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EAST AFR. PROT.
31805



Colonial Office
Date
1912

Land

Previous Paper
29574

Report of Committee on the Belfield's memorandum.

Mr Butler
Mr Kishy

I submit the report of the Small Committee which has been considering Mr Belfield's memorandum.

If the report is approved, the proper procedure would appear to be to send out copies of Mr Belfield's (29574) and Mr Tennant's memoranda with a copy of the draft Order as last revised explaining briefly the recent history

Subsequent Paper
36508

of the question, compared with the proposed
proposals as to the land (but such
modifications as the T.G.S. may think fit),
and request the Govt. to issue a new order
under the 1902 Act. It is necessary to take the
necessary steps for the immediate preparation
of a new draft order in the lines
decided by the T.G.S. While the arrangements
are being prepared, it will be necessary,
in order that further allotment of land
may not be longer delayed, to proceed
by rules under the 1902 Act, and
the Government should be invited to submit
a draft of such rules as quickly as possible.

H.F.B.

G.H.

Sir G. Fiddes

We ventured to press on with
this in Mr. Read's absence, in view of the
very serious delays which have of necessity
already taken place. I have no reason

to think that the views expressed
were considered to this on any material
point.

126

H.F.B.

Oct 10

There were a few marginal notes
(On the main question I can only say that
my preference is for 999 years, with other
conditions as to occupation & development, as
against 99 years)

Dn 10/10



I do not feel greatly affected by the
reasons given for preferring 999 yrs to
99 yrs. There are political factors
in favour of the shorter period. What
reasons are there against? & take
those stated in the bees report into
account.

1. All holders desire a form of tenure which
will enable them to hand down land
to their heirs for all time. After
all this is a system of revisable tenure.
What desirable settler will bid
for a 999 yrs lease who will not
bid for a 99 yrs lease under the
conditions stated? Very few, if
any, I think.

2. The difficulty on expiry of lease
I admit that, if this were a difficulty
of leases presently falling in, it w^d
be serious. As it is, the difficulty will
arise 100 yrs hence & feel pretty
confident that reasonable & equitable
ways of meeting it can be evolved
by that time! One way that occurs
to me is that the auction sh^d take
place some years before the 99 yrs
period expires. This w^d give the
present holder, if a capable man,
an advantage. Another way w^d
be a good valuation, the holder having
the option of taking at the valuation
or standing the racket of
auction.

I admit that there is not so much
to be said for short leases under a
tenure of revisable rents; but I do not
see the idea of tying up the land
to the E. A. P. which is available for
future settlers for 1000 yrs. I very
much prefer making an earlier recon-
sideration & revision possible.

Otherwise as proposed

E. 10. 10

sent out this report as proposed subject
to marginal notes, but I must adhere
to the 99 yrs.

I am greatly obliged to the Committee for
the trouble they have taken

H. 20. 10. 12



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20/11

No.

East Africa Protectorate



REPORT OF THE COMMITTEE ON MR. BELFIELD'S MEMORANDUM.

Paragraphs 1-4) ----- X Appear to call for no particular comment.

Paragraph 5.) ----- X The Committee note that the Secretary of State is not prepared at present to depart from the principle of a 99 years' lease with rent revisable every 33 years, but, as they gather from his Memorandum that he desires them to comment on Mr. Belfield's various suggestions, they venture to set out briefly the arguments for and against a 999 years' lease or a lease in perpetuity.

For the 999 years' lease or lease in perpetuity it is claimed that,

1. Practically all holders of land desire a form of tenure which will enable them to hand down the land to their heirs for all time, and if it is possible to gratify this sentimental desire while securing that the State shall derive, under a system of revisable rents, a proper share of the increased value of the land

* No 27232

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land in future years, it seems desirable to do so. It should be noted however, that this argument does not apply to the more tropical parts of the Protectorate, in which Europeans will not be able to establish a home. And further it may perhaps be pointed out that experience in this country shows that as a matter of fact it is becoming somewhat rare for a family to remain in occupation of the same land for many generations.

*But they all hope
to 24*

2. It avoids a difficulty which under a system of 99 years' leases will arise on the expiry of the lease. Under the 99 years' system, it would appear to be necessary for the Government at the end of the 99 years' period to put the farm up to auction with the result that it might have to evict a most excellent tenant who had lived his whole life on the farm.

Further it avoids the difficulty referred to in paragraph 7 of Mr. Taanshill's memorandum, viz: that the lessee towards the end of the 99 years' period

period can, if he so choose, "take the heart out of the land" and leave the Government a farm which is practically valueless.

3. It has this tactical advantage, that a 999 years' lease may prove a more attractive form of tenure to the Settlers, and that, therefore, in revising the terms of land tenure laid down in Lord Elgin's despatch, the concession of a 999 years' lease may be regarded as a set off against any points on which it may be decided to make more onerous the conditions laid down in 1908.

On the other side it may be urged that,

1. The system of 99 years has the advantage which the Secretary of State claims for it, viz: that in all probability the East Africa Protectorate will be a self-governing colony before 99 years have elapsed and ought not then to find all the Crown Lands finally alienated.

2. There is the practical point that, apart from the permission to freehold small homestead areas,

the maximum term at present allowed by the Crown Lands Ordinance 1902, is a lease for 99 years, and the policy of adhering to this term has been proclaimed for some four years now and has been more or less acquiesced in by the settlers, who have directed their agitation to the abolition of revision of rent and other points rather than to the lengthening of the period of the lease.

3. Some of the settlers may prefer not to bind their descendants for a longer period than 99 years in the hope of more favourable terms of land tenure being introduced.

4. A 99 years' lease is more in accordance with ordinary legal practice and user.

Paragraph 6.

The Committee are clear that auction provides the best method of allotment, and see no objection to the Governor being granted discretion to approve alienation at a fixed price and without competition in exceptional cases, every such case to be

reported

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reported to the Secretary of State. As Mr. Be field points out, the adoption of the auction method will do away with the necessity for dividing the land into classes, as the premium bid at auction will secure to the Government the proper value of the various classes of land.

to consider the effect of the proposed change on the value of the land

Paragraph 7.

The Committee concur in the proposals in this paragraph, except that they think that, in view of the numerous enquiries made in this country the Land Officer should give three months' notice, to be telegraphed to the Secretary of State, of the intention to hold an auction of land, in order to give would-be applicants in this country an opportunity of going out if they so desire.

As to the last sentence of this paragraph, the Committee consider that the Governor should only allow the representative of an absentee to bid in very exceptional cases, such as the case of a man who has already been out to the Protectorate to inspect the land but is prevented by some unavoidable circumstance

circumstance from going out again at the time of the auction.

if it is decided to adopt auction as a method of allotment, it becomes a question for consideration whether the Government would be justified in treating as ordinary revenue the whole of the sums so obtained, or whether at least some part of the amount ought not to be placed to a development fund. The inauguration of such a fund should render the proposed system more popular with the Settlers.

Paragraph 8.

The Committee agree with the first sentence of this paragraph. With regard to the rest they are inclined to recommend that the payment of the premium on agricultural and grazing blocks should be allowed to be spread over the period of the occupation license, as they think that it may bear somewhat hardly on the poorer settler to be compelled to pay down at once a large sum which he may badly need for the development of his farm. To insist on the immediate payment of the whole amount is tantamount to increasing very considerably the capital necessary

for -

for an intending settler in the East Africa Protectorate. As a safeguard against speculation, the Committee recommend that the privilege above proposed should be limited to the licensee who can produce an affidavit to the effect that he has never at any time held any interest in any Crown grant, lease, or license in the Protectorate.

Paragraph 9.

The proposals appear to be reasonable.

Paragraph 10.

The rates of rent for agricultural land prescribed in Lord Elgin's despatch (and at present in force) are -

For 4th class land	3 cents per acre
" 3rd " "	6 " " "
" 2nd " "	12 " " "
" 1st " "	18 " " "

As observed under paragraph six, the adoption of the auction method will do away with the necessity of dividing land into classes, and it therefore becomes necessary to fix a standard rate of rent for all land. The Committee had already considered this

point

point in connexion with paragraph 21 of Mr. Tannahill's memorandum, on which they were proposing to recommend 10 cents per acre as the standard rent for agricultural land as being (1) half way between the highest and lowest rates at present in force (2) a very convenient figure for calculation. So far as agricultural land is concerned, Mr. Belfield appears to have struck the balance between the 6 cents proposed by Mr. Tannahill and the 10 cents recommended by the Committee. If the method of auction be adopted, the precise figure of the rent does not matter very much from the financial point of view, as, the higher the rent, the less will be the amount of the stand premium bid at auction and vice versa. In favour of the higher rent proposed by the Committee it may be pointed out (1) that the value of land is rising in the Protectorate and that the lowest rates proposed in Lord Elgin's despatch for 4th Class land are already entirely inadequate; (2) that to a certain extent it is an advantage to the settler himself to have the rent

*See Tannahill's
 suggestion for that
 rent, and a fair
 one also makes a
 low London value
 the high one*

rent fixed fairly high, as the effect will be that he will have to pay a smaller stand premium and the total cost to him of the land will thus be spread more equally over the whole period of the lease.

The Committee agree that the rate for grazing land should be half that fixed for agricultural land.

They agree to the minimum proposed in each case.

Paragraph 11.

The Committee agree that occupation licences for country lands should extend to three years.

Paragraph 12.

The Committee assent generally to the proposals made in this paragraph, subject to the production by the Governor of the schedules prescribing the development conditions in the case of each kind of land. The Committee desire to draw particular attention to the proposed condition as to the effective maintenance of development work, which is not at present embodied in any legal enactment of the Protectorate. Development conditions on the lines

now

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now recommended by the Governor are already prescribed in certain special leases which have been granted.

Paragraph 13.

For the reasons given in Sir P. Girouard's despatch of the 14th of February last (8076/12), the Committee think it essential to insist on personal occupation at least for the period of the occupation license, the only exception being the case of a licensee who already holds other land in the Protectorate and personally resides upon it.

Similar requirements are laid down in the enactments of certain of the Australian States. Cf. Victoria Land Act 1901, section 63.

Paragraph 14.

As to the question of grants in perpetuity, the Committee would refer to their observations on paragraph five supra. But, whether the system of leases for 99 years or that of perpetual leases be decided upon, the Committee incline to the opinion that it is desirable to get rid of the complications caused by the grant of small areas of freehold. They would point out that the principles stated in the

letter

latter part of this paragraph apply equally whether the Secretary of State decides for 99 years leases or for leases in perpetuity.

Paragraph 15.

The Committee concur in the first section of this paragraph.

As to the second section, the Committee agree that the method of revaluation proposed by Mr. Tannahill would be a fair one, namely, that in valuing the land for revision of rent the value of the land should be arrived at by subtracting from the ascertained market value of the land with the improvements effected thereon the "replacement" value of such improvements, the rent being fixed at 1% of the unimproved value so ascertained at the expiration of the 33rd year, 2% at the end of the 66th year, and 3% at the end of the 99th year and for all periods thereafter. In considering Mr. Tannahill's proposals the Committee recognized that the system which he suggested would bring in a greater revenue to the State and would avoid the difficulties involved in

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the maximum rents proposed in Lord Elgin's despatch, the result of which would probably be that all classes of land would pay the same rate of rent after the first 33 years. At that time, however, the Committee considered that they were bound by the principles of Lord Elgin's despatch, and could not therefore see their way to recommend Mr. Tannahill's proposals. But, if that bar be removed, the Committee agree with the Governor that those proposals should be adopted.

Paragraph 16.

The difficulties involved in applying the proposed land-tax even to future grants of land have been fully set out in the Committee's report of the 14th of November 1911, to which they would invite reference; and they concur with the Governor in advocating the abandonment of the graduated land-tax on account of the difficulties with which they are convinced that its administration would be attended. The tax was originally proposed in order to prevent the evils of speculation or the undue accumulation of land in the hands of a single individual. If, however, the conditions now proposed, viz: auction,

personal attendance of bidders, restriction of purchase to one block only at any one sale, stringent development conditions, and personal occupation, be insisted on, the Committee are of opinion that there will be no need for further special safeguards against the land speculator. As regards the illustration given by Mr. Belfield, the Committee would point out that, provided that occupation either by the leaseholder or by a white agent be made a condition of lease, there will be four white persons settled on the land whether the four farms are held by A.B.C and D, or by A. only.

Paragraph 17

The Committee endorse the Governor's recommendation that all transactions in land should be registered in the Land Office, and that no transaction in land should be valid unless and until it is so registered. It may be pointed out that steps in a similar direction have already been taken so far as regards land in the Coast Strip, under the Land Titles

Ordinance

*reference to the...
...and I think
...separate
...holders are now
...to develop
...the proposed
...minimum
...shall be*

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Ordinance of 1908 and the amending Ordinances of 1910.

It is presumed that fees will be charged for the registration of transactions in land on a scale designed to cover, so far as possible, the cost of the additional machinery which will be necessary to give effect to the Governor's recommendations. The Governor will no doubt consider how far the registration of such transactions in the Land Office will render unnecessary the registration of the documents with the Registrar of Documents under the existing Registration Regulations.

As to occupation licenses, the Committee entirely agree with the Governor that transfers and other transactions in such licenses should be prohibited except when specially sanctioned by the Governor, all cases of such special sanction being reported to the Secretary of State. Section 87 of the draft Lands Ordinance as last revised proposes to make forfeiture the penalty in the case of the unauthorised

unauthorised transfer of occupation licences. The Committee see no reason why a distinction should be made between improved and unimproved land in this connection, but consider that the whole of the land the subject of the licence should revert to the Crown as provided by section 87 referred to above. On reconsideration the Committee do not desire to support Mr. Tannahill's suggestion that the unauthorised transfer of a licence should be made a criminal offence, as they think that rigid adherence to the penalty of forfeiture will be a sufficient deterrent when reinforced by the further penalty suggested by the Governor of disability to bid at auction sales for a certain number of years subsequent to the commission of the offence.

Paragraph 10.

The Committee assume that the term "other lands" used in line 2 of this paragraph refers to lands held under lease, as opposed to lands under licence. With the safeguards already discussed under paragraphs 6, 7, 12 and 13 above, the Committee agree

agree

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agree that transfers and dealings in such lands need not be restricted except to the extent proposed by the Governor. The reservation of the right of veto to the Governor to enable him to deal with a case such as Mr. Belfield has in mind has already been dealt with in paragraph 4 of the Secretary of State's Confidential despatch of the 8th of February 1911, and a section (Section 93) has been included in the revised draft Crown Lands Ordinance to secure such right of veto. It was implied in paragraph four of the despatch above mentioned that the Governor's veto was only to be used to prevent land in the Highlands getting into the hands of Asiatics.

Paragraph 19.

This paragraph deals with two questions

(1) compensation for improvements (2) the question of permitting the surrender of a part of a holding.

As to (1), provision for compensation both in the case of occupation licenses and leases was made in the draft Lands Ordinance because such compensation was promised in paragraph 9 of Lord Elgin's despatch.

despatch, but, being no longer bound by that despatch, the Committee agree with the Governor that no obligation should rest on the Government to pay compensation either in the case of a licence or a lease, whether on termination by efflux of time or on prior termination by surrender or forfeiture.

With regard to the proposal that a tenant should have the right to surrender a portion of his holding to the Government (and thereby escape a part of his liability) the Committee are of opinion that the right, if given at all, should only be given to the lease-holder. They do not agree with the Governor that the licence holder who fails to comply with the conditions of his licence should be allowed to retain a small (and probably the best) part of his land and thereafter get a lease for it. Even in the case of a lease the Committee have grave doubt whether it is desirable to give the lease-holder the right to pick and choose the best parts of the land for himself and to leave the Government with an area which it may be very difficult to dispose of. It should

be remembered that all farms are mapped out according to the configuration of the country and with regard to such considerations as water supply, &c. Each farm is intended to be complete in itself, and the subtraction of one part, e. g., the part containing the water supply, would usually have the result of making the remainder practically valueless.

Paragraph 20.) Whether leases for 99 years or perpetual leases be decided on, the Committee concur with the Governor in recommending that existing lessees should be allowed to come under the terms of the new Ordinance, if they desire to do so.

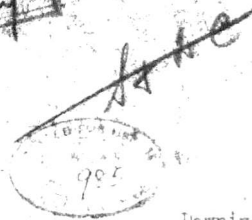
Oct 1912

W. Rusk,

F. G. A. Butler

Saml A. Patterson

to Sir
5/8/12



Downing Street,

8 ~~Nov~~ October, 1912.

DRAFT

~~AT AFRICA PROTECTORATE~~

Comp

FOR
H. CONWAY BELFIELD, Esq., C.M.G., Sir,
Esq., Esq., Esq.

MINUTE.

Mr. *SB* 2/11
Mr. *Ross* 30
Mr. *Bisby* 30
Sir G. Fiddes 1/11

Sir H. Jast

X Sir J. Anderson. 1. 11

X Lord Emmott 3. 11

X Mr. Harcourt

*A very good off
excellent*

*See Ordinance as amended.
Mr. Tammahill's Memo. P
Mr. Bellfield's Memo. P*

(3482/11)

I have had under my careful consideration the question of the policy to be adopted with regard to the alienation of Crown land in the East Africa Protectorate, and I now have the honour to address you as follows:-

In the first place it may be convenient to review the recent history of the question since I addressed to your predecessor my despatches of the 3rd and 8th February, 1911, in which I indicated the lines on which I desired

the

X Nov 54 and 60 in volume No 955

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the new draft Crown Lands Ordinance to
be framed. In his despatch No: 221

17462/11)

of the 3rd of May 1911 Sir P. Girouard

forwarded the draft of a new Ordinance

and stated that its preparation had

been attended with considerable

difficulties, especially with re-

gard to the application of the land

tax and the form of the measures to

be taken to prevent the undue accumu-

lation of land in the hands of

individuals. The draft was then

referred to a departmental Committee

and consultations took place with

the Chief Secretary, the Attorney

General, and the Land Officer, who

were then on leave, with regard to the

various points of difficulty which had

arisen. The Committee in due course

presented their Report on the draft

Ordinance but before coming to a decision

on the Committee's recommendations I

decided

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No 965

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decided to await the arrival of Sir P. Girouard, who was again coming on leave in the spring of the present year, in order that I might have an opportunity of re-discussing the matter with him. The Committee's suggestions for amendments of the Ordinance will be found indicated in red ink in the copy of the draft Ordinance ~~herewith~~[†] enclosed, the reasons for their various suggestions being explained in the accompanying notes (for reasons which will be explained later Part IX of the draft Ordinance is not included in this copy).

3. Up to this point the argument had been practically confined to a discussion of the terms on which land should be alienated in future. But a fresh question was raised in Sir P. Girouard's Confidential despatch of 14th February as to the system of allotment

(8076/12)

† Not reported; For Draft Ordinance as received from Governor, see Vol. II in No. 18 in *Ann.*
 } No. 8076

of land grants. It appeared desirable to take the opportunity afforded by the presence in this country of Mr. Tannahill, Senior Land Ranger, to consult him with regard to this question, and a copy of a memorandum with which he furnished this Department is enclosed.

4. On the arrival of Sir P. Girouard in this country in March last the whole question was re-discussed with him, and after such a discussion I decided to abandon the proposed land tax at least for the present. I adhered to the policy of leases for 99 years with revisable rents, but otherwise I was prepared to consider amendments in points of detail.

Such was the position of the question when Sir P. Girouard resigned, and you were appointed as his

successor

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successor. In the circumstances, it appeared undesirable to reach any final decision in the matter without giving you an opportunity of expressing your views. The papers were accordingly referred to you while you were in this country, and after perusal of them you expressed your opinion on the subject in the memorandum of which a copy is enclosed for convenience of reference.

6. I have now carefully considered your memorandum, and desire to make the following observations with regard to it.

Paragraph 5. After the most careful consideration I am not prepared to depart from the principle of a 99 years' lease. In all probability the East Africa Protectorate will have

become

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become a self-governing Colony, before 99 years have elapsed, and the settlers ought not then, in my opinion, to find all the Crown Lands finally alienated. Further 99 years is the maximum term (apart from the permission to freehold - small homestead areas) at present allowed by the Crown Lands Ordinance 1902, and the policy of adhering to this term has been proclaimed for some four years now, and has, I believe, been more or less acquiesced in by the settlers.

Paragraph 6. I agree that auction provides the best method of allotment. As regards, however, your proposal that the Governor should be granted discretion to approve alienation at a fixed price and without competition

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competition in exceptional cases, I feel considerable hesitation, and before approving it, I shall be glad to be informed further as to the grounds on which you recommend the principle of special exemption and as to the class of cases in which you would propose that it should be applied. As you point out, the adoption of the auction method will do away with the necessity for dividing the land into classes, as the premium bid at auction will, provided that there is sufficient demand to make the auction a reality, secure to the Government the proper value of the various classes of land.

Paragraph 7. I agree to the proposals in this paragraph, except that I think that, in view of the numerous enquiries made in this country, the land

Officer

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Officer should give ~~three months~~
notice to be telegraphed to this
Department of the intention to hold
an auction of land in order to give
would-be applicants in this country
an opportunity of going out if
they so desire.

As to the last sentence
of the paragraph I consider that
the representative of an absentee
should only be allowed to ^{bid} vote in
very exceptional cases, such as
the case of an applicant who has
already been out to the Protect
ate to inspect the land but is
prevented by some unavoidable cir-
cumstance from going out again at
the time of the auction.

Paragraph 8. I concur in
your recommendations.

Paragraph 9.

DRAFT.

Paragraph 9. The proposals ⁱⁿ
this para
appear to me to be reasonable.

Paragraph 10. I am inclined to
favour as the standard rent for
agricultural land 10 cents per acre
rather than 8 cents per acre as pro-
posed by you, on the ^{following} grounds:

- (1) ~~that~~ the value of land is
steadily rising in the Protectorate and
that the lowest rates proposed in Lord
Elgin's despatch for 4th class land are
already entirely inadequate (2) ~~that~~
to a certain extent it is an advantage
to the settler himself to have the
rent fixed fairly high, as the effect
will be that he will have to pay a
smaller stand premium and the total cost
to him of the land will thus be spread
more equally over the whole period of
the lease. (3) ~~that~~ 10 cents is

the most convenient figure for calculation.

I agree that the rate for grazing land should be half that fixed for agricultural land, and I concur in the minimum proposed in each case.

Paragraph 11. I agree that occupation licences for country lands should extend to three years.

Paragraph 12. I assent generally to the proposals made in this paragraph, subject to the production of the schedules prescribing the development conditions in the case of each kind of land. I approve the proposed condition as to the effective maintenance of development work, which is not at present embodied in any legal enactment of the Protectorate. Development conditions on the lines now recommended by you are, however, already

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already prescribed in certain special leases which have been granted.

Paragraph 13. For the reasons given in Sir P. Girouard's despatch of the 14th of February last, ^(X) I think it essential to insist on personal occupation at least for the period of the occupation license, the only exception being the case of a licensee who already holds other land in the Protectorate and personally resides upon it.

I may observe that similar requirements are laid down in the enactments of certain of the Australian States. Cf. Victoria Land Act 1901, section 53.

Paragraph 14. I have already stated that I cannot approve the proposal that grants in perpetuity should take the place of leaseholds for 99 years, but ~~but in any case~~ I am of opinion that

it

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the more convenient figure for calculation.

I agree that the rate for grazing land should be half that fixed for agricultural land, and I concur in the minimum proposed in each case.

Paragraph 11. I agree that occupation licences for country lands should extend to three years.

Paragraph 12. I assent generally to the proposals made in this paragraph, subject to the production of the schedules prescribing the development conditions in the case of each kind of land. I approve the proposed conditions to the effective maintenance of development work, which is not at present embodied in any legal enactment of the Protectorate. Development conditions on the lines now recommended by you are, however, already

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already prescribed in certain special leases which have been granted.

Paragraph 13. For the reasons given in Sir P. Girouard's despatch of the 14th of February last, I think it essential to insist on personal occupation, at least for the period of the occupation license, the only exception being the case of a licensee who already holds other land in the Protectorate and personally resides upon it.

I may observe that similar requirements are laid down in the enactments of certain of the Australian States. Cf. Victoria Land Act 1901, section 63.

Paragraph 14. I have already stated that I cannot approve the proposal that grants in perpetuity should take the place of leaseholds for 99 years, but, in any case, I am of opinion that

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it is desirable to get rid of the complications caused by the grant of small areas of freehold. [I would point out that the principles stated in the latter part of this paragraph apply equally whether under a system of 99 years leases or of leases in perpetuity.]

Paragraph 14. I concur in the first section of this paragraph.

As to the second section, I am prepared to approve the method of revaluation proposed by Mr.

Tannahill namely that in valuing the land for revision of rent the value of the land should be arrived at by subtracting from the ascertained market value of the land with the improvements attached thereon the "replacement" value of such improvements; the rent being fixed at 1% of the unimproved value

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[Handwritten initials]

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With regard to the value of Anderson's Quarry, the value of the quarry is 10 percent of the value of 33 1/3 years' output as explained in para 10 of Mr. Tannahill's memo. The value at present prices is £1000000 and has been proposed as £1000000 deep and in 20 years the price of land will be double now.

value so ascertained at the expiration of the 33rd year, 2% at the end of the 56th year, and 3% at the end of the 99th year and for all periods thereafter.

Paragraph 15. I am prepared to abandon at least for the present the proposed graduated land-tax. The tax was originally proposed in order to prevent the evils of speculation or the undue accumulation of land in the hands of a single individual or corporation. If, however, the conditions now proposed, viz: auction, personal attendance of bidders, restriction of purchase to one block only at any one sale, stringent development conditions, and personal occupation, be insisted on, I trust that there will be no need for further special safeguards against the undue accumulation of land in the hands of a single

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single individual. As to the effect of such accumulation on the country, I do ~~not~~ entirely agree with you, as I consider ~~it~~ that four separate landholders are more valuable to the State than one landholder ~~as being more likely to~~ develop the land beyond the prescribed minimum.]

Paragraph 17. I am prepared to endorse your recommendation that all transactions in land should be registered in the Land Office, and that no transaction in land should be valid unless and until it is so registered.

I may point out that steps in a similar direction have already been taken so far as regards land in the Coast Strip under the Land Titles Ordinance of 1905 and the amending

Ordinances

? omit the reason
goes beyond this
Yes H

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Ordinances of 1910. I presume that fees will be charged for the registration of transactions in land on a scale designed to cover so far as possible the cost of the additional machinery which will be necessary to give effect to your recommendations.

As to occupation licences, I agree with you that transfers and other transactions in such licenses should be prohibited, and I would ^{admit to exception} ~~make this rule subject to this rule.~~ ~~no exception.~~ Section 87 of the draft Lands Ordinance as last revised proposes to make forfeiture the penalty in the case of the ~~unauthorized~~ transfer of occupation licences. I see no reason why a distinction should be made between improved and unimproved land in this connection, but I consider that the whole of the land the subject of the licence should revert to

the
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the Crown as provided by Section 87 referred to above. I do not think it necessary that the unauthorized transfer of a licence should be made a criminal offence, as I think that strict adherence to the penalty of forfeiture will be sufficient deterrent when reinforced by the further penalty suggested by you of disability to bid at auction sales for a certain number of years subsequent to the commission of the offence.

Paragraph 18. I assure that the term "other lands" used in line 2 of this paragraph refers to lands held under lease, as opposed to lands under licence. With the safeguards already discussed under paragraphs 6, 7, 12 and 13 above, I agree that transfers and dealings in such lands need not be restricted

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restricted except to the extent proposed in this paragraph. The reservation of the right of veto to the Governor to enable him to deal with a case such as you mention has already been dealt with in paragraph 4 of the ~~Secretary of State's~~ Confidential Despatch of the 8th of February 1911, and a section (Section 93) has been included in the revised draft Crown Lands Ordinance to secure such right of veto. It was implied in paragraph 4 of the despatch above mentioned that the Governor's veto was only to be used to prevent land in the Highlands getting into the hands of Asiatics.

Paragraph 19. This paragraph deals with two questions (1) Compensation for improvements (2) the question of permitting the surrender of a title of holding. As to (1) I concur with you in

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the Crown as provided by Section 87 referred to above. I do not think it necessary that the unauthorized transfer of a licence should be made a criminal offence, as I think that strict adherence to the penalty of forfeiture will be sufficient deterrent when reinforced by the further penalty suggested by you of disability to bid at auction sales for a certain number of years subsequent to the commission of the offence.

Paragraph 18. I assume that the term "other lands" used in line 2 of this paragraph refers to lands held under lease, as opposed to lands under licence. With the safeguards already discussed under paragraphs 6, 7, 12 and 13 above, I agree that transfers and dealings in such lands need not be

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restricted except to the extent proposed in this paragraph. The reservation of the right of veto to the Governor to enable him to deal with a case such as you mention has already been dealt with in paragraph 4 of the ^{my} Secretary of State's Confidential Despatch of the 8th of February 1911, and a section (Section 97) has been included in the revised draft Crown Lands Ordinance to secure such right of veto. It was implied in paragraph 4 of the despatch above mentioned that the Governor's veto was only to be used to prevent land in the Highlands getting into the hands of Asiatics.

Paragraph 19. This paragraph deals with two questions: (1) Compensation for improvements (2) the question of permitting the surrender of a portion of a holding.

As to (1) I concur with you in

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thinking that no obligation should rest on the Government to pay compensation either in the case of a licence or a lease, whether on termination by efflux of time or on prior termination by surrender or forfeiture.

With regard to (2) I am unable to agree that a tenant should have the right to surrender a portion of his holding to the Government, and thereby escape a part of his liability. I can see no reason why the licence holder who fails to comply with the conditions of his licence should be allowed to retain a small, and probably the best, part of his land and thereafter get a lease for it. Even in the case of a lease it appears to me to be undesirable to

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give the leaseholder the right to pick and choose the best parts of the land for himself, and to leave the Government with an area which it may be very difficult to dispose of. It should be remembered that all farms are mapped out according to the configuration of the country and with regard to such considerations as water supply, &c. Each farm is intended to be complete in itself, and the subtraction of one part, e.g., the part containing the water supply, ^{might} should usually have the result of making the remainder practically valueless.

Paragraph 20. I agree that existing lessees should be allowed to come under the terms of the new Ordinance, if they desire to do so.

7. I have to request that you will take the necessary steps for the immediate preparation of a new draft Ordinance on

the lines above indicated. Pending the enactment of the new Ordinance, it is desirable, in order to avoid further ~~delay in the allotment of Crown land~~ ^{spinning up of land for allotment} that rules should be issued under the 1902 Ordinance prescribing the conditions under which Crown lands will be alienated in future. I have to request that you will cause such rules to be drafted as quickly as possible, and that you will submit ^{them} ~~this~~ to me in draft form before they are promulgated in the Protectorate.

I have, etc.