1936″ 38258 38258 CO 533/475 Income Jax Previous J. Maffey Lee 4012/8/33 E.A. 294 13/KI m: See m: Floor 38054/2/37 20/4 28/+1 m. Suc m: Plat. m: Passin la ma Floor B.29 5.08 R. 80 The Colum R. 298 A.297 A 297 9/in 12/9 R.309 R. 80 1912 A. Floor 16 R.298 18/9 25/9 m aches no Jaggins m Flood 28 (18110) BLM7/04 8,000 18/15 M. 4 5 TAM

Toronton

when the cuestion of selecting an Income Tax expert for East Africa was last under consideration (27090/1/32) the suggestion that an officer might be obtained from India was discussed as an alternative to obtaining an expert from Somerset House and was rejected on the grounds that the East African Ordinances were to be based on a model Ordinance which followed the lines of the English and not the Indian Act; that it would take a long time to negotiate for the loan of an officer from India; and that anyone from India would be regarded with distrust in Kenya.

The recommendation in paragraph 384 of

Sir Alan Pim's Report is that an expert should be obtained from England, and that in addition an officer should be obtained from the Indian Income Tax Department to deal with the special difficulties arising from the Indian methods of accounting or from their racial customs. I have no doubt that such an officer would be very useful, but I very much doubt whether we have yet reached the stage at which we can usefully take any action towards obtaining the services of such an officer. It seems to me that before we do so we should get the English expert and send e Government Kenya, and possibly at a later date ask of India to lend one of their officers when the English expert has been able to take stock of local conditions in Kenya and to make up his mind what further advice on the special Indian problems is required.

As regards the English expert, the

She to see the see of the second s

Government of Kenya appears to be contemplating a permanent appointment from angland and not merely the engaging of a temporary officer, as was done on the last occasion. I am inclined to think however, that any such appointment should be on a temporary basis in the first instance, with the possibility of a permanent transfer if the person selected likes the job and the Government of Kenya like the man.

The immediate action required seems to be to send a copy of the Pim Raport to the Board of Inland Revenue (possibly it will be desirable to do so semi-officially in the first place); invite their attention to paragraphs 383-386; say that the Government of Kenya is proceeding with the preparation of the necessary legislation, with a view to its introduction at an early date, and that it is accordingly desired to proceed at once with the preliminary consideration of the selection of a suitable officer, to go out to Kenya as soon as possible to assist the Government of Kenya in the of the legislation/and the organisation of a department to administer it, say that it is proposed that the appointment should be temporary in the first instance with the possibility of a permanent transfer if mutually desired by the officer concerned and the Government of Kenya.

19 Pare

I must send this on because of the various To adopt the suggestion means implications in it. that the Secretary of State and the Governor will be pretty well committed to the introduction of income tax in Kenya. That is recommended in Rivals Report but having regard to what happened last time I think the proposal should be seen by higher authority. the last occasion we did get out an adviser from the Inland Revenue who cost a good deal (and whose appointment was very unpopular in Kenyal. It was considered and stated that the appointment of an adviser before the Income Tax Ordinance was passed was another instance of lack of tact on the part of th Govt. and eventually after much consideration and excitement it was decided to drop the income tax in favour of the alternative proposals which were put up in Kenya. It would never do to repeat that performance because Govt. and the Secretary of State would be in a really hopeless position.

It is fairly clear from Mr. Made's letter to the Governor that what they are contemplating in Kenya is a permanent appointment to their staff and I think that such an appointment would be highly desirable. All sorts of problems arise in connection with the administration of income tax on which expert guidance is almost essential.

I think, therefore, that we might inform the Inland Revenue that it is probable that the Govt. of Kenya will introduce income tax and would then be anxious to have the services of an expert in a permanent capacity. He could be seconded in the usual way from the Home Service and would have the

option of joining Kenya or reverting at the end of the period of secondment. We could then ask them whether they think that an officer possessing the necessary qualifications could be made available at a salary of something about £1,200 a year.

There may be more difficulty in finding somebody suitable from India and as to that we can only ask the India Office for their advice.

J. F. W. How

9.9.36

S. of 3.
? As proposed by W. Flood.
28.1.

affect we be aggressed if we affect to mile brade the profusal of the Proise report as it affects addian beginners. I don't too whether at this stage we want it causely awalves permanent to a Sameriet trave man. Their heliod, x experience are hardly and as can be applicable in

he uya. Have we no one in to

Pase in the Colonial Confin Further to .. I to let it be herm we un coundering appropria Samenet un huan Capa lenga had litel in of watering any representations Etr is prejudging a most Controversial issue + will merel add to the opposition in he a convecessary, be cannot ment this questing, + half on tralbles avis an from the personaling of the last he and sent as to in I.R. This should be enplained vertrally be, hi I heaffer is the head of les I. R. When have comes for really ho I heaffey wo see

to before any pertin

Callian.

Experience of anking

(N) 10 9

2. Extract from s/o letter from Sir J.Byrne .-- 2.9.36.

Please see now the extract from the letter to Sir Cecil Bottomley which has just been received, and the Kenya telegram.

Papers are circulating separately as to the imposition of income tax which the Governor does not think will be so controversial as last time. He wants to announce at once that the Government is going to proceed with income tax legislation, and if that is done there can, of course, be no objection to our endeavouring to find a suitable income tax officer.

With regard to the Secretary of State's minute. I think it would be best to approach Somerast House at once, because there may be some delay in getting the man, but we can look round and see if there is anyone in the Colonial Empire. Personally, I rather doubt it, because there is no place with a community quite like Konya, and what is wanted is someoge who can give authoritative advice and get away with it with the settlers. As regards Mr. Surfleet, I am notsure whether it was his personality that was at fault. He to generally rather well liked in person, and was nicknamed "surtax", but the trouble was that the Kenya Government started an Inland Revenue Department and Income Tax Office before they had income tax law, which annoyed he Kenya opposition.

It will, of course, as the Secretary of State mays be necessary to ask India's help, as the Government of India will be quite excited.

I. E . Hood

14. 9. 36.

fither to homeset of many hand for the great for for the first to have to the great for the first to the former definition to the desire to the former definition of the desire to the desire to the former to the first of the first to the first of finished to the first of the first of the first of the first of the first to the first to the first the first

Sum proposed in collaboration with them proposed in collaboration with m: action, who has counted to these in commentation with the trum of secondaries

TE

charge of the Stand Revenue West, Kenga and person, the select pera. in the man of particles has 5 To B.I.A. - W, Prin Ahad; h. - can) bun band of face 6 x 8 1 No 2 - 52411 C.R. well 3 miles 13/10/36 b . li E tale " - 4 so affer from that model 7 20 India Office - cms. - in the following particulars: Neura both to be do. (a) " word " been ment " has M Barrett of the Island Revinue spoke to me. He been avoided for Reducial records. will try to get a good men but he says prently that OH The instruct period of they are very scarce. employment, within we. He Gout. grange may terminate him apple, is put at 3 ym. The 8 Surfleet. present meaning tom of fermie (state terms and he wish be proposed is E.a. is 4 yrs. but Courte to accept their oppositement). grant from the fact that the Relief proposed -who is was before 23h. after spag. to the Sail . Phylifferies action fa fal the god of Kura - is that the [sun de sur of sur of X = f / Walter maniming one old . In which can my my to the Big J.R. within to 3 years), m: action souble Stage. To saw the Ham a copy of when in B. J.D.R. w. comide no 8 might week put ideas much a long pains on to your. with the heart grown combidates] (6) No provide is made for his to which to return to We know for Experies that me How - Service - mutil the mand of 1- Surfleet is always out to exact Value for his services at his own appreciation, I he was very success ful 199 Growing over it last time. In my win the concet procedure is to fix the salary worth while to take achance It way be that £ 1300 £ 1350 is not enough for this (though £ 1250 was enough for the frees ton) it may be recessary to raise the salary, but I would not offer any additional baksheesh. But we may as well see what keny a land.

Solul 14.11.36

. . I do not think that Kenya could possibly agree to Mr. Surfleet's terms, which certainly do mean opening his mouth very wide. Also, it is very doubtful whether Kenya would wish to have Mr. Surfleet back. He is a very nice fellow and I believe he got on quite well with the Unofficial community, but the sight of him returning might be like a red rag to a bull to some of them. It is necessary to get ahead fairly quickly and I am inclined myself to telegraph to Kenya and ask them whether they would like Mr. Surfleet to return. of the Inland Revenue tells me that they have got quite a good field of candidates who are willing to take the post at the lower salary, and if so, I really do not see why Mr. Surfleet's private affairs should count for so much, unless, of course, Kenya wants him at any price.

Tel " herewill

J.1.4. 16-2

10 So 1.2. Surflect (8 answ) 19 NOV 1936

DESTRUCTION AND PROPERTY OF

stad been respring this for a up?

15 No. 9, but the S. pt. has an

wideration on shear pp. that he

considers that it will be mindivisable

to select the Surfect.

I melint op after pay to

M. Plot.

28/x1

12 % Rand - Hand - 2.12.36

R80-1/ 13 Inland Brance (3) 1/ 12-36.

State that the 3 applicants they consider a not similable are

J.C. Mundy, F.C. Musgraver H.C. Teffery: who continues of took

14 To Intend. Rev. Barrett) 5:0 - 13 anal) -- 5 12 36

Reo. 13

the g. E. Mainton , Comme g Income tak , of Commissioner of 1.4. Keya: (see on 25909 KA)

* duplical add. shegers 10/12/20 DUPLICATE

A. a. 25009 E)

(Tronta)

POVEMBER. 1984.

str.

copy of a letter in which Mr. G.R. Thermton, Consistency of Income Tex, requests that his more may be considered in consection with any appointment of Consistences of Income Tex which may be under in the event of Income Tex legislation's being introduced in the Ecopa Colony and Newtontorcte.

I. It. Therston's personal record of service to already in your personness and, in recommending his application for sympathetic consideration, I would refer you to the casual confidential reports reminent on this officer in the part.

I have the become to be, Str, Your most obsident, particular to humble servers.

CHARLES DUNDAS

DEPUTY TO THE COVERNOR.

THE RIGHT MONOGRAMA,

COMMISSIONER OF INCOME TAX

26th October, 1936.

The Homourable The Chief Secretary,

I understand that a Hill providing for the charge and collection of Income Tax in Kenya Colony is to be submitted to Kenya Colony Legislative Council in the near future.

- 2. I wish to be considered for transfer as promotion within the East African group of Colonies, and
 accordingly I would ask that His Excellency the Governor
 will be so good as to submit my name to the Secretary of
 State, so that if the bill mentioned above becomes law and
 meascentates the appointment of a Commissioner of Income
 Tax for Kanya, I may be commidered for the appointment.
- 3. In explanation of this request for consideration for presents to a specific post, I would say that as Income Tax forms such a comparatively minor branch of Government in the Colonial Napire that the Northern Rhedonia Income Tax Department is one of the largest revenue collecting departments of its kind, my apportunity of presention is limited to the rare eccasion when one of the largest Colonias introduces Theome Tax as a new measure.
- t. I tous I am in order in making this request. It would seem that I am, from the terms of General Order No. 53.

(nga.) 6. E. THORREON.

cur arrett,

Manager Very mach out has letter of t 4t. with the namer of the three sandilates in the the lon to be exactly the port of thing that is required and any on or the a last to fill the jub. . things 16 well, nonewer, will thanking you for all the trouble you have to en to explain that some time as elapse - in fact one elapse - before you hear any hord. In bon stated that it ion. of To connection with a fintrodiction of an are tak, bar wishes to be guided of the end of the rinance Committee of and carriers to the similar and do the term 160 C. 11 HOLLE. . . . 15 15 17. 10 L.

oth December, 1936

Dear Barrett,

Thank you very much for your letter of this 4th with the names of the three candidates for the They look to be exactly the sort of Kenya job. thing that is required and any one of them ought to fill the job. I think it well, nowever, while thanking you for all the trouble you have taken, to explain that some time may elapse - in fact must elapse - before you hear any more. The remagn this: - The Colonial Covernment in kenya has stated that it does not propose to rush matters in conjection with the introduction of income tax, but wishes to be guided by the advice of the itanding Finance Committee of the egislative Souncit which is now sitting and possidering all habiters commented with their estimates for 1537. In the circumstances BDEC1936 O.O. REGY

0.

4th December, 1936.

Dear Flood,

KENYA.

The three applicants we consider most suitable in order of choice are:-

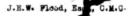
J.C. Mundy

F.C. Musgrave

N.C. Jeffery

I enclose particulars of these three men preparal appraisement at the end of each statement has been prepared by the Chief Inspector's principal Establishment advises from records and personal knowledge.

Yours sincerely,



J. C. MUNDY.

Inspector Higher Grade, Glasgew Head Office.

Present Salary £821: 18: -

Born 9.9.1900-

(The only C.S.

Educated at Brighton (London matric.)

Entered *(by open competition) as Clerk to Surveyor 19.2.1917

Spant 6 months in R.A.F. Officer Brigade as cadet (enlisted at earliest date).

Appointed Assistant Inspector (by selection) 15.1.1920.

Districts. Skipton
Birmingham 2

East Dersham In charge

Hyde Manchester 20 Assisting.

Portsmouth 4 In charge

Head Office, Glasgow.

Interests: Cricket (Captain of Glasgow C.S. Club)

Golf Tennis Swimming Bridge

Married - no family.

Owns house at Glasgow which he wishes to sell.

Good type, well spokes and a ploasant, easy mentar. He should be a good mixer but spould be relied on to hold his zen. His powers of negotiation and settlement have been fully tested in his present job (Spocial Englisy repk) and has shown in a high degree initiative and respect. He has a limential problem, as his wife is well provided for.

F. C MUSGRAVE.

Inspector Higher Grade, Head Office.

14

Present Salary £822: 4: -

Born 21.6.1900.

Educated Royal Commercial Travellers School. London Matric and Inter B.A. (London)

Served in Artists Rifles - Officers' Training Corps -July 1918 - February 1919.

Ecclesiastical Commission. Reconstruction Scheme

(Intermediate) Examination. 12.8.1919

Assistant Inspector of Taxes (by selection) 4.10.1920.

Wells Districts: Sheffield 2

Chesterfield 5)
Alfreton In charge

Head Office London (Secretarial wark to Deputy Chief Inspector.)

Badminton (an ex-Captain of Derby County) Interests: Cricket and tennis. 1

> Married - 2 children, aged 7 and 4. Owns house at Patcham, Brighton.

a pleasing, yet quietly forceful, personality. An Inspector of considerable promise with good all round qualifications. He shows a quick grasp of difficult problems and has impressed favourably not way as a District Inapactor but also in his present secretarial position-

WONCE A 38 25 8 / 36 C. O. O'to for m. Hoods ing. Mr. Shill Mr. Hors 2.12.36 Sir C. Parkinson Sir G. Tomanson Sir C. Bostomley. be so long - uplying Sir J. Shuckburgh to we will go 19" } Permit. U.S. of S. Parly. U.S. of S. No. about the analyse Secretary of State for the salutini of the Co. DRAFT. have not had a right - to F. a. Barrett Cr. CB. un . but Surpert! andusting the has come to the first min not it is he individed (probably because they for 60 90 and are not certain yet whether they will have 1. T. or not.) not it will be a set of only to formal - a salestin FURTHER ACTION. comittee. Pridages he best comes of 2m ague, it he for he A pund in faction

and to see one of some of some of the see of

"Your sincery" [1894] J. E. V. Hord,

3

Dear Mood

CO.O. RECY

I note what you say about Surfleet.

As regards the others I understand that the Colonial Office will desire to make their selection from a short list. Our idea of a short list was three and we have it ready, but if you would like a longer one let me know. All three are aged 36 with a Revenue service of from twelve to sixteen years.

I do not know what procedure you are contemplating.

If it includes anything in the nature of a selection committee you will presumably want and all the candidates on the same day. One of them is stationed in Scotland. If you would give me the name of anyone and a looking after the arrangements I will ask one of my people to get in touch with him.

Yours sincerely.

That !?

0.0

Mr. Famd. 16.11

med.

Sir C. Parkinson.

Sir C. Bottomley.

Permt. U.S. of S.

Parly. U.S. of S. Secretary of State.

DRAFT. TELEGRAM.

GOVERNOR NATROBI

was

No. 269

38258/36

Confidential =

In connexion with

appointment of Income tax Adviser Surfleet is considering application but would require salary of £1,500 o £1,550 plus three quarters. LE is possible that in view of his connexion with 1933 legislation you would not wish Surfleet to return for reasons of tactics. On the other hand, his past experience and knowledge of Kenye might be of advantage. Please me have your views as to whether his return is advisable and if so, whather he would be of sufficient value to justify salary of such amount.

FURTHER ACTION.

y prifti

Bette thent and sel

C. O.

Mr. Paskin. 13/XI.

Mr. Seel. 14. M.

Mr. Flood.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

2 DRAFTs

A. de V. WADE, ESQ. , C.M. G. , C. B. E.

From Surfleet. 11.11 (No. 8)

Bet and one to

AIR MAIL.

For Mr. Flood's signature.

Downing Street.

The authorities at Somerset House

November, 1936.

have sent round particulars of the vacancy

for an Income Tax expert and as a result
of their circular I had a visit the other
day from Surfleet. He is very keen on
getting the job but:

- (a) he is not prepared to take
- ,(b) he wants to cover himself against the contingency of possibly having to revert to the Home Service.

He has now written me a letter, which I enclose, in which he asks for a salary of £1,500 or £1,550 plus quarters.

He also explains how it would come about that he would be out of pocket if he had to

Paven+

FURTHER ACTION.

this contingency he suggests that he should receive compensation to the tune of 2500 if his appointment were terminated within three years by the Government of Kenya, but not if he reverted to the Home Service at his own request.

(I should mention that in the memorandum of conditions of service which we sent to the Inland Revenue Department we stipulated that the Government of Kenya was to have the power to terminate the appointment at any time within a

would have to be consulted not only on the terms

Tor which he is asking, but also on the question

whether his appointment would be acceptable. I

said that you might prefer an entirely new broom

untainted by any hang over from 1935.

period of three years).

I should be glad to know what you think on both points. We do not yet know how many applicants there are likely to be, or of course whether they would all stick out for a

higher

C. O.

dr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson. Sir C. Bottomley.

Sir J. Shuckburgh

Perml. U.S. of S.

Parly, U.S. of S.

Secretary of State

DRAFT.

though such a man, on the other hand, would us or benefit to the same retent poron the higher salvery while in Kerry a.

FURTHER ACTION.

Surfleet that any candidate from his
Department would be likely to ask for
a promise of compensation in the
event of his being compulsorily
reverted to the Home Service.

Surfleet would lose his increments and this is the biggest item in his statement of the losses which he would incur. This item however would not necessarily affect all other candidates to the same prent. For example, it would not arise at all in the case of a man who was at the top of his scale in the Home Service.

As regards the principle of a promise of compensation in the event of reversion there is of course

Something to be said for the point.

that the salary is being fixed on the

basis

basis of a permanent appointment and that £500 spread over three years would bring it nearer to what would have been regarded as approproate for a purely temporary appointment. On the other hand no Government would wish to pay compensation to a man whose services were dispensed with because they had been unsatisfactory, though, of course, in this particular case there is the possible political complication. general point of view I may mention that no such promise is made in the case of the numerous transfers to the Colonial Service from the General Post Office and the Customs Departmentahene the fonibility trial period in drustly any such promise on this occaion might therefore To compensate him if the gamble does not can Huish form a very inconvenient precedent. At the same time Jucha Salany we may be driven to depart from precedents in that it is worth the many while order to secure the services of a really suitable man.

lo lake a gamble This applies also to his demand for full salary for the period of the voyage out, which is also contrary

(a)

The questions on which I should be glad of your views are therefore as follows:

mouthon last pak.

to precedent.

(I doil like theidea & a way on war for 1 Freesta

Sw C. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley Sir J. Shuckburgh

Permt. U.S. of S.

Parly, U.S. of S

Secretary of State

DRAFT.

(a) Would you prefer not to have Surflect at any price, if another suitable candidate can be found?

(b) On the other hand would his previous experience in Kenya be so valuable that you would be prepared to accede to his demands even if another suitable candidate could be found at £1,300 or so, and without the other concessions for which he asks?

If necessary are prepared to go to £1,500 and to make such other concessions as a necessary up to the limit demanded by Surfleet to secure a really suitable candidate, whether surflest or another?

If it came to that, to ere either Surfloot or another equally qualified candidate, would you prefer to have Surfleet or a new man?

FURTHER ACTION

mosel where show alove :-

Parts II . III & his letter, chat pension, do not affect to east quie rise Dany deficulty. In accordance with and dem cur long the selected open should be appointed at once 15 The perm " establishment & Kenya, and Janua that we may lake it that , to permit & this . the port boll be declared peur in able night away under The Turspean Officers Pension orduran.

CHIEF INSPECTOR OF TAXES,

NORTHERN IRELAND BRANCH,

First Floor, Custom House,



Please quote in any reply :

Your reference is:

11 Novt. 1986.

Dear Mullood,

Keya Lucine Ta.

I have fire forthe amaidenting to the matter discussed at my interiors will you on 9. North It is not preside forms & consider transfer to the Kenya for crament are as along of £1300-£1350. I would however welcome the apportunity of returning to kenya to carry on the work for which I was riginally to and in 1932/33, the request furbiel has always left me with a sense of failure.

Jundenstand that the present suggestion is

Service, but that it is proposed to give a right to

either file to break the agreement after throw yes

6)

and that in this event the secretary figer would be taken hack mit the Home Perrice , his semoning bling , preserved, but as the same commy lites of and to responsible for perision under the Konga syntation for The period of the town - such pension conne to he payable from the date of retirement from the Home Broves. They are over two hinor points upon which I think the Colonial fort. should meet the solded . office - whoever he may be -. May lactal there first fulling to general ease from a permacion port The institution is that the approximent stand he permanent. It is jewally admitted that the Ammeration for a temporary appointment closed hear a higherate than that for a permanent approximent. In taking up the approximent the transpored officer is compelled to ment relatively heavy capital town. In within in my own day a) Sam ar product rectioning the amounts but the would be suspended during the period of my loon I inform my istum after there years I would receive a salong of £90 p.a. less than that to which furned have been entitled if) had rim ame in the Home beriese; and the his would come for for or fine years - jung a my case a not taling hor of tome £320.

Jam a bours bredet the Britast thintel Jam artain that the transfer is in fact permanent Those and despose of my jurities, nor comis I arritemplate removing to thenya there purticular freeze that I wishes to wrain. The loss a sace & corr) is premishing the women be prohibitive. It follows that I should have to stors my "charces ! - soy 3 year @ Esta : 678 c) Then wond be little proper of my joing to the fame station - Relfart - upon my nain. I was next trustens There is farming this year, and the cost I my transfer from Souchampton when I was pressing stationed was approx. \$140 under my sportments Removementation - a this var admitteely a comparate of Expected to meer the cost of a further man to a new station upon recomption, a I should have to forthis till myself. d) That to face a further hit , are of a censerpor a home in Respect as \$100 p.a mit. I show shope to sublet but would protectly 'me somewhat between 150 and (10y 2)5) - in ohis. e) I show the to dispose for car les quisopundance reces a car in N'111 of . This words protocoly meson £100 loss by and that which I should worman Espect unles I was diven to forced sales

f) I object to forest with considerable horse species mayor unjustions on the) cores futo test up a boise at my new station - whenever thereight be. I should also lime to

try satisquency sees a corramamour of functions in Marieti. De los his is sufficient of coloulation but some corrains accord 250.

Q) I shines how to change schools as which my children attend Outsidelles serious brook in education there are new uniforms, books se a from aperious this could not the

his than 250.

h) Res as insidental, such as provision a cestern amount

There items (a) - the fin an estimated he Tas from a linear say that my 1932/33 End experience teams out.

I detail this because I behen a good the I mismident reinted as to the hating I the lone I has that on my last appointment.

If the appointment is terminated as the end there years

I thindustand that the Kenya Gort. would pay me pension who shows bearing calmately

LL

a the Kenya rejulations - 1.8. Environes Emourals ut subject specificas justiment in reference to appropria

of the appointment is personament my plusion upon retirement as decapt mor legettan 55 (M- healt weepting) words to Home

Service pension a grating, calculated at the des Jung branches , plus terrya pension for my bolomus withce from the that, sugar to any aspirtment by names to oppose to construent.

IV. The condition that laspay of lond none to the for-

as the "ador! In the rather opened a circumstances of a transfer of a fairly bluis special circumstances of a transfer of the sound for the service of the former for the limited probably have to maintain a home for forme time as a time of some timenediate reduction in ner mesons at a time of some financial present. I believe that the rule prate of first appointment and not upon the brainful fan officer from one Colony to auther. I suggest that their pass is much nearer to a 'brimper' than a first appointment.

accept appointment upon women of the following feneral nature.

1) A personate salary / \$1500- 61550 plus the usual allowances froquertes re.

A to the event of concellation aske one of these years as the desire the thomas foot the salong in the related facts to liter fact that is won fixed on the light of a form went expositionent. To avoid this pute a spire finality I support a compressation progressed for separate that their does not apply to a break as the agent of the opinion, that is by nomeans count the demonstrate torses. If the appointment is infant permanent:

as is intended the possitions that him.

3) Tuck salary to usens from the date) substractor

agreed as the leay is to be a booked. 5) The remainder of the levers to be generally in accordance bill tomemorantum I have need from any or Department. I have aimed er clarity as the Expense of bring. formale I should welcome the Approtinity of completing atack which Junfortunders was not promitted to finish in 1934 30 I upear to at someset force until 14/11/36 other to retin to Befast. An enemy as

to my wherealme on 41. 216. Tem Box 3540 wice Wach we up to thochale I my round Belfare.

formanians, he has fleets

C. O.

Mr. How 5.10 de.

Sir C. Partinson.

Sir G. Tomlinson.

Sir G. Boltomley.

Sir J. Spackburgh

Permit U.S. of S.

Parly. U.S. of S.
Secretary of State.

DRAFT.

THE UNDER SECRETARY OF STATE,

FURTHER ACTION.

noming Street

9 October, 1986

Sir,

I prete. to transmit to you to

be laid before We Secretary 10 the

re ort of the Fin no. 1 Besition and System

reference to peragraphs aye and sac

wherein he recommends that a Income

Ordinance should be in reduced to the

of the present Non-Mative Poli named

Education Tax and to allow For the

modification of the Trades and Professional

Licences Tax.

In paragraph 384 91r Alan Pin

suggests that as regards the collection of

Pax, it would be necessary to secure

expert advisors. So the services of an expert from England and

also an advisor from the Incien Income That.

Department to assist the Government in

dealing with the Indian opulation or Kenya

Mr. Opmaby Gore is any cus to

. 45 . . 4

stop Sie Alan lines augustions and has approved he the introduction of en Income Tax Ordinance, and I am ordered to enquire whether the Marguess or Jetland could suggest the naite of a suitable adviser, whether serving or retired, who might be invited to proceed to Kenya in order to assist the Government in edvising its machinery for the collection of

taxes from Indians. Mr. Ormsby Gore is and position to suggest the terms which should be offered what ters should be offered, but in the case of the proposed adviser from this country a salary of £1,300 or £1,350, together with free quarters, has been suggested. Advice on thispoint would be appreciated both by Mr. Ormsby Gore and by the Colonial Government,

Mr. Paskin 23/9 Mr. #1000 Achison 25/9

Sir C. Parkinson

Sir C. Bottomley.

Party. U.S. of S. Secretary of State.

(d.h.)

DRAFT.

FURTHER ACTION.

SIR EDWARD FORBER.K.C.B..C.B.E.,

BOARD OF INLAND REVENUE.

Income Tax expert for Kenya. The point of this

supplementary note is to semind you

sent to your Department-today asking

you to assist us by recommending an

of the chequered history of the previous attempts to introduce an

Income Tax in Kenya. The Secretary of State is most anxious to avoid a

repetition of the fraces of 1921 and

1933, and from this point of view it is most important /that the man

> selected to run the show should not merely be competent professionally

capable of reading the lessons of

C. O.

Sir J. Shuckburgh.

X Permi. U.S. of S. 39

Sir G. Tomlinson

Q'to for Sir J. Maffey's signature.

Dear the Edward

Colonial Office.

An official letter is being

Downing Street,

September, 1936.

pant history. In abort, we want a
man who will go down with the settler
community.

I hope that it will be possible to get hold of a man of the right stamp at something like the salary suggested, (£1,200 or £1,350 a year). Kenya has been passing through hard times and, as you probably know, there have been insistent demands to reduce the cost of the Government machine. The Pim enquiry (undertaken at the urgent demand of the settler community) is the last of a series of efforts devoted to this end, and there is already evidence that the fact that he has only been able to recommend we little in the way of further economies is not going to smooth the way for the introduction of income tax. If a salary of £1,300 or £1,350 should prove to be inadequate to attract a man of suitable stamp, we should have to consider, in

consultation with the Kenya Covernment.

Mr.

Sir C. Parkinson

Sir G. Tomknoo

Sir J. Shuckburgh

Permt. U.S. of S.

Parly, U.S. of S.

Secretary of State.

DRAFT.

figure; and in that event we should be most grateful for any advice which you may be able to give us; as to terms. But from the point of view of Kenya politics it would be of great advantage if an appointment could be made at something approaching the figure suggested.

(spe) of P haffy

FURTHER ACTION.

38258/36.

Mr. Paskin. 23/9.
Mr. Acheson. 25/9
Mr. Flood. 28/4.
Sir C. Parbinson.
Sir G. Tonlinson.
Sir C. Bodomley.

Sir J. Shuckburgh.

Permit. U.S. of S.

Secretary of State.

DRAFT.

THE SECRETARY,

BOARD OF INLAND REVENUE.

Memo. (a.hr)

Colonial Ragns.

African No. 973.

Airican No. 1107. (37 C)

Letter to 1.0 seguid

Downing Street,

September, 1936.

Sir,

I am directed by

Mr. Secretary Ormsby Gore to transmit
to you for the information of the
Board of Inland Revenue a copy of the
Report of a Commission Which was
appointed to enquire it rais, into
the system of taxation in Kenya, and
to invite the attention of the Board
to paragraphs 383-386 in which it is
recommended that an Insone Tax should
be imposed in [Name of various other

The Government of Kenya is

taxes now levied in the Colony.

legislation

this tax is introduced.

Mr. J.M. Surfleet was selected for temporary
employment as Income Tax Adviser to the
Governments of Kenya and Uganda on the
conditions set out in a memorandum which
was communicated to the Board in a letter
from this Department No. 27090/1/32 of the
3rd of September, 1932.

4. The appointment now contemplated, however, is on the permanent pensionable establishment of Kanya, and it is proposed, that

C. Q.

Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlerson Sir C. Bottomley.

Sir J. Shuckburgh Permt. U.S. of S.

Parly. U.S. of S.

DRAFT.

FURTHER ACTION

and the way conent of

transferred to the Kenya Covernment
Service. The conditions on which
Mr. Surfleet was engaged would not
therefore be appropriate, and a
memorandum is enclosed indicating
the conditions which, subject to the
concurrence of the Board, the

of transfers from other Departments in

These conditions follow

Secretary of State would propose to

observed that they provide for the

the Home Service, and it will be

possibility of reversion to the Home

Service within a limited period.

officer of their staff for this

the enclosed memorandum.

(Storing) is to expose

I am, etc.

MEMORANDUM.

Selected to take charge of the Inland Revenue,
Department, Kenya.

Suggested Salary. £1,300 or £1,350.

Half salary would be paid from the date of embarkation for East Africa, and full salary as from the date of arrival at Mombasa.

(Note: A temporary levy is in force at the rate of 5 per cent. on all salaries (including duty, personal, and acting allowances) up to £600 per annum, 7 per cent. on that part of any salary which exceeds £600 but does not exceed £1,000 per annum; and 10 per cent. on that part of any which is in excess of £1,000 per annum. It is hard that it will be possible to abolish or reduct this levy when Income Tax is imposed.

The total emoluments liable to levy are abated by the amounts paid as Widows' and Orphans' Pension Scheme contribution.)

General.

The appointment would be subject to the Colonial Regulation and to the Regulations for the Employment of Freezs in the Bast African Dependencies. Copies of these Regulations are annexed. As regards the latter, attention is invited to the following paragraphs:

Paragraph

Paragraph 10 Quarters.

12 - 15 Passages.

25 Leave

Widows' and Orphans'
Pension Scheme.

Term of Engagement and Pension.

of paras. s and 8 of No.2 on 52400 B.R.

the purion is report

frence is thema
world be calculated
in accordance with

the Keny or Sumpson

Other Trusions

Ordering the terms

Ordering th

Tr

The officer appointed would be placed on the permanent and pensionable establishment of the Colony.

But it would be within the power of the Government of Kenya to terminate the appointment at any time within a period of three years from the date of arrival in Kenya. In that event, the person engaged would be granted a free passage to this country and the leave for which he was qualified by his service in East Africa. Provided that he was physically fit and that his official conduct had been satisfactory, he would revert to the Home Service at the expiration of his leave or as soon thereafter as there was a vacancy.

The officer would also be at liberty on the completion of three years' service to apply to revert to the Home Service in which event, provided that he were physically fit and that his services had been satisfactory his reversion would be arranged as soon as conveniently possible. He would on reversion be granted, provided that he had completed three years' service, a free passage to this government and the leave for which he was qualified by a fee in East Africa.

The officer would retain his title to pension in respect of his service at home, calculated separately upon his home service and salary in accordance with the provisions

provisions of No.9 of the Rules of the 31st of July 1911 framed under Section 7(1) of the Superennuation Act 1909. Should be die during the initial period of three years' service or thereafter a gratuity not exceeding one year's pensionable emoluments of his Kenya appointment would be payable to his legal personal representative.

In the event of his reversion to the Home Service, and ultimate retirement from that service under conditions qualifying him for pension he would receive pensions calculated separately in respect of his service in Kenya and his Home Service in the manner explained above.

have expressed a device that he stimes were to the Home Service, as will be regarded as having permanently transferred to the Colonial Jerice.



COPYREOR WEGISTRATIC

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

Dated 11th September, 1936. Received 4.38.p.m. 11th September.

No. 215. Confidential.

Reference last paragraph of Sir J.Byrne's personal letter to Sir C..Bottomley of the 2nd September

Executive Council today unanimously advised and I agreed that an experienced officer from Somerset House should be appointed forthwith to take charge of Inland Revenue Department Kenya with particular duty as Commissioner of Income Tax if introduced see my telegram No. 214 of 391 156 today.

Salary suggest is £1350 per annua pensionable w/ // /Cod with usual privileges. Shall be grateful for your assistance in this matter. EXTRACT FROM A PERSONAL AND PRIVATE LETTER FROM SIR JOSEPH BYRNE TO SIR CECIL BOTTOMLEY. DATED SND SEPTEMBER, 1426.

By the way, there is a further matter which I have asked Wade to raise at the Executive Council Meeting. The Council should be asked for their advice as to getting out forthwith a man from Somerset House to take permanent charge of the "Inland Revenue Department". His main duties at the start will be connected with Income Tax.

The advice should include the remuneration to be offered. Should agreement be reached, telegram will include a request for his cer about whom I warned Maffey in a person to him early in August.

EXTRACT from a letter from Sir Joseph Byrne to Sir John Maffey, dated 5th August, 1936.

If the Secretary of State agrees generally with these proposals, I would suggest that the Colonial Office - without taking any definite action - get busy about the selection of an Income Tax Adviser both from England and India. If preliminary arrangements can be made there will then be no delay when we apply to you officially.

Х

X

X

EXTRACT from a letter from Mr. wade to Sir Joseph Byrne, dated 4th August, 1936.

X X

by the end of October. Last year we introduced it on the 20th November and it proved too late. This year we may have to meet all sorts of obstruction and we shall have to pass an income Tax Ordinance as well as the Budget. The Treasurer thinks that we ought to be ready by the end of October. The Expenditure Estimates are well in hand and the Revenue Estimates have been awaiting the Pim Report. It is disappointing that that Report will not be available until the end of the month.

Walsh thinks that we ought to ask for a superintendent of Income Revenue at about 11,317 p.a. pensionable. He is convinced that Income Tax decide an expert to make it really effective - Harragin entirely agrees, arguing from his experience in Nyasaland. Walsh advises that as soon as Government's decision to introduce Income Tax is made known a suitable person should be obtained from home so that he will be out here in time to help with the preliminaries.

Walsh also advises that we obtain a man troom. India to deal with the Indian population.

In the meantime I have asked the Treasurer to prepare the necessary legislation in consultation with the A.G. The last Bill will serve as a model and I understand that it is the schedules chiefly that require amending. Surfleet apparently left behind a full memorandum which will be very useful.

7

Х

Χ-