

KENYA

16302

CO533/426

CIVIL SERVICE EMOLUMENTS

MEMORANDUM BY CIVIL SERVICE ASSOC
EUROPEAN KENYA.

1 Gov. Kenya 455 16th Sept. 1932
Trs. 2 copies of a memo compiled by the European
Civil Servants Association on the history of the emoluments
of the Civil Service, 1913-1932, in view of the press
campaign against the Civil Service conducted by the
East African Standard. Copies of the Memo have been sent
to Members of the Legis. C'cill.

? It seems unnecessary to do so as

Plan A/Ck but C.S.D. should see
the first instance for any obs.

J.S. Dorey M

8/10/32

I. H. Newm
as

There is no communication may be delayed as
the subject is now to — S. R. Newm H/W.

We must hope that the proposed
division of the King's service into
a "local" and "overseas"
service will facilitate the recognition
of the fact that the conditions
attaching to the "overseas" service
must be substantially in
harmony with those offered by other
competitors in the same recruiting
market.

C. J. Jeffrie

24/10/32

A note on salary in Kenya has

Gov. Kenya 455 16th Sept. 1932
Tr. 2 copies of a memo compiled by the European Civil Servants Association on the history of the emoluments of the Civil Service, 1913-1932, in view of the press campaign against the Civil Service conducted by the East African Standard. Copies of the memo have been sent to members of the Legis. C'cill.

? It seems unnecessary to do more than ack but C.S.D. should see to the press instance for any obses.

JTS, Directorate

8/10/32

J. H. Newson
8

I have no comments. I am very glad to delay the publication until after S.R. Committee's v/s.

We must hope that the proposed division of the King's service into a "local" and a "overseas" service will facilitate the recognition of the fact that the conditions attaching to the "overseas" service must be substantially on a par with those offered by other competitors in the same recruiting market.

C. J. Jeffries

24/10/32

A not on salary in Kenya has

to S. but I conclude this answer
the fact that the S.A. is
receiving the C.A. delegation (the
S.A. is a ~~very~~ <sup>on the 3rd long, 1.6 days)
can be considered afterward</sup>

Mr. Allen

29/10/32

Mr. Boyd.

You wish show this to the
S.A. before the meeting?
as you said the test acts, other
peers cutting shows the other
idea of any animosity toward
the Civil Service has been discarded.
On the other hand, may a program
was inserted the government as
"kind of opposition" to
mind.

book
18.10.32

I send back to S.A. before he
see the opposition.

Mr. Boyd

4/11/32

Ask the Govt. book
now on behalf of the Govt.

Mr. Klein

5/11
at once

C.O.

Mr. Priestman 7/10

Mr. Director 7/10

Mr.

Mr. Parkinson

Mr. Tomlinson

Sir C. Bodenham

Sir J. Shuckburgh

Perm. U.S. of S.

Perly. U.S. of S.

Secretary of State

18302/32 Kenya.

2

DRAFT.

KENYA.

Sir,

NO. 629

GOV.

I have etc. to acknowledge

(1) the receipt of your despatch No. 455
of the 16th September enclosing copies
of a memorandum compiled by the
European Civil Service Association
regarding the history of the emoluments
of the Civil Service 1913-1962.

2. I shall be glad if you will
acknowledge the receipt of the
memorandum on my behalf.

I have, etc.

(Sgd.) P. CUNLIFFE-LISTER.

KENYA.



GOVERNMENT HOUSE,
NAIROBI,

KENYA

NO. 455

AIR MAIL

RECEIVED

6 SEP 1932

C.O.L. OFFICE

September, 1932.

Sir,

With reference to paragraph 3 of your Circular despatch of the 16th July, I have the honour, at the request of the European Civil Service Association, to transmit two copies of a memorandum compiled by the Association upon the History of the Emoluments of the Civil Service 1913-1932.

I also transmit a copy of the Association's letter of the 8th September which was received with the memorandum now transmitted.

It will be observed that the Association asked permission to send copies of the memorandum to individual members of the Legislative Council, and this I have permitted.

2. The memorandum is substantially correct in its statements and moderate in its terms. There are, however, two discrepancies:-

(a). Paragraph 7. The variation in the local allowance was made exactly two years from the date of its introduction.

(b). Paragraph 18. The actual salaries drawn by certain officers in August 1932 as shown in the memorandum are less than the present salary levies.

3. For some time past the East African Standard

THE HONOURABLE

MARSHAL SIR PHILIP COTTRELL-LISTER, P.C., G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, LONDON S.W.1

has

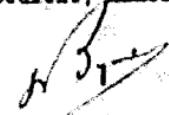
has conducted an intensive economy press campaign and judging from some of the letters which have appeared in its correspondence columns I fear there are signs of a recrudescence of the old settler versus official feeling.

4. You will need no assurance from me that this antagonism has not been aroused by any provocative action on the part of the Civil Service, and that to the best of my belief it is not shared by the considerable number of responsible unofficial residents in this Colony who take little or no part in politics.

I need not say that it will be the endeavour of my Government to curb the feeling which has been aroused and to take suitable opportunities to correct the more glaring mis-statements which have been made.

5. In the despatch under reference you state how much you appreciate the efforts which Colonial Governments have made, and are making, to reduce expenditure and the loyalty and courage with which their staffs have faced the emergency and carried on in the face of great difficulties and disappointments. In this connection I enclose a newspaper cutting of my reply to an address by the Nairobi Association when they recently sought an interview on the subject of increased taxation.

I have the honour to be,
Sir,
Your most obedient, humble servant,


BRIGADIER-GENERAL.

GOVERNOR.

Cutting.

7

CONFIDENTIAL

A MEMORANDUM BY THE COUNCIL OF THE BURMESE
CIVIL SERVANTS' ASSOCIATION OF MELWA ON THE
HISTORY OF THE COLONIES OF THE CROWN

1. The grant of independence to the Burmese by the British Government was preceded by a long period of agitation and protest against the colonial Government. The movement was started by the Burmese Civil Servants and others who served the Government. The following year the Burmese Civil Servants' Association was formed. The Chairman of the Association required the Government to grant independence.

2. The grant of independence to the Burmese by the British Government was made on January 1st, 1918, and the said subject to the British Government was constituted a separate entity on October 1st, 1937. After the grant of independence, the economy of the Burma was prostrated by the Japanese invasion and the same was carried about 50%.

3. The final grant of independence to the Burmese by the Government in 1948 was to be based upon the immediate needs of the country and the public demand for it. By making the conditions best type of men, the Government based upon what was the condition of the district from the time of independence to the aftermath of the war.

4. About the mid-year 1948, the new coins were introduced, but there was no improvement or no actual improvement. The coins themselves contained some inscriptions, but with salary scales in force, the financial conditions were similar.

5. At approximately the same time, from the Rupee to the P. and from the Rupee quoted in £ sterling, it was decided to take some method of tidying up the financial levels to the new standard. A rupee coin of the kroo was at that time worth Sh. 1/4d., whereas the farthing which used to be interchangeable bore a face value of five pence. The Government possessed only the same purchasing power as the British Government decided to pay Civil Servants' emoluments in this country in the new coinage at 10 to the pound, and to add a non-pensionable local allowance of 5 to the pound.

the 19th century, the first president of the Convention of 1848, was a member of the Committee of the Poor.

9.

remain as in 1922, a further increase in the amount of Local Allowance paid to £400 per annum. This was suggested by the Economic and Financial Committee at Delamere, seconded by

10. In 1926 the Government of India increased basic salaries were increased by an amount of Local Allowance paid to £400 per annum. This was suggested by the Economic and Financial Committee at Delamere, seconded by

11. On 1st July 1926, Mr. J. R. D. M. Remond, Member of the Legislative Assembly and Finance Committee, informed the Council that an increase of £400 had been agreed that Council had accepted the 1926 Estimates for the Indian Civil Service that the Secretary of State had agreed that revision could be made. It had been agreed to pay £400 per annum in Uganda. This was achieved with a memorandum from the members and of the Indian Civil Service explained the reasons.

- (1) That the Indian Civil Service has a very large number of Colonies by comparison with other countries, for example, where there are only 100 or 120.
- (2) Civil Service is in addition to the Central Government, Provincial Government, Peshawar, etc.
- (3) Civil Service is in addition to the Central Government, Provincial Government, Peshawar, etc.
- (4) In order to recruit the necessary numbers of Indian Civil Servants, it is necessary to recruit from the higher classes of Indian society.
- (5) Conditions of service are not so good as in other Colonies. Pay and allowances are not so good as in other Colonies, but we can put ourselves in the same position as other Colonies of our own.
- (6) The long period of service is not so good because, during the period of service, there is no good record of qualification, which is not so good as in other Colonies. There is no record of qualification in the Indian Civil Service, but we can put ourselves in the same position as other Colonies of our own.

- (7) One specially paid post is provided in
in the Lower Rank.
- (8) In consulting with neighbouring colonies I
found that the same posts & ratings were given.
The substantive salary had been kept the same in
every case, but when this meant a reduction, the
present salary of the officer is paid up to him as Personal
Allowance during his tenure of office.
- (9) The increase in salary does not affect the
and an economy of £3,000 has been effected in the
voted figure of £18,000.
- (10) The maximum cost of the present scheme
will be a £12,000 addition to the sum paid by the
years' time. "If by any chance the Government's
new scheme of salaries upon the pension, first of the
Colony proves to be too heavy a few years hence, I
would say that it would be more to the interest of
the Colony to revise passage and pension scales than to
revise salaries and pensions. The cost of the
is very high and I am sure the men in the
Service would be much better satisfied with an
ance of good salaries and pensions than with the
tenance of the present very high passage scales.
I do not mean that you should offer a large
for men already in the Service but you can
But you could alter them comparatively easily and
make it optional for those officers who have
Passage vote in the safety valve clause
dealing with the changes in the service.

(NOTE: Clause 8 except for the purpose of the proposed
Personal Allowances no such references have been
made by the East Africa Council.)

The motion was moved by the Hon. Acting
Secretary and was seconded by Lieut. Col. Sir Francis Scott, who said "He is of the opinion that the
members who have considered this question did
consider that this 20% increase on all the scales
realised that we should have the best possible
the most contented conditions in that Service.
much hope that these new scales of salaries will
object."

There is no doubt that the rev.
granting officers the emoluments paid to Super-post
posts in India and the Far East, was received by the
as a whole with satisfaction. Officers interpret the
scheme as a final and definite settlement by the Central
State, the local Government and the Elected Members, of the
vacillating and uncertain conditions under which they had
been working so long.

12. The official undertakes to perform conscientiously
and satisfactorily, anywhere and at any time, any task that
may be demanded of him, and in return he should be assured of
an adequate scale of salary and pension. He may, if he be
competent enough, attain to one of the Super-posts, but the
emoluments pertaining even to those positions would not
appear inordinately attractive to a successful business man
or settler.

When general conditions are prosperous the Civil Servant receives no bonus, but when there is a period of temporary depression his emoluments are often the first object of attack. He is not permitted to speculate or invest any capital he or his wife may possess in the many profitable schemes that Colonial enterprise presents.

13. On the other hand the case of the Settler was aptly described by the Acting Elected Member for Okahandja in addressing Legislative Council on the 15th June, 1931, when he said "the principle of betterment is a thing which has in its first aspects brought people out to the Colonies. They have come because they are gamblers, speculators, what you like, because they are prepared to take a chance."

14. Here then is the fundamental difference between the Settler and the Official. Both, speaking generally, are of the same Home stock and it is therefore all the more deplorable that political bias and an irresponsible Press, which has recently launched an unjust attack upon the Service, should force upon us the necessity of defining our position in this manner.

15. One of the first efforts of the Press campaign was an alleged comparison of salaries drawn in 1923 and 1932 which purported to reveal "the immense increases which have taken place in the majority of cases." As printed, they are certainly startling, but as a matter of fact they are an entirely incorrect version. In 1923 the original Local Allowance had been reduced by approximately half; the remainder of the Allowance was applied on the following scale:

On the first £400 of salary	10%
On the next £200 of salary	10%
On any part of salary over £600	5%
On house or special duty allowances	15%

In 1932 (August) all substantive salaries were subject to a levy applied as follows:-

On the first £1,000 of salary	10%
On any part of salary over £1,000	10%

16. The following dozen instances are taken from the list published in the Daily "Standard" under the heading "Revealing Figures":-

Office.	Daily Standard.		Actual,		Increase	Decrease
	1923.	1932.	1923.	1932.		
Col.Sec.	1,200	2,200	1,960	3,020	60	-
C.N.C.	1,500	1,450	1,645	1,545	-	300
Treasurer.	1,200	1,450	1,350	1,545	15	-
Auditor.	1,000	1,150	1,120	1,375	-	45
Puisano Judges.	1,200	1,450	1,330	1,645	15	-
Solicitor Gen.	1,000	1,200	1,120	1,120	-	-
Dir. of M&Sd	1,200	1,500	1,350	1,390	50	-
Dir. of Edu.	1,000	1,500	1,120	1,350	270	-
P. M. G.	1,000	1,400	1,120	1,300	180	-
Dir. of Agric.	1,400	1,500	1,540	1,390	x	150
Ch.Vet.Officer.	1,000	1,100	1,120	1,030	-	90
Conn. of For.	1,000	1,200	1,120	1,120	-	-
					£300	535

z. The present holder of this post receives in addition a pensionable allowance of £100 per annum.

The above figures are not to be taken into account in connection with the pension scheme), drawn up by the Officers' Committee in 1928, August 1928. However, whether any of these officers will be increased in salary or not - it is not known. It will be increased until the end of the year.

During the period under review, there has been no increase in allowances in kind, but there has been an increase in staff salaries, especially those of the Service. Whether such increases in salaries are usually accompanied by an increase in responsibility, is not so difficult to understand if such officers holding the same post receive also with such a salary increase in their scope of work.

16. Referring to the Wilson's Commission Report, it should be noted that the total receipts of the Colony were at the start December, 1931, however, due to the financial disturbances in the Colony, the amount paid into the general Treasury of the Colony was considerably less than the amount received from the Colony's revenue.

In considering the expenses, it may be noted that the last eight or nine months of 1930, there were financial difficulties in Kenya, while in proportion to the proceeds of the business firms of good standing, the amount received had been withdrawn from the Bank of Kenya. This necessarily involved certain "variations". In consequence of the withdrawal of the privilege:-

Revolving Account

Commission
Bank of Kenya
Withdrawn

"W. H. G. 1930-31

(These figures do not include one million pounds given to the Survey & Registration Department.)

17. It is further stated in the newspaper that "it is to be the greater part of the bonuses were given to those in the substantive hierarchy". The portion of the Civil Allowance, which was not a "Bonus", remaining at the end of the year 1930, which was one fifth. Almost on the spot it is announced that "the cost of living is now at a lower level than at any previous period in the Country's history." Such a statement is quite untrue. In Memoir No. 6 issued by the Department of Statistical Research, it is shown in paragraph 65(h) that the 1930 December prices of local produce were 92% above the pre-war prices of 1912-13, and of Imported articles 91% above pre-war prices, while the general Retail price level in Nairobi had decreased only by 13.2% since 1924 (paragraph 65(h)) and 8.5% since 1927 (paragraph 65). Incidentally, it may be observed that Cost of Living Index figures are notoriously unsatisfactory as reflections of the actual position, to be not "adequately in family life". Such items as education, passes, insurance, premia, which do not vary to any considerable extent, are not reflected in the Index Figures of commodity prices; consequently a supposed fall in the cost of living is frequently chimerical.

It was only in 1926 that the Revised scheme of salaries was introduced and it will, therefore, be seen that the Civil Servants' emoluments in 1932, curtailed by a levy of £1 (and 10/- over £1,000) and loss of travelling allowances, have been reduced well below the figure that the slight decrease in the cost of living would suggest.

20. On Sunday the 8th August, the Elected Members of the Legislative Council issued a Manifesto in which a similar assertion as to the cost of living was made in the following words:- "The local cost of living figure is no longer so greatly in excess of that ruling in 1914". This statement has been completely refuted in para. 19 on the evidence of the Government Statistician.

21. The Elected Members' manifesto (signed by one member of the Expenditure Advisory Committee) also states "the first and vital need is to ascertain through the medium of the Expenditure Advisory Committee how far can the cost of Government be reduced ... by a fair adjustment of the present scale of remunerations and allowances." It is not, however, apparent that such an enquiry is contemplated in the Committee's terms of reference.

22. For some years now, various Colonial Office Committees have been sitting, endeavouring to formulate a scheme for a Unified Colonial Service. A valuable report has just been issued regarding the administrative side, in the introductory note to which the following remarks occur:-

"The greatest assumption is concerning the various branches of the Service staffed by officers, mainly recruited in this country, who by reason of their education, training and general qualifications are essentially fitted to serve in any Dependency to which, by direction of the Secretary of State, they may be posted, and who in the later stages of their career may look forward to qualifying themselves by the experience gained in one Colony for transfer to another. Here the need of a set of standard terms of service which may be presented to prospective candidates is at once apparent. It is at this point, therefore, that something more than a nominal "unification" becomes a real necessity, not merely to foster sentiments of prestige and esprit de corps, but in order to comply with those principles of rational organisation which ensure to a man at the outset of his service a reasonable degree of certainty in forecasting the conditions attaching to the various stages of the career to which he aspires."

"An attempt has therefore been made to frame the scheme in such a way as to make it possible to give a prospective candidate a clear idea of certain definite conditions of service to which he will be entitled if he joins the Colonial Service, no matter to what Colony he is posted in the first instance or what may be his subsequent career in the Service.

It will be observed that no attempt has been made to produce a scheme in which every condition of service is perfect or such a scheme as might be suitable for a Colony with unlimited financial resources at its command. Attention has been given at every stage to the question of the practical possibility of the scheme and of its probable cost to the Colonial Governments, with a view to making it a scheme to which these Governments might reasonably be expected to assimilate their present conditions of service for officers recruited from overseas.

"This change will do no injury in the colonies which the Secretary of State at present has in his charge, or in those colonies which may be added to his charge by the extension of service. But it will be understood that before any terms have been established, the Secretary of State will be prepared to enter into a negotiation with the proposals from a Colonial Government for an arrangement consistent with the scheme. In the case of any particular Colony, if the scheme it would, of course, be necessary to safeguard the existing rights of officers of the Army and Navy of the United States, the Secretary of State will use his Stat's present general powers of appointment to him on the occasion, for instance, of any officer in any particular Colony, if it were necessary, to have as officers of the Unified Army or Navy of that Colony, his ultimate power in such a particular should be preserved."

"There is also a difference in the Colonial Administration, however, to which special attention is given, embodied in Section 11, concerning the Fund."

"In the beginning, the Army, provided for in the Act, possibly longer than the War Department, New York and a long time after,

"The Army, provided for in the beginning, and in bearing costs, and the amount of the European Army, and the scales of salary is to be determined by a local Committee."

7/110/7
15

THE EUROPEAN CIVIL SERVANTS' ASSOCIATION OF KENYA.

CONFIDENTIAL

P. O. BOX No. 107,

NAIROBI.

8th. September, 1952.

The Hon. Colonial Secretary,
Nairobi.

Sir,

On the request of the Council of the Association, we have the honour to refer to the campaign recently conducted by the "East African Standard" against the Civil Service of the Colony. Civil Servants are not specially sensitive, having become immune by long experience to the basically unsound attacks of misinformed critics. The present campaign in its intensity and virulence is more serious, however, than any of its predecessors, and it does seem to the Council of the Association to constitute a definite threat to the good relationship which in recent years developed between the official and the non-official communities, and to foreshadow a return of the old antagonism of settler versus official which has happily been absent for a long period.

2. In a well organised fight against the probable imposition of income tax in 1953, the "Standard" is day by day feeding the public on false suggestions, misleading statements, half truths and even positive falsehoods. In ordinary times such methods would by their violence defeat themselves. In the present state of the public mind, the situation cannot safely be ignored in the confident expectation of such a result. By these unworthy methods, a tremendous avalanche of public opinion is being created which must, we feel, if not stemmed, have a serious effect upon the efficiency of the Service, which has proved itself to be completely loyal to the Government and the Public.

3. It is, therefore, with a full sense of responsibility that the Council of the Association has appointed a small Watch Committee to keep a close scrutiny upon current events, and to take such action as they deem necessary or desirable to protect and defend the Service from malicious attacks.

4. The Council considers the situation to be so critical that a statement has been prepared for presentation to the Expenditure Advisory Committee, setting out the history and facts about the conditions and emoluments of the Service, in refutation of the more flagrant mis-statements and half truths placed before the public. Copies are enclosed herewith. The Council will be grateful if a copy of the Memorandum may be forwarded to the Secretary of State. We shall be grateful, also, if we may have

- your -

your permission to forward a copy of the memorandum
to each member of the Kenya Legislative Council.

We have the honour to be,
Sir,

Your Obedient Servants,

Archibald
PRESIDENT.

(Sd) C. O. Gilbert
(Sd) C. R. Hotchner
VICE PRESIDENT.

Mosha.

Only a Miracle Can Prevent New Taxation.

continued

A DENIAL OF GOVERNMENT EXTRAVAGANCE.

Desire for Co-operation.

CRITICISM OF WAY IN WHICH ECONOMY CAMPAIGN IS BEING CONDUCTED

"It, when the Budget is introduced, convincing facts and figures are produced to prove that additional taxation is unnecessary, then I am sure I would have the support of the Secretary of State in withdrawing any unwarranted measures. Personally I am convinced that nothing short of a miracle can save us from the necessity of such extra taxation, but anyone would be more pleased than I if this miracle tame about."

The foregoing is an extract from the reply of His Excellency the Governor to a delegation appointed by the Nairobi Association and including also representatives of the Convention of Associations which asked for an assurance that no further taxation would be imposed until the report of the Expenditure Advisory Committee had been published and accepted.

His Excellency replied in points contained in the document "Manifesto" issued by the Elected Members and that far from there having been extravagance on the part of the Government during the last two years, the governmental expenditure had been reduced by £500,000.

Dealing with the allegation that he was unwilling to co-operate with the Elected Members, Sir Joseph Byrne said: "I again repeat that this is not so, for

spending is very definitely under control. The note of economy has been sounded throughout the Government and the basic idea is that the Government must live within its means and that it must not exceed its resources. This is fixed by the salary of the civil service and fixed by the amount of money available throughout the country."

From 2nd April 1948
Price 2/- per copy

EBS.

TO COFFEE GROWERS

ARRIVED.

Telephone 4921 Victoria Street P.O. Box

RELIANCE SERVICES CO.

ORIGINATOR FROM ANY GARDEN
NICE TO WHICH COULD BE

LEED
E.

continued

two years that Government is twitted with continuing its present Policy of extravagance. I wonder if this is quite fair; for not only, as far as I am aware, has there been no extravagance, but on the contrary there has been a continued and intensive effort to curtail expenditure. In support of my contention I have ascertained that actual Departmental expenditure has been reduced by over £500,000 in the last two years.

"My second grievance is the allegation that if a Finance and Economic Committee was appointed early in 1931 all our present troubles would not have arisen. Personally I am not satisfied as to this. The depression has been prolonged and has been accentuated by so many uncertain factors, such as the locusts, that I am convinced that a Committee sitting nearly two years ago would not have been so valuable as the Committee now sitting consolidating, as it were, after the extensive economies to which I have just referred. Although the Committee desired was not appointed the unofficial representatives were not debarred from going to Government on the important question of expenditure. I would in this connection quote from a statement I made in Legislative Council on June 6, 1931 in reply to the late Lord Delamere:-

"I assure you I have some here as Governor at a very difficult time and it is essential I should have your help particularly within the next few months; any idea that because of this difference of opinion today I should be deprived of that help would be deplorable. To put it shortly, stripped of all oratory, the difference of opinion is not much. The difference is that you want these retrenchments to be referred to a Select Committee at once, whereas the Government's attitude is, that in this abnormal year we are going to introduce the Budget if possible in August, and then appoint a Select Committee to deal with it in detail; the only difference of opinion is that we would prefer to have your help within the next few months instead of now. If we do differ on this point I sincerely hope I shall not be deprived of your co-operation, as I shall certainly want it in coming months."

"The promise I made then was amply fulfilled, for every item of expenditure in the 1932 Estimates was submitted for close and prolonged scrutiny by the Select Committee which sat between the 8th August and the 21st November.

Anxious to Co-operate.

"My third grievance is the allegation that I am unwilling to co-operate with Elected Members. I again repeat that this is not so, for I am most anxious to obtain and if possible, to follow their advice. As far as I am aware we disagree with one another at the present time over one matter only. The Government have always believed that pending a more permanent readjustment some additional taxation was necessary to deal with the continued fall in revenue and to supplement the continuing economies. The Elected Members thought otherwise both they and the Government are honest and sincere in their belief Time alone will decide as to who was right, but it is worth mentioning that by the end of this year the taxes which were so strongly objected to will bring in approximately £500,000. How much more serious would be our financial position to-day but for the additional revenue? The majority of the taxes involved do not affect individuals. As examples I quote the Entertainment tax, the tax of 8 cents on a pint of beer, the tax of 10 cents on a pound of tea, of 1 cent on a pound of sugar and an increase of the letter postage of 5 cents."

Income Tax

Turning now to taxation, such is found to be necessary, the question arises as to what we should take. I have heard much abuse of Income Tax but I have looked in vain for any alternative constructive suggestion. Some of us think there is no alternative, for even apart from the depression our existing practice of relying almost wholly on indirect taxation is rapidly breaking down chiefly owing to the excellent progress which has been made in producing locally our necessities of life.

The great advantage of Income Tax to my mind is that it is based on capacity to pay. Why should the poor man have to contribute to the State almost the same amount as the rich man, especially one who decides to live frugally? Also it is the opinion of responsible people, who have discussed the matter with me that the time has come when we should gradually reduce or remove as far as may be financially practicable some of the more onerous customs duties and in addition reduce or remove taxes such as that imposed on petrol.

"Extravagances."

"Finally, Gentlemen may I say how deeply I deplore some of the

extravagances of the colonial goons which is now being conducted throughout the country. I feel that all legitimate points of view could have been expressed without causing any trouble to the Civil Service. The colonists who as the chief state debtors are also the chief consumers throughout the various spheres of economic interest and welfare of Kenya.

I also deplore the attitudes of some irresponsible speakers - veiledly I admit appear to advocate passive resistance. Surely such gentlemen have forgotten that in a colony of mixed races such as Kenya we Britons, official or non-official, have a moral responsibility to the Colony and we should carefully abstain from doing or saying anything which might be construed as defiance to properly constituted authority.

"The exercise and on the part of these persons is most certainly not helping the cause of Kenya publicly which from this morning's paper is, I am glad to see, proceeding on such very sound lines."