matter of fact I found that the question of a land tax, to be imposed later on when farms are showing a profit, would not of itself be resented. Generally the settlers appeared to consider such a tax in the future a not undesirable measure, but as I have already said, they are entirely opposed to it until the present experimental stage is passed.

7. In his minute Colonel Montgomery has shown that so far the surtax is not essential for the purpose for which it is intended to be imposed, and in my opinion it would be well to defer this measure for the present. If hereafter it is found that despite the safeguards elsewhere provided for in the Bill and referred to by the Commissioner of Lands, individuals are making undue accumulations of land then the surtax can be introduced. I may further say that we look forward to a time when the stock of agricultural and pastoral development will warrant the introduction of a general land tax for revenue purposes, which might, or might not, in accordance with

the surface, it was found that the
of the surface, it was found that the
of the surface, it was found that the

the measure is proposed to check
of law, particularly that and subsequent paragraphs
suggested that a concentration of power
power is being expressed by this measure. That
been arrived at after reading the substance of the

in the House, after ascertaining the views of the members
in daily conversation during a three day tour in a
settling of area, but after careful consideration
Executive Council, and in their report to the

the introduction of this measure, which has not
such a condition
Colonel Montgomery of the

undoubtedly a great
reference was

that ... long a period ...
... as ... or at the ...
... of the country's ...
... nominal. And ...
... the enhanced market value of the land. I must say that the
... proposal ... one likely to pass with
... it has met with general
... argued to me that it is the un-
... that ... not take more
... of the ... value of the land, and yet the
... with such figures as ad
... for what he now pays 1d or 2d; and it
... been represented to ... the enhanced rate fixed
... in terms of ... and 3d, intending settlers
... would know how the ... a better
... and a fact most of the
... would be removed. This ...
... the ...
... the ...
... the ...

10. The principles laid down in this connection in paragraph 9 of Your Lordship's despatch above noted have my full concurrence. But, as will have been evident from a previous despatch, I have been doubtful as to the advisability of fixing the maximum so high as at 9d and 2s 3d; and I am still further confirmed in this opinion by the results of my tour. I venture again to urge on Your Lordship's consideration the proposal, already advocated by the Commissioner of Lands to fix the miscellaneous rates at the lower figures of 8d (50 cents) and 16d (1 rupee).

11. This, if these maxims are ever realised within the time, will alone mean a largely increased revenue, and if necessary and the progress of the country warrants it, it would be within our power to fall back on a land tax, and it will certainly have a less frightening effect than the rates proposed in this despatch. In this connection I submit a copy of a letter I have just received from one of the most prominent ~~our~~ leaders. I refrain from comment on the letter, but enclose it as

showing

Office of the Commissioner of Lands,
Nairobi.

11th. November, 1908.

Your Excellency,

I have the honour to refer you to paras. 22 to 27 of the despatch of the Secretary of State of the 19th. March, 1908 on the revision of the land law, containing proposals for checking excessive accumulations of land in the hands of individuals.

2. These proposals are briefly as follows:-

- (a) A surtax charged on rentals, the lowest values being exempt, and the rate rising as the amount of rent increases.
- (b) The absolute prohibition of the accumulation of more than 100,000 acres in the hands of individuals, safe-guarding the rights of banks and loan companies.
- (c) The imposition of a penalty on "dummying."

3. An endeavour has been made to incorporate these provisions in the new Land Ordinance, but we have not succeeded in framing a satisfactory proposition, and I recommend that the same should be reconsidered.

HIS EXCELLENCY

THE GOVERNOR,

BRITISH EAST AFRICA PROTECTORATE

NAIROBI.

It

It will be seen that (a) and (b) are on different bases, the former on the rental, the latter on the area basis. That is one difficulty, though it could doubtless be overcome. In working out details we find it useless to assess on a lower rental than £10. The tax on this sum amounts to £1, the smallest unit which should be demanded. This is our rule in our rent charges.

Finally, seeing that existing property will be exempt from the surtax, practically no income will be realised for some years. For the new conditions grants can be obtained on moderate size, and more will not ordinarily be given to the same individual until he has done what he first obtained.

4. The new Land Bill has been severely criticised, more especially the proposal regarding the surtax. The general impression is that it is another means of getting revenue from the struggling settler; and it is also felt that it will tend to keep desirable settlers from the country. The first reason has no justification; for the proposal has been put forward simply to check excessive accumulations of land. The latter has some grounds. The ordinary man looking for land will say that not only will his rent be raised later during his lease, but he will also probably have to pay an extra

It is admitted that the proposal to revise the rents in the course of the lease is perfectly logical and just; but it is urged that this also will keep away the desirable settler. I would suggest the suggestion for Your Excellency's consideration.

If the lease plus revision of rent will keep people from taking up land, this form of tenure stands condemned. But I am not sure that it will.

And personally I think it is fairer to let the lessee know in the beginning what he may have to pay as enhanced rent if land values rise.

My opinion (as I stated in my previous report) is that the maximum rates of enhanced rent have been pitched too high. This view has not been accepted by the Secretary of State, but I trust it may be reconsidered.

If a man knows, when he takes up land, that his rent cannot be raised in the 33rd and 66th years beyond 3 pence (50 cents) and 16 pence (one rupee) he will be more likely to accept the conditions, than if enhanced rates are set at 9 pence and 2 shilling and 3 pence. I think that in no case can the rent be more than 1 per cent. on the unimproved value of the land, but it is also impossible to say what that value may hereafter be, or how it will be calculated. That intending settlers will usually consider only the actual maximum rates which are to be entered

farmers who desired to make this land their home.

It is not in my province to express an opinion on the New Land Ordinance, but as a sincere well wisher of this beautiful and promising young colony I have deemed it my duty respectfully to bring the foregoing facts to Your Excellency's notice.

I have &c., &c.,

J. R. BRASMUS.

...which are not suf-
(1)
...insignifi-
...of the existing rents, ranging from
(2)
...cents of a rupee per acre;
...fact that they cannot be raised for 33 years;
(3)
...that, even then, the increased rent
...will not be levied on the improvements made
...by the lessee but only on the unearned increment
...due to the growth of organized society, an
...increment which ~~was~~ in countries with an old
...established land system is coming to be re-
...garded as proper to be resumed, in whole or
...part, for the benefit of the society which
...created the value.

... In this connection I must remark
...on the very small ~~amount~~ ^{sum} ~~directly~~ ^{beneficially} ~~improved~~
...by the European element in the community
...whose behalf ~~as some persons~~ ^{as} ~~the Government~~

DRAFT.

towards the cost of the administration.

In the draft estimates for 1909-10, which are before me ~~the~~ Agents of all kinds are estimated to produce only £15534, while the natives of the Protectorate ~~are expected to~~ ^{will} pay in hut-tax 294,314, and the British tax payer is asked to contribute £138,000, or possibly, as I learn from your recent telegram, £154,000.

In view of the provisions of the Berlin Act it is not possible to raise a large sum by Customs, which is the usual resource in undeveloped countries: and it certainly does not seem unreasonable that the State should, at the end of 33 years, have a chance of recouping itself ^{by increased rentals} for the large expenditure it is now incurring in assisting agriculture and pastoral industry.

I concur in the view expressed

DRAFT.

9. The large increase in the tax on holdings of 50,000 acres and over and the practical prohibition of holdings over 100,000 acres are intended to check the accumulation of land in the hands of a few individuals which have had such deleterious effects in New South Wales and elsewhere.

10. His Majesty's Government are of the opinion that means must be found of securing to the Government, i.e. to the community, a share in the future increased value of the land, and that this need is not met by the possibility of a land-tax the incidence of which cannot be regulated. They also hold that *excessive* accumulations of land in the hands of individuals must be restrained by law so far as it is possible to do so.

11. Subject to the maintenance

*details of the report
trust that the
you will be*

and *partly* in the *Legislative*
Council, it being however understood that the
provisions of the Bill as *amended*
Migin's despatch held *the* *fact*
particular

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12. 1. 1901
No. 565
from the Central Committee
in the subject
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