

EAST AFR. PROT.
19233

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Recd. 7 June '13

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TAX ON NON-NATIVES
ARRANGEMENTS FOR COLLECTION

1913

Submits proposals. Gives estimate of cost in respect of Nairobi and Mombasa for 1913-4. Expense can be met from General Savings. Requests approval by telegram.

Key
See previous Paper.
2/24/13

McBroomley ~~McBroomley~~ *is Read*

The Governor proposes to create a special staff to deal with the assessment and collection of the non-native PSD tax.

The difficulty of collecting this tax is great, but the staff proposed by the Governor is I think too small to be of any great assistance.

It is proposed to establish a Register or 'Tax Roll', containing addresses and names of those liable to pay. The Register will include a summary of the assessment, collections and writing off for each month.

The Gov. programme applies to Register only to Mombasa and Nairobi where the collections will be heaviest. This would, I should think, lead many Absentees to take a holiday in the country, at the time of the annual assessment.

For assessment of PSD tax...

The total staff would include 2. Panspan
clerk and 6 non. Panspan, and the
total expense for this year would be £ 409.
and £ 20 is to be set aside for contingencies.
In the last para of your despatch on Gov/30605, we
suggested that some form of preliminary
demand might be introduced, if many cases
of default occurred.

The proposal of the Gov^{ts} to have an officer to
keep a list of names and to keep an
account (which will surely become exceedingly
complicated), of the names assessed, collected,
written off, and carried over. The accounting
work involved would, I think, require a
man of considerable experience.

The scheme might be of use as a preliminary
step towards an efficient system of collecting
the tax, but it appears unreasonable
to confine the attempt at efficient collection
to two chief towns, when the tax is levied
over the whole country. It would perhaps be
better to begin with a scheme for sending
demand notices to all who are liable
to the tax.

As far as the expense of the Gov^{ts} scheme goes,
he considers that it will easily be met by
increased collections.

I think a scheme like this, for the creation
of what is practically a new dept. of the
service, and which is likely to require
considerable extension, requires more
consideration than the Gov^{ts} despatch suggests.

The exact duties of the officers of the staff

W.A. the
acting G.
expenses
would be
large -
as this

are not very clearly stated. E.g. the European
Causee Club at Bombaya is to generally
supervise assessments. (2) issue demand notices
(3) make out summons (4) conduct prosecutions
(5) collect the tax. It is to "conduct prosecu-
tions" will he not require legal qualifications?

[In the Gov^{ts} despatch the salary of the European
Clerk at Nairi is at £ 200-10-200. This is not as
the Gov^{ts} states, the scale of salaries of an
Office Superintendent, viz £ 200-20-270.]

? reply, that the Gov^{ts} is not at present prepared
to approve of the creation of a new staff for
the purpose of assessing and collecting the poll
tax. say that the Gov^{ts} considers that any such
scheme should apply universally and
not to two townships only, since the tax
is levied throughout the country. And suggest
that in the first instance attention should
be confined to arrangements for the
distribution of demand notices, as suggested
in our despatch on Gov/30605.

[H. P. D. 12011]

412

The despatch is not very clear on the point,
but I think it that demand notices have
already been sent out by the District
Commissioners to all persons of whom
they have knowledge and that
the difficulties with which it is
proposed to deal arise from

- (a) incomplete knowledge of those liable
to the tax.
- (b) absence of special machinery for recovering
tax not paid.

I agree that the District Commissioners
cannot properly be charged with entire
duties in these matters. They have enough
work to do as it is, and although it is
a pity to multiply staff the choice
seems to lie between agreeing to the
proposed duties and being content
with a partial collection for those
who are too well known or too public
spirited to evade taxation.

As regards (a) the so-called "anomalous"
will of course be mainly a nominal roll
of tax payers. It will involve a house
to house enquiry and possibly also the
investigation of cases of itinerant Arab
merchants & Indian hawkers.

As regards (b), the duties are in themselves
simple and could be within the power
of any ambitious Clerk with experience
of rent collecting. The security for
faithful dealing with the non-European
tax payers will however make it important
to select the right kind of man, and
although the rates of pay proposed for
the European Clerks are much in
excess of the rates paid to ordinary
European Clerks in S.A.S. I do not think
we can suggest reduction.

I would certainly start with Mombasa
& Kisumu. Elsewhere the number of
tax payers would be much smaller,
& the homogeneity of classes is consequently

less. It might be better to
smaller than the number of cases in
which the special staff would be useful
must be found at a greater rate than
the population & it is doubtful whether,
except perhaps at Kisumu, it could
pay for itself. 413

The Governor wants a reply by telegram
& asks Treasury to forward a letter
to approve.

[I have this through the Treasury for
approval to the Director of the European
Clerk conducting prosecutions. I do
not suppose there is any legal difficulty.]

Let's 13.6.13

I see no objection to the
Clerk conducting prosecutions
if it proves difficult to get
a competent clerk. They can
always change the system

C.S. 13/6/13.

Sir G. Fiddes

To Treasury, as proposed?

A. J. R.

14/6/13

Alone

16.6.13

C.O.
19233

414

REC'D
MAY 17 1913
GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA.

EAST AFRICA PROTECTORATE.

No. 381.

May 16th, 1913.

Sir,

*9/10
381/38
11*

I have the honour to refer to the final paragraph of your despatch Confidential of 4th January of last year respecting the imposition of a direct tax upon the Non-Native inhabitants of this Protectorate.

2. Since the inception of this tax considerable difficulty has been experienced in the collection of outstanding amounts due from certain sections of the Asiatic Community more especially at the Coast, and, in order to facilitate this collection in the future I am of opinion that a Register or Tax Roll will form a beginning from which a more or less complete system may be gradually evolved. In such a crude form of taxation absolute accuracy

is

THE RIGHT HONOURABLE

LEWIS HARCOURT, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, E.W.

is impossible and we shall have to be content at first with only an approximate estimate to a correct assessment. The Register or Assessment List will require a summary showing the assessment, collection and writings off for each month in order to form a check with the returns which I propose shall be rendered.

3. The two Provinces from which the majority of revenue accrues are ~~Ukamba~~ and Seyidie, and in these Provinces mainly from two centres Nairobi and Mombasa. I would therefore suggest confining our attention for the present, so far as any elaboration of system of assessment or collection is contemplated, to these two towns with extension gradually to other places.

4. A most important factor in the collection of such taxes is the division of the duties of assessment from those of taxation and I consider that this principle should be followed here. The work in connection with the Assessment List, in respect of Nairobi would take practically the entire time of a European Clerk who would divide the township area into wards and systematically frame his assessment, in which names and addresses should be included. It should be completed by the end of October thus enabling the District Commissioner to draw up the Tax Roll in readiness for the following year's collection.

5. The District Commissioner on receipt of the Tax Roll should then issue notices to each person whose name appears in the list to the effect that the tax is due in January and should be paid before the 31st of that month.

6. A monthly return from January to December would be rendered with the accounts showing assessment collections and writings off. It is, however, probable that there will be arrears at the end of each year. These may be recoverable and should not be written off, but carried forward, and should be dealt with as the originally assessed tax as regards collection, additions or writings off.

7. In order to obtain the information necessary to insert the names of the Indian and Asiatic population in the Assessment List difficulties will undoubtedly be encountered, but if the assistance of the leaders and heads of the different communities be invoked the difficulty will be minimised to some extent. I am not in favour of separate Assessment Lists for Europeans and non-Europeans, for although at first sight it might appear that such a course would be advantageous, I am convinced that uniformity in method, as the law itself in fact implies, would be productive of greater benefit eventually. In order to deal with the non-English speaking communities a clerical assistant to the Tax Assessment Clerk will be necessary.

8. In order to give the system every chance of success from a financial point of view, the necessary increase of staff should be effected as soon as possible and I submit the following estimate as a basis for the expenditure in respect of Nairobi and Mombasa:-

<u>Nairobi.</u>	Amount for 1913-14
1 Clerk of Grade of Office Superintendent £200 by £10 to £300 with house allowance of £40. He should be a man of local experience	£200
1 Second Grade Clerk with salary of Rs.160 per mensem to Rs.200 per mensem	£106-18-4
<u>Mombasa.</u>	
1 European Census Clerk £200 to £240 plus £40 house allowance	£200
2 Asiatic Census Clerks and Ticket Inspectors	
1 Mohamedan @ £80-£100	£ 67
1 Hindu @ £80-£100	£ 67
2 Arab Clerks @ £80	£ 67
1 Peon @ £10	£ 8
	<u>£409</u> =====

I am further of opinion that an additional sum of £20 should be set aside for Contingencies and you will further observe that I have estimated this expenditure as commencing from 1st of next month.

9. The details of the work of the staff

estimated

estimated for Mombasa will be as follows:-

European Clerk.

General supervision of assessment, issue of demand notices, making out of summonses, conduct of prosecution, collection of tax.

Asiatic Clerks.

Asiatic assessment, service of demand notices, discovery of property and production of witnesses.

Arab Clerks.

Arab assessment, service of demand notices, discovery of property and production of witnesses.

10. I have detailed more fully the requirements and allowed for a larger expenditure in the case of Mombasa in comparison with Nairobi in consideration of the greater difficulties experienced in collecting the tax in the former town due to the methods of evasion and obstruction resorted to by members of certain sections of Asiatic Communities and the delay caused in dealing with more important District and Township affairs owing to the staff being chiefly engaged in matters affecting the collection of the tax.

11. AS I am of opinion that it is not possible to render any legal assistance by means of amendments to the Ordinance I have come to the conclusion that the only means by which

which collection could be assisted would be the organisation of a special staff to compile assessment rolls, to collect, to obtain proof of means, to point out property for attachment and to perform other similar duties.

12. The amount required can be met from General Savings, and I am convinced that the expenditure will be more than covered by increased collections.

13. I would, therefore, ask you to consider my recommendation favourably and, in the event of your sanction being accorded thereto, to forward a telegraphic communication to that effect.

I have the honour to be,

Sir,

Your humble, obedient servant,

H. Curzon Bageant

GOVERNOR.

Govt / 19233 / East Afr. Post

L.C.D.
K. 1887
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Pressing

18 June 1923

Sr.

I am etc to transmit to you for the consideration of the S.C. of the Treasury the accompanying copy of a despatch received from the Gov^r of the E. A. P. respecting the arrangements proposed for the collection of the Non-Native direct tax levied upon the non-Natives inhabitants of the Protectorate.

2. Mr. H. concurs in the opinion of the Gov^r that steps should be taken to secure a more efficient collection of this tax.

The details of arrangements, in view of demand notices, and

DRAFT

to the Secy
to the Treasury

MINUTE.

- Mr. Dowson 17.6.13
- Mr. Bottomley 17.6.13
- Mr. [unclear] 18
- Sir G. Fiddes
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

Ans 20884

Recd
Copy for [unclear] 27 June 1923
20884

Govt PAP N^o 389 of 16th June 1923

and Summers, etc.

connected with the
prospects of the Gov's cause,

in Gov. W's opinion, ^{likely} to ^{draw} them from the
added to the ~~number of~~ ^{administration staff of}
~~the D.C.~~ ^{they are to continue to}
and on the ^{perhaps} ^{afford the}
regular work,

since he would be glad
to receive their ^{and}

cordial approval of Gov.

He suggested ^{such a suitable staff}
~~what he suggested~~
~~was of a special~~

~~staff to go with the~~
works

3. As the Governor is
anxious to receive a
telegraphic ^{answer} reply to his
query, I am to request
that a reply may be
^{sent} ~~made~~ to this letter as
soon as possible.

Lam

(Signed) W. J. READ

for the Union Executive Council