Kenya's Capital Revalued

A SIMPLE QUESTION OF RELATIONSHIPS

AS a result of the political changes agreed at the Lancaster House Conference in London, land values in Kenya are alleged to have slumped. In turn this has led to complaints in Nairobi, the capital city, where rates are levied on unimproved land values, against the plan to bring into force in January 1961 a new valuation roll based on the value of land as at 1st August 1959. In response to our enquiries, Mr. James Smart, the Mayor's secretary and public relations officer has provided the text of a letter dated April 25, 1960, which he sent to newspaper editors. It is printed here in full:

IN view of the fact that some people are still uncertain of the principles of rating in Nairobi and are complaining that recently announced site values are high under present conditions, the following notes are provided to clarify the position.

1. The valuation of land, excluding improvements, is carried out under an Ordinance passed by Legislative Council, and is by law entirely independent of the policy of local authorities such as the Nairobi City Council. A new Valuation Roll is normally prepared every 3 years.

2. The Roll establishes the relative values of plots at a given date — and the date for the Roll which will come into force in January 1961 was selected as 1st August 1959. Valuation must be retrospective to such a date, because records of transactions at that time (on which values are based and by which they must be supported) have to be collated and examined, and detailed work must be completed before the Roll is presented and assessments are issued.

3. The City Council will use the new Valuation Roll as a "yardstick" by which the rate income required in 1961 will be obtained equitably from all ratepayers. The total valuation — of £68 millions — is important only as an index to the City Council, which applies to it the rate required, to find the annual percentage rate to be levied. If site values were to be halved — or doubled — and the relative value of one plot to another remain unchanged, it would not affect the amount of money levied annually from each ratepayer. This, of course, assumes that there is no change in the expenditure of the City Council and therefore in the amount of rate income required. (It should be noted that the rate income required by the Council in 1961 will not be estimated until later this year, when the Council's budget for 1961 is considered).

4. A simple analogy would be four persons in a restaurant agreeing to share the cost of a 20s. bill for a meal in direct proportion to their salaries. "A" earns £200, "B", "C" and "D" each earn £100. "A" would pay two-fifths of the bill, i.e. eight shillings; "B" "C" and "D" would each pay one-fifth, i.e. four shillings. If their salaries were *all* doubled with "A" earning £400 and "B", "C" and "D" each earning £200, the proportions of the bill which they paid would still be the same. "A" would still pay eight shillings and the others four shillings each.

In this simple illustration of "rating", the persons meeting the bill are analogous to the ratepayers, the bill is comparable with the rate income required by the Council, and the salaries are used as an index similar in purpose to site valuations.

5. It will be seen that the relative values of plots in the same area assume importance, and it is largely with this that the Valuation Court is concerned. Generally speaking the "normal" values in each area as at the date of valuation are well-supported by records of land sales, but an objector may say: "There is a piece of swampy land at the bottom of my plot which is not usable, and yet my plot is valued at the same level as my neighbours' which are entirely usable." Due allowance may be made for this by the Valuation Court.

6. The Valuation Court is an independent body designed to ensure that valuations comply with the law and are fair and equitable, and every facility has been given to plotholders to bring objections in writing before it. They may attend the court to argue their case in person. Even before the Valuation Court sits they can discuss their difficulties and objections with the City Valuer's staff at the City Hall. It costs nothing to lodge an objection with the Valuation Court and an objector can make a further appeal to the Supreme Court if he feels that his case has not had a fair hearing.

The following paragraphs from the Valuation Section of the Nairobi City Valuer's Report for 1959 are pertinent and of interest:—

1. The 1961 Valuation Roll of Nairobi. The "time of of valuation", i.e. the date as at which all valuations are deemed to have been made for the 1961 Roll, was fixed by Council and approved by the Minister as the 1st August, 1959. All necessary analysis and plans were made prior to the time of valuation, and the preparation was started early in August. When the Roll is completed the total number of valuations will exceed 14,000. The Roll will be laid before Council on the 5th April, 1960.

2. Supplementary Valuation Rolls.—During the year two rolls were compiled to bring the 1957 Valuation Roll up to date. There were 53 objections received to the first roll and, as a result of negotiations with the parties concerned, 43 cases were withdrawn prior to the hearing by the Local Valuation Court. The Second Supplementary Roll was prepared late in the year and was laid before the Council in December. There were no objections.

3. Local Valuation Courts.—20 cases were contested before the Court as a result of assessments included in the Second 1958 and First 1959 Supplementary Rolls. The Court ruled that only one of the assessments should be altered. This had been agreed with the objector prior to the commencement of the hearing.

4. **Valuation Committee.**—59 entries in respect of Crown properties were discussed with the Land Office, and agreed amendments were submitted to the Committee on 19th November and confirmed.

5. Remission of Rates.—183 applications were received from religious, social, educational bodies, etc., for full or partial remission of rates. 150 applications were approved in respect of properties having a total site value of £2,306,916, and remissions amounting to £40,418 were granted.

9. Records of Sales.—During the year the Land Office notified 1,270 sales of property in Nairobi. This information was noted in our records and the sales were analysed.

10. Plans and Maps.- 124 1:1250 plans sheets were preprepared, and the tracings for all the City were printed. Information as to sale prices, file numbers, areas and street numbers was put on the plans and these now form a comprehensive record of all the plots in Nairobi . . . .

Henry George School

TWENTY-FIVE economic study classes are at present in session. Now that records are complete — the Scottish branches began later than the rest of the country — they reveal that there has again been an increase in the enrolment figures over previous terms.

Scotland. A particularly good enrolment was secured at Glasgow where Dr. William Good is conducting the Basic Course. Plans are being made now for a follow-on course on Current Economic Theories to start in January. At Dundee, three classes are being held weekly, two are being conducted by Mr. M. H. Brownlee and the other by a new tutor, Mr. W. D. Campbell.

North West Kent. Under the auspices of the North West Kent branch an end of term Christmas Dinner will be held on Saturday December 10 at the Royal Hotel, Mottingham (Southern Railway). Music and dancing will follow the Dinner. Previous students within or outside the area are cordially invited to attend. Tickets 15s. from Mr. T. J. Maxwell, 35, Spekehill, Eltham, S.E.9.

Headquarters. On December 6 and 8 classes at Victoria will combine to hear Mr. V. H. Blundell speak on "The Policies of the Parties — an Economic and Political Survey". A social evening for students attending the current classes has been arranged for the following week.

Cardiff. An end of term talk entitled "Freedom?" will be given by Mr. R. Spencer of the University College, Cardiff, to students and ex-students of the Henry George School on December 8 at 7.30 p.m. at 19 Newport Road, Cardiff.

NEW BILLS IN PARLIAMENT

London's Fruit Market To Be "Nationalised"

LONDON'S fruit and vegetable market is to be nationalised. This further nibble at economic freedom comes strangely from a Conservative administration which purports to believe in free enterprise. Yet it is logically consistent since, after all, by curtailing imports and fostering home production by grants and subsidies the Government has already tampered with the general market for agricultural and horticultural produce.

The stated object of the Covent Garden Barket Bill is to create a streamlined and modernised market in which traders can have all the benefits of a rational layout and the whole range of up-to-date mechanical handling and storage facilities. This, it is claimed, will enable the market to handle a greater volume of business more speedily and more economically to the benefit of the growers, wholesalers, purchasers and all who work in the market.

No doubt that is so but why is Government intervention required to confer these benefits on those people? There are in Britain a great many "streamlined and modernised" undertakings of every kind which have put improvements in hand without prompting, aid or interference from H.M. Government. There are also a great many backward concerns; may we expect the Tories to step in and take them over in due course?

Two other major arguments are advanced officially in defence of the Bill. Reorganisation will relieve road congestion in the Covent Garden area, and reduce fire risks. It is proposed to store empty wooden boxes at the junction of Old Street and City Road on the five acre site of the St. Luke's Printing Works, which was sold recently by the Bank of England.

These secondary considerations are important but they could be met by enforcing stringent fire and traffic regulations. Traffice snarls are not peculiar to the Covent Garden area.

The market is at present owned by Covent Garden Market Ltd. who hold the charter granted in 1670 by Charles II to the Earl of Bedford, and is operated under provisions of an Act of 1828. This stipulated how the market was to be laid out to meet the conditions of those times. Something of a similar nature would meet today's needs. Instead a Covent Garden Market Authority is to be created, appointed by the Minister of Agriculture and consisting of a chairman, a managing director and from three to six other members.

The Authority will take over the market and compensate the present owners. It will not be a trading organisation. All premises used for wholesaling fruit, vegetables and flowers in the area will have to be