

38095

C/O 533/466  
KENYA

38095

Levy on Official Salaries.

| Previous         |                 |                  |                  |         |
|------------------|-----------------|------------------|------------------|---------|
| 1935             | Sir C Bottomley | 21/10            | Capt Newbold     | 11/137  |
|                  | R. 291          | 9/12             | R 291            | 6/1     |
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| 309              | W.C.S.          | 18/12            | Sir J. Bottomley | 11/2/37 |
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| Mr Flood         |                 |                  | R 298            | 7/2     |
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| C D 308          | Sir C Bottomley | 30               | R. 297           |         |
| 299              | Mr Parkin       | 30/12/35         |                  |         |
| R 295            |                 |                  |                  |         |
| 297              |                 |                  |                  |         |
| Room 309         | R 297           |                  |                  |         |
| Mr Parkin        | Mr Clapp        | 11/137           |                  |         |
| M. Flood         | Mr Toyn         | 11/137           |                  |         |

C.I.

1. Gov<sup>r</sup>. Byrne - 10.28

16.1.36

Salaries-levy.

Trs. letter from the European Civil Servants' Association of Kenya praying for the removal of the levy on official salaries.

The Budget for 1936 has been balanced on the basis of existing taxation and the forecast of Revenue includes an amount of £47,000 from the levy on official salaries. The Estimates, as passed by the Legislative Council, provide for a surplus of Revenue over Expenditure of £9,750 only. On this showing the removal of the levy would result in a deficit of £37,250.

The Estimates must be regarded as provisional in that they may be subject to amendment in the light of Sir Alan Pim's recommendations, but it is clear that no promise can be given to the petitioners that the levy will be removed in 1936. As regards the Governor's statement referred to in paragraph 5 of the petition, the salary-levy has not yet been wholly removed in Northern Rhodesia, and a levy is in force in British Honduras, Hong Kong, Leeward Islands, New Hebrides, Seychelles, and the Windward Islands.

? Acknowledge and request Governor to inform the President of the European Civil Servants' Association that his petition has been received and that the Secretary of State notes that a copy has been submitted to Sir Alan Pim. Adv that the petition will be considered in the light of Sir Alan Pim's recommendations.

X The Hong Kong levy has only just been introduced, for very special reasons connected with currency. Does Kenya really wish to be classified with the other places on the list?

J.D.

C. J. Foxworth  
4/2/36

J. J. Foxworth  
4/2

This memorial is not at all a bad one though the arguments are a bit weak in some places, e.g., where they try to contend that the average payment per official is three times as much as the average payment per unofficial. If this is so it follows that the average official gets three times as much as the average unofficial which would fully justify the levy in the mind of the most generous Elected Member of Council. They are also on rather weak ground in arguing about the Widows' and Orphans' Pensions Scheme. It is quite true that the scheme - which has only been in operation for fourteen years - at present shows a considerable advantage to Government, but when it has been in operation for fifty years the boot will almost certainly be on the other leg and it will be argued that Government is heavily subsidizing their widows' pensions.

As the memorial says, the Kenya Civil Servants have played the game and taken uncomplainingly very severe hardships and there are signs that the worm is at last beginning to turn. Note the references to the aggressive settlers, the persistent criticism and, worst of all, to "profound dissatisfaction and bitter discontent" at the end of paragraph 15.

With regard to the contention in paragraph 6 the Civil Servants are right, as has always been contended by us and by the Governor, that the graduated poll tax and traders licensing tax were introduced in lieu of income tax and not as temporary taxation to

meet

meet an emergency. Lord Swinton always laid down as a guiding principle that a levy on official salaries ought to be accompanied by emergency taxation on the rest of the people, and that if it were decided to withdraw the levy the emergency taxation should go too. If this principle were applied and the levy were withdrawn it would then be open to argue that the other so-called emergency taxes should be withdrawn too. This, however, would be wrong because the so-called emergency taxes were in substitution for income tax which was designed to be a permanent feature of the financial structure of the Colony.

We spend our time returning sympathetic replies to disgruntled Indians and disgruntled unofficals, and I think some little measure of sympathy should be shown to the long-suffering Civil Servant. Unfortunately, the position being what it is one can only express agreement with the line of reply proposed. Draft herewith.

J.E.W. *handwritten initials*

5.2.36.

*I agree that this is all we can do at present, but it is hardly necessary to point out that the levy should have been regarded as a purely temporary expedient to be adopted while the Colony was adjusting itself to the onslaught of the economic*

blizzard, and that there can be no excuse for keeping it on much longer.

If, as Mr Flood implies, there is in fact no emergency taxation on the general public, then there is clearly no (on the principles which have been laid down) justification for having a levy at all.

C. J. Jeffries  
6.2.36.

S. J. J. J.  
7.2.36

X Another of Lord Swanton's canons was that the budget must be balanced. The Kenya budget shows a balance which is partly fictitious and would be more very shaky if without the levy. It should be heartily glad to see it removed, all the same, though there would be another explosion among the unfortunates. But clearly we must wait for Sir A. P. M. S. report.

10/2/36.

P. at well

11/2/36.

Z To Kenya 105. (10000)

13 FEB 1936

3. Governor No. 525. ----- 8.10.36  
Transmits copy of memo. by the Treasurer recommending that the levy should be abolished as from 1.10.36; and states that the matter will be considered by the Standing Finance Committee on 12th. Oct.

Section 100 considers that with the imposition of Income Tax it should be possible to provide for the abolition of the Salary Levy, and at least reduce it by half.

The Treasurer has submitted a case for the abolition of the Levy as from the 1st October 1936.

The case rests on the <sup>premises</sup> fact that  
(a) Kenya Civil Servants have been taxed more heavily than the employees of the K.R.F. or of any local Govt. authority

(b) that the remission of the Levy as from 1st October, costing £12,000, will still leave a surplus for the year of £75,000

(c) that the financial emergency which was the sole justification for the imposition of heavy taxation on those members of the public service who happen to be paid from the Colony's Expenditure vote, has disappeared.

It remains to be seen

/wst



just how far the Government has  
made up his mind in this  
matter.

Publy.  
C. F. ...  
20/10/36

J. J. ...  
20/10

There is a case for abolishing the levy & Sir ...  
I'm so advised as it can go but I think as far  
I don't next I need on as the revenue figures are  
increasing they expect a surplus in the year of £80,000  
or so and, if so, they can drop the levy & reduce  
rates taxation and not need to borrow

1. 10/10  
20/10

The memo. has no date, but it is  
significant that it makes no  
reference to the P. ... report.

In any case, the Government's  
recent talks about budgeting for  
a deficit etc. are based on the  
estimates for next year and  
the necessary fund in active  
taxation. I agree that it would  
be a mistake to take off the levy  
as from 1<sup>st</sup> Oct - there would  
certainly be jitters over it.

Publy. to C.F. 21.10.36  
am

Would be glad to learn by telegram whether S. of S.  
agrees to abolition of Salary Levy with effect from  
1st. October, 1936.

To have secured the agreement of  
the officials on the standing  
Finance Committee to the abolition  
of the levy (with effect from  
1<sup>st</sup> January 1937 (or from an  
earlier date) it would have  
been necessary for ... to  
... ..

(A) That all emergency taxation  
would be removed.

(B) That no increased burden  
of taxation would be laid  
on any other section of  
the community.

Surely the question of the abolition  
of the levy cannot be divorced  
from the Income Tax question, &  
wishes that has been ... ..  
the Estimates for 1937 passed by  
the Legislative Council it would not  
be politic to abolish the levy  
from the 1<sup>st</sup> October, 1936.

(Am. White Paper  
that the Legislative Council  
will resume on  
the 12<sup>th</sup> December)

Sir C. Bottomley

I am sure it would be an error to drop the  
levy as from 1 October. It would annoy the estates members  
too much even though there is a good case for it.

But it has nothing to do with Income Tax, nor yet  
with the alternative taxes which are in lieu of I. T.  
But that is the official salary proposition which  
has been put forward. The difference between  
I. T. & the alternatives as regards official salaries  
would be negligible. When the Chiefs' members talk of  
'the temporary taxes' they mean the alternatives.

It would appear that the unofficals would  
not mind the withdrawal of the levy as from 1 Jan.  
and I really think that should be the date. To abolish  
now as from 1 Oct. means

- a) Dating out some back pay
- b) Having another official versus unofficial issue

So, although it is asking a good deal of the Kenya  
official I think that we should tell the Gov. to make  
it 1<sup>st</sup> January next.

J. S. W. Ford  
9.12.76.

Sir J. Maffey

When I "put by" no. 3 it  
was in the belief that the matter  
was already before the Standing  
Finance Com. (see no. 3) & that  
we should soon have a further  
dispatch. It is not understood  
what has happened.

The Governor is in for a hard time  
over these cuts in Revenue (levy on  
Native Transactions) on the ground that  
they make impossible relief from  
other taxation and both means of  
Income Tax. Oct. 1<sup>st</sup> is an arbitrary  
artificial date and I agree with  
his Flood that Jan. 1<sup>st</sup> will be  
good enough.

W. S. W. 10.12.76.

I dislike these piecemeal  
requests for covering authority from  
the Kenya govt. also. It seems  
likely to leave us in (1) no  
income tax this year - (2) no  
reduction of native taxation (3)  
a restoration of officials' cuts.  
I am not disappointed with  
the way this is being handled  
in Nairobi. We are not told  
what the division of opinion  
in the Standing Committee  
was or on what points  
& the present executive cannot  
without unofficals is not  
a body in which I feel  
much confidence.

With like Sir J. Maffey's  
considered opinion as to  
how we are going to deal  
with this Kenya Budget  
position generally before  
approving any reply as are  
present.

P.T.O.

W. S. W. 11.12.76.

Sir J. Mackay

You discussed with Mr. Flood  
yours & I have drafted a / of /

telegram. There can be no doubt  
that the Govt have a hard row to  
row in Council, that they have  
been simplifying their task by

repealing "banking" the business  
taxation issue. That, Mr. Flood

& I feel must come before the  
removal of the salary levy if  
any thing has to go. But the

Government is so keen on the  
removal of the salary levy

that I think a bill in this  
form is the best way of  
getting all these houses

through.

To make the removal of  
the levy more attractive

would amount to giving to  
any little person.

W.M.S.  
11.12.36.

The Budget is framed  
on the basis of 40  
levy in 1937.

I must confess to feeling pessimistic with  
the salary levy. In this file as I regard

it is a unfair & anomalous and I should  
be sorry to take any step which would  
lead to have it as a levy. I ~~thought~~

the question of its relationship to the  
factor now affecting the revenue outlook

in Kenya, but a weighty consideration is  
that Sir A. Peck took the line that

the salary levy ought to be done and  
it <sup>is better to do</sup> ~~is better to do~~ <sup>it</sup> ~~is better to do~~

This supplies the Kenya Govt with a possible  
argument which I hoped they could use  
with effect.

But it cannot be denied that the  
bill of fare which the Governor has to put

before his Legislative Council is an  
unpleasant one and my hope that the

salary levy might be approved is  
perhaps too optimistic.

I have discussed the whole question  
again with Sir C. Bolton-Scott & Mr.  
Flood in the light of the S of S's

minutes. The telegram was drafted  
as a result of that discussion. It is all  
to budget factors together and sets the

scene for the Governor. He has not been  
willing apparently to set a course  
for himself.

W.M.S.  
11/12/36

5 Tolpytel <sup>P+P</sup> (Kanan) - <sup>4th</sup> Dec. 36

initial copies of 5.12.36  
acc. to file & holding  
initial copy

KENYA TEL. P+P 17.12.36  
This seems why to request reconsideration of decision in (5)

Sir John Maffey.

The air mail letter of 7th December is also referred to in No. 3 on 38281, which I send on at the same time. It has not yet come but I think that we can deal with this in advance of its receipt.

The removal of the salary levy for 1937 is not mentioned in the telegram I have referred to for the reason that the levy was cut out in the Estimates as first presented to Council. It is not very satisfactory that, while there is anything <sup>outstanding</sup> which must be regarded as clearly and urgently due to the natives, the official should be relieved in this way, nor (as I have pointed out on the other file) is the financial position entirely satisfactory <sup>even after</sup> the removal of the levy which only leaves a mere £8,000 anticipated surplus for the year.

I think, however, that it is no use going further, so far as 1937 is concerned. As regards the proposal to give relief from the 1st of October, 1936, this still seems to be a very doubtful policy and the assurance that there will be "no real opposition" on the unofficial side, does not carry us much further.

Mr. Flood and I have considered the position and we suggest a telegram in the terms of my draft.

w.c.s.  
18.12.1936

Jam  
18/12

[Opp. sent to S. 18.  
initial copy  
18/12/36]

7 Tel to Sir Kenya - Mr. Flood - 22/12/36

8 O.T.O. Kenya - Tel. P+P - 27/12/36  
State that he has authorized removal of levy with effect from 1.10.36, & that letter follows by return  
Extract from 'Daily Telegraph' - 29/12/36

100 P+P. Avoid the receipt of Mr. Flood's letter (copy)

M. J. ...  
30/12

Then he must have satisfied himself that the clerical members would agree.  
Room 311 should note to delete the levy paragraph from copy of app.

J.R.

W. W. Hunt  
30/12

4 copies may be circulated as per  
30/12

Sen, Thankyou

R. ...  
3/12

12957 (enclosed) to note 8

The attached aft. to see C. Agts. is the result of a discussion between Mr. Tushin & Mr. Pughie.  
P. S. ...  
4/1/36

10 To b. hqts.

100 Extract from Supplement 41 to Gazette N° 50 of 6.10.36  
DESTROYED UNDER STATUTE

11. WADE (S/O TO SIR C. BOTTOMLEY) UNDATED DEC., 1936

Confirms abolition of levy with effect from 1-10-36 and gives reasons why he pressed for that date indicating action taken on receipt of (No. 4).

It seems that the majority of the unofficial members of the Legis. C. C. gave their tacit approval of the removal of the Levy from the 1st October 1936.

? Ack, Obv. as above.

C. J. Brown  
18/1/37

See also 38008/2/36.

I don't like this: Mr. Wade will have to be told that Sir A. P. P. recommendation as to plural hats must be implemented during 1937. The S. of G. has said as annual basis to Range.

J. S. G. H. J.  
2-1

On a dep. dated 2/1/37 (No. 18 on 38008/2/36) (para 5) the O. A. G. has written that "your stipulation that this matter of relief in taxation on multiple hats will be taken up next year will of course be completely observed".

In the circ. it will be sufficient to reply as - 52.

J. J. Brown  
8/2

I have added a bit about the hats. I am afraid they will only consider and shelve it.

J. S. G. H. J.  
1-2

Sir J. Stoughton.

The draft says that the off. considers that the circumstances referred to in no. 11 apparently comply with the terms of no. 7. I agree that they do, but I need confirmation.

The O.A.G. has considered possibly what arrangements will be made.

I agree with the draft. The words "and" is really only directed against there being any correlation between multiple hats and levy, but we shall have to keep the hats in the foreground.

W.S. 10.2.37

R.S. 11/2/37

10/2/37

12 No. Wade. (11 and).

17 FEB 1937

Regs (H. and)

to Wade

R.S. 11

W.S.

Extract from Supplement No. 54 to Gazette 70 of 29-12-36

W.S.

DESTROYED UNDER STATUTE

C. O.

Mr. Pearn 8/2

Mr. Howard 10-2

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

X Sir C. Bottomley 10-2

+ Sir J. Stubbburgh 11/2/37

Permt. U.S. of S.

Parly-U.S. of S.

X Secretary of State. W/S 12 2 37

For Sir C. Bottomley's sig.

17 FEB 1937

My dear Wade.

I find that I have not yet replied to your air mail letter (undated, but written <sup>about</sup> ~~at~~ the end of December) in which you have given an account of your discussion with Mr Francis Scott & Schwartz about the abolition of your salary levy. In all the cases the S. of S. agrees that the assurance which you obtained from them constituted a sufficient compliance with the stipulation in his Private & Personal file. your 22<sup>nd</sup> of Dec.

DRAFT.

A. de V. Wade Esq.  
C.N.G., O.B.E.

I have no doubt we shall hear more from you about the multiple hut taxation relief. Pim in conversation is very strong on that and also urges that his idea of a general overhaul of taxation on natives should be adopted. He realises that if they take <sup>to being</sup> ~~to being~~ <sup>final</sup> ~~final~~ that and thought is keen that the relief on multiple huts should be given soon.

**FURTHER ACTION.**

Yours sincerely  
 W. S. Bottomley (3)

KENYA.

No.

AIR MAIL.



GOVERNMENT HOUSE

NAIROBI.

KENYA.

December, 1936.

Dear *B. H. ...*

As I informed you in my telegram of the 28th I have authorised the abolition of the levy with effect from the 1st October. I took that decision in the light of the following considerations.

In his Personal and Private telegram of the 22nd December the Secretary of State stated that he would not oppose the proposal if I was able to satisfy myself

- (a) by a vote in Legislative Council  
or (b) otherwise, that there was real support for the proposal on the unofficial side.

2. On receipt of this telegram I discussed those alternatives with Pilling, Harragin and Walsh. They entirely agreed in my view that a debate in Legislative Council would be impracticable and undesirable since in all probability a number of members would refrain from voting and the decision would depend on the chance vote of one or two die-hards. Moreover such a procedure would in my view be open to objection on constitutional grounds. By Section 4 of Ordinance 57 of 1931 the Governor in Council has power to enforce and the consequential power to remove a levy and I consider that the question of the removal of the levy does not involve any political issue such as might be held to justify the Governor in Council deciding to share its responsibility for a decision with Legislative Council. It is unfortunate perhaps/

*Recd. 12.*

*R*

*11*

*Handwritten scribble or stamp*



perhaps that there happens at present to be no representative of the European Elected Members on Executive Council but that does not appear to me to provide sufficient justification for going beyond the statutory authority of the Governor in Council in a matter of this nature. In point of fact when the question was discussed in Executive Council both Burns and Pandya supported the recommendation and their support is in my opinion entitled to considerable weight since in addition to the 1,200 Europeans the levy is also paid by 1,500 Asians and over a 1,000 Africans.

3. Having decided not to adopt alternative (a) I then asked Lord Francis and Schwartz to see me on the afternoon of the 23rd. I put the position quite frankly before them. I explained that Executive Council had advised that the levy should be removed as from the 1st October but that Sir Joseph had decided to consult the Secretary of State before accepting that advice. That the Secretary of State had expressed reluctance to agree but would not oppose the removal if I could satisfy myself that the proposal had unofficial support. I said that I should be glad to know what would be their reaction if I decided to remove the levy as from the 1st October. Schwartz who was the first to speak replied that he had regarded the removal of the levy from the 1st October as a foregone conclusion and that this was the generally accepted opinion of the public. (Incidentally, when speaking at the Oxford and Cambridge Society's dinner on the 12th December Schwartz had pleaded the retrospective abolition of the levy as a reason for a generous response to the collection which was being taken at the dinner in aid of the Society's

/scholarship



-5-

the Civil Service as to Government's intentions regarding the levy now that the Budget has been balanced. You will recall that in his despatch No. 105 of the 15th February Mr. Thomas replying to the Memorial from the Civil Service asking that the levy should be removed as from the 1st January 1956 stated " I could indeed wish that things had improved sufficiently to justify the removal of the levy and if circumstances had permitted I have no doubt you would have taken this step " (the underlining is mine). The despatch went on to say that the position would be reconsidered in the light of Sir Alan Pim's Report. The Service accepted this ruling with its customary loyalty. However at the delay in the receipt of the Pim Report which coincided with the period of improving revenue returns, the Service began to get somewhat restive again and it was only on receiving an assurance that the position would be sympathetically reviewed in the light of the Pim Report, possibly with retrospective effect, that the Civil Service Association refrained from sending a further memorial to the Secretary of State. The Association is aware that the Treasurer has given his considered opinion that the removal of the levy was justified by the financial position, and had recommended that this should have effect as from the 1st October. Also that Sir Joseph Byrne had strongly supported this recommendation. It would in my view be imposing too great a strain on the credulity and temper of the Service to inform it that financial considerations still necessitated the continuance of the levy throughout the year when it is common knowledge that the probable surplus of the year's working will be in the neighbourhood of £100,000. On the other hand to attempt

/to

to justify its continuance on political considerations would in my opinion be a calamitous blunder with possibly far reaching effects on the morale and loyalty of a Service, which, while it has always been ready and willing to accept sacrifices when they have been necessary in the public interests, could hardly be expected to accept political considerations as a valid reason for requiring the continuance of sacrifice on its part, particularly as the levy was removed from Tanganyika and the Railway Administration as soon as the financial position warranted such a step.

6. I have purposely deferred writing to you on the subject so that I might be able to inform you how the announcement has been received by the press and general public. So far there have been no adverse comments.

7. In conclusion I wish to refer to the Secretary of State's statement that he would have preferred that priority should have been given to Pim's proposal for relief in tax on multiple huts for 1937. I should not like it to be thought that we have acted ungenerously to the natives or that their material interests have been subordinated to those of Government Servants. I regret that the two should have been balanced one against the other as I think that the issues should be quite distinct. If it has to be conceded that native taxation is unduly onerous then surely relief should be provided not by discriminate taxation of one section of the community but by an equitable distribution of the burden. If the sole reason for the maintenance of the levy, or any part of it, during 1937 were the necessity to provide relief in respect of multiple huts then there would be resentment, and I think justifiable resentment, on the part of the Civil Service whose members might well ask why they should be singled

/out

out as the victims of this compulsory benevolence. As I have said above the Levy has been paid by about 1,200 Europeans, 1,300 Asians and 1,000 Africans. Of the 1,200 Europeans, 640 are occupying posts scheduled in the Local Service. Of these 640, 360 are serving on Local Service Terms (which are not too attractive); the remainder are pensionable and so retain overseas privileges. Even if it could be argued that the Europeans on Overseas Terms are so grossly overpaid that it is just that a super tax should be imposed on them by way of levy (in addition to Income Tax and other taxes and licences as paid by the general public) I do not see how that argument could apply to the Europeans on Local Terms or to Asians or to the Africans. I think that an Asian Policeman at say £4 per mensem or an African Clerk at say £3 per mensem might well complain at being specially selected for supertax in order to make it easier for some licentious old savage in a Reserve to add to his collection of wives.

8. As a matter of fact I think we have been very generous to the natives in the 1937 Budget as now amended. On the expenditure side we have made provision for £16,000 worth of services over and above the Moyne formula and on the revenue side have made allowance for a decrease of £25,000 on account of raising the taxable age.

Yours sincerely  
A. D. B. S.

8. 18  
**COPY FOR REGISTRATION**

Telegram from the Officer Administering the Government  
of Kenya to the Secretary of State for the Colonies.

Dated 28th December, 1936. Received 10.35 a.m. 28th Dec.

-----  
Private and personal.

7  
Your telegram dated 22nd December. I have  
authorised removal of levy with effect from the 1st  
October 1936 letter follows by air mail.

C. O.

Mr.

Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

\* Sir C. Bottomley 18/12

Sir J. Shuckburgh.

+ Permt U.S. of E. 10/1/36

Parly. U.S. of S.

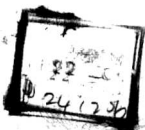
Secretary of State. 10/1/36

**DRAFT.**

TELEGRAM.

GOVERNOR,

KENYA.



33075/36

Coded & sent 230 pm  
22/12/36  
E.H.

PRIVATE AND CONFIDENTIAL

(6)

...case for introduction of a new tax ...  
 levy. As a result of this ...  
 carry the weight of the ...  
 have <sup>greatly</sup> preferred priority to be given ...  
 relief of native taxation in respect of ...  
 multiple ...  
 reluctance to agree to levy being ...  
 removed with retrospective effect ...  
 from 1st October 1936, and ...  
 merely a matter of possible ...  
 from the unofficial members of ...  
 Legislative Council, and will not ...  
 oppose your proposal if you are able ...  
 to satisfy yourself, either by a vote ...  
 of Legislative Council, or ...  
 members abstaining, or otherwise, that ...  
 there is real support for the proposal ...  
 on the Unofficial side.

FURTHER ACTION.

6

**COPY FOR REGISTRATION**

TELEGRAM from the Governor of Kenya to the Secretary of State for the Colonies.

Dated 17th December, 1936. Received 5.30 p.m., 17th December.

-----

Private and Personal.

5. Your personal and private telegram of 11th December. I have delayed reply until you were in receipt of my private and personal air mail letter of 7th December and of a personal and private telegram despatched to you today. My request referred only to last quarter of 1936. As regards 1937 it has been agreed upon by all parties that levy should not be re-imposed. I felt that this sectional taxation was only justified when there was a difficulty in balancing the budget and was not justified merely to increase welcome surpluses now being acquired. Kenya alone retained this levy and I considered in justice it should not be retained after 1st October. Grateful if you would consider the matter in this light. I am informed that there will be no real opposition on unofficial side. A very early reply would be appreciated as it affects our finances this year.

Byrne.

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Ames (7)

and returned

C. O.

*Code of Seal*  
*8 pm*  
*11.12.36*  
*(C)*

12 DEC  
D

Mr.  
Mr.  
Mr.

PRIVATE & PERSONAL.

Sir C. Parkinson

Sir G. Tomlinson

Sir C. Bottomley

*3/11/36*

Sir J. Shuckburgh

+ Perm. U.S. of S. 11/10

Parly. U.S. of S.

X Secretary of State. *11.12.36*

*No.*

Your telegram No. 290 Salary Levy.

**DRAFT.** TELEGRAM.

GOVERNOR,  
NAIROBI.

*7*

I have felt it necessary to

review the financial position with full regard to the difficulties which you are having and will have with your Legislative Council.

There are three principal matters each of which may be claimed to be adverse to the interests of the unofficial European element, (1) income tax (2) revision of native taxation (3) removal of salary levy.

I consider it <sup>*not desirable*</sup> ~~essential~~ that

(1) and (2) should be introduced with effect from 1st January. As regards (3) while I should regret any change of view it must be recognised that the

revision

**FURTHER ACTION**

revision of native taxation does materially  
affect the present financial position and I  
am afraid that if a concession has to be  
made to the unofficial side on any point it  
must be with regard to salary levy. I have  
no doubt that you will do everything in your  
power to ensure the levy being dropped but  
in any case I do not consider that retrospective  
effect to October 1st could in the circumstances  
be justified.



9 DEC 1936  
O. O. REGY

Telegram from the Governor of Kenya to the Secretary of State for the Colonies.

Dated 9th. December, 1936. Received 9.33 a.m. 9th. Dec. 1936.

No. 290.

My despatch No. 525 Levy on Salaries. Opinion of the Standing Finance Committee regarding the abolition with effect from 1st. October, 1936 was divided. I deferred decision pending debate on Estimates in the Legislative Council. Nothing said in that debate has altered my opinion that levy should be abolished as from 1st. October and on further reference to Executive Council and in accordance with its advice I have so decided subject to your concurrence. I shall be glad to learn by telegram whether you agree.

Ans 5

See  
Cairns  
below

9 DEC 1936  
C. O. REGY

112

Telegram from the Governor of Kenya to the Secretary of State for the Colonies.

Dated 9th. December, 1936. Received 9.35 a.m. 9th. Dec. 1936.

No. 290.

My despatch No. 525 Levy on Salaries. Opinion of the Standing Finance Committee regarding the abolition with effect from 1st. October, 1936 was divided. I deferred decision pending debate on Estimates in the Legislative Council. Nothing said in that debate has altered my opinion that levy should be abolished as from 1st. October and on further reference to Executive Council and in accordance with its advice I have so decided subject to your concurrence. I shall be glad to learn by telegram whether you agree.

Case 5

AIR MAIL

KENYA

No. 525



3  
GOVERNMENT HOUSE  
NAIROBI  
KENYA

5 October, 1936.

Memorandum.

Sir,

With reference to Mr. Thomas's despatch No. 105 of the 13th February last, on the subject of the levy on official salaries, I have the honour to forward a copy of a memorandum prepared by the Treasurer on this subject in which he recommends that the levy should be abolished with effect from the 1st October.

2. The memorandum was considered by my Executive Council on the 2nd October, when Council advised that while there was agreement in principle with the proposal to abolish the levy, it would be desirable that the memorandum should first be referred to the Standing Finance Committee for their advice thereon, and that until such advice had been received no final decision should be recorded.

In view of the fact that there is now no unofficial European representation on the Executive Council, I agreed that reference of this question to the Standing Finance Committee was the correct procedure in the circumstances. The Committee will accordingly discuss the matter at its next meeting to be held on the 12th October.

3. In view of the attitude displayed in the enclosed copy of a manifesto issued to the local press by the European Elected Members Organisation on the occasion of the publication of Sir Alan Pim's Report,

Manifesto.

THE RIGHT HONOURABLE  
W. ORMSEY-GORE, P.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET, LONDON S.W.

I

- 2 -

I do not anticipate that the Standing Finance Committee will unanimously support the Treasurer's recommendation. I should not therefore regard myself as in any way fettered in my discretion by the advice proffered by that Committee when the matter is next discussed in Executive Council.

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



BRIGADIER GENERAL,

G O V E R N O R .

### LEVY ON OFFICIAL SALARIES.

Under the provisions of the Levy on Official Salaries Ordinance, 1951, a levy was imposed on the salaries of officers in the public service with effect from the 1st January, 1952.

The rates were as follows:-

|  |   |
|--|---|
| On chargeable salary not exceeding £1,000 p.a.                 | 5 |
| On chargeable salary exceeding £1,000 p.a.                     | 5 |
| the first £1,000 and 7½% on the remainder.                     |   |
| No salary to be reduced by the levy to less than Sh. 40/- p.m. |   |

As from the 1st August, 1952, the rates were:-

|   |    |
|---|----|
| On the first £1,000 of chargeable salary              | 6  |
| On that portion of chargeable salary exceeding £1,000 | 10 |

From the 1st January, 1955, up to date, the rates have been:-

|  |    |
|--|----|
| On the first £600 of chargeable salary                                       | 5  |
| On that portion of chargeable salary exceeding £600 but not exceeding £1,000 | 7½ |
| On that portion of chargeable salary exceeding £1,000                        | 10 |

2. A levy at the same rates was imposed on the salaries of employees of the Kenya and Uganda Railways and Harbours, with effect from the 1st January, 1952, and the rates were similarly amended as from the 1st August, 1952. These rates were not, however, altered again until July, 1955, when they became:-

|                                  |    |
|----------------------------------|----|
| On the first £1,000              | 5  |
| On that portion exceeding £1,000 | 7½ |

These rates remained unchanged until the levy was removed as from the 1st July, 1956.

3. Levies have been imposed on the salaries of employees of Local Government Authorities as follows:-

#### Nairobi Municipal Council.

Levy first imposed as from the 1st July, 1952.

|        |              |   |
|--------|--------------|---|
| Rates. | Up to £250   | 2 |
|        | £251 to £400 | 3 |
|        | £401 to £500 | 4 |
|        | £501 to £700 | 5 |
|        | Over £700    | 6 |

As from the 1st January, 1935, the rates applicable to public servants were introduced, with the exception that salaries not exceeding £200 were subject to 2½% only.

The levy was removed as from the 1st July, 1936.

Mathara Municipal Board.

As from the 1st January, 1935, levy was imposed at the rates applicable to public servants, and it is still in force.

Eldoret Municipal Board.

A levy at 2½% was imposed from the 1st May, 1932, and was removed from the 1st January, 1934. The Town Clerk, Engineer and Accountant were subject to a rate of 5%.

Uasin Gishu District Council.

A levy of 2% on the salaries of European employees was imposed on the 1st May, 1932, and removed on the 1st January, 1934.

Kwana District Council.

As in the case of the Uasin Gishu District Council with the exception that the levy is still in force.

Nairobi District Council.

A levy at the rates applicable to public servants has been imposed as from the 1st January, 1935, and is still in force. This levy has not, however, been made under section 4 of the Levy on Official Salaries Ordinance, 1931.

4. It is of interest to recall that the Secretary of State in his despatch No. 823 of the 8th November, 1932, stated that "it is my view that the basic principle to be observed is that the salary levy is in essence a tax." It will be observed that up to date public servants have been taxed more heavily than the employees of the Kenya & Uganda Railways & Harbours or of any local Government authority.

5. The yield of the levy on salaries of public servants has been:-

|                       |               |
|-----------------------|---------------|
| 1932                  | £55,815       |
| 1933                  | 49,177        |
| 1934                  | 48,168        |
| 1935                  | 47,435        |
| 1936: Jan: to<br>June | <u>22,732</u> |

Thus, up to the end of June, 1936, public servants have contributed a total sum of £221,414 to the revenue of the Colony. The excess of assets over liabilities which, on the 31st December, 1935, stood at £205,495 had, by the 30th June, 1936, risen to £424,218, an improvement of £218,718. Comparison of this latter figure with the total yield of the levy illustrates the very material extent to which the levy alone has served to maintain and restore the Colony's surplus balances.

6. In the adjoining East African territories, the levy was withdrawn on the following dates:-

|            |                     |
|------------|---------------------|
| Uganda     | 1st January, 1934;  |
| Tanganyika | 1st December, 1935; |
| Zanzibar   | 1st January, 1935.  |

In fact, while most Colonies have been compelled during the last few years to resort to a levy on salaries, it has, so far as can be ascertained, now been withdrawn in all except five, viz.:-

Kenya  
British Honduras  
Seychelles  
New Hebrides  
Hong Kong.

7. In the first seven months of 1936 Revenue has exceeded expenditure by £134,025, the corresponding figure for 1935 being £102,221. In 1935, the surplus fell during the last five months of the year by approximately £51,000 to £51,242. A similar decrease this year would provide a final surplus of £115,000; but experience has shown that this method of estimation is not reliable.

8. The Revised Estimates of Revenue for 1936 are:-

|  |                |
|--|----------------|
| To this may reasonably be added, as marginal Revenue | £5,488,300     |
|  | <u>30,000</u>  |
|  | 5,448,300      |
| The original estimates of expenditure were           | 5,218,178      |
| Additional provision not covered by savings is       | <u>182,728</u> |
|  | 5,400,906      |
| From this must be deducted general savings           | <u>90,000</u>  |
|  | 5,310,906      |
| giving an estimated surplus for the year of          | £ 87,400       |

9. It may therefore be estimated that the surplus for the year will be between £85,000 and £90,000 which will bring the excess of assets over liabilities to a figure of approximately £845,000 and £850,000.

10. Remission of the levy as from the 1st October, 1936, would cost approximately £12,000 and the estimated surplus for the year would still amount to about £75,000.

11. It is clear that the financial emergency, which was the sole justification for imposition of heavy sectional taxation on those members of the public service who happen to be paid directly from the Colony's Expenditure votes, has disappeared, and that the monetary sacrifice which in the past was necessary to lessen or avoid deficits in the Budget is now applied to increasing the Surplus Balance of the Colony.

12. In these circumstances, a continuation of the levy on the salaries and wages of Government servants would appear to be quite indefensible and it is therefore recommended that it be abolished with effect from the 1st October, 1936.



# Agreement to Oppose Taxation Proposals

## OR ANY ATTEMPT TO INCREASE THE FISCAL BURDEN

### Confident of Colony's Support

#### NOT PREPARED TO BE RUSHED INTO PIECE-MEAL ADOPTION OF PIM REPORT

The European Elected Members of the Kenya Legislative Council met at the beginning of this week to discuss the Pim Report.

Their unanimous decision to oppose the taxation proposals is announced in the following letter addressed to the "East African Standard" by Lord Francis Scott.

**The Elected Members are confident the country will support them in opposing any proposals by Government to increase the burden of taxation by making permanent the temporary taxes voluntarily borne by the community in a time of emergency.**

They are not prepared to be rushed into effecting only such proposals as commend themselves to Government

### The Question of Control

To the Editor, "E. A. Standard."

Sir.—The European Elected Members have carefully considered the principles involved in the taxation proposals suggested by Sir Alan Pim and I have been asked to put before the country the general result of such consideration.

In the first place European Elected Members as a body are not opposed in principle to Income Tax, but they are in unanimous opposition to the present proposals for the following reasons:—

1. If the proposals are adopted, it will have the effect of consolidating permanently revenue measures which were definitely introduced as temporary measures to bridge a temporary gulf. In 1921 when the proposal to double the Non-Native Poll Tax was before the Council, and again in 1933 when the Graduated Non-Native Poll Tax was introduced, together with the amended Licensing Ordinance and the Package Tax (since repealed), Elected Members made it perfectly clear that they only accepted the measures to assist Government in its belated attempt to deal with the financial crisis which Government had refused to recognise despite the continuous warnings of Elected Members. That these measures were, in fact, temporary was not at the time challenged by the Attorney General speaking on behalf of

2. The present proposals, which are permanent in intention, would in effect alter the ratio of revenue collected by direct and indirect taxation by increasing the gross amount of direct taxation without reducing the gross amount of indirect taxation. The most ardent supporter of Income Tax as a principle could hardly have anticipated such a proposal.

3. The suggestion that the proposed new taxation should eliminate the levy on official salaries would, in fact, transfer a burden of approximately £40,000 from that section of the community least affected by the strain of that most affected.

Elected Members believe that there is a case for careful consideration of the desirability of otherwise of varying the ratio of direct and indirect revenue, but they are unanimous in opposing the enforcement upon the Colony of a tax which, in substantive effect, can only be a super-tax upon the European unofficial community, unless and until change and application can be controlled by the representatives of the community affected. It is inevitable that with an uncontrolled arbitrary Government, an Income Tax must result in increased expenditure which can always be met by raising the

scales of Income Tax to meet such increasing expenditure.

Whilst these are the main reasons for our united opposition to the proposals, I would add that we are not prepared to consider any piecemeal implementation of the Pim Report on the whole of Government nor are we prepared to be rushed into effecting only such proposals as may commend themselves to Government, leaving the balance of the recommendations of the Pim Report to be dealt with in the future, and in this respect it is significant that so far as we are concerned the only major recommendations of the Report which it is proposed to implement forthwith are those arising from that portion of the terms of reference relating to taxation which was never agreed to by the unofficial community who, at the time, protested against any extension of the terms of reference, and who dissociated themselves from such extended terms the moment they were made known.

Elected Members are confident that these views will commend themselves to their constituents and feel sure that they will have the country's support in opposing any proposals on Government's part to increase the fiscal burden of the unofficial community.

Yours etc.  
FRANCIS SCOTT

C. O.

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2

Mr. Flood. 5 2.36.

38095/36. Kenya.

Mr. Jeffries

Mr.

Amad 3

Sir C. Parkinson.

Downing Street.

X Sir G. Tomlinson *Les man*

13 February, 1936.

Sir C. Bottomley *8/2*

Sir J. Shuckburgh

Permt. U.S. of S.

Parly. U.S. of S.

*11/2/36*

Sir,

Secretary of State.

I have the honour to

**DRAFT.**

acknowledge the receipt of your despatch No. 28 of the 16th of January in which you forwarded a memorial from the President of the European Civil Servants' Association. I gladly recognize, as you have done on more than one occasion, the exceptional patience and cheerfulness which has been shown by the Civil Service of Kenya in the face of the heavy burdens which they have been called on to bear owing to the financial stringency of the Colony. I could indeed wish that things had improved sufficiently to justify the removal of the levy, and if circumstances had permitted I have no doubt that

KENYA.

NO. 106

GOVERNOR.

**FURTHER ACTION.**

that you would have taken this step.

2. At the present moment, however, the finances of Kenya and the structure of the Government are being investigated by Sir Alan Pim and it would be impossible for me to arrive at any satisfactory conclusion until I have received Sir Alan Pim's report and been able to consider his recommendations. I note that a copy of Mr. Hosking's letter has been sent to Sir Alan and I accordingly request that you will inform him that the petition has been received and will be considered in the light of the Commissioner's recommendations.

I have, etc.

(Signed) J. H. THOMAS

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I have, etc.

(Signed) J. H. THOMAS

AIR MAIL

KENYA  
No. 2f



GOVERNMENT HOUSE  
NAIROBI  
KENYA

January, 1936.

RECEIVED

27 JAN 1936

C. O. RILEY

Sir,

With reference to your predecessor's telegram No. 329 of the 18th November, 1935, approving my proposal to retain the levy on official salaries at the present rates during 1936, I have the honour to transmit the accompanying letter addressed to you by the President of the European Civil Servants' Association of Kenya.

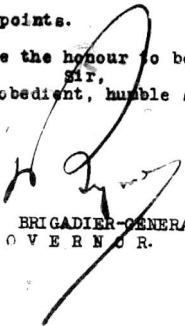
Letter.  
8.1.36.

2. As you are well aware of the reasons for the continuance of the levy and as the cost of the Government of the Colony and the means for meeting that cost are at present under consideration by Sir Alan Pim, I do not propose to make any comments on the enclosed petition unless you desire my observations on any particular points.

I have the honour to be,

Sir,

Your most obedient, humble servant,

  
BRIGADIER-GENERAL,  
GOVERNOR.

THE RIGHT HONOURABLE

J. H. THOMAS, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON S.W.

AIR MAIL

KENYA

No. 1 F



GOVERNMENT HOUSE  
NAIROBI  
KENYA

14 January, 1936.

RECEIVED  
27 JAN 1936  
G. O. M. S.

SIR,

With reference to your predecessor's telegram No. 329 of the 18th November, 1935, approving my proposal to retain the levy on official salaries at the present rates during 1936, I have the honour to transmit the accompanying letter addressed to you by the President of the European Civil Servants' Association of Kenya.

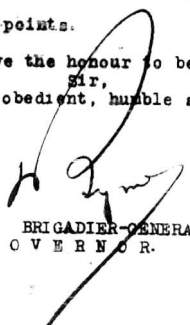
Letter.

6.1.36.

*Recd 2*

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

  
BRIGADIER-GENERAL,  
GOVERNOR.

THE RIGHT HONOURABLE

J. H. THOMAS, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON S.W.

# The European Civil Servants' Association of Kenya.

P. O. Box 107

NAIROBI.

Kenya Colony

6th January, 1936.

Sir,

I have the honour to address you, on behalf of the European Civil Servants' Association of Kenya, on the subject of the levy on official salaries, a tax which, as you are aware, has been continuously imposed in this Colony since 1932. As the whole question of the finances of Kenya is at present under review by Sir Alan Pim, and as Government has publicly intimated that the provisional budget is subject to amendment in the light of his recommendations, the present is considered an opportune time to lay before you an outline of the views of the European Civil Servants' Association on the perpetuation of this tax. I am also submitting a copy of this petition to Sir Alan Pim.

2. The levy on official salaries is authorised by Ordinance No. 57 of 1931, an enactment which expires at the end of each year, unless renewed by Resolution of the Legislature. It has been so renewed each year since it was first enacted, and a Resolution continuing it until the end of 1936 was recently passed by the Legislative Council. The Ordinance has been admitted to be temporary, although no undertaking has been given that it will not be re-introduced after any stated period. The year 1936 will be the fifth year during which the Ordinance has been in force, and the tax collected.

3. Under Section 4 of the Ordinance, the rate of the levy is fixed from time to time by the Governor-in-Council. Since the 1st of January, 1933, the rate of the levy has been 5% on the first £.600 of salary, 7½% on portions of salaries between £.600 and £.1,000, and 10% on the excess of a salary over £.1,000, except in the case of serving officers of the K.A.R. who contribute/

contribute on a slightly lower scale. Officers whose salaries are less than Shs. 40/- per mensem are exempted from the tax.

4. It has generally been recognised that, during the recent world depression, it was necessary and desirable, as a temporary expedient, to impose such taxes on Civil Servants in most parts of the Empire, and we think it is fair to state that the imposition has been generally accepted without complaint. But we would respectfully submit that conditions are now such as to justify the discontinuance of this tax in Kenya.

5. In order to substantiate this statement, we would venture, in the first place, to invite your attention to the following quotation from His Excellency's communication from the Chair at the opening of the recent budget session of the Legislative Council:-

"As regards the levy on salaries, I think it right to mention that it has already been withdrawn in Uganda and Zanzibar and in respect of the Railway Administration. It will be withdrawn in Tanganyika from the 1st January next, and I understand that it has been withdrawn in practically all parts of the Empire. That the Colonial Officials serving in Kenya should almost alone remain subject to this sectional taxation is in my judgment not satisfactory."

6. The desirability of reduction in taxation is strongly urged by the European Elected Members of the Legislative Council, but they are pressing, not for the removal of the levy, but for the modification of certain taxes of a general character; namely, the Graduated Non-Native Poll Tax and the Traders and Professional Licences fees, taxes which were in point of fact introduced as temporary measures at their request in lieu of income tax. They demand in unequivocal terms that the former of these taxes shall be withdrawn and the latter materially modified before any consideration shall be given to the withdrawal of the levy on official salaries. The Non-Native Poll Tax is payable by all non-natives, and it is our contention that it does not bear so harshly on the unofficial/



unofficial population as the Elected Members aver. Full details of the incidence of this tax have never been published, but from information that has been disclosed in Legislative Council it is estimated that the average payment per official is nearly three times that paid by the average unofficial. Figures showing the incidence of the graduated portion of this tax, as it affects officials and unofficials, are not available to us, but the figures given in the preceding sentence are, we consider, a sufficient indication that it must affect the official community more severely than it affects the unofficial.

7. The Kenya Civil Servants have no strong objection to this tax because they realise that, although an unscientific substitute for Income Tax, it does at any rate provide that each man is taxed according to his income, whether he be official or unofficial. They do, however, feel most strongly that the levy on official salaries, which affects one section only of the community, and that the least vocal, should be discontinued. This relief has already been accorded to the servants of the Crown not only in the United Kingdom but almost universally throughout the Colonial Dependencies; it has even been extended in this Colony to the servants of the High Commissioner for Transport.

8. While the principal direct contributions made to the revenue of the Colony by European Officials in Kenya are in respect of the levy on official salaries and the Graduated Poll Tax, we feel that it is not inappropriate to draw your attention to the finances of the Widows' and Orphans' Pension Scheme, under which, as you are aware, contributions are appropriated to revenue and pensions debited to expenditure. From the inauguration of this scheme in 1921 until the end of 1934 the gross amount credited to revenue amounts to £.257,369 while the total expenditure during the same period has been no more than £.21,962. The Provisional Estimates for 1936 envisage revenue amounting to £.24,000 against expenditure of £.4,500. While admittedly, pensions are guaranteed by the Government, the fact/

fact remains that the European Civil Servants of Kenya are at present making a net annual contribution to the Colony on this account estimated at £.19,500 for 1936. We submit that this contribution furnishes a further argument against the perpetuation of the levy.

9. During each of the years 1928-1933 the financial out-turn of the year resulted in a heavy deficit. The position was changed during 1934, when a surplus was attained, while the revised estimates for 1935 envisage a surplus of £.50,000. The Provisional Estimates for 1936, which are generally admitted to have been prepared on cautious and conservative lines, anticipate a surplus of £.9,750. They nevertheless make provision for a guaranteed export price for maize involving a sum of £.12,500 for certain remissions in respect of land rents, for interest on agricultural advances and, incidentally, for expenditure of £.5,000 on account of this Colony's participation in the British Empire Exhibition at Johannesburg. We would respectfully submit that, more especially in view of the anticipated surplus during 1935, the discontinuance of the levy can be fully justified on financial grounds; the more so as such discontinuance would not lead to the loss of the whole sum of £.47,000 expected to accrue, because the increased purchasing power of the Civil Servants would perforce be reflected in increased revenue from Customs duties.

10. It is traditional that the emoluments of servants of the Crown are based on the provision of an income which is moderate but assured. Such a basis of remuneration, while it removes for all time the prospect of attaining to wealth, is presumably designed to enable the civil servant to carry out his official duties in circumstances sufficiently removed from financial stress and worry to leave his efficiency unimpaired, and in the interests, alike of the service and himself, to safeguard

safeguard him, as a man of fixed income, from exposure to the results of pecuniary embarrassment.

11. The emoluments of the Civil Servant are admittedly based on no strict contractual engagement, nor can it legitimately be contended that, as a tax, the levy on official salaries is, in the legal sense, a breach of contract. But at the same time, it has become a matter of tradition that the Crown shall honour the terms and conditions under which its servants have engaged and under which they serve, and we feel sure that it will be admitted that any variation in such terms can only be justified as a very temporary expedient, and then only in cases of the most urgent and imperative necessity. The European Civil Servants of Kenya do feel most strongly that these conditions no longer obtain.

12. The leaders of the unofficial community in Kenya have consistently maintained that the amenities of life in the Colony are such as to compensate officials for their present disabilities. We would submit that this assertion is not borne out by the facts. Altered conditions of service in such matters as length of tour, pension constant, travelling and other allowances and numerous minor matters have tended progressively to increase the difficulties of civil servants in a country where the cost of living, even on the most modest scale, is very high.

13. We feel that much exaggerated emphasis has been laid on the advantages of Kenya from the point of view of health. These advantages become less apparent when statistics of sickness and invaliding are examined. In the opinion of the great majority of medical officers the claims of Kenya to be regarded as a "White Man's Country" have been by no means established. Even in the more healthy stations the heavy incidence of sickness both of mind and body has already shown that the advantages of their geographical situation is more than counterbalanced by the increased length of tour. But all civil/

civil servants do not live in the White Highlands and it has to be remembered that in other parts of Kenya health conditions compare unfavourably with those even in many parts of the adjoining territories of Uganda, Tanganyika and the Sudan.

14. We venture to submit that the responsibilities which are cast upon the average Civil Servant in Kenya are markedly greater than in most colonial dependencies. To the ordinary problems associated with the administration of a large native country are added those resulting from the presence of a vociferous and aggressive body of European Settlers and a large Asiatic community. These are factors which inevitably increase not only the volume but also the complexity of the work of Government. Nor is the life of a Government servant made easier by the incessant attacks and the persistent and prejudiced criticism to which he is constantly subjected; attacks and criticisms to which, however uninformed and exasperating, he can necessarily make no reply.

15. His Excellency the Governor, has, on numerous occasions, paid public tribute to the cheerfulness and loyalty with which the Civil Servants in accordance with the best traditions of their calling, have hitherto made the sacrifices demanded of them. We can assure you that loyalty still remains; but it would be idle to deny that there is today, in all ranks of the Service, profound dissatisfaction and bitter discontent.

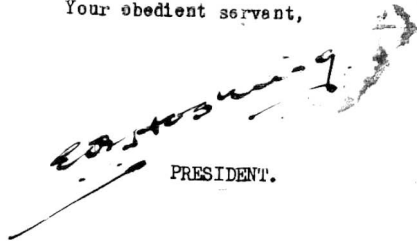
16. In view of the financial position of the Colony, we have hitherto refrained from addressing you on the subject of the levy on official salaries, but we feel that the discontent now prevailing is such that it is our duty to lay our grievances before you and respectfully to inform you that, in our view, the levy on official salaries is, in the present circumstances/

circumstances, an injustice which should immediately be removed and that any measure of taxation which it may be thought necessary to impose should be adjusted according to the capacity of the individual to pay, and should not be a sectional tax borne only by the Servants of the Crown.

I have the honour to be,

Sir,

Your obedient servant,



PRESIDENT.

The Right Honourable J.H. Thomas, P.C., M.P.,  
Secretary of State for the Colonies.