

EAST AFR. PROT

CO 521  
56982

REC'D  
Pr 4

5/28/21

PAYMENT OF OFFICIALS' SALARIES WHILE ON LEAVE

1919

Submit memo. asks for two typed copies.

Standard Paper

56904

*Handwritten:* Would you please have 6 copies of the memorandum submitted in memo on white paper in envelope?

*Vertical handwritten notes:*  
1. Copy sent to Mr. [unclear]  
2. Copy sent to Mr. [unclear]  
3. Copy sent to Mr. [unclear]  
4. Copy sent to Mr. [unclear]  
5. Copy sent to Mr. [unclear]  
6. Copy sent to Mr. [unclear]  
7. Copy sent to Mr. [unclear]  
8. Copy sent to Mr. [unclear]  
9. Copy sent to Mr. [unclear]  
10. Copy sent to Mr. [unclear]

CO  
6465

In the present ruling of the C.O., salary  
in such cases must be paid in  
advance by C.A. (unless the man  
is a high-salaried official when  
he gets it at the current rate of  
exchange).

You should see the illustration  
on 33128/19, when the President  
decided you better after consultation  
with the Treasury Dept.

You will at once note the point,  
however, that an official might  
triple cross the ruling by saying  
that he did not request his leave  
salary while on leave, but would  
wait & draw it when he gets back  
to Japan. If the present  
ruling holds good, such  
action will be legitimate.

In the 2 instances referred  
to in the H. Hamilton, see  
at bottom of memo on 5040/19

all  
10/20/19

M. F. Cannon

If possible, if the accounts are  
in the hands of the Comptroller, that certain officials  
are entitled to the same in fact as the  
lawyer that it is the only legal method  
to pay them in advance or at least to pay them  
when they have a balance & have some authority  
to do so. However that it is a question of law.

to pay a man's leave less than the salary to  
which he is entitled.

But if you look with the assumption  
which I believe to be correct that sterling  
officials are not to receive more than  
the same than pay made in sterling at a  
current rate of exchange, the result is  
nearly that by an act of grace they are being  
allowed while on duty to receive more than  
they are entitled to, and while on leave when  
no privilege has not been extended to them  
while on leave.

If this is the plan and depends  
a large extent upon the position on the  
subject of exchange - that which I have not  
yet seen - it follows that any appeal  
must be in respect of policy & not legal  
rights.

A.G.B. 22/10/19

P.S. Suppose the rupee had depreciated - would anyone  
venture to say that the Govt was entitled to pay sterling  
salaries at 15R to the £? Will the result that a man  
in 1920 a year would receive the equivalent of (say) £450?

A.G.B.

to Bottanley

London with sheet 11 53907/19

which contains the advance copy

of L.O. opinion re Magadi

and funds Development payments

which is not required now with

paper 7

to the Committee, a sub-committee  
concluded to give an official ruling, it  
may be well to take it up para by para.  
para 1 this is an 'official' answer  
to the argument -

The statement of fact is correct:  
it may have been a 'mistaken  
convenience' to let Lt. &  
Officers to pay leave salaries  
through C.A. but if enough  
the method was have resulted  
in Officers 'making' more  
than the working salary in  
which they are engaged or  
appointed, the Lt. might  
have varied that arrangement  
at pleasure: seeing that  
an official cannot claim  
more than his salary or the  
exact equivalent of it  
in currency other than that  
in which the salary is expressed  
of L.O. opinion, see to  
all hands that to finance  
the whole must be done  
in the ordinary way.

Para 1

(usually in no case disagree)

6/1

Para 3

The argument is unconvincing. The  
Official may dispose of his salary  
as he wishes, while he has got  
it. but the Govt need not pay  
him directly or indirectly more  
than his contracted pay or its  
equivalent in currency other than  
sterling.

526

Para 4-6

There is a slip here, surely, in  
R 157. read R 157. I am sure that  
this is what is being referred to.  
Officials but the Govt is paying  
most of money & there is no  
for it by the Official through  
the exchange rate in terms  
of sterling. even as the  
Govt does not lose anything and  
receives it all but only  
forgets to record it. It might  
be necessary to make a  
reference in actual fact  
of L 6 (Official) officials have  
been allowed more money  
than they are entitled to R 157. I am  
sure that this is the intention  
appreciated. I am sure  
in spite of their complaints  
independant pay. remember that  
is no income tax in 1947 & never  
have I seen it hinted anywhere  
that salaries were fixed in the  
low side with this privilege.

What is the nature of the  
Official's salary? According to the  
Circular (R 157) there is no  
income tax in 1947 & never  
have I seen it hinted anywhere  
that salaries were fixed in the  
low side with this privilege.

It would be reasonable  
to expect to complain because  
1/2 of my own bonus goes  
in additional income tax

It will be in some  
of the experience of  
my own bonus goes  
in additional income  
tax

Para 7 The two circulars referred to are in

3648119. The amount of the Galt...  
the, & then -

(1) that in any event these currencies  
are not in total... payment  
of salary on leave but only when  
the official is in L. Africa -

(2) that the second article of 26.10.10,  
(which presumably superseded the  
earlier version of 16.6.07) does not  
say that the major diploma shall be  
made at R. 1/1000... that  
it is only the general...  
the... all now...  
to the... drawing salary  
locally which in L.A.

Amended  
how...  
any amount

Para 11

There is a difference between  
salary in L.A. & salary on leave  
viz. the official shall be L.A. (say  
for 30 months out of every 36)  
scores greatly by the generosity of  
the Govt. - that if there is no  
diff. the Govt. has with it  
once plus L.V. opinion &  
free officials in L.A. salaries  
at current rate of exchange are

It may be logical for Govt. to  
be generous like this for 30 months  
& strictly fair for 6 months but  
surely the official can not complain

how to  
& address  
with  
agreement

Para 11

When salaries are expressed in  
rupes the official has a legal  
right to that number of rupes  
therefore to say he  
has a... however, will  
all be expressed in sterling - so  
that its accuracy in terms will...  
mission.

Para 12: Surely the... official in...  
may, in the... have his salary paid  
locally while he is on leave - but  
at the current rate of exchange  
but... (if the facts are  
as stated) is to any... an  
impairment of the...  
The last... para states the  
facts correctly... as above -

36  
11/10/10

Para 13

I see no reason why salary  
must be paid in sterling...  
a man on leave...  
the... for...  
if he...  
but at the current rate of exchange

X  
...  
...  
...  
...

Two... I think...  
by...  
officials...  
to take...  
same...  
The point is that the...  
must...  
not to get...  
in the...  
Para 14: again, local payment at the  
current rate of exchange (as...  
) meets the point

Para 15

again...  
that...  
question...  
sure about...  
supporting for...  
Para 16: again...  
that...  
question...  
sure about...  
supporting for...

Upanda.

Para 16. The right to dispose of their money as they wish is, of course, conceded to officials. It is simply that the Govt wants to right to pay them exactly what is in the contract while they have a term of letting them make money on their holding salaries their exchange as is done with real property & contracts, & the legal claim of such property, which they are in & agree.

==

I have written the above rather "vociferous details" for I still feel that under present conditions policy would do little to increase generosity towards the officials at the same time we must admit our things.

- (1) The E.A. officials list are not so rich (I) that they can afford to throw away money so.
- (2) The present policy, which is strictly fair & just from a legal point of view, should be continued in all cases the question of

Par 17. The Govt salary of the resident since at the current rate of exchange instead of Rs 57.60 he might have to be considered as financial ground.

528

(1) The decision has been refused as the home is done. The Govt feeling created by the decision is not the Govt's business to be reversed. The existing decision is reversed. It is no longer a Government's responsibility of the Govt but a simple demand of the officials collected from the Govt which has been done once.

Again the measure is too large. It is not possible to do it. It is a very big question. It is not a simple matter. It is not a simple matter. It is not a simple matter.

I do not think the present action will follow as the Govt does not seem to have made any general decision has been taken.

to the

I attach importance to the  
question of the fundamental conditions  
(see page 3 of the Charter of the  
present union) of the

the present history of the 15th of June  
1907 and the 15th of July, the

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Secretary General Subject to the purposes  
being approved by the Governor General  
and the

The amount proposed to be estimated  
is more than the amount for  
and being very close (followed even down)  
and accordingly a Director of Finance should  
be made here after 30 months  
Sir R. Hamilton's proposal would be  
one of Rs. 500,000 Rs. 3750 in the  
38 months as against Rs. 22,083 in the  
present proposals - a difference of  
Rs. 7 1/2%. We can't really afford  
this, and it may well mean 30,000 or  
more in arrears, but even at that  
some would say that it is worth the  
difference in the long run.

We can't justify this without Treasury  
approval (for expenditure) and I think  
you'd better propose to the  
Finance Committee on a separate  
basis first as a estimate based on the  
lot of expenditure proposed in the  
plan in the budget, & say that  
subject to the Governor's ratification  
that there is a real general demand  
for the Government to properly meet  
Treasury matters, which is  
a demand of a kind  
to be met in any case.

4-  
3 ad  
5000

27/11

605.27.100

Dear Parkington,

I send a memo

in regard to Fortitude, which

is a photograph also in the

subject of the 1st

is a matter of any

530

... for eating in the

R.R. station I think was

... from ... the ...

... the ...

... for a week ...

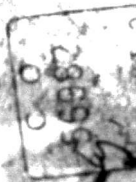
... the opportunity of ...

... the ...

... the ...

to residence  
Amersat

2 Dec 1919



Dear Mr. C. O. Coffey,  
Howard & Associates

on the principal points which arose  
to me with regard to the payment of  
Special salaries while in leave from  
Etc., which you were good enough  
to ask me to forward

It is of course all so easy for  
the C.O. to appoint to position  
in the same way as in Probation  
Official

The next that is naturally presented  
at the moment is that the former  
is seeking to keep an advantage  
paying to the latter which in  
turn in England is supposed to  
and keeping the difference for itself  
I must apologize for not having  
been able to send in my name  
sooner and would ask you to  
be good enough to let me have  
a couple of good copies

Yours sincerely  
Wm. Armstrong

who have done the best possible  
but in increasing the matter, ~~from~~  
retained and reported what I must  
have concluded that for all purposes  
the value of the arguments and the  
equality of the case for the opponents.

It would be a thousand pities if  
the good impression created through  
-with the Justice by their treatment-  
ing the matter of the war - even  
was to be destroyed by a less

re

PAYMENT OF SALARIES OF OFFICIALS OF THE EAST AFRICA  
PROTECTORATE WHILE ON LEAVE.

(1) It has hitherto been the practice to pay salaries of officials while on leave in England in sterling for the East African Protectorate.

This has been a mutual convenience both to the Protectorate and to the officials concerned; and so long as the exchange value of the rupee remained at a fairly steady rate of about 1/4, dating from the time when it was stabilised in 1916, no question arose on either side.

(2) The exchange value of the rupee having now risen to 1/2 it is a matter of the greatest importance to officials, now they receive their pay while on leave in England.

(3) It is submitted that salary when an official is on leave stands on the same footing as salary when he is on duty. In the home civil service leaves are shorter and taken irregularly and the necessity does not press to alter or identify any part of the manner of payment of the salary of an official in the service when on leave. In the East African Protectorate, however, it is not possible to do so.

At East Africa it is necessary for an official to accumulate his leave, and he is therefore away from duty for a longer period, but that should be no reason for depriving him of the opportunity of disposing of his salary in such manner as he may wish.

(4) Salaries are drawn from the revenues of East Africa

and

and the Secretary of State has declared that any improvements in the emoluments of officers in the protectorate must depend on the ability of the protectorate to meet them.

He has also expressed His sympathetic interest in ameliorating the conditions of service. That being so, officers are somewhat at a loss to understand why, when they ask for their salaries to be paid to their banks in that place while they are on leave, they should be told that the Government will remit the salaries on their behalf at the rate of 100 to the £ only, thus depriving them of the exchange of 70 on every rupee.

(5) An official in East Africa is paid in shesha and it seems inequitable that he should only be allowed to remit his own money home while he is in the protectorate, and that when he has to take leave as part of his general service the Government should take this power from him and insist on remitting his money itself and put into the public revenue of the protectorate the profit on the transaction.

(6) That the officials ask for would not cost the Government anything and it seems illogical that the Colonial Office should generously sanction with the original a larger sum than was originally asked for and should with the other private officials of the power of dealing with their own money in a way in which they consider they are legitimately entitled to deal with it.

In this connection I would note the paragraph of the Civil Service Commission Report that it is desirable that "the Government should avoid the appearance of embezzlement to effect economies at the expense of its own servants"

(7) The manner in which salaries have been paid in the past has an important bearing on the whole question.

In the earlier days of the Protectorate officials were paid by silver drafts on London. The exchange was then in the other direction and the drafts could be sold in the Bombay bazaar for Rs. 16-17 to the £. This did not, however, apply to officials of the Uganda Railway who were paid in respect of stipends and gratuities by cheques drawn on London.

(8) Subsequently, when the exchange value of the rupee was stabilised and more revenue was raised in East Africa than had formerly been the case the Government issued the circular of June 10th 1907 (of which you have a copy) declaring the intention of paying those officers who were on a sterling salary in future locally in rupees at 15 to the £.

(9) Some objection was raised to this circular and when the exchange fell subsequently slightly below the rate of Rs. 15 to the £ the Government declined to make good the loss on remittances home.

Eventually, however, in 1911 the circular of the 20th November 1910 was issued (of which you have a copy) whereby officers were allowed the option of receiving their salaries locally by cheques on London or by drafts on the Crown Agents.

(10) It may be said that these circulars were intended to relate only to salary in the Protectorate and not to salary while an officer was on leave. But it is submitted that there is in fact no difference between the two.

Salary is granted for services rendered and comes from the Protectorate treasury, and if the Government is willing to pay an officer's salary in rupees at 15 to the £ while he



is in the protectorate through his Agent, the Bank, why should it refuse to do so, if the officer desires that form of payment to be continued when he is on leave?

Arrangements are easily made whereby the Bank indemnifies the government against any loss in the event of an overpayment due to an officer dying before the completion of a month for which salary is drawn.

(ii) As matters stand at present the Secretary of State has directed that:-

"leave pay must be paid through the Crown Agents in sterling, and if any leave pay is drawn locally, it must be at current rate of exchange except in very special cases where the Governor is satisfied that some payment locally is necessary for support of family in the protectorate."

Added to this railway employees whose salaries are paid in rupees are to be allowed when on leave to draw pay in rupees convertible at current rates of exchange.

The original instructions as to leave pay drawn locally being paid at current rates now, I understand, have since been modified to payment at the rate of Rs. 15 to the £.

(iii) Let us now consider what effect these instructions will have in practice; and I may perhaps here be allowed to quote from a private letter from an officer in the Uganda Railway, received by me shortly after his arrival in England. The writer says:- "Although my original agreement of 1930 with the Government stated that my salary should be paid in sterling, I have never received it in sterling, except when I have been some on leave, the rest of the time I have been paid in rupees at the rate of Rs. 15 to the £."

I am now proceeding on leave to England prior to my retirement, and as I propose to return to British East Africa to settle here after a holiday I asked that my salary be paid into the National Bank of India in Nairobi as usual during

my absence.

I have been told that this cannot be done and that I must receive my salary in sterling according to my agreement in England.

This is a rather hard case, after it means that the Government in transferring my salary to England in sterling, the transfer has to be made in sterling and the value of the same money will have to be converted into

in the case of Arthur Church (Chief Engineer Railway, who is now on leave prior to retirement and living in Nairobi his salary has been paid into the National Bank of India - Nairobi, as usual at the rate of Rs. 15 to the £ the reason given is that he has taken his leave in the country.

The railway sub-station staff - such as signallers, drivers and station-masters now proceeding on leave to England are also having their salaries paid into the local bank at the rate of Rs. 15 to the £ the explanation for this being that the salary stated in this agreement is in rupees.

(15) The instances quoted here show how unequally the present ruling acts and to these instances must be added those of officials who have commitments in the Protectorate such as overdrafts at the Bank, loans from private individuals, or shop keepers' accounts to discharge, or who desire to utilize all or a part of their salary while on leave in building a house or developing land in the Protectorate.

Then there are the cases of individuals who do not take their leave in England but go either to India, the Cape, Australasia or elsewhere.

In such cases, I believe, the Government does not insist

insist on paying salaries in London, but leaves it to the individuals concerned to make their own arrangements for receiving their pay through a Bank in East Africa.

Why then should the official who takes his leave in England be less favorably treated, especially when the Government has recognized the high cost of living there?

Then there is the position of the official to be considered who does not draw his pay while on leave but who on returning to East Africa asks for it to be paid him.

The Treasurer would not, I imagine, refuse to pay what was due to him without running the risk of an action. Is this man because he is perhaps better off than his fellows or because circumstances enable him to follow such a course to have an advantage denied to others less happily placed?

Finally, there is the case of the man who has earned leave and leave pay but who is not returning to East Africa but settling in some other part of the world and in the meantime does not desire to draw his pay. Will the Government refuse to allow it to be paid to his Bank in the Protectorate and require him to take a voyage to East Africa in order to receive it, if he desires to receive it in rupees at all to the end?

(15) I have quoted these instances to show how the present ruling is working unequally already to the advantage of some and the disadvantage of others and would suggest that the only fair way of dealing with the matter would be to allow an official to inform the Treasurer whether he wishes the Government to remit his salary and pay it through the Crown Agents in sterling, or whether he prefers his salary to be paid into a local bank in rupees and to make his own arrangements for disposing of it.

it is not as though the Protectors were subsidized by an Imperial grant-in-aid. The salary of an official is paid out of the Protectorate revenues and there would therefore appear to be less reason to insist otherwise in the case of insisting on official salaries in England so long as they are being paid in sterling.

The money which becomes due as the salary of an official is paid out of the Protectorate revenues and it is submitted that where an official complies with the Government requirements as to notice as to how he wishes that money paid it should be so paid without further question.

(16) In this matter the officials are not asking for anything that is unreasonable or inequitable, or that will put the Government to any cost, labour or trouble. They are merely asking for the right to dispose themselves of the money they have earned without the Government insisting on a manner of payment that would be to their prejudice.

H. P. ...

Hiveliscombe,

2nd October 1913.

6.

Annul 6/4/29

sc

Downing Street,

October, 1919

**DRAFT**

Secretary to  
THE TREASURY.

MINUTE.

Mr Parkinson 3/7/19  
Bottanley 30.10.19

Mr Grindle  
Mr H Lambert  
Mr H Bond 5/5/19  
Mr Fisher  
Mr Garry  
Mr...

Sir,

I am etc. to request you to inform the L.C. of the Treas. that he has been in communication with the Governors of the E.A. and Uganda Prots. on the subject of the <sup>leave</sup> ~~payment~~ <sup>of salaries</sup> of officials of these Prots. while on leave of absence. A copy of the relevant corres. with the Govs. is enclosed.

2. It will be seen that according to the present ruling the salary of officials on leave must be paid by the G.A. for the C. Sterling (provided that they are sterling ~~officials~~), but that payment may be made locally at the current rate of exchange in rupees if the official wishes to have his salary paid into his account in the Prot. while he is on leave. The only exception so far approved is that, in special cases where the Gov. is satisfied that an official requires money in the Prot. while he is on leave, for the support of relatives, a portion of the salary may be paid in the Prot. in rupees at Rs. 15 to the £.

3. It is of course obvious that officials would derive much benefit by being permitted

Gov. U.K. 7 Feb. (20070)  
tel. 19 April (20070)  
Gov. E.A.P. tel. 1 June (33136)  
Gov. U.K. 3 June  
Gov. E.A.P. tel. 17 (38481)  
(56982)

Wise in 1919  
Wraith

permitted to draw their salaries in the *Partly at the rate of*  
Prots. (while on leave) as they could remit *R. 15 to £ 1*  
them to this country and make a large profit  
on such remittances now that the rupee has  
appreciated to 2/-

2. The matter has been taken up generally  
in detail of the E. African officials by Sir R.  
Hamilton, the retiring Chief Justice of the  
E.A.P., and the Chairman of the Local  
Service Commission. A copy of a memo. which  
has been submitted to this Office by Sir R.  
Hamilton is enclosed.

3. It is a fact that officials' salaries  
which are expressed in sterling have been, and  
still are being paid in the Prots. at Rs. 15  
to the £, so long as the official is resident  
in E.A. or d. c. and it is a question whether the  
same concession should not now be granted in respect  
of the local salary of such officials. Their  
predecessors will observe what Sir R. Hamilton refers  
to two circulars issued in the E.A.P. on the 16th  
of June 1914 (Trans. Circular No. 1) and on the  
20th of November 1910 (Secretariat Circular M.F.  
1910). Copies of which are enclosed. In the  
Circular of the 16th of June 1914 it is definitely  
stated that the rate of exchange for salaries which  
are expressed in sterling is Rs. 15 to the £, but the  
subsequent Circular makes no specific reference to  
the rate of exchange. It should be mentioned that  
these circulars have been included into the E.A.P.  
Code of Regulations (1913) and as those Regulations  
are worded nothing is stated as to rate of conversion  
of sterling salaries.

4. It may be argued on the one hand that it is

a distinct concession on the part of the Govt. that when the rupee has appreciated, officials should still be allowed to have their salaries converted at Rs. 15 to the £; <sup>which they are entitled to</sup> and that the circulars mentioned by Sir R. Hamilton should not be held to refer to the payment of salary of officials while on leave but only while resident in E.A. On the other hand, salaries of officials in E.A. are admittedly somewhat low, even with the war bonus, which is being paid at present; <sup>and</sup> the Govt. will be justified in allowing officials to obtain the profit on remittances made from E.A. to this country if their salaries were paid in the E.A.P. while the officials themselves are on leave, <sup>and it</sup> will be observed that if this concession were granted, the Govts. would not lose any estimated revenue, but would only forgo <sup>the profit</sup> certain revenue which they might make otherwise by remitting funds from E.A. to the C.A. for the payment of officials on leave.

7. The principle of paying sterling leave salary in E.A. at Rs.15 to the £ has been accepted to the extent that a portion of leave salary may be so paid where the official has dependents in E.A. whom he has to support; <sup>and it is felt that it</sup> and it would be a reasonable extension of this principle that local payments of leave salary should be made similarly where an officer has commitments in E.A. which he has to meet.

In any event, Lord Wainwright proposes

*even if they were held to be binding as to the matter of compensation of salary etc.*

*it may be argued that consideration will be given that*

*of any kind*

to inform the Govs. that the extension <sup>proposed</sup> ~~concession~~ referred to in the ~~last~~ <sup>last</sup> para. may be ~~allowed~~ <sup>granted</sup>; but he wishes to know whether Their Lordships would have any objection to his informing the Govs. that, if they are satisfied that there is a genuine demand generally for leave salary to be paid in E.A. at Rs. 10 to the ~~same~~ <sup>same</sup> ~~rate~~ <sup>larger</sup> concession may be granted. The two Prots. must necessarily be treated on the same lines in this respect; and unless the L.C. would agree to this concession in the case of Uganda officials,

Lord Al. would not feel justified in ~~granting it~~ <sup>granting it</sup> for those of the neighbouring Prot.

As war bonus is payable to officials in India, whatever may be decided in respect of leave salary will apply also to the war bonus. ~~He cannot estimate the cost of giving the enclosed~~ ~~amounts approximately and the figures will be~~ ~~prepared for India and Uganda Prots. separately.~~

100,000

It is reported that exact calculation cannot be furnished showing the financial effect of the larger concession, if granted; but the enclosed statement shows approximately the effect as calculated in respect of leave (with out war bonus) in the last Part.

H. J. K.



Table: Cap  
 T.C. is amended

541  
Uganda  
 £109,700

Approximate total of  
 Annual sterling personal  
 emoluments (excluding  
 duty allowances &  
 house allowances) £307,600

Cap

1974  
 1975

Assuming that in 1974  
 is absent on leave for  
 1 month after 10  
 months service, in 1975  
 2 months out of every  
 12 months, the annual  
 change for leave salaries  
 are in fact at £ 5250

£ 191,975

at 1/1/74	£	307,600	R	257,943
at 1/1/75	£	312,800	R	191,975
		<u>267,450</u>		<u>95,958</u>

re  
 Payment of salaries of officials of the East Africa  
 Administration while on leave.

- 1) It has hitherto been the practice to pay salaries of officials while on leave in England in sterling through the Crown Agents.  
 This has been a mutual convenience both to the Administration and to the officials concerned: and so long as the exchange value of the Rupee remained at a fairly stable rate of about  $\frac{1}{4}$  sterling from the time when it was established in India no question arose on either side.
- 2) The exchange value of the Rupee having now gone to 2/4 it is a matter of the greatest importance to officials how they receive their pay while on leave in England.
- 3) It is submitted that salary when an official is on leave stands on the same footing as salary when he is on duty. In the home civil service leaves are short and taken annually and the Treasury does not propose to alter or in any way interfere with the manner of payment of the salary of an official on that service when he takes his leave whether he takes it in England or abroad.  
 In East Africa it is necessary for an official to accumulate his leave and he is therefore away from duty for a longer period, but there should be no reason for depriving him of the opportunity of disposing of his salary in such manner as he may wish.

Salaries are drawn from the revenues of E. A., and the Secretary of State has declared that any improvements in the emoluments of officers in the Provinces must depend on the ability of the Provinces to meet them. He has also expressed his sympathetic interest in ameliorating the conditions of service. That being so, officials are somewhat at a loss to understand why, when they ask for their salaries to be paid to their banks in E. A. while they are on leave, they should be told that the government will remit the salaries and pay them at the rate of Rs 15 to the £ only, thus depriving them of the exchange of 10 on every rupee.

5) An official in E. A. is paid in rupees and it seems inequitable that he should only be allowed to remit his own money home while he is on the Provinces, and that when he has to take care as part of his general service the Government should take this power from him and insist on remitting his money itself and put into the public revenues of the Provinces the profit on the transaction.

6) What the officials ask for would not cost the Government a penny and it seems illogical that the C.O. should generously sanction with the one hand a larger war-bonus than was originally asked for and should with the other deprive them of the power of dealing with their own money in a way in which they consider they are legitimately entitled to deal with it.

In this connection I would quote from para 60 of the Civil Service Commission Report that it is desirable that "the government should avoid the appearance of endeavouring to effect economies at the expense of its own servants."

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- (7) The manner in which salaries have been paid in the past has an important bearing on the whole question. In the earlier days of the Protectorate officials were paid by salary drafts on London. The exchange was then in the other direction and the drafts could be sold in the "Bourse" in London for Rs 16-17 to the £. This did not however, apply to officials of the Uganda Railway who were paid in Europe or sterling in such proportions as actually desired.
- (8) Subsequently, when the exchange value of the rupee was stabilized and more revenue was raised in East Africa than had formerly been the case the Government issued the circular of June 16<sup>th</sup> 1907 (of which you have a copy) declaring the intention of paying those officers who were on a sterling salary in future locally in rupees at 15 to the £.
- (9) Some objection was raised to this circular and when the exchange fell subsequently slightly below the rate of Rs 15 to the £ the Government declined to make good the loss on remittances home. Eventually, however, in 1910 the circular of the 26<sup>th</sup> Nov 1910 was issued (of which you have a copy) whereby officers were allowed the option of receiving their salaries locally by rupee cheques or by drafts on the Crown Agents.
- (10) It may be said that these circulars were intended to relate only to salary in the Protectorate and not to salary while an officer was on leave. But it is submitted that there is in fact no difference between the two.

Salary is granted for services rendered and comes from the Protectorate Treasury, and if the Government is willing to pay an officer's salary in rupees at 15 to the £ while he is in the Protectorate through his agent, the Bank, why should it refuse to do so if the officer desires that form of payment to be continued when he is on leave? Arrangements are easily made whereby the Government indemnifies itself against any "in the event of an overpayment" due to an officer dying during before the completion of a month for which salary is drawn.

- (11) As matters stand at present the Secretary of State has directed that:—  
leave pay must be paid through the Crown agents in sterling and if any leave pay is drawn locally it must be at current rate of exchange except in very special cases where the Governor is satisfied that some payment locally is necessary for support of family in the Protectorate.  
and to the Railway employees whose salaries are granted in rupees are to be allowed when on leave to draw pay in rupees convertible at current rates of exchange.  
The original instruction as to leave pay drawn locally being paid at current rates has, I understand, been since modified to payment at the rate of Rs 15 to the £.

- (12) Let us now consider what effect these instructions will have in practice, and I may perhaps here be allowed to quote from a private letter from an officer in the Uganda Railway, received by

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me since my arrival in England. The writer says:—  
 'Although my original agreement of 1898 with the  
 Government stated that my salary should be paid  
 in sterling, I have never received it in sterling  
 except when I have been home on leave, the rest  
 of the time I have been paid in rupees at the  
 rate of Rs 15 to the £'

I am now proceeding on leave to England prior to  
 my retirement and as I propose to return to  
 B. & C. to settle here after a holiday I asked that  
 my salary be paid into the National Bank of  
 India in Nairobi as usual during my  
 absence.

I have been told that this cannot be done and  
 that I must receive my salary in sterling  
 according to my agreement in England.

This is rather hard on me, for it means that  
 the Government in transferring my salary to  
 England gain 25% whereas I on bringing back  
 to B. & C. a portion of the same money will  
 have to use 25% on it.

In the case of Arthur Church (Chief Engineer  
 - Railway) who is now on leave prior to retirement  
 and being in Nairobi his salary has been paid  
 into the National Bank of India - Nairobi  
 at the rate of Rs 15 to the £ -  
 the reason given is that he has taken no  
 leave in the country.

The Railway subordinate staff - such as  
 guards, drivers, and station-masters now  
 proceeding on leave to England are also having their  
 salaries paid into the local Bank at the rate  
 of Rs 15 to the £, the explanation for this being  
 that the salary stated in their agreement is in rupees.

(13) The instances quoted here show how unequal the present ruling acts, and to these instances must be added those of officials who have commitments in the Protectorate such as overdrafts at the Bank, loans from private individuals, or ship keepers' accounts to discharge, or who desire to utilize all or a part of their salary while on leave in building a house, developing land in the Protectorate. Then there are the cases of individuals who do not take their leave in England, but go either to India, the Cape, Amboyna or elsewhere. In such cases, I believe, the Government does not insist on paying the salaries in London, but leaves it to the individuals concerned to make their own arrangements for receiving their pay through a Bank in East Africa. Why then should the official who takes his leave in England be less favorably treated, especially when the Government has recognized the high cost of living there?

(14) Then there is the position of the official to be considered who does not draw his pay while on leave but who on returning to S. A. asks for it to be paid him. The Treasurer could not, I imagine, refuse to pay what was due to him without running the risk of an action. Is this more because he is perhaps better off than his fellows or because circumstances enable him to follow such a course to his advantage denied to others less happily placed? Finally, there is the case of the man who has earned leave & leave pay but who is not returning to S. A. but settling in some other part of the world and in the meantime does not desire to

Now his pay. Will the Government refuse to allow it to be paid to his Bank in the Protectorate and require him to take a voyage to East-Africa in order to receive it, if he desires to receive it in rufus at 15 to the £?

5) I have quoted these instances to show how the present ruling is working unequally already to the advantage of some and the disadvantage of others and would suggest that the only fair way of dealing with the matter would be to allow an official to inform the Treasurer whether he wishes the Government to remit his salary and pay it through the bank agents in sterling, or whether he prefers his salary to be paid into a local bank in rufus and to make his own arrangements for disposing of it.

It is not as though the Protectorate were subsidised by an imperial grant in aid. The salary of an official is paid out of the Protectorate revenues and there would therefore appear to be less reason than might otherwise be the case for insisting on officials while in England on leave being paid in sterling. The money which accrues due at the Treasury at Nairobi monthly for an official's salary becomes mine and it is submitted that where an official complies with the Government requirements as to notice as to how he wishes that money paid it shall be so paid without further question.

(16) In this matter the officials are not asking for anything that is unreasonable or inequitable, or that will put the Government to any cost, labour, or trouble. They are merely asking for the right to dispose themselves of the money they have

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earned without the Government's aid, in a number  
of payments that would be to their prejudice

W. H. Miller

Wichita

2 Oct 1919