

EAST AFR. PROT.
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REC'D
SEP 18

21
Sept 18

Issue of one rupee notes

1918

3 Sept

Report that it is becoming necessary to issue one rupee notes for general currency purposes. In view of this cash reserve diminishes below margin of safety, estimated 2% of India has already reported 10 lacs of these notes in 2 hours by same conditions have partially reached local currency position. Does not consider that any artificial restrictions or issue of notes will be able to be maintained.

Spindle

I am inclined to think that in view of this it will be best to approach the banks again in London & therefore give the three banks the gist of this telegraphic copy 10. of Sept 18 to come up to the tel copy that in the wires the 10. I think that it will be necessary to alter the arrangements made at a meeting if they consent, asking for early reply telling each that we are consulting the other two. A 5/9/18

Cal Bank of India
Cal Bank of Africa
Bankers Bank of India
Copy above to
10. of Sept 18
F. 11. 1918

Next subsequent Paper
11. 5
46013

Ind

20

Downing Street,
11 September, 1918.

DRAFT

The Secretary,

NATIONAL BANK OF INDIA, the payment of carriers in the E.A.P. and
NATIONAL BANK OF S. AFRICA
STANDARD BANK OF S. AFRICA. Uganda, I am etc. to inform you that the

MINUTE.

Mr. Robinson, *7/9*

Mr.

Mr.

X Mr. Grindle *9/6*

Mr. Lambert.

Mr. H. Bond.

Mr. G. Fiddes.

Mr. Haydon.

Mr. Long.

*ms
sent to
copy to
4/27/18*

With reference to previous copies sent to the supply of Indian 1 rupee notes for the payment of carriers in the E.A.P. and Uganda, I am etc. to inform you that the O.A.G. of the E.A.P. has reported that the restriction of the use of the notes for the payment of the carriers is causing discontent. Mr. Bowring has requested authority for using the notes for payments to other native employees, and *has been informed that Mr. Long is in favour of the proposal and has approved the proposal subject to the concurrence of the three banks.*

2. A further telegram has now been received from Mr. Bowring stating that, owing to the impossibility of importing specie, it is becoming necessary to use rupee notes for general currency purposes. ~~The local currency position has been somewhat improved owing to the fact that hoarded rupees have gone into circulation for the purchase of imported food by natives.~~ In these circumstances Mr. Long considers that it is necessary to modify the arrangements previously in force in the sense desired by the O.A.G., and he will be glad to learn at an early date that

the Banks agree.

3. A similar letter is being addressed
to the National Bank of S.A. and the Standard Bank of S.A.
Standard Bank of S.A. and the Nat. Bank of India.
National Bank of India and the Nat. Bank of S.A.

I am, etc.,

(Signed) H. J. READ