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Land Farm
Report of Committee

Signed report

Mr Butler

I circulated directly to Committee
Signed report and to the letter which
I have drafted in accordance with
Col. Butler's instructions, suggesting
desirable to doing something to
improve communications with the public.

Disclosed of m. 1111
5/28/42

See next C.O.

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Any further communication should be addressed to:-

THE ASSISTANT SECRETARY
(General Department)
BOARD OF TRADE,
7, WHITEHALL GARDENS,
LONDON, S.W.

And the following letter and number
should be quoted:-

R. 5850.

BOARD OF TRADE

(RAILWAY DEPARTMENT)

7, WHITEHALL GARDENS,

LONDON, S.W.

Telegraphic Address.

BOARD OF TRADE, RAILWAY,
LONDON.

7th July, 1910

Sir,

With reference to your letter of the 28th ultimo
(No. 18375/1910) forwarding a copy of An Ordinance to
consolidate, amend and add to the law relating to rail-
ways in the East Africa Protectorate, I am directed
by the Board of Trade to state for the information of
the Earl of Cromer, that they have no observations to
offer on the Ordinance.

I have the honour to be,

Sir,

Yours obedient servant

L. P. Woodward

The Under Secretary of State,
Colonial Office.

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Downing Street,

July, 1910.

Dear Lord Curzon

I am sending you herewith the report of the sub-Committee of the Concessions Committee, which was appointed to consider the question of the East Africa Protectorate Crown Lands Ordinance. You will see that, after the most careful consideration, the Committee recommend that you should adhere to your previous decision with regard to the two main principles at issue, viz., a 99 years' lease with a revision of rent at the end of 33 and 66 years, and the imposition of a graduated land tax with a view to preventing excessive accumulations of land.

It is certain that a decision in this sense will cause a strong feeling of resentment among the white settlers in the Protectorate, and I should like

to suggest, as a means of reconciling the Colonial to our decision, that we might approach the Treasury, with regard to the setting aside each year of a definite sum of money for the improvement of communications in the Protectorate. There can be no doubt that facility of communication is a very important factor in attracting settlers to a new country, and besides mitigating the resentment of the colonists at our decision in the matter of the Lands Ordinance, the suggestion which I have put forward would have the further advantage of adding considerably to the Government's justification in claiming for itself some share of the land's increased value, which it would have largely helped to create by its own action. If my suggestion is approved, and we can persuade the Treasury to allow us to earmark a certain paid sum each year for the purpose in question, I would propose that the money should be devoted to improvements which would be to the advantage of both white and native inhabitants of the Protectorate.

Yours very truly
J. Seely

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East Africa Land Use Committee.

The East Africa Protectorate Lands Ordinance was last under the consideration of the Cessionary Committee in 1908. In March of 1910^{year} as the result of their deliberations, a despatch was addressed to the Governor of the Protectorate stating the conclusions to which the Secretary of State had come as to the future of land in the Protectorate and setting down the principles of which a Land Use Ordinance should be framed. This despatch (L.M.S. No. 100) was dated the 12th of March 1910. It forms the last paper in [] 1197.

The subsequently correspondence related mainly to the two chief principles laid down in that despatch, namely, the principle of a 99 years lease with revision of rent at the end of the 50th and 60th years, and the imposition of a graduated land tax with a view to preventing excessive accumulations of land.

The Secretary of State's proposals on these points were criticized in the Governor's despatch of the 12th of November 1910. In reply to that despatch Lord Curzon, Secretary of State for the Colonies, said it down that "His Majesty's Government adhere to the opinion that means must be found of securing to the Government i.e. to the community at large 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

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the hands of individuals must be restrained by law as far as it is possible to do so.

"Subject to the maintenance of those two principles His Majesty's Government are prepared to consider amendments in the details of the measure, and they trust that the points will be argued out fully and freely in the Legislative Council, it being understood that the provisions of the Bill as framed on Lord Elgin's recommendation stand until any particular provision is shown to need amendment."

The Ordinance as passed by the Legislative Council was on the 24th of April 1897. It was a measure which had no provision for revision of rents or for making some reparation for this by increasing the individual rents of land proposed for the territory, in connection with such revision. The Ordinance also had no provision for the graduated land tax. This objection was defeated on the ground that, although exclusive acquisitions of undeveloped land in the hands of individuals were prohibited for the country, such acquisitions would be efficiently prevented, under the Ordinance as drafted, by the grant of moderate rates in the first instance, and by the withholding of the right to transfer until sufficient development had taken place. (See the measures in the despatch from the Officer Administering the Government of the 29th of April 1897.)

Sir P. Girouard had at this time just been appointed Governor of the Protectorate. At his request consideration

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consideration of the Bill was postponed until he should have had an opportunity of considering the matter on the spot. He has now furnished me with his opinion in his despatch of the 17th of February 1910. His conclusion is that he must unhesitatingly recommend the approval and promulgation of the Bill as passed by the Legislative Council. He thinks that the Commission is reaching on this subject in reaching the proposed restriction of rents and the Bill would undoubtedly bring a measure of benefit to the community and is nevertheless prepared to meet all the strong feeling in the country for securing the franchise as to the Commission's recommendation. He thinks the question of the franchise and the Bill are not connected and that for the reasons by which he is referred to above and the one that provides also for the franchise, he can see no very great objections to reasonable restrictions in the matter of restrictive capitalistic.

Next was the question of the franchise when it came before the consideration of the present Committee. They have had the advantage of listening both to Mr. Pember Reeves, the well-known expert in all questions connected with land development, and Colonel Montgomery the late Commissioner for Lands in the Protectorate, who was able to put verbally before the Committee the settlers' point of view. After most carefully listening to both sides of the case as presented by these two gentlemen and discussing the matter between themselves, the Committee have come unanimously to the following conclusions:-

(4) The revision of rents.

The Committee have carefully considered the settlers' objections to the proposed revision and especially the objection, which they admit has a certain amount of weight that the uncertainty as to future rents may make it more difficult to borrow money on mortgage. But they have found in those objections nothing of sufficient importance to justify the abandonment of the principle which they are convinced is sound, namely, that the Government should preserve to itself the means of obtaining some share of any future increase in the value of the land. The Committee would point out that the soundness of that principle is admitted even by Sir P. Girouard and by Colonel Montgomery and that they only abandoned their advocacy of it when the measure of land ceased.

The proposal to increase the rental rates of land which has been surveyed in the Protectorate as an alternative does not appear to the Committee to meet the case at all. In their opinion the principle is the important thing and the amount of the rent it may bring in, when it is settled, should first at any rate be very small.

Nor can the Committee admit the argument that it does not matter what is done now, as it can be left to the good sense of future generations to protect the interests of the country by imposing a land tax or other measure.

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They would point out that for many years to come the white population will consist almost entirely of the land-holding whites and that the last white that such a country would be likely to do would be to impose a tax on land. In the principles of reserving to the white man a share of the incremental value of land is to be adopted, the Committee are persuaded that that principle must be asserted now.

The Committee recognize that the adoption of the principle may mean that the taxation of land and the consequent settlement of the white man may not come so early as first and they are not sure that this is the best of all possible alternatives. ~~It is not clear that the white man will succeed and that a greater risk has not been retained over him and his descendants. It would appear time enough for the country to be settled and in the meantime the Committee are of opinion that it is better for the country to proceed slowly and soundly than to proceed too quickly on principles that are less sound.~~

It is recognized that a decision in this sense would probably provoke (a) a feeling in the Protectorate, and it is felt that this is not a sufficient reason for sacrificing a principle which is ~~in the best interests of the country~~

The Committee are of opinion that the fact that of the good land in the Protectorate fit for white settlement some four thousand square miles has already

been partitioned out, and that it is estimated that only four thousand square miles remain. The present white population of the highlands is only 2,000. If allotment proceeds even on existing leases, a white population of some 4,000 is apparently all that can be looked for. The ideal of a large white population in the highlands can thus never be realized, unless the Government retains some means of checking undue accumulations of land. The Committee, therefore, advise that the Secretary of State should adhere to his decision on this point. It should be pointed out that it has already been admitted, in paragraph 24 of Lord Curzon's despatch of the 19th of March 1908 that such a tax could not fairly be applied to existing holdings.

(c.) Transfer

For the above reasons the Committee think it important that, in the case of existing leases, to which the provisions of the new law will not apply, the present right of veto or transfer should be retained, and that the right of alienation should be restricted. It is suggested that the right of transfer should be retained, leaving the Government the right to veto, as provided in paragraph 11 of Lord Curzon's despatch of 19th of March 1908, in which transfer of leases after due development was promised. The Committee do not recommend that the Secretary of State should go back on the terms of that despatch with regard to leases hereafter granted, but think that, in view of what he had on the other provisions of the new law to prevent undue accumulation, it may perhaps be pointed out there is a considerable amount of land granted on fresh conditions over which the

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course the Government has no field whatever.

(a) Revenue.

The Committee advise that the Secretary of State should adhere to his decision as to the inclusion in the Finance Bill of a provision for enabling a limited company to apply for a lease of land. It is pointed out that in some cases it is desirable to have a lease of land on the whole, the influence of the Government is considerable in the reverse. The Committee accordingly recommend that it be retained.

If these recommendations are adopted, the Committee desire to recommend that, with a view to reconciling the wishes of the Secretary of State's opinion, the Treasury should be approached with regard to the possibility of a grant of a definite sum of money for the improvement of commercial premises in the proposed area. The evidence of the Committee went to show that the facility of communication is a very important factor in attracting business to a new country, and they think that the proposal would be of great benefit, which would undoubtedly be felt in the proposals of the Secretary of State adopted the recommendations of the Committee, while on the other hand it would add considerably to the Government's justification in claiming for itself some share of the land's increased value, which it would thus have largely helped to create by its own action. If the proposal is approved, the Committee think that the money should be

provided

devoted to improvements which would be to the advan-
tage alike of both white and native inhabitants of the
protectorate.

The Committee's recommendations may be summarized as follows -

(a) That the S. of S. should adhere to his decision with regard to the two basic principles, viz -

(i) a 33 year lease with reversion of land at the end of the 33rd & 66th years, and

(ii) the imposition of a graduated land tax with a view to preventing the accumulation of land

(b) That free transport, after due development, should be allowed for the future, but that adequate white occupation should be insisted upon as a condition of transport in the case of unimproved estate

(c) That the S. of S. should adhere to his decision as to the forfeiture of the land of tenants

of the land of tenants

The Committee would also recommend that

the assistance afforded to them in their

deliberations by the Board of Commissioners

John Bernard Selby
Chairman

Robertson
The Board
West's Hill
H. H. Butler

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Please excuse this letter