

EAST AFR. PROT.

44979

REC.
SEP 20 1916

44979

Governor
Belfield 525.

1916

CURRENCY NOTE GUARANTEE FUND.

23rd Aug.

Last previous Paper.

Reports upon position of ----- Promises
further report in three months time unless it
becomes necessary to report earlier.

500
24/8/16

* para. 10 of encl. to
27379.

Mr. Butler

I think there is some confusion in para. 4. The shortage of £23,008-7-6 was the shortage of the whole fund (including coin). The shortage or depreciation now reported is on the invested portion alone and amounts to £32,648-7-6 on the previous figures - viz.

Paid for members £281,283-10-3

Estimated value of fund £285,585-2-9

The total for the fund £32,648-7-6

and the difference between the £32,648-7-6 & the £23,008-7-6 (£9,640 or Rs 1,44,600) is what the coin shortage would have been if the coin portion had not been supplemented by interest on securities. Actually it was Rs 1,30,153 on 10th April.

Next subsequent Paper.

500
24/8/16

As regards para. 2, these figures include

include the depreciation of investments,
for these few months
which can be taken as constant at
the low figure of £22,703.7-4 or Rs 3,40,550
It thus was an excess on the coin
portion varying from Rs 2,10,358 in
May to Rs 2,85,397 in August.

The deficiency on the coin portion being Rs 1,30,153
in April, the coin portion had ^{therefore} been replenished
by Rs 3,40,551 by May, & as there was no change
in the note circulation (£525,833-6-8 - April -
with a sum of Rs 78,87,500 - May) this must
represent the cash advanced by Govt, & it would
seem, therefore, that the full advance of 5 lakhs
had been made. The figures in para 2
show that no further advance was made up to
August

P. Parth

29.9.10

Govt.

29.9.10

at all

Reduction in coin-
deficiency May-10
Rs 1,53,000

include the depreciation of investments,
for these few months
which can be taken as constant at
the low figure of £22,703.7.4 or Rs 3,40,550.

It thus was an excess on the coin
portion varying from Rs 2,10,398 in
May to Rs 2,85,397 in August.

The deficiency on the coin portion being Rs 1,30,153
in April, the coin portion had ^{been} replenished
by Rs 3,40,551 by May, & as there was no change
in the note circulation (£525,833.6.8 - April -
with same as Rs 78,87,500 - May) this must
represent the cash advanced by Govt, & it would
seem, therefore, that the full advance of 5 lakhs
must have been made. The figures in para: 2
show that no further advance was made up to
August.

Reduction in coin-
deficiency May-16
1/4
Increase in coin-
Rs 1,55,000

1 Oct.
29.9.16

Mac

29.9.16

at once

EAST AFRICA PROTECTORATE
No. 525.

GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA.

44979
REC'D
REC. 20 SEP 16

August 23rd, 1916.

Sir,

52
29379

In compliance with the request contained in the second paragraph of your despatch No. 450 of the 29th of June last I have the honour to report upon the position of the Currency Note Guarantee Fund.

- 20 -

2. In continuation of the tables shown in the Treasurer's statement, which was transmitted with my despatch No. 278 of the 12th of May, the following figures have been recorded:

Average monthly deficiency in the coin portion of the Note Guarantee Fund added to that of the Depreciation Fund.

	Rs.
For the month ended 10th May 1916	130,152
" " " " 10th June "	66,448
" " " " 10th July "	55,158
" " " " 10th August "	55,158

Average daily circulation of Currency Notes.

	Rs.
For the month ended 10th May 1916.	76,37,500
" " " " 10th June "	80,14,919
" " " " 10th July "	80,37,500
" " " " 10th August "	80,37,500

THE RIGHT HONOURABLE
ANDREW BONAR LAW, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W.

3. Further improvement in the position is anticipated in the near future upon the arrival of the fresh stock of currency notes, which is expected very shortly. The cessation of local hostilities and the departure of the greater portion of the troops will however cause a shrinkage in the circulation, and it is therefore advisable not to relax the precautions which have already been taken.

4. The following table has been prepared from the latest information which is available to show the present value of the Securities. This shows a slight reduction of £805.0.2 in the shortage reported at the time of my previous despatch.

		<u>Nominal Value.</u>	<u>Latest price.</u>	<u>Present Value.</u>
<u>Note Guarantee Fund Stock.</u>				
Transvaal	3%	56,263- 8-10	88	49,511-16- 6
India	3½%	45,641- 0- 4	80 $\frac{13}{16}$	36,863-12-11
Straits	3½%	80,634-15- 6	70	56,444- 6-10
S. Nigeria	3½%	60,552- 9- 6	70½	42,538- 2- 3
Queensland	4%	15,098- 4- 4	88½	12,807- 0- 2
Jamaica	4%	2,969- 6- 7	84½	2,512-15-11
War Loan	4½%	40,659-14- 5	95½	38,982-10- 2
<u>Depreciation Fund Stock</u>				
Transvaal	3%	8,278-11-10	88	7,285- 3- 2
Straits	3½%	2,782- 2- 1	70	1,948- 3- 5
Jamaica	4%	208-12- 2	84½	176-11- 7
				£. 248,890- 2-11
Add deposits	Depreciation Fund			9,640- 0- 0
			Total	£. 258,530- 2-11
Amount paid as per	Currency Records			£. 281,233-10- 3
Shortage or	Depreciation			£. 22,703- 7- 4

5. I propose to furnish you with a further report on this subject in three months' time unless some unexpected development gives me reason to think an earlier report is advisable.

I have the honour to be,

Sir,

Your humble, obedient servant,

Alway Bevan

G O V E R N O R .