

564

1925

KENYA

15407

FROM
A.G. DENHAM.

249

DATE

26th February 1925.

REC'

REC' 3 APR 25

OR CIRCULATION

Mr. *B. L. Clarke*Mr. *B. L. Clarke*Mr. *B. L. Clarke*

Post U.S. of S.

Post U.S. of S.

Post U.S. of S.

Post U.S. of S.

Secretary of State

NAIROBI RATING ORDINANCE.

Refer to his tel No 83 of 21st February and now fwds copy of judgment of Supreme Court. It is advised that further legislation is unnecessary. Hoping that reconstitution of Municipal Council will result in abandonment by Indians of their refusal to pay rates.

Previous Paper

H. G. Jones

MINUTES

I spoke to you. The minutes ~~are~~
825 are not yet complete.

The Supreme Court has held that an order under section 9 cannot be made ex parte & without proof. We may welcome the decision since the possibility of a calumny interpretation must have been always with some concern.

The Courts decision leaves the Indian grievance which it unnecessary to take at the front at the moment in my opinion as 825. In this case his seems no reason why the

D.C.L. 2021H

Subsequent Paper

adherence should not now be sanctioned.

It is in my minute (second page)

83^o3 traces the history of the provision
but no appeals shall lie from the magistrate's
trib. The Supreme Court however made it clear
by its May 1863 act without jurisdiction the
proceedings were remanded & the trial might
now be left - a panel of appeal might be allowed
in the civil law & criminal cases

Justice of the peace for [redacted]

83^o3

" act 83^o3, 84 P.C. [redacted]

With interpretation on section 30, we think
in 83^o3(1) observe not at all. It is necessary
to say that in these cases the Supreme or
District Court, in the absence of any decision
of the Just. members cannot decide, the
order not to allow to remain in operation
that according to them will not be advanced
timely to some & desistance.

V.W.H.
13.4.12.

don't believe have
pointed out to
him probably
overlooked!

act 6/4

KENYA.

No. 249.



15407

GOVERNMENT HOUSE.

NAIROBI.

KENYA

3 APR 25

26th February, 1925.

Sir,

With reference to my telegram No. 83 of 21st February on the subject of the Nairobi (Rating of Unimproved Site Values Tax) Amendment Ordinance, No. XIII of 1924, I have the honour to transmit for your information, a copy of the judgment of the Supreme Court, as reported in the Press, to which reference was made in my above quoted telegram.

2. I am advised that further legislation as a result of this judgment is unnecessary as the Supreme Court has only held that the Nairobi Corporation cannot proceed without proof and ex parte: and I consider that no further action should be taken by Government until the Corporation has brought in proper manner another suit for recovery of rates and the attitude of the Courts is further tested. I enclose for your information, a copy of the Attorney General's minute of 17th February. I am, however, hopeful that the arrangements regarding the reconstitution of the Nairobi Municipal Council which are now in progress in view of your approval of the late Governor's recommendations will result in the abandonment by the Indians of their refusal to pay Municipal rates.

3. As regards the second item in the Defence dealt with in the Supreme Court judgment, viz; that the necessary

govern -

THE RIGHT HONOURABLE

LIEUTENANT COLONEL

M. S. MERRY, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, S. W.,

quorum of the Municipality was not present when the rate was fixed, I should state that pending the receipt of your approval of the recommended re-constitution of the Council the late Governor requested the existing members of the Council to carry on the work of the Council. Sir Robert Coryndon did not wish at that time to make new appointments and as by reason of resignation the number of the Councillors had been reduced to ten, these ten Councillors were appointed until further notice under Government Notice No.156 of April 30th, 1924, and on June 4th, a further appointment in similar terms was made in the case of one Councillor who had then returned to the country after an absence in England. Two Councillors subsequently resigned their appointments and the present membership of the Council is therefore nine. I enclose, for your information, a copy of an opinion by the Attorney General in which he advises that all subsequent Government Notices notifying appointments to the Municipal Council may be held to have superseded Government Notice No.67 of February 25th, 1920, and that the quorum required under Section 11 of the Municipal Corporations Ordinance, 1920, may be computed on a basis of the actual number of the appointed Councillors from time to time.

I have the honour to be,

Sir,

Your most obedient, humble servant,


ACTING GOVERNOR.

LEGAL DEPARTMENT

ATTORNEY GENERAL'S OFFICE,
MADRAS,
17th February, 1925.

272/25.
The Hon'ble Ag. Colonial Secretary,

H. A. R. S. P. I.

RENTS & FEES (RATING OF UNIMPROVED SITE VALUE)
ORDINANCE, 1924.

Ref: Your letter No. 272/25/6/136 of the 13th Jan'y.

In regard to the reply to be sent to the Secretary of State on the points raised in Indian ratepayers association's telegram I would suggest an answer in the following sense:-

"(1) Section 3 (a) does not bear the construction placed upon it by the Indian Association. It merely allows a rate to be fixed during the year to which it is applicable.

(2) Arrears are a charge on lands by section 26 of the 1921 ordinance.

(3) The magistrate's decision has been reversed by the Supreme Court which held that Section 14 of the 1924 Ordinance did not apply to the test case.

(4) I am averse to further legislation until the Municipal Council has exhausted all means of recovering the rates under the existing ordinance. At present the court has only held that the council cannot proceed without proof and ex parte.

2. It must be noted that the Indian ratepayers association is bent to raise every possible difficulty. If the ordinance follows ordinary lines as e.g. the 1921 one the law will be evaded and in practice rates will be difficult and expensive to collect. If it adopts extraordinary procedure it is argued that the ordinance itself is unconstitutional.

~~SECRET~~

JOHN Y. G. LEWIS, C.P.O. 10,

SECRETARY,

17th February, 1921.

The Hon'ble Ag. Colonial Secretary,

S a i r o b i.

RE: THE MINISTER OF FINANCE AND THE VARIOUS
DIVISIONS, 1921.if you will kindly advise me by the 13th inst.

In regard to the reply to be sent to the Secretary of State on the points raised in Indian Association's telegram I will suggest an answer in the following sense:-

(1) Section 4 (a) does not bear the construction placed upon it by the Indian Association. It merely allows a rate to be fixed during the year to which it is applicable.

(2) Arrangement a change on lands by section 26 of the 1921 ordinances.

(3) The magistrate's decision has been reversed by the Appeal Court which held that section 14 of the 1921 ordinance did not apply to the test case.

(4) I am averse to further legislation until the Municipal Council has exhausted all means of recovering the rates under existing ordinances. At present the court has only held that the council cannot proceed without a valid leasehold.

5. It must be noted that the ~~constitutional~~ ~~constitutionality~~ question is out to raise every possible difficulty. If the ordinance is held unconstitutional the law will be available to question whether it can be effected under another ordinance. If it adopts extraordinary measures it is open to question whether itself is unconstitutional.

for the election of directors and filling vacancies etc., "Held that the Act does not require that there shall be at all times twelve directors, its provisions in that respect being directory only".

Reverting to section 7 (1) that section does not prescribe the method of determination, it does not for instance say the Governor is to state the numerical complement of the Council, only that the Council shall consist of so many Councillors as the Governor shall determine to be appointed by him.

In my view if the Governor appoints, as he did in Government Notice No. 427 of 1923, ten Councillors by name that is a proper determination of the number and constitution of the Council, and if at a later date he appoints two more Councillors that would be a fresh determination fixing the number at 12 and of course the converse would apply. In my view, therefore, an amending notice is not necessary, and this view appears to be supported by the decision of the Supreme Court in the case of Jeevanees vs Nairobi Town Council decided yesterday.

W. G. Lyall Green

Advocate-General

NAIROBI RATES CASE.

Lower Court Proceedings "Irregular and Illegal."

SUPREME COURT RULING.

Corporation to Pay Mr. Jeevanjee's Costs of Appeal.

NO PROOF OF DEBT.

His Honour The Chief Justice and Acting Judge Crean issued the following judgment yesterday in the application made by Messrs A. M. Jeevanjee and Co. to the Supreme Court to interfere in the litigation between that firm and the Nairobi Town Council on the subject of *stamp of site value taxation*.

THE JUDGMENT.

In Civil Case No. 2044 the Nairobi Corporation on the 28th November 1924 applied to the Resident Magistrate, Nairobi, to proceed against Plot No. 116 Ngari Road, Nairobi under Section 9 (a) of Ordinance No. 13 of 1924. This application was grounded on a letter written to the Resident Magistrate by the advocates for the Corporation on the 28th November 1924 wherein it was stated that Mr. A. M. Jeevanjee trading as A. M. Jeevanjee and Co. was indebted to the Nairobi Corporation in the sum of 258/38 for Unimproved Site Value Tax for the years 1922, 1923 and 1924 in respect of the above plot. An attachment issued out of the Resident Magistrate's Court on the 9th day of December 1924 with a direction to the Court Broker to sell by public auction the property described in the said warrant of attachment at the expiration of 30 days from the date of the warrant unless the above sum of 258/38 plus interest and costs be paid. This warrant of attachment was received by the Court Broker on the 10th December 1924 and on the 12th December 1924 two days later Mr. Daly and Mr. Phadko advocates for A. M. Jeevanjee and Co. appeared before the Resident Magistrate with a view to showing cause why the warrant of attachment should not issue and they asked leave to appear and defend the proceedings.

In the ruling of the Resident Magistrate on this point, it is set out that the Nairobi Corporation sued A. M. Jeevanjee for 258/45 "being arrears of rates interest and costs alleged to be due on Plot 116 Ngari Road" and after giving reasons it is held by him that the defendants have no locus standi and that the arguments they wish to put forward cannot be then heard.

Having been refused a hearing the defendants applied to this Court for (1) a Mandamus to issue to the learned Magistrate directing him to raise the attachment on Plot No. 116 or (2) for a writ of Certiorari to issue to the Resident Magistrate calling upon him to transfer all proceedings in Civil Case No. 2044 of 1924 to this Court that justice may be done according to law and that the order of attachment and sale made by the learned Magistrate and all proceedings therein be quashed, or (3) for a writ of prohibition to issue to the Resident Magistrate and the Nairobi Corporation prohibiting the Magistrate and Corporation from taking proceedings under the Nairobi (Rating of Unimproved Sites Value) Amending Ordinance 1924 (No. 16 of 1924). On this application a writ of Certiorari was issued to the Resident Magistrate commanding him to send to this Court all proceedings in Civil Case 2044 of 1924 with all things touching the same together with the said writ. A prohibition order was also made directing the Resident Magistrate and the Nairobi Corporation from further proceeding in the said matter until this order be made absolute or discharged and the Nairobi Corporation were directed to appear before this Court on the 19th day of January 1925 to show cause why this order should not be made absolute.

NAIROBI RATES CASE JUDGMENT.

(Continued from page 1.)

Before dealing with the arguments put forward by Counsel on the above application, it might simply matters to set out that Section 9 of Ordinance No. 11 of 1924 under which the defendant acts, as follows:—“If any sum payable in respect of any sum unpaid and after the date on which it became due, the Council may apply to the Court for the attachment and sale of the land charged with the rate, or of any movable property found thereon, or of any movable property wherever found belonging to the person liable to pay such sum. Thereupon the Court shall attach such property and by notice declare its intention of selling attached land or movable property at the expiration of 30 days from the date of such attachment. If at the expiration of such period no rate has not been paid, or satisfied, the Court shall sell the same without any evidence being before him of such fact.”

To deal first with the argument that the Legislator of the Colony has no power to impose taxation without such power being given them by express words we are of the opinion for the reasons which we wish to adduce set out in the judgment in Civil Case 3401, of 1921 Resident Magistrate's Court Nairobi, that the right of the Legislator to impose taxes is well established.

In showing cause why the defendant should not be made liable as is contended by Mr. Kaplan that the Court has no power to inquire into the matter by way of certain proceedings and in support of the contention he quotes the above and Section 2 (b) and Section 14 and says that they have the effect of ousting the jurisdiction of the Court. He further argues that Cieriorum does not lie to quash the judgments of inferior Courts of Civil Jurisdiction.

There seems to be no doubt that this Court has the power to make any order that conforms to the common law of England, viz., The Kenya Order-in-Council 1921, Article 4 (2) and The Colonial Bank of Australia Ltd. and John Tharay Robert Wilcox (1974) L.R.P.C.A.C. 417. As to the argument that Section 2 (b) and Section 14 preclude a party from moving this Court by way of Cieriorum there is abundant authority for saying that unless express words are used in the Ordinance to take away the right of Cieriorum the jurisdiction of the superior Court is not taken away.

In *Rex against Morley*, 97 English Reports and Smith v. The Commissioners of Sewers, 88 English Reports, support this view and in *Rex v. Joe Jones, and 2 others*, 101 English Reports it was laid down; that Cieriorum being a beneficial writ for the subject could not be taken away without express words.

The Ordinance of 1921 and amendments thereto in 1922 and 1923 disclose no remedy whatever to a defendant by way of appeal or otherwise, and in such circumstances it is clear that the superior

power to impose taxation, there being no express power given to them by the Letters Patent of 1920 in that behalf (2) That the necessary quorum of the Municipal Council was not present when the rate was fixed and that therefore the sinking of such was invalid. (3) That it is ultra vires inasmuch as no provision is made as to how the Magistrate is to try the case, that no provision is made to allow of hearing a defense or showing cause, and that as the power given is a highly penal one, it is contrary to fundamental justice to allow that course to be taken without giving the owner notice why his property should not be sold and why he should not be imprisoned. In addition to the above grounds for quashing the judgment it is contended that the Magistrate established his jurisdiction by proceeding upon a fact which he deemed to be in existence without any evidence being before him of such fact.

To deal first with the argument that the Legislator of the Colony has no power to impose taxation without such power being given them by express words we are of the opinion for the reasons which we wish to adduce set out in the judgment in Civil Case 3401, of 1921 Resident Magistrate's Court Nairobi that the right of the Legislator to impose taxes is well established.

The next point for consideration is the constitution of the Nairobi Corporation when the rates sued for were levied. By the Municipal Corporation Ordinance 1909 it is laid down that “the Council of any Municipality shall consist of so many Councillors as the Governor shall from time to time by notice in the Gazette determine in respect of such Municipality, not being less than eight to be appointed by the Governor and to hold office during the Governor's pleasure for a period not exceeding 4 years.” By Government Notice No. 240 of 1919 it was determined that the Nairobi Municipality Council should consist for the time being of 14 Councillors and 12 County Councillors, the Governor shall from time to time by notice in the Gazette determine the number of Councillors to be appointed by the Governor and to hold office for a period not exceeding two years. In a further Government Notice No. 46 of 1920 the above notice was cancelled and it was determined that the Nairobi Municipal Council should for the time being consist of 16 Councillors and 15 County Councillors were then named and appointed to hold office. Notice No. 46 was subsequently amended by No. 67 which substituted the figure 15 therefore from the 23rd February 1920 the date of No. 67 Notice the Nairobi Municipal Council consisted of 16 Councillors and by Section 7 of the Municipal Corporations Ordinance 1923 the Council of any Municipality shall consist of so many Councillors as the Governor shall from time to time by notice in the Gazette determine with no restriction as to a

the issuing of a summons or notice to him, therefore it comes before the Court for the purpose of interpreting it. And in interpreting a statute it is to be ascertained according to the intent of them that made it. The obvious intention of the Legislature in framing Section 9 was to give power of the summonses rates for Unpaid rates with as little delay as possible. But it expresses no intention of giving the defendant an opportunity to appear before the fact that the Defendant Magistrate's Court is named in Section 2 as the Court to have jurisdiction in applications under Section 9 it is uncertain that very order he makes under the Ordinance is done judicially. By Section 14 provision is made for the application of a third party whose property is attached to apply for the removal of the attachment, but the person sued is given such opportunity, in fact he is liable to arrest in the event of any land or movable property sold under the above Section 9, realising the amount of the rate with interest and costs. The case of *Harter v. The Liverpool Gas Light Co.* is very much on all fours with this one, there in a Statute establishing Gas Light Company it was enacted that if any person should refuse or neglect for 10 days after demand to pay any rent due from him to the Company for the supply of gas, such rent above to be recovered by the Company, their clerk by warrant of any Justice of the Peace for the town and it should be lawful for the Company or their clerk, with such warrant to levy the sum so due by distraint and sale of the goods of the party so neglecting or refusing to pay. It was held in the case that a warrant so issued by a Justice without previously summoning and hearing the party, be it strained upon was illegal, the summons and hearing were not in time required by the Act. Where a Magistrate grants a warrant in the nature of exception he binds himself to summon and hear the parties, unless the Statute under which he acts clearly renders the discharge of that function incidental only, or in some other manner dispensed with the summons and hearing. This case follows the principle of law frequently laid down that a party must be summoned before a writ of distress is granted against him and Lord Denman, Q. J. in his judgment referred to the case of *Harter v. Gurnell* 1909, 1 K.B. 570, where Lord Kenyon said “In this case a writ in rem is the administration of justice that no man shall be punished without being heard in his defense.”

It has also been argued that the remedy sought is only against the property charged with the rate, but the argument cannot hold good in view of Section 13 which provides for the issue of a warning or notice of attachment of the person or persons liable to pay such rates.

From the wording of Section 9 it must be inferred that the Magistrate is to act judicially yet he is ordered to attach property on the application of the Corporation and on the argument of Mr. Kaplan he

with by a perusal of the proceeding in Civil Case 3401 of 1924. As stated above the attachment was issued on the 8th December 1924, and on the 12th December Mr. Day and Mr. Phadee asked leave to sue out and defend, but such leave was refused and the Magistrate in his ruling probably realising that no proof of the Corporation debt had been submitted to him referred to the case of *Smith v. Balaclava* in which it was decided as regards to rates interest and account to sue out for the rates 1922, 23, 24. Now the Section 9 of any sum payable in respect of any rate rendered unpaid as on the date on which it becomes due, and on the 12th December 1924 the learned Magistrate Magistrate was obviously not satisfied that a debt had been proved to be due when he used the word “alleged” in his finding therefore on the 12th December 1924 when the warrant of attachment was issued he cannot have considered that the Corporation debt was proved because as on the 12th December there was nothing before him but the letter from the Advocate for the Corporation setting out the jurisdiction of this Court on Certiorari to see that the lower Court has not exceeded its own jurisdiction and for that reason the Court is bound not to interfere with what has been done within that jurisdiction. In short the jurisdiction of a Superior Court is exclusive, and that supervision goes to the points one in the area of the inferior jurisdiction, and the qualifications and conditions of its exercise, the other is the observance of the laws in the course of its exercise. (The King vs. Nat. Bells Liquors Limited Atc. 1922, Vol. 2). On the above interpretation which we have given to Section 9 that the Resident Magistrate's Court is intended to act judicially it follows that it will in effect that it will not give a judgment without proof or issue a warrant without notice to show cause. In Civil Case 244 of 1924 a warrant of attachment was issued when there was no evidence on the file of proceedings of a debtor due consequently it was outside the area of Resident Magistrate's Court's jurisdiction to make the order as it established its jurisdiction by proceeding upon an assumed fact and therefore in our opinion illegal, and for this reason and the reasons given above the Order of Attachment and Sale in Civil Case 244 of 1924 and all proceedings thereunder are hereby quashed, and costs of those proceedings in Chambers and Court are granted to applicant. Two Counsel allowed in Chambers and Court lower scale.

Sd J. W. HARTLEY

Sd B. A. GREEN

laid down; that Certiorari being a beneficial writ for the subject could not be taken away without express words.

The Ordinance of 1921 and amendments thereof in 1922 and 1924 disclose no remedy whatever to a defendant by way of appeal or otherwise, and in such circumstances it is clear that the superior Court has always jurisdiction to grant a writ of Certiorari. There is no doubt that the subject cannot be debarr'd of this remedy unless by express words in the Ordinance under which the action arises and in a case such as this where the jurisdiction of the Court is unassisted we are of opinion following the decision *Box v Justices of Quarter* that even express words in the Statute cannot take away this right.

The further argument that Certiorari does not lie to quash the judgments of inferior Courts of Civil Jurisdiction does not appear to us to be sound; for when it is alleged, as it is in this case, that there was no jurisdiction to grant judgment it seems to be an established rule of law that it is always open to the superior Court to examine the evidence to ascertain whether the Court below reached the proper conclusion on the evidence; but to ascertain if facts essential to the existence of jurisdiction in the lower Court were well.

In view of opinion that Certiorari is the proper procedure, we have to consider the grounds on which we are asked to make the writ and quash the judgment.

A defendant says the Ordinance is ultra vires and the reasons upon which he grounds this statement are as follows — (1) That Legislature of this Colony has

in January 1920 the date of No. 67 Notice the Nairobi Municipal Council consisted of 16 Councillors and by Section 7 of the Municipal Corporations Ordinance 1922 the Council of any Municipality shall consist of 50 ~~or more~~ Councillors the Governor shall from time to time by notice in the Gazette determine with no restriction as to a minimum number. Section 12 of this Ordinance sets out that a quorum shall not be less than one half or such larger proportion of the members as the Council may fix. Now as to the rates levied in 1923 and 1924 we have no information as to the number of Councillors present when that rate was levied. Subsequently we are not in a position to rule that the rate imposed was invalid.

It is before us on affidavit that the Nairobi Corporation at present consists of 7 members only and it is argued that as the members of Council have been fixed by law at 16 and a quorum thereof at half that number that the making of this rate must be in excess of the Council's authority. As to this Government Notice 457 of 1923 there were only 10 members of Council appointed. From the different notices published it is impossible for us to say whether or not the number of Councillors was reduced and we are therefore not prepared to rule that the imposition of the rate for 1924 was in valid.

To deal now with Section 9 of the 1924 Ordinance the section under which the proceedings in Civil Case 2024 were originated. It is clear that no directions are given to the Magistrate as to how the case is to be tried. It is also clear from it that no provision is made for the appearance of the defendant or for

for the issue of a warrant of personal attachment of the person or persons liable to pay such rates.

From the wording of Section 9a it must be inferred that the Magistrate is to act judicially yet he is ordered to attach property on the application of the Corporation and on the argument of Mr. Kaplan he is bound to do so, without any evidence before him of the rate being due. This method of procedure surely could not have been intended by the Legislature for it names a Court wherein proceedings under the Ordinance are to be instituted, in naming a Court it must intend that the Court will act judicially with all questions coming before it for determination and if Mr. Kaplan's interpretation of the Section is correct it seems to us impossible for the Court to act judicially and that it is bound to take its orders from one of the parties to the proceedings.

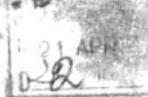
This Ordinance expresses no intention on this question and yet some intent must necessarily be imputed to the Legislature regarding it and it would seem to be the duty of this Court to interpret it by inference grounded on certain legal principles, and on considering the legal principles quoted above we are of opinion that the Legislature intended that a party to the proceedings in the Resident Magistrate's Court should be given an opportunity of showing cause and that therefore the proceedings before the learned Resident Magistrate were irregular and illegal.

The argument of Counsel for the defendant that the Magistrate in issuing the warrant of attachment acted without jurisdiction is an important one, and can be dealt

for 13407/25

Kenya

571



22 April 1925.

DRAFT.

O.A.
MINUTE.

To Mr. Robert Corryman's office
desp No 6 of the 10th of Jan, you

Mr. Birn April 17

Mr. Jeffries 10/4

Mr. Bushell 7/4

Mr. Bottomley 21/4 f. your desp No 269 of the 26th

Sir J. Shuckburgh,

Sir C. Davis,

Sir G. Grindle,

Sir J. Merton Smith,

Lord Arnold,

Mrs Thomas.

of Feb, regarding the Nairobi
(Rate of Unimproved Site
Valuer Tax) Amendment Bill

No XIII of 1924, and to

2. To regard the points
raised in the let from the
Indian Ratepayers Assoc
the 30 Decth last I enclose in the
inform you that I enclose in the

your interpretation of Section

as merely alluring the rate to be paid ^{during the} ~~in the~~
3. (c) of the ~~Bankruptcy Act~~
for which it is applicable & as not enacting a rule that
~~it~~ ^{levied} ~~not~~ ^{the} Supreme Court has held that an order
under Section 9 cannot be made ex parte and without proof; ^{a decree may be regarded with} ~~This~~ ^{is} ~~not~~ ^{satisfactory} ~~in view of the~~ the possibility of a contrary interpretation must have been viewed with some concern.

3. In these circumstances I see no reason why, ^{in the absence of any decision of} the Courts making amendment desirable, the Ordinance ^{not} be allowed to remain in operation, & accordingly H.M. will not be advised to exercise his power of disallowance in respect of the Ordinance.

Sgd: W. ORMSBY
the Secretary of State