

1933.

Kenya.

60533/433

No.

3076/1.

SUBJECT

REVISION OF RECORDS SECTION

This file should be returned to  
Queen Street when no longer required.

*Terms of Service.*

*Question of abolition of privilege of free quarters  
+ introduction of consolidated scale of pay*

Previous

*Main file*

Subsequent

1. Acting Governor Moore 75 Len (Mo. 7 Jul) 10<sup>2</sup> June 33  
Reports that records of the Empire Advisory Committee have  
been considered & furnished observations on proposals to abolish  
privilege of free quarters & introduction of lower pension constant &  
known on consolidated scale of salary. Submits for con-  
sideration of Empire Advisory Committee, alternative proposal of  
records of Gov's Conference. Requests decision by earliest  
possible mail.

2. H. M. Moore of (Mo. 7 Jul) 12 June 33  
Gives further explanation of points raised in No. 1.

I have received the earlier  
M. (4002/33, <sup>E.P.</sup> 91784/J/32 + 9049/33)  
from Mr. Tomlinson, who has  
agreed that I should propose  
furthering this in the first  
instance by a discussion between  
the 2 East African Depts., the  
Afric. Dept. and the C.S. Dept.  
Perhaps Mr. Sprosmitt could  
be asked to arrange with  
those concerned for a talk  
early next week.

C. J. Jeffrey  
23.6.33.

Discussion arranged for today <sup>27/7/33</sup>  
at 12 noon in Mr Flood's room.  
Mr Flood, Mr Jeffries, Major Dural,  
Mr Calder & Mr Cooke will be  
present.

A. Gossmith  
27/7/33

3. Supp Report of discussion  
Mr Calder  
Mr Flood  
No obsns.

A. Cooke  
4/7/33

I have made a correction  
J. H. Calder  
4-7

I have ventured to re-draft my evidence, as  
at "A". I knew at the time that I was saying  
too much, and too fast, for any Secretary to have  
a chance of "reporting" me. I apologise for  
delay in sending this on, but have had a very  
heavy rush of interviews this week, and Mr.  
Gossmith told me that if this went on today it  
would be in time.

R. D. Stone  
8. 7. 33.

I should have liked to  
advance the note, but time  
is pressing and there will  
be plenty of ~~see~~ material  
for discussion with Sir J. Byrnes.

C. J. Jeffries  
10. 7. 33.

At a discussion at which  
Sir Joseph Byrnes was present  
13<sup>th</sup> July 1933

Mr Jeffries  
Mr Tomlinson

If you agree that this note represents  
what happened I suggest that the pp be  
returned to me to put on a minute & a  
draft which can go forward for comment, so as  
to give the Higher authorities a clear picture.

J. S. G. Hood  
18/2/33

C. J. Jeffries  
18/7/33  
S. J. D. et al  
18. 7. 33

5  
Memorandum attached (it had to be altered as the last  
one & S. J. D.'s proposal) J. S. G. Hood  
u. 7.

This matter was further discussed  
by Mr Tomlinson, Mr Parkinson,  
Mr Flood, Major Dural, Mr Seal  
and myself on the 24<sup>th</sup> July.  
It was agreed that the results  
of the discussion should be  
summarised in a memorandum  
to be submitted for approval  
and, if approved, sent to  
the East African Government<sup>x</sup>

\* with a special  
dash to Kenya on  
the question of the  
Quarter

as embodying the Secretary of  
State's decisions.

6. I accordingly attach  
a memorandum.

Should the scale of  
salary which we now suggest  
be accepted, we propose that  
it should be substituted  
for the scale originally  
proposed in para. 48 of the  
C.A.S. unification scheme as  
the standard scale for the  
Administrative Service.

C. J. Jeffries  
26.7.33.

+1933  
Mr. Tomlinson  
that was  
done  
1/3/33

I have delayed this a little as a  
disturbing rumour reached me yesterday about the  
amount which Cadets who have just sailed had found  
it necessary to spend on kit. This seemed  
important, as affecting the crucial question of a  
possible reduction of initial salary to £350.

Mr. Kenison has ascertained from one of  
the Cadets who has just finished the T.A.S. Course  
and who was a friend of his at Cambridge, that  
after exercising the greatest care he had been  
unable to spend less than £110 before sailing.  
Mr. Kenison understood that this covered a certain  
amount of provisions, but not much. The probationer  
in question, Mr. Lorimer, was a Cambridge man who  
did his course at Oxford. He would therefore have  
been in touch with probationers on both Courses.

The probationers had clearly consulted  
each other on the question and Mr. Lorimer gave Mr.  
Kenison to understand that he knew of no one in the  
batch who had been able to spend less. I cannot speak  
for the other probationers at the moment as they have not sailed.  
I must say I regard the possibility of  
reduction to £350 with great anxiety.

year's  
from the last 10  
so has just  
sailed

I cannot speak with authority, but I feel  
grave doubts whether, with kit allowance gone  
(except in Nyasaland) and with the other temporary  
cuts, we could avoid the risk of some men at any  
rate being involved in serious embarrassment during  
their first two years. And, though the best  
candidates think more about a good salary later on  
than about the amount of their initial salary,  
I am quite sure that, if men recently selected start  
writing home to say that they can't make ends meet,  
the effect on recruitment will be serious.

It is essential to remember that the class

class of man we have recently begun to get. is so good that other people are after him, and he appears to have no difficulty in securing good alternative employment, even under slump conditions.

I will not delay this to look up <sup>data in</sup> papers, not available at the moment, but it should be borne in mind that the long scale for the Sudan <sup>roughly</sup> is £2480 - £1,080 and for India and the I.C.S. £540 - £2,300.

We have the advantage over the Sudan in our provisions as to quarters, but their leave terms are more generous than any of ours.

Against India we undoubtedly have advantages in various directions, but the disparity in the long scale is enormous.

I earnestly hope therefore that it will not be necessary to reduce the initial salary below £400.

If it is considered essential to do so as a temporary expedient, then I think there should be a public declaration to the effect :-

- (1) That £350 is an adequate living wage for a single man, including initial cost of kit, and allowing for temporary cuts in force.
- (2) That price levels have fallen so that £350 now can buy approximately what £400 would have bought before the slump.

R.D. Payne  
15/7/33

4  
The cadet is worth us more than his keep, and I do not see how we can resist the general consensus of E. African opinion that he should be able to keep himself on less than £400. On the other hand for a trained informed administration officer, I would not make any reduction in the existing scale, which was endorsed by the Government conference. I would therefore have the cadet at £350 while on probation & jump him to £475 if confirmed at the beginning of his 3<sup>rd</sup> year.

J. A. Calder  
28.7.33

Sir J. Byrne called & we asked him about it. He told us - which we didn't know before - that most cadets are never posted to Nairobi but always sent to out-districts, in which case they can live on their pay. He could not agree to the present part of the <sup>proposed</sup> declaration, which he felt might lead to great difficulty & was not really true for Kenya at any rate.

So he is prepared to accept the £350, £350, £450 scale & hopes that it will be laid down definitely as the uniform rate for East Africa as a whole.

He thinks the draft here with about quarters will do. It goes over the same ground as the memo but at more length & may serve to settle Kenya.

Sir J. Byrne is quite satisfied that the decision will be accepted.  
S. L. G. Ford 28.7.

P.S.O.

to Tomlinson

As Mr. C. Bottomley returns  
on Monday, I think that  
it wd. be right for him to  
see this. I deposited for  
him at the discussion,  
but I wd. naturally  
prefer him to have a  
copy of this - & as things  
turn out, this can be  
changed without delaying  
the paper.

accd

28/7.33

Have however been  
through Mr. Gifford's views.  
You have agreed some  
small alterations.

accd

Mr. C. Bottomley.

I want add to the  
minutes. The urgency & importance  
of the various questions are  
obvious. I hope it will be possible  
to arrange a discussion with the  
Sec. of State before he goes

S. J. P.

29.7.33

I have not marked the ~~draft~~ draft  
despatch. I recollect as to this when  
the main decisions have been taken.

Mr. S. Wilson.

With Mr. Tomlinson, I hope  
that discussion with the S. P.  
will be possible, & I should mention  
at length. An initial salary of £350  
& reduction of pension constant  
for new entrants does not go  
very far, but I agree generally  
that - with long & the rest - we  
cannot do much without avoiding  
the epidemic of protracted debt of  
which we have heard so little  
lately.

As regards pension constant,  
I do not know of the  
application, & in the case of  
former E.A. men, of  $\frac{1}{4}$  £80 to the  
last service &  $\frac{1}{600}$  to service  
after promotion, has been  
considered; & it seems there  
is a general need for caution  
about future pension commitments  
& limits.

W.S.

31.7.33

matter immediately, since Kenya is not taking any and it has been decided that those now in process of selection can retain the old terms if they choose.

I have remodelled the draft despatch to Kenya so as to emphasize the S. of S's point that a reduction in the pension rate is of itself practically equivalent to the abolition of the old allowance for free quarters.

V.L.G. [Signature]

4 5 31

7

EAST AFRICAN SERVICE

I think the terms for new entrants should be as follows:-

1. Initial salary of £350.

This rate to hold for the first two years.

£400 in 3rd year

£450 in 4th year

£500 in 5th year

rising thereafter by prescribed increments to a maximum of £1,000.

2. The existing arrangement of free quarters or allowance in lieu should be maintained. This is recognised, and I think, necessary and proper condition of service.

3. The pension rate should be based on 1/600th in place of 1/480th. It should be made plain that the result of this change is in fact equivalent (or rather more than equivalent) to excluding the free quarters allowance from pension as calculated on the old rate.

I have considered carefully the ~~written~~ recruiting pamphlet, coupled with the supplementary memorandum dealing with cuts and other changes. I think it is clear that a man who competed on these written terms did not have brought to his notice the prospect that the initial salary rate would be changed, and I think it would be something very like a breach of faith with candidates who have competed under

under these conditions to alter for them the initial scale on entry. The new scales will therefore have to apply in the case of any men who enter after notice of such amended scales.

M. L.  
3/8.

7 To Gov. let No. 168 Conf. 5.8.33.  
(1 ansd)

8 To Kenya Conf (C) — cons 9 AUG 1933  
(1 answd)

By Air Mail  
9/8/33

Nos. 7 & 8 to be copied. (Several copies of each reqd.)

Copies of 7 & 8 copies of let. & despt. to other C.A. Dependencies not yet being sent on grounds to be kept on an C.A. file for record later ✓

G.S.D. to see this file later

Clerical Section to see

P recalls to note points in to B. H. J.

For Tel. & despt. to other C.A.

Dependencies as to initial salary of Cadets & salary scale for Admin. officers see on <sup>also</sup> ~~subordinate Personnel~~ 14 Dec 33 EA  
(Copies must be kept for record)

See Sub Miss  
for  
M

3076/1/33  
3227/33

8  
B 8 70

C. O.

Mr. Flood 4. /B/33.

Mr.

Mr. Laffera (away)

Mr. Parkinson

X Mr. Tomlinson *8/8*

X Sir C. Bottomley *8.8. f*

Sir J. Shuckburgh

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

See memo  
on E.A. files

9 August, 1933.

Sir,

DRAFT. DESPATCH

I have the honour to

KENYA.

CONFIDENTIAL. (3)

O. A. G.

ack. the receipt of your Confidential  
despatch No.75 of the 10th of June,  
in which you discussed the general  
recommendations of the Expenditure  
Advisory Committee embodied in  
paras.41-76 of their report, and asked  
for my decision on the two main  
points, ~~as~~ the recommendation that  
free quarters should be abolished  
and officers required to pay rent  
in future, and that the <sup>proposed reduction of 20%</sup> pension  
constant should be reduced from

180ths to 500ths.

2. It is not quite clear

I have informed you of my  
general decision in my telegram  
No 168 of the 5<sup>th</sup> of August, and  
I shall now proceed to show you  
out out the reasons  
reasons for the decision  
which others I have had in mind.

whether it is being suggested

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shackburgh.

Parlt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

*Omit: Kenya has just asked for two.*

*Any such officers will expect to be appointed on the present terms as regards both ~~salary~~ salary and prospective pension and these terms will be offered to the two cadets for whom you have asked in your telegram No 153 of the 6<sup>th</sup> of August.*

**DRAFT.**

to alter them now. This point,

however, does not affect Kenya,

since it is not proposed to recruit

any cadets for Kenya at the present

selection. ]

4. The adoption of a new

pension constant raises the

question of officers promoted

either within Kenya itself or

transferred to Kenya from the

service of another territory in

the East African group. As regards

the officer promoted in Kenya it

would, I think, be inequitable

to require him to accept reduced

pension terms as a condition of

promotion or transfer from one

department to another and, further,

having regard to the desirability

of inter-change, and to what

almost amounts to the necessity

of having uniform terms in force

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

**DRAFT.**

practical effect of the provision of free quarters is in the ultimate pension drawn by officers on their retirement. That pension is increased by an amount corresponding to the value of the free quarters for pension purposes. I have already agreed to the reduction of the pension constant from  $\frac{1}{480\text{ths}}$  to  $\frac{1}{600\text{ths}}$  and the effect of that reduction will be to reduce the pension an officer may expect to earn by 20%, which amounts to more than the 15% addition which is allowed in the case of East Africa in respect of free quarters. It will thus be realised that to reduce pensions by reduction of the pension constant, and at the same time to do away with the provision

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

**DRAFT.**

to free quarters which has been in existence since the services of East and West Africa came into being. It follows, therefore, that any alteration in these terms <sup>would</sup> will affect Kenya alone, and I submit that it would have a disastrous effect upon recruitment in that territory. I am already informed that service in Kenya ~~is~~, which at one time was generally regarded by candidates as the most desirable part of Tropical Africa, now appears to have definitely lost its attractiveness. An increasing number of candidates who present themselves for appointment express a preference for other territories, even <sup>4</sup> though they do not say definitely that they do not wish to be considered for appointments in Kenya. I regret that this

state

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

DRAFT.

uniformity in the Colonial Service.

In the case of a homogeneous group

such as that formed by the East

African territories it would, I think,

be a retrograde step to have <sup>varied</sup> ~~wide~~,

terms of service in force in

different parts of the ~~whole East~~

~~African~~ group. ~~This is an added~~

~~argument to the need for uniformity~~

~~in terms of service to~~ the other

considerations which I have had in

view and, ~~accordingly~~, I am

definitely of opinion that the

balance of advantage <sup>lies</sup> ~~is~~ in maintaining

the present terms of service so far

as the provision of quarters counting

for pension is concerned. Officers

serving in Kenya have already been

affected adversely by the levy on

their salaries and future entrants

will be affected by reduced pensions.

Mr.

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Parlm. U.S. of S.

Parly. U.S. of S.

Secretary of State.

**DRAFT.**

This compares with the present salary beginning at £400 a year and rising to £920, and I note that at the Governors' Conference it was suggested that £350 a year would be sufficient as a commencing salary for cadets, provided that the attraction of the service were maintained by raising the maximum of the long scale to £1000 a year. I realise, of course, that the rates suggested by the Expenditure Advisory Committee presumably were meant to be inclusive of quarters and to involve the payment of rent, but I am of opinion that, in that case, a commencing salary of £350 a year would be definitely too low to attract desirable recruits.

after deductions for salary levy, rent, and contributions to the Widows' & Orphans' scheme the initial salary actually drawn would be substantially reduced.

11. On full consideration I am prepared to agree to the reduction of the commencing salary of cadets

Mr.

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Perm. U.S. of S.

Party U.S. of S.

Secretary of State.

**DRAFT.**

~~The Department have decided  
that it is not the policy to  
select further into  
Administrative Service~~

I have, in ~~para~~ the third para. of this  
desp., explained that the existing  
scale of salary must be applied  
to the cadets who will be selected  
this autumn to enter the service in 1934.

is also necessary to provide a salary which will attract to the service of Kenya officers of the best type available. I am satisfied that further reductions could only result in a lowering of the whole standard of the service throughout Kenya, and I am sure that no one would wish to see such a result produced by any measure of economy.

12. A decision to reduce the commencing salaries of the Administrative Service naturally involves some revision of the commencing scales of other branches of the Colonial Service, and I shall be glad to learn your views on that subject.

I have, etc.,

(Sgd) P. OUNLIFFE-LISTER.

C. O.

Mr. Freeston 3/8/33

Mr. Flood. 4.8.

Mr. Calder. 5.8  
Mr. Jeffries 5/8  
Mr. Parkinson.

X Mr. Tomlinson. 5/8

X Sir C. Bottomley. 5.8 *claw*

Sir J. Shuckburgh.

Perm. U.S. of S.

Partly. U.S. of S.

Secretary of State.

**DRAFT. TELEGRAM.**

GOVERNOR.

NAIROBI.

Recirc.

No. 768 Confidential.

Your despatch 75 Confidential

After full discussion with  
Governor and having regard to  
necessity of maintaining uniformity  
in interests of future recruitment  
I have reached following decisions.

(a) Pensions constant to be

$$\frac{1}{600} \text{ths} \text{ instead of } \frac{1}{480} \text{ths}$$

This will apply to all new  
entrants and to all officers  
transferred to Kenya from outside  
East Africa. Officers promoted  
in Kenya or transferred from  
~~other East African territories~~  
~~Uganda or Tanganyika Territory~~  
will retain existing pension terms.

(b) Free quarters and house  
allowances to be retained.  
Abolition, with consequential

further

further reductions in pension, would render

Kenya service too unattractive.

(c) Salary scale for administrative officers

to be £350 for two years then subject to

confirmation £400 - £450 - £500 then by

£25 to £600 then £660 by £30 to £840 then by £40 to £1000.

Full explanatory despatch follows by air mail.

But I have no objection to immediate publication of foregoing

decisions, which are being applied also to ~~Kenya and~~

~~Tanganyika Territory.~~ O.K. East African Government  
being informed.

Secer.

Scale of salary for officers of the Colonial Administrative Service.

The question of revising the scale of salary for officers of the Colonial Administrative Service serving in East Africa has been considered in the light of the following views expressed by the local Governments:-

(1) The recommendation of the Governors' Conference that the salary should be £350 in the first year, £400 in the second, then £475 to £1000, with free quarters.

(2) The recommendation of the Kenya Expenditure Advisory Committee that the scale should be £350 for two years, then £500 in the fifth year and £1000 maximum but without free quarters (6 per cent of salary being charged as rent).

(No 2 on 9/60/6/33)

(3) The recommendation of the Acting Governor of Tanganyika that as a temporary economy the initial salary should be £300 (as recommended by Sir S. Armitage Smith) rising after two years to £400 and then by £40 to £600.

(4) The recommendation of the Governor of Northern Rhodesia that, as a temporary measure, the initial salary should be £300.

In considering these recommendations, certain basic factors have to be taken into account:-

(a) The substantive scale throughout the East African territories must be uniform. Special stress has been laid upon this point by the Governor of Kenya. If any Dependency were to offer lower substantive rates than the rest, it would necessarily have to stand in a different category in the matter

recruitment.

(b) The scale must be reasonable in itself, and bear a reasonable relation to the scales in force in the Colonial Service outside East Africa, as well as to those offered in other careers open to the same class of candidate. On the latter point, the available evidence shows that the Colonial Administrative Service can afford to sacrifice little <sup>or nothing</sup> of its present material attractions without serious risk of a loss in quality.

(c) The scale must be considered as part of the scheme of conditions of service, and especially in relation to pensions. It is already generally agreed that the pension fraction should be reduced from 1/40th to 1/50th of pensionable emoluments for each year of service, and this represents a substantial reduction in the pension prospects of the officer. Such a reduction - which is most desirable from the point of view of the future financial position of the territories concerned - cannot be successfully introduced if it is accompanied by serious ~~reductions in emoluments~~ <sup>reductions in salary or pensionable emoluments.</sup>

Having regard to these considerations the following conclusions have been reached:-

(1) Quarters. It is doubtful whether it would really be practicable to abolish the privilege of free quarters in Kenya, and it is certain that it would not be practicable to do so throughout East Africa as a whole. The charging of rent for quarters would reduce the salaries far below those payable to corresponding officers in other services where free quarters are not allowed. The disappearance of the value of free quarters as a

pensionable

17  
pensionable emolument would still leave above the prospective pensions which are allowed to be retired by the change in the pension fraction.

Therefore, the practice of allowing free quarters and rent in the territories concerned is a desirable feature and the available emoluments should be maintained.

(2) Initial salary. It is not clear whether those who propose £2000 contemplate that it should be subject to levy. It is however considered that whatever salary is fixed should be subject to levy like other salaries, and that no artificial distinction should be made. There is clear evidence that, even if exempt from levy, £2000 would be insufficient in many parts of East Africa, if not all, to enable an Administrative Officer to live free from serious embarrassment during his first year (especially as other allowances have been abolished). [Moreover it is an important question of policy to pay the officer of the Colonial Administrative Service at a somewhat higher rate than officers of other non-technical services. If the Administrative Officer is to be reduced to a bare living wage, it will be impossible to maintain this very desirable distinction.]

Again, it is necessary to bear in mind that the budgetary effect of reducing the initial salary of cadets is practically negligible, and that the existing minimum of £400 (less levy) already compares unfavourably with the initial salaries of other services, e.g.

West Africa	£450 (with free quarters)
Malaya	£490 ( " " " )
Hongkong	£450 ( " " " )
India	£540 (less deductions)
Sudan	£480 ( " " " )

For

For these reasons there are strong arguments for retaining the existing initial salary of £400 (less levy). If some reduction is essential, £350 is the absolute minimum that can safely be contemplated, and this only as a temporary expedient. It is however considered that the commencement of the incremental scale should be £450 instead of £475 as at present rising by annual increments of £25 to £600 and then as in the standard scale for the unified service. The following table shows the effect of this arrangement:-

	Existing scale	Governors' Conference	Proposed Scale.	
1st year	400	350	400	(or £350)
2nd "	400	400	400	"
3rd "	475	475	450	
4th "	500	500	475	
5th "	525	525	500	
6th "	550	550	525	
7th "	575	575	550	
8th "	600	600	575	
9th "	630	630	600	
10th "	660	660	660	<sup>x</sup>
Total cost	5,315	5,265	5,135	(or 5,035)

<sup>x</sup> Double increment as provided in the unification scheme.

(3) Maximum salary. This should be £1000, instead of £920 as at present. This figure was recommended by the Warren Fisher Committee and

has

*Candidates will opt for the old terms under the arrangement indicated above in the following section.*

18  
has been accepted by the Governor's Conference. The reason for introducing it now is that <sup>it</sup> has no immediate financial effect, <sup>and</sup> provides from the point of view of the officer - and more particularly from the point of view of the candidate - a certain offset to the reduction in pension prospects resulting from the change in the pension fraction, thus making it less likely that

(4) Application of new terms. It is proposed that the new pension fraction and any revised salary scales should apply to <sup>all</sup> officers appointed or transferred to the East African services on or after the 1st January 1934, but not to officers previously in the service of any East African Dependency. <sup>and</sup> ~~this general rule~~ <sup>in addition</sup> should however be subject to certain observations: <sup>(other than administrative cadets)</sup>  
(i) Officers selected for appointment or transfer after the present decisions are taken should be required to accept the new pension terms even if they take up their appointments before the end of the year.

(ii) The case of administrative cadets presents special features. The selection of these is now proceeding, and their applications have been made in the light of the old conditions. They will not, however, take up their appointments until next year. In the circumstances they cannot properly be compelled to accept the new terms, but they should be offered them on the understanding that they may opt for the old terms if they so desire.

but

but that in that case they will not be entitled to proceed to the £1000 maximum. Those who accept the new terms should also be informed that if possible they will be given prior consideration as regards any mitigation or withdrawal of salary levy.

This despatch, which unfortunately has to be dealt with in a hurry, raises important questions affecting the whole of the service in East Africa. It arises out of the report of the Expenditure Advisory Committee, which Committee was composed of three officials and three unofficials and two of the unofficials, ~~the~~ Lord Francis Scott and Major Cavendish-Bentinck, put in an addition to the report recommending that a further definite cut on all departmental expenditure should be enforced in 1934, which they suggest should be on an average of 5%, and that further temporary reductions should be made in the scale of emoluments of all officers of Government by an increase of 4% in the present scale of the Levy on Salaries. They argue that the high cost of personal emoluments presents one of the great difficulties in balancing the budget, and they talk about "the present generous scale of salaries, house allowances, and the existing pensions constant".

The position in Kenya is the usual one wherever there is an unofficial European community. When times are prosperous, the unofficial sneers at the official as being an unenterprising person who is content to accept wholly inadequate emoluments, but when times are bad, the cry goes up from the unofficials that they are being taxed to keep a horde of parasites in luxury. There is nothing new in this. It has happened in the Straits Settlements and the Federated Malay States: it has happened in Ceylon, and it is happening in Kenya for the second time. There is, however, a real

real risk that some injustice may be done to the officials in Kenya if the Government goes too far in the direction of reducing their emoluments.

At the discussion Sir Joseph Byrne was emphatic that what was wanted was a decision one way or another. He said that he did not believe that the unofficial community would protest too much, whatever decision the S. of S. reached. He thought they might grumble for a week or two, but then they would find something else and would accept the situation quite calmly. He was quite convinced that it would be impossible to introduce terms of service in Kenya less favourable than those in force in the other East African territories, and urged that whatever decisions were taken should apply to the lot, and that it should be laid down from here that they were final until, at any rate, some general revision of Colonial Service terms was contemplated.

The recommendations dealt with in this despatch are those in Sections 41 to 76 of the report. The first one is with regard to quarters, where they recommend that the existing privilege whereby an officer is entitled to free quarters, or an allowance in lieu thereof, should be discontinued, and that officers should receive a consolidated salary and be required to pay rent at the rate of 6% p.a. of the minimum salary of their grade when in occupation of Government quarters. They go

on

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on to say that fulfilment of this recommendation would need an amendment of the legislation to provide that no addition is made to salaries on account of house allowance for the purpose of assessing pensions. (This last, however, is not the case, because if an officer does not get free quarters it is not a pensionable emolument.) As regards this point - the question of free quarters - it would be impossible to disentangle Kenya from the other territories in tropical Africa. It must always be remembered that a European officer there, of whatever grade, is a stranger in a strange land, and it is necessary to make service attractive to him if suitable persons are to be secured, who will be ready to accept service in Africa as their life's work. In the West African Colonies, and also in the East African Colonies, it can be said that there were no houses suitable for European accommodation until they were provided by Government, and it has been a standing principle of African service, both West and East, that Government should provide quarters - and should provide as good quarters as possible. To charge officers 6% rent for their quarters would be a very serious blow to the attractiveness of service in Africa, and would, I think, not be accepted by any Government excepting Kenya. There is the further point that the inclusion of an allowance for quarters as part of the pensionable emoluments enables officers to look forward to a reasonable pension on retirement, without involving the Government in undue expenditure in salaries.

The

The Expenditure Advisory Committee apparently envisaged that the salaries of officers affected should be put up in order to compensate them for the proposed abolition of free quarters.

As the Acting Governor points out, it is necessary to retain rates of salary and pension sufficiently attractive to secure the recruitment of the right kind of officer, and it is also the obvious duty of the Government to safeguard the existing rights of serving officers. The Acting Governor points out that there are serious doubts as to whether the salaries suggested by the Committee (2350 rising to £1000) would prove adequate if house<sup>rent</sup> at 6% is deducted, together with levies on salaries and income tax, and a suggestion has been put forward that quarters should continue to be provided, but should not be a pensionable emolument. This proposal is said to be likely to be unwelcome to the unofficers, because it will perpetuate the privilege of free quarters to which they object, though it would have the merit of a saving in pension. As I have pointed out above, the inclusion of quarters for pension purposes enables officers to look forward to a suitable pension without burdening the community with a large increase in salaries. In the Colonies where free quarters are not allowed salaries run higher than they do in Africa, and to attract suitable candidates it would be necessary for East Africa to offer much more than it does at present unless the service is to be at a

serious

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serious disadvantage compared with other places. However, it would be quite impossible to deprive officers already serving of their free quarters, or allowance in lieu, which was a distinct part of the terms of service on which they were appointed. It follows, therefore, that any economy which <sup>would</sup> result in the pension list would not be effective until officers appointed subsequently <sup>to the change</sup> ~~came forward~~ for pension, which would not be for many years to come. There is no saving to be looked for simply by saying that quarters are not free, because quarters are the property of Government, and Government does not pay rent for them.

For these reasons, we were of opinion that it would be impossible to withdraw the privilege of free quarters and, in particular, it would be impossible to justify its withdrawal in Kenya alone without taking into account Uganda, Tanganyika, Nyasaland, Somaliland, and Northern Rhodesia. ~~For that reason~~ It was agreed in the discussion that the privilege of free quarters should be retained and that house allowance, or the value of free quarters, should continue to be a pensionable emolument.

With regard to the pension constant, the Expenditure Advisory Committee recommended  $\frac{1}{300}$ th as against the present scale of  $\frac{1}{480}$ th. Three of the members suggested that the pension constant should be further reduced and fixed on  $\frac{1}{720}$ th, which they think is not ungenerous. The Governors' Conference at its recent meeting recommended  $\frac{1}{600}$ th and this is the scale laid down in the unification scheme at present under consideration.

Whatever

Whatever they may think in Kenya, the fact must be faced that service in East Africa is not so attractive as service in temperate climates, and that tropical service requires a higher pension ratio than service outside the tropics. The existing basis of  $\frac{1}{480}$  is based on the old Treasury practice whereby two years' service in an unhealthy climate counted as three for purposes of pension, and the adoption of  $\frac{1}{600}$  represents a considerable reduction.

The growth of the Pension Vote is, of course, the argument used for reductions, but that argument loses sight of the fact that, with the development of the tropical dependencies which took place during the last 30 years, staffs had to be increased, and it is only now that the effect of those increased staffs can begin to be shown in the Pension Vote. It may be expected, indeed, that pensions will go on increasing for some years to come, especially if medical science renders the pensioner more healthy on his retirement than he used to be. This fact must be faced, and I do not see how there can be any question of reducing the pension fraction below  $\frac{1}{600}$ . A further consideration is that no saving caused by a reduction in the pension constant could have any effect for many years to come until officers appointed under those conditions were due to retire on pension. There would be no immediate economy, and the effect on recruiting officers for service in Kenya might well prove disastrous.

The

22

The next point is the scales of salary for Administrative Officers (which, of course, will involve others in their train). The Expenditure Advisory Committee recommend a salary starting at £350, giving £500 a year in the fifth year of service and rising to £1000 a year. They recommend that the long scale should be done away with and that Kenya should revert to the old cadre system which was given up as inequitable many years ago, and which is generally considered as presenting very unsatisfactory features wherever it is still in force. It must be remembered that the Expenditure Advisory Committee's salaries are meant to be exclusive of quarters and have to carry with them a reduction of 6% for rent, so that comparisons are somewhat difficult. Sir Joseph Byrne pointed out that an initial salary of £350 as proposed would mean that the officer would actually draw £350 less 6% for rent, £221, less a further 6% (£21) temporary levy, less another 4% (£14) for Widows and Orphans' Scheme, or £294 a year in all. It will be quite impossible to expect an Administrative Officer to keep up his position on that salary in a place like Nairobi or any of the more important stations, though he might be able to do it in the bush. The present minimum is £400, and even on that it is alleged that officers find great difficulty in making both ends meet. For these reasons, it is generally considered that the scales suggested by the Committee are much too low. The Governors' Conference had suggested £350, rising to £1,000, but Sir Joseph Byrne is still of opinion

that

\* £315 4 6 is  
not charged rent

that the minimum was too low. It was generally felt in the discussion that uniformity could be secured by the adoption of the unification scheme's salary scale, which should be laid down from here for all the territories. The table annexed to Mr. Grossmith's memorandum shows that the unification scheme is less expensive than the existing salary rates, but it is not so cheap as the Advisory Committee's proposals (again not taking into account the fact that the Committee envisages deductions for house rent). For that reason it was agreed to recommend that the unification scheme should be applied now to East Africa.

I do not think it necessary to minute further. What is required is a decision which can be justified on the facts and adhered to, whatever may happen. There will be no opposition from other territories, and Sir Joseph Byrne does not think that the unofficals will oppose too strongly in Kenya, especially if it were made clear to them that people are not falling over each other for the privilege of going to Kenya to be abused by the unofficial community. In the past they have repeatedly insisted upon the need for having the very best men they could get, and the proposals put forward by the Expenditure Advisory Committee certainly won't go far in the direction of securing what they want. I submit a draft despatch with some considerable hesitation.

The situation has now been altered as regards the salary scales because Tanganyika wishes to select a certain number of cadets and proposes to alter their initial salaries as low as £300 a year. I do not see how Kenya could accept this rate in view of what Sir Joseph Byrne has said, and we may be driven back on the Governors' Conference proposals starting at £350. This point will require consideration in consultation with the Tanganyika Department, but a decision on this particular matter is not so urgent as <sup>one</sup> in connection with house allowance for the reason that Kenya is not taking any cadets this time. In discussing the salary scales Major Nurse was of opinion that any cadets selected now for next year should be given an option between the existing terms and any new terms that might be proposed before taking up their appointments, and if this view is accepted it will not be practicable for Tanganyika to put down its salary too low. In the meantime the necessary thing is to give Kenya a decision as regards quarters and pension fraction. It is necessary to give reasons at some length.

*Yes - I believe this was the right - a bit more to be done than to bring in the £1000 minimum if you think it is better now. a.c.*

*J. L. G. Hand*  
279-33

Note of a discussion in Mr. Tomlinson's room on the 13th of July, 1933, regarding the terms of service in the Kenya "Overseas" Service

Present:-

- Sir Joseph Byrne (Governor of Kenya)
- Mr. Parkinson
- Mr. Tomlinson
- Mr. Flood
- Mr. Jeffries
- Major Furse
- Mr. Freeston
- Mr. Bevir.

Sir Joseph Byrne, in opening the discussion, made it plain that he was prepared to agree to any recommendation which would provide for uniformity in the terms of service in the Administrative grades in East African Territories. He felt that any attempt to introduce reduced terms in Kenya, ~~under~~ <sup>also</sup> ~~without~~ such terms were introduced in other East African Territories, would be an injustice to Kenya officials. *if reduced terms were not*

*Considered practicable for the other Dependencies, he saw no reason for differentiating against the Kenya official.*

Sir Joseph pointed out in this connection, that in Kenya the position was somewhat delicate in view of the fact that the official members of the Kenya Economic Advisory Committee had all agreed to the Committee's recommendations. These members had, however, since signing the Economic Advisory

Committee's

Committee's Report retracted from the recommendation for the abolition of free quarters.

Quarters.  
E.A.C. Report  
paras. 43 and 44.

That Officers should receive a consolidated salary and be required to pay rent at the rate of 6 per cent per annum of the minimum salary of the grade in which they are serving when in occupation of Government quarters.

The privilege of free quarters or an allowance in lieu (pensionable) is general throughout Tropical Africa. Sir Joseph Byrne expressed the opinion that once rent is charged hopeless confusion would arise. The effect of the abolition of house allowance in Kenya, in addition to the introduction of a reduced pension constant (see E.A.C. Report, para. 71) would be to impose a double cut.

It was generally agreed that the privilege of free quarters should be retained and that house allowance <sup>or the value of free quarters</sup> should ~~remain~~ continue to be a pensionable ~~entitlement~~.

Pension Fraction.  
E.A.C. Report  
para. 71.

It was generally agreed that the pension constant for new entrants <sup>& the senior of all the E. African Dependencies</sup> should be <sup>500</sup> 480 instead of 1/4th as at present. This follows the recommendation of the Governors' Conference.

Salary Scales for  
new entrants.  
E.A.C. Report  
paras. 60-62.

Sir Joseph Byrne expressed his desire for uniformity in East Africa in this connection, and was most anxious that a decision should be reached.

The

The salary scale recommended by the Economic Advisory Committee was compared with

- (a) the existing scale;
- (b) the scale recommended in the Colonial Administrative Service scheme of unification;
- (c) the scale recommended by the Governors' Conference.

A comparative table of these four scales is annexed.

Sir Joseph Byrne said that an officer might be able to live on a salary of £350 per annum in some districts of Kenya, but that it would be quite impossible to live in Nairobi on that salary.

A station allowance would not be practicable in Kenya.

It was pointed out that the initial salary in West Africa is £450 and that if the initial salary were to be reduced to £350 in Kenya the effect <sup>might be</sup> ~~would~~ be detrimental to recruitment for Kenya.

Major Furse reiterated his views (see minute on the file).

In the interest of <sup>and on general grounds</sup> uniformity, Sir Joseph Byrne was prepared to agree to the introduction of the salary scale in the Unification Scheme. <sup>& agreement</sup> it was decided that <sup>if agreement could be</sup> reached with the Governments of the other East African Dependencies <sup>and Treasury approval obtained in the case of Tanganyika</sup> a despatch should be sent to Kenya saying that the Secretary of State had decided that

the

*x* as noted by Gen. W. G. ... *x*

*subject to any special circumstances affecting*



Table showing salary paid during first five years' service.

<u>Existing.</u>	<u>E.A.C.</u>	<u>Governors' Conference.</u>	<u>Unification Scheme.</u>
£	£	£	£
400	350	350	400
400	350	400	420
475	400	475	440
500	450	500	460
525	500	525	480

Draft Report of a discussion held in Mr. Flood's room on the 30th of June regarding recommendations from the Officer Administering the Government of Kenya for the revision of the terms of service for officers in Kenya.

*(OAG's Confidential despatch No 75. 20/6/32. 20/6/1/21 Kenya)*

Present:

- Mr. Flood
- Mr. Jeffries
- Mr. Calder
- Major Purse
- Mr. Cooke
- Mr. Freeston.

Kenya Economic Advisory Committee recommendations.

Sections 60-65 of the Report.

Mr. Flood said that the abolition of the privilege of free quarters had become an obsession with the unofficials in Kenya. He questioned whether the present initial salary (£400) would prove adequate if house allowance was discontinued having regard to the present salary levy, income tax and/or new poll tax, and contribution to Widows and Orphans Fund.

Mr. Freeston said that he understood that many of the young officers in Nairobi were unable to live on their present salaries and had contracted debts.

As regards the reduction to £350 in the initial salary it was generally agreed that the saving to Governments would

be negligible in view of the very small number of new appointments being made.

The revised pension fraction of  $\frac{1}{600}$  this recommended by the Economic Advisory Committee was the same as that recommended by the Governor's Conference.

The question of how far the present Kenya terms of service could be altered without affecting the terms in the other East African Dependencies was discussed. It was generally agreed that the privilege of free quarters could not be discontinued in Tanganyika, Uganda Nyasaland and Northern Rhodesia and that the Committee's recommendation for the discontinuance of house allowance was impracticable.

Mr. Flood then turned to the important question of the effect on recruitment if the reduced terms of service were introduced.

~~Major Purse said that as regards recruitment in Kenya the position at present is that candidates are placing Kenya last in the order of selection, whereas previously they had always placed Kenya first. He was prepared to submit a written note later if necessary. He said that the prestige of the Colonial Service at Oxford and Cambridge was increasing, and as a result the best possible men were being attracted to the Service. The number of vacancies however was very small owing to the reduction in expenditure by Colonial Governments. The vacancies in East Africa in no way compared with the annual wastage. He felt that if further cuts in salaries and allowances were introduced the first class men would turn to the business world where far better terms were being offered.~~

*Please substitute 'A' RST. See sheet A below*

Kenya offered about the worst terms of any Colony.

Mr. Freeston asked if a comparative statement could be prepared for Kenya's information. Major Furse agreed to furnish a statement. He said that if cuts must be made, it would be necessary to state publicly the purchasing power of £350 in Kenya. He asked that if £350 was to be the initial salary, the maximum should be increased to £1,000 and that the revised terms should not affect men selected this year.

*rather than worsening conditions of service.*

Mr. Calder said that <sup>the African</sup> all the Colonies were overstaffed and <sup>suggested it might be possible to effect economy by</sup> the best way to cut down expenditure was to stop recruitment for a period. Major Furse pointed out that fluctuation had the worst effect on recruitment, and that it was better policy to keep recruitment low than to stop it altogether for a period.

O.A.G.'s second alternative proposal.

Mr. Flood explained that the O.A.G.'s second alternative proposal was that scales of salaries based on those set out in paragraph 48 of the scheme of unification of the Administrative Service should be adopted, and that free quarters should be provided, but that no addition representing the value of free quarters should be made to the basic salaries for the purpose of computation of pensions.

Mr. Jeffries pointed out that the Governors' Conference had agreed that the initial salary should be £350 and that the pension fraction be reduced to  $\frac{1}{800}$  th. If these recommendations were to be adopted it would be a hardship if pensionable emoluments were reduced too. Mr. Jeffries referred to <sup>an arrangement</sup> ~~a proposal~~

*recently approved in*

wholly in the case of certain posts  
Gibraltar ~~they~~ a nominal rental of 1 per cent per annum  
of salary ~~should~~ be charged for Government quarters in order  
that the quarters should not be regarded as free, thus avoiding  
any addition to the basic salary for pension purposes.

It was thought that such a scheme might be  
considered for ~~adopted in~~ East Africa but only <sup>as regards</sup> salaries over £1,000 per  
annum, and ~~subject to some adjustment~~

which would  
safeguard  
officers against  
a loss of  
pensionable  
emoluments  
on promotion.

~~It was agreed that if new terms were introduced  
they should not apply to officers already serving in Kenya.~~

Mr. Flood thought that the discussion could  
not usefully be pursued until after Sir Joseph Byrne had been  
consulted. Sir J. Byrne is due to arrive in London about the  
9th July.

Conclusions reached.

That the recommendation of the Kenya Expenditure  
Advisory Committee for the discontinuance of <sup>the grant of free quarters</sup> house allowance  
was impracticable.

Administrative  
Service scale.

That the recommendations of the Governors'  
Conference should be accepted for East Africa generally,  
as regards ~~the pension fraction and the~~ <sup>the grant of free quarters</sup>  
That a scheme might be considered whereby officers  
in receipt of a salary of over £1000 should be charged a nominal  
rental for Government quarters, thus avoiding any addition to the  
basic salary for pension purposes.

~~That the proposed new pension  
scheme should not apply to officers already serving in  
the service.~~

As regards the application  
of any new terms to officers  
already in the service, it was  
agreed that there could be no

question of compelling officers who are serving on the present East African pension conditions to accept a reduced pension fraction, even on promotion. The question of giving officers an option to accept new pension terms would depend upon what compensating advantages could be offered. It was not however considered that if the principle of consolidated salaries (i.e. without free quarters) were accepted for the higher posts, any objection could be raised to requiring officers to accept such salaries on promotion, <sup>provided that the promotion was made worth while.</sup> Reference was made in this connexion to the consideration which had been given to similar problems in the case of Ceylon and West Africa.

Copy on 4100/1 E.A. (Salary Scales Revision)

MEMORANDUM.

The immediate points for consideration are first the Kenya ~~Government~~ <sup>Government Expenditure</sup> Advisory Committee's proposal to abolish the privilege of free quarters for Government officials; and secondly the Tanganyika Government's proposal to reduce the initial salary of Administrative officers from £400 to £300.

It is desirable to consider these matters together since in the first place the Government services in East Africa are so closely associated that nothing can be done in one territory without considering the effect upon other territories, nor is it possible to deal with one branch of the service without considering the effect upon other branches; secondly, the conditions of service hang together and should, as far as possible, be considered as a whole, especially as regards salaries and pensions.

In so far as any alterations in conditions of service are dictated by the desire for economy, it is necessary to distinguish between measures designed to assist the Government in dealing with <sup>a</sup> temporary emergency, and permanent alterations in conditions of service which would affect the whole careers of officers joining under them.

Bearing these considerations in mind it seems desirable to begin an examination of the problem by discussing the question of the pension factor. There is general agreement that for new entrants to the Service this should be reduced from  $\frac{1}{450}$ th, as at present, to  $\frac{1}{600}$ th. This was ~~strongly~~ <sup>firmly</sup> recommended in the

the Unification Scheme it corresponds actuarially to the existing pension rate of tropical Colonies outside Africa and it has been accepted by the East African Governmental <sup>Conf</sup> Conference as appropriate to East African conditions. Its adoption will in the course of time mean a very substantial saving in the pensions bills of the Governments concerned as compared with the commitments which they would incur if the present rate were maintained. It is however, obvious that the full effects of the change will not be realised for many years to come and that the new policy will be of little assistance in dealing with the financial situation of the present and the near future.

At the same time it must be very carefully borne in mind that the ultimate saving to Government means an ultimate sacrifice on the part of the officer, whose prospective pension will be reduced by 20% as compared with what he would get under present conditions. This is a very substantial reduction in the attractiveness of the Service and if it is to be made, it is necessary to consider very carefully whether it is <sup>practicable</sup> ~~possible~~ at the same time to reduce the attractiveness in other directions or whether it may not <sup>even</sup> be necessary to allow some compensatory privileges in other directions if the attractiveness of the Service and the maintenance of an adequate standard of contentment and efficiency are not to be unduly imperilled.

All available evidence points to the fact that, so far as concerns the attractiveness of the Service to recruits of the type which it is desired to ~~secure~~ <sup>secure</sup>, there is very little margin for reductions

reduction in the emoluments and privileges offered. It is no less clear that any reductions in one East African dependency which are not so plainly justifiable as to be capable of being laid down for all can only prejudice the interests of that dependency to a degree which would not be proper for the Secretary of State to contemplate. Turning, then, to the question of free quarters, it may be pointed out that:-

- (1) their abolition would still more depress the prospective pensions;
- (2) it would be impossible to contemplate the proposal as regards any dependency other than Kenya, and its adoption in Kenya would be prejudicial to the interests of Kenya;
- (3) the only effect of withdrawing the privilege would be that in the long run officers would have to be paid sufficient extra salary to balance the payment of rent, and no real economy would result.

As regards scales of salary, these again must be taken as a whole and considered in relation to other conditions of service. It will be convenient to take the Administrative Service scale as the basis and subsequently to relate other scales to it. The first point to note is that in view of the reduction in the pension fraction, which means that an officer will take 25 years instead of 20 as now to qualify for a pension of half his salary, there is strong reason for urging that the maximum salary should be raised to the figure of £1,000, which was originally recommended by the Warren Fisher Committee on general grounds and which has been accepted by the East African Governments' Conference.

As regards the starting salary the present rate is £400 for 2 years. The Governors' Conference recommended £350 in the first year £400 in the second; the Tanganyika and Northern Rhodesia Governments proposed £300. The essential point about the starting pay is that it should be one which can be confidently and truthfully represented to a recruit as enabling a young officer to live free of debt in reasonable comfort and to meet his initial expenditure on outfit. It is not clear that those who proposed an initial salary of £300 have taken fully into account the various compulsory deductions in salaries and the fact that outfit allowances have been abolished. Again while there are, no doubt, variations in the cost of living between the different territories and between different stations in the same territory, it is clear that not only are there great advantages in uniformity, but that if one territory offers a lower starting pay than another, it is definitely <sup>less</sup> likely to secure the right type of recruit. The scale of salary suggested in the Unification Scheme begins at £400, but shows a saving over the first five years of service of £100 as compared with the existing scale, and £50 as compared with the proposals of the Governors' Conference. Taking all relevant points into consideration it would seem to be undoubtedly the best course to adopt the unification scale as it stands for the whole of East Africa as the permanent and substantive scale to be offered to new entrants, coupled with free quarters and the new pension constant, and on the understanding that each Government is free to make the salaries paid subject to such temporary levy <sup>or</sup> ~~and~~ abatement as may be necessitated by local financial stringency.

(A)

Major Furse called attention to the fact that during the last year or two there had been a notable decrease in the popularity of Kenya with the best class of Administrative candidate. Whereas a few years ago most of the best candidates would probably have placed Kenya top or at any rate high in their order of preference, this did not often happen now and quite a number had shown an obvious disinclination to go there if they could help it. Mr. Preston asked if it would be possible to produce comparative statistics on this point. Major Furse said he would see if anything of the kind could be done, but was not sure that it would be possible to spare the time for the necessary search amongst files at any rate until the recruiting season was over.

Major Furse went on to some general comments on the recruiting situation. He said that during the last few months he had been making fresh enquiries, especially in Oxford and Cambridge, with a view to trying to see what effect a permanent reduction in the attractiveness of conditions of service might have on recruits. ~~recruits~~ In general it appeared that the prestige of the Colonial Administrative Service had been steadily rising, independently of the slump, and had been steadily approaching the position of taking the lead amongst careers sought after by the type of man required. The maintenance of a measure of recruitment through the slump had increased the prestige of the Service, and greatly helped to offset the adverse effect caused by retrenchment. But the Appointments Boards of both Universities felt that the Colonial

Colonial Service could afford to give away little, if anything, in the way of conditions if it was to continue to attract the best material. We could get men at £350 but we should lose on quality. The effect of a temporary levy would be much less detrimental than the effect of a reduction in salary; even if the amount taken off ~~was~~ <sup>was</sup> the same.

The effect of a reduction would be mitigated if it were accompanied by a parallel and simultaneous reduction in competing services and business concerns. It would also have less effect if it could be combined with

- (a) raising the maximum of the long scale to £1000;
- (b) such a readjustment of the incremental rate as would enable a man to reach the figure on which he could hope to marry in approximately the same period as now ("a matter of prime importance" - Cambridge); and
- (c) the putting into full effect of the Unification scheme.

In general the effect of a cut would be less if it formed part of a general scheme of readjustment rather than if it stood alone; but even so "there may still be suspicions" (Oxford).

The Cambridge Secretary had made the point that any reduction should be accompanied by some definite public assurance that the lower scale was worth, in purchasing power, what the existing scale was worth before the slump.

*I don't see how this could be done.*

Major Purse  
What had struck ~~him~~ <sup>him</sup> most was the emphasis laid on the fact that we should stand to lose in our best class of candidate, the type of man we have only been getting in any numbers in the last year or two; and the fact that the best of the men we do not take at the moment but whom we should need if recruitment

recruitment worked back to 40 or 50 per annum in a few years time, have little difficulty in finding <sup>subs./partly</sup> employment even in present conditions. He had ascertained that almost all the best candidates for whom there was not room at last year's selection had succeeded in obtaining suitable employment between September and the end of last year.

If possible he would prefer that the emergency should continue to be met by temporary measures, and that permanent reductions of conditions should, if possible not be insisted upon until it was known that rival services and professions were also reducing the attractiveness of their conditions. He had not been able to find any <sup>sign of</sup> sign of this at present. If, however, it was decided that a permanent reduction must be ~~taken~~ <sup>made</sup> at once, then he thought the proposals of the Governors' Conference were worth careful consideration, provided they were taken as a whole and as part of the practical implementation of the Unified Services scheme. If these proposals were adopted it would be important, if possible, to give a public guarantee :-

- (a) that £350, is an adequate living wage for a single man including initial cost of kit.
- (b) that price levels had fallen so that £350 now can buy approximately what £400 would buy before the slump.

He added that in considering any reduction in East Africa, ~~the~~ possible repercussions both on the scales of the Administrative Service in West Africa, and of technical Services everywhere, would have to be borne in mind. Recruitment for the technical Services, other than Medical, was by no means in so strong a position as recruitment for the Administrative

Administrative Service. Considerable progress had been made during the last few years, but ~~it would~~ <sup>not be safe to assume that</sup> recruitment for ~~either~~ <sup>the</sup> Agricultural, Forestry or Veterinary Services had ~~not~~ yet reached the desired standard, even on the present conditions of Service.

Lastly he urged that if ~~x~~ reductions in the initial salary were adopted ~~it~~ <sup>the new conditions</sup> should not be compulsorily applied to the Cadets who were to be selected this summer. It is important not to rush a change of this kind on the recruitment centres at the eleventh hour, as it might give rise to suspicions and shake confidence. If the change were adopted it would be advisable that it should not apply <sup>compulsorily</sup> before the selection in 1934, and that sufficient time should be taken to advise the recruiting centres of the new conditions, and to explain the new terms and the reasons for them.

On the other hand if a new scale, to be generally adopted in 1934, was decided on now, it would be possible to offer any man selected this summer a choice of accepting service either on existing terms or on the new terms; and he thought that if a scale of 2350-400-475 and thence as in the Unification Scheme to 21000 with free quarters etc., as now, were adopted, it was quite possible that a proportion of the candidates selected this year would ~~be~~ opt for the new terms.

but on the reduced pension fraction,

Salary scales and new pensions fraction  
of Colonial Administrative Service.

Kenya proposals:

357 4002/33  
EA

In his despatch confidential 44 of the 14th of April the Governor stated that he concurred in the advice of the Executive Council that the conclusions of the Governors' Conference should be accepted by the Government of Kenya as an interim measure and without prejudice to the recommendations of the Expenditure Advisory Committee for the consolidation of house allowance in salaries, etc., the implications of which would require careful examination.

In short the Governor was prepared to recommend the immediate application of the following terms of service to future appointees to the Colonial Service in the East African Dependencies

- (a) initial salary scale of £300 per annum rising to £400 by the end of the first year, and to £475 by the end of the period of probation.
- (b) the introduction of a new pension fraction of 1/600th and, if necessary to secure agreement the raising of the maximum in the time scale to £1000;
- (c) the normal age of retirement to be 55 at which officers should retire automatically except in certain special circumstances.

The Governor now submits the following alternative proposals which are made in view of the recommendations of the Expenditure Advisory Committee.

- (1) First alternative proposal. To accept the proposals of the Expenditure Advisory Committee which are, in effect, that in the case of the Administrative Service the existing long grade should remain except

for a reduction to £350 in the case of initial salaries and an increase of the maximum from £920 to £1000. Salaries to be consolidated in the sense that free quarters or allowances in lieu should not be provided. Where an officer occupies Government quarters he should pay 6% of his salary for the privilege. Salaries to be basic for the purpose of pension computation and the existing addition for free quarters should cease to operate.

The Governor says that, were these proposals accepted as they stand, the consequential reduction in pension, though involving a considerable reduction from the pension obtainable under the Colonial Administrative Scheme, would still provide a reasonable pension for an officer retiring on £1000 a year (the maximum of the long grade) after 30 years service.

(2) Second alternative proposal. That scales of salaries based on those set out in para.48 of the scheme of unification of the Administrative Service should be adopted, (i.e.:

Class 3: £400 - £20 - £480 - £30 - £600.

Class 2: £660 - £30 - £840.

Class 1: £880 - £40 - £1000

with efficiency bars at £600 and £840,) and that free quarters should be continued to be provided as at present, or where not provided, suitable accommodation rented at the Government expense, but that no addition representing the value of free quarters should be made to the basic salaries for the purpose of computation of pensions.

This proposal is not likely to prove entirely acceptable to unofficial opinion inasmuch as it

will

40  
will perpetuate the privilege of free quarters with which they have consistently expressed their disagreement. Its merit lies in the pension economy.

(3) Third alternative proposal. To accept the terms of service recommended by the Governors' Conference.

A ruling is asked for as to how the application of any revised terms of service to new appointments should be interpreted, particularly with regard to promotions within the Colony, e.g. the case of a District Officer promoted to the post of Provincial Commissioner. The Expenditure Advisory Committee appear to contemplate that such promotion should be conditional on acceptance of revised terms.

Points for consideration:

The effect of the revised terms on recruitment.

The date of introduction of the proposed new terms.

Existing vacancies. — Super-scale vacancies  
In g. H. S.  
J. H. S.  
Treasurer  
Chief Justice

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Governors' Conference recommendations  
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Initial salaries.

That cadets should, in future, start in East Africa at £350 per annum rising to £400 by the end of the first year, and to £475 by the end of the period of probation.

Introduction of new pension fraction for European Officers.

The Conference generally agreed that the pension constant for new entrants should be 1/600th, on the understanding that the pension constant was not introduced unless the maximum of the time scale was raised to £1000<sup>a</sup> year as suggested in the scheme for unification of the Colonial Administrative Service.

Sir J. Byrne and Sir S. Symes hoped that attention would be paid by the Secretary of State to the recommendation in the scheme for unification of the Colonial Administrative Service that the maximum in the time scale would be raised to £1000 a year.

Northern Rhodesia proposals.

5562/33 N.R.

No. 1.  
24/2/53

The Governor pointed out that the Financial Commission recommended an initial rate for cadets of £350 per annum, but he considered that it should not exceed £300 as cadets were not worth more for their first tour. He asked that the rate of £300 per annum might be adopted as a temporary measure.

5562/33 N.R.  
No. 2  
9/5/53

The Governor was referred to the recommendations of the Governor's Conference and told that the Secretary of State proposed to defer consideration of the matter for the time being.

AIR MAIL.

C. O. F.

12th June, 1933.

Dear Tomlinson,

We are sending you by this same Air Mail a confidential despatch on the vexed question of Terms of Service, with what is now locally termed the Overseas Service. You may well suppose that after our last despatch in which we gave general support to the conclusions arrived at at the Governors' Conference, you would hear no more from us on the matter at least until we had had the Secretary of State's decision on the Governors' Conference proposals. You will recollect, however, that we did attach a rider that those recommendations, particularly in so far as the question of free quarters was concerned, were made without prejudice to considerations of any proposals that might be made by the Expenditure Advisory Committee. That Committee has now reported and has in effect recommended that in the case of the Administrative Service the existing long grade should remain except for a reduction to £350 in the case of initial salaries and an increase of the maximum from £960 to £1,000. They have, however, made an important qualification that those should be consolidated salaries in the sense that free quarters should not be provided and that where an officer occupies Government quarters, he should pay 5% of his salary for the privilege of doing so. There is also the important addition that they should be regarded as basic salaries for purposes of pension computation and that the existing addition for the value of free quarters should cease to operate. All this has been made clear, I think, in the official despatch and its financial implication commented on.

The point.....

*Gen. P. H. ...*

*In your information*

*Mr. ...*

The point of this letter is to explain why in Executive Council we adopted the line of action, which you may regard as somewhat pusillanimous, of asking the Secretary of State to give a final decision on the three possible alternatives suggested in the despatch without making any very definite recommendation ourselves as to which alternative we personally favoured.

There is no question that unofficial sentiment, whether justifiably or not, dislikes intensely the free quarters privilege and though in their present frame of mind Elected Members would probably say that a long grade of £350 to £1,000 shorn of all perquisites was quite sufficiently attractive for the service, they would in my personal opinion, if pressed, possibly accept some small addition to basic salaries in the lower grades if by doing so the free quarters principle were abolished, but as you of course know better than I do, such additions do obtain outside Africa generally in Eastern colonies and elsewhere, and it is clear from the terms of the other administrative services scheme that they are not necessarily incompatible with the suggestion of a unified Colonial Service, but the objections to pursuing this line of enquiry seriously in Kenya are that it would mean presumably another Committee and interminable bickerings and in the long run I imagine it is most unlikely that either Uganda or Tanganyika would come in. If they would not, I imagine you would agree that such a differentiation in terms of service would have an adverse effect on recruiting.

It is for this reason, namely, the fear of further postponement and delay, that the second alternative of continuing the privilege of free quarters but not.....

not assessing their value for pension purposes was put forward as a compromise. Frankly, it seems to me an illogical proposal, and its only merit is that it will of course tend to reduce our pension commitments, but if your pension experts at home see no objection to the proposal in principle it certainly might prove a half-way house between the proposals of the Expenditure Advisory Committee and those of the Governors' Conference. That, however, is, I think, agreed by all here is that a final decision, whatever it may be, is essential at a very early date and it will infuriate local opinion if as a result of these proposals you write back and tell us that they are receiving serious consideration but that the final decision cannot be given until the views of all the other Governments in the Empire have been received. The urgency is based both on the political considerations of the moment here, about which you are probably well informed, and also on the practical necessity of getting a date fixed from which new Terms of Service, whatever they eventually are, are to be enforced. The posts of Director of Agriculture and of Director of Medical and Sanitary Services are vacant, and those of Treasurer and Chief Justice are likely shortly to become so, while in connection with Provincial and Secretariat reorganisation there may be other senior posts also to be filled.

It is in my opinion of the greatest importance that any such fresh appointments should be made on the new Terms of Service, as it does afford us a real opportunity of reflecting economies without injustice to anyone and if the Government fails to take advantage of this opportunity we shall be accused of a deliberate breach of faith.

I have no doubt you will wish to consult Sir Joseph Byrne on this question and I believe he will be found to be in general agreement with what I have written. My excuse for writing is that he won't be home for some weeks.....

AIR MAIL



46  
GOVERNMENT HOUSE  
NAIROBI  
KENYA

KENYA

No. 75

CONFIDENTIAL.

10th June, 1933.

RECEIVED  
20 JUN 1933  
G. O. REGY

Sir,

I have the honour to refer to the Governor's Confidential despatch No. 44 of the 12th April on the subject of Terms of Service and to report that an opportunity has now been taken of reviewing the recommendations of the Expenditure Advisory Committee contained in Sections 41 to 76 inclusive of their Report.

2. The recommendations in the Governor's despatch under reference were made in the hope of reaching some finality in the solution of this difficult problem on a basis with which the neighbouring Governments were prepared to agree. It will be observed, however, that those recommendations do not go as far as those of the Expenditure Advisory Committee which suggests, inter alia, that pari passu with the proposed reduced pension constant "the existing privilege whereby an officer is entitled to free quarters, or an allowance in lieu thereof should be discontinued, and that officers should receive a consolidated salary and be required to pay rent at the rate of six per centum per annum of the minimum salary of the grade in which they are serving when in occupation of Government quarters."

This proposal was discussed recently in Select Committee on the Estimates for 1933 and it will be observed

THE RIGHT HONOURABLE

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

No 35  
11002/33  
EA  
in con. with  
Mr. Tomlinson  
D. Wood  
Rec. (7)  
Mr. Arnold (6)

No 10  
3070/33

in con.  
with  
Mr. Tomlinson

from Section 24 of their Report that Elected Members expressed the view that a Committee should be appointed to examine both the question of salary scales, the cadre system and salary consolidation in connection with the proposals made in Sections 60 to 65 of the Report of the Expenditure Advisory Committee. This proposal was discussed at the last meeting of Executive Council when it was considered that it would be premature to appoint such a Committee, at any rate until this Government had received an expression of your views on the points raised in the succeeding paragraphs of this despatch.

5. The proposals of the Expenditure Advisory Committee are clearly designed to effect economy in two ways :-

(a) By abolishing the existing privilege of free quarters and levying a rent of six per centum on the salary of an officer where Government quarters are occupied to effect a reduction in the current expenditure of Government, which in its imposition is really tantamount to a pro tanto reduction in the existing rates of salary.

(b) To reduce the ultimate pension commitments of this Government by the introduction of a lower pension constant and by eliminating the addition to pensionable emoluments for purposes of pension computation of the value of free quarters on the scales at present laid down.

Proposals such as these, designed as they are to effect economy both in present and prospective expenditure, must at the present time necessarily receive the very earnest consideration of the Government, and in particular the

prospective pension commitments of this Colony under existing regulations constitute a cause of anxiety which, I believe, is shared by neighbouring Governments. A solution of the problem is, however, complicated by the necessity both of retaining rates of salary and pension sufficiently attractive to ensure the recruitment of the right type of officer, and also the obvious duty of the Government to safeguard the existing rights of serving officers.

4. Were the Expenditure Advisory Committee's proposals to be accepted as they stand, the consequential reduction in pension, though involving a considerable reduction from the pension obtainable under the Colonial Administrative Service Scheme, would still provide a reasonable pension for an officer retiring on £1,000 a year (the maximum of the long grade) after thirty years' service. Serious doubts, however, have been raised as to whether the consolidated salary proposed by the Committee would, more particularly at the lower points of the long grade, prove adequate if house rent at six per centum is to be deducted in addition to the existing deduction for Widows' and Orphans' Pension Fund, particularly if the existing rate of levy on salaries, plus income tax or graduated poll tax, had to be paid in addition. To meet this objection an alternative suggestion was put forward that scales of salary based on those set out in paragraph 48 of the Scheme of Unification of the Administrative Service should be adopted and that free quarters should be continued to be provided as at present, or where not provided suitable accommodation rented at the Government expense, but that no addition representing the value of free quarters should be made to the basic salaries for

the purpose of computation of pensions. This proposal represents a compromise between the recommendations of the Expenditure Advisory Committee and the conditions of service suggested in the Colonial Administrative Service Scheme. The proposal is not likely to prove entirely acceptable to unofficial opinion in as much as it will perpetuate the privilege of free quarters with which they have consistently expressed their disagreement. Its merit lies in the pension economy that would result from its adoption.

In this connection the following examples illustrate the effect of the reduced pension constant coupled with the proposed house allowance under the Colonial Administrative Service Scheme as compared with the existing regulations and the alternative to which I have just alluded.

Assuming 30 years as the period of service under present pension rules, in the long grade the District Commissioner would get a pension of £897 based on a £920 retiring salary plus house allowance of £126 whereas on a retiring salary of £1,000 under the Colonial Service Administrative Scheme he would get only £672.

- (1) Thus £920 plus £126 (15% of £840 the minimum of his grade) =  
 $£1,046 \times \frac{2}{3}$  (maximum pension permissible) = £ 697
- (2) £1,000 plus £120 (suggested house allowance under Colonial Service Administrative Scheme) =  
 $\frac{£1,120 \times 50}{50}$  = £ 672

Similarly with a super-scale post of say £1,450

the following figures are of interest :-

- (1) £1,450 plus £217 house allowance (15% of salary) = £1,668.  
 $£1,668 \times \frac{2}{3}$  (maximum pension permissible) = £ 1,042

- (2) £1,450 plus £200 (suggested house allowance under Colonial Service Administrative Scheme) = £1,650.  

$$\frac{£1,650 \times 30}{1 \quad 50} = £ 390$$

In this connexion it should be borne in mind that the Expenditure Advisory Committee recommended for future entrants a reduction of the pensions constant to 1/600th and no addition to pensionable emoluments on account of house allowance. At the same time the Committee recommended that the maximum salaries of Administrative Officers should be £1,000. Examples of the effect of these recommendations on pensions are as follows :-

- (1) A retiring salary of £1,000 after 30 years' service with a pensions constant of 1/600th =  $\frac{£1,000 \times 30}{1 \quad 50} = £ 600$
- (2) A retiring salary of £1,450 after 30 years' service with a pensions constant of 1/600th =  $\frac{£1,450 \times 30}{1 \quad 50} = £ 870$

5. After considerable discussion the Governor, on the advice of his Executive Council, decided to lay the following three alternatives before you :-

- (a) To accept the proposals of the Expenditure Advisory Committee as they stand;
- (b) To accept the alternative proposal referred to in the preceding paragraph of this despatch; or
- (c) To accept the terms of service recommended by the Governor's Conference in my despatch under reference;

and to leave it to your decision to decide which of these three alternatives should be adopted.

6. In arriving at this recommendation the Council was actuated by the strong opinion that some finality in this matter was imperatively necessary and that while this

Government was naturally anxious to obtain the maximum economy possible, it was not in as good a position as yourself and your advisers to gauge the probable effect on recruiting of the proposals of the Expenditure Advisory Committee or the likelihood that you would be prepared to enforce their adoption by the neighbouring Territories. The urgent need for a final decision on this question is rendered the more imperative by the number of senior posts which happen at the moment to be either vacant or likely shortly to be vacant, and it is essential that any appointments made to them should be on the revised terms of service, whatever be the terms ultimately decided upon.

7. In this connexion, I should be glad of your ruling as to how the application of any revised terms of service to new appointments should be interpreted. In the case of an officer appointed from outside the Colony no difficulty, of course, arises, but the question does arise in the case of promotions within a Department or transfers from one Department to another within the Colony. The Expenditure Advisory Committee appears to contemplate that in the case of a District Officer promotion to the post of Provincial Commissioner should be conditional on acceptance of revised terms, both of salary and of pension. In my opinion the equity of such a proposal is open to doubt and I should be glad of an expression of your views in the light of the practice followed elsewhere. A distinction in practice may perhaps legitimately be made between promotion in a Department and promotion from one Department to another, e.g. transfers on promotion between Departments such as the Legal, Judicial, Customs or Treasury, and I should be glad also of your advice on this point.

In the meantime the question is being further examined

locally to see if it is practicable to formulate a scheme whereby the service of an officer so promoted within the Colony could be separated for pension purposes, any pension he has earned up to the date of promotion at existing rates being credited to him and the remainder so calculated that while he would not ultimately benefit in pension to the full extent that he would if promoted on the existing pension constant he would yet be better off financially than were he to remain without such promotion on the conditions on which he is serving at the present.

8. I would venture to express the hope that in considering the three alternatives in paragraph 5 above due weight will be given to the importance of securing an adequately paid, efficient and contented Service in Kenya. Personally I feel some doubt as to whether the proposals of the Expenditure Advisory Committee are sufficiently attractive to secure this. If, however, in your opinion conditions throughout the Empire are such as to make permanent reductions in existing rates of salary inevitable, there could of course be no objection to the terms of service for future entrants to Kenya being altered in the manner proposed, and the adverse effects on recruiting which are feared in certain quarters would presumably not be realised.

9. Finally, I would desire again to stress the urgency of a very early decision being arrived at in this matter and to express the hope that such decision may be communicated to me by air mail at the earliest possible date.

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

*W. L. Moore*  
ACTING GOVERNOR.