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Currency Exchange Problem

1919
Aug

Consider exclusively a matter for local
legislation and discuss Treasury
directions

Receipts

? not receipt

(The act cited in p. 11 is the
one fully and necessary
at this stage)

1919

etc

550
62, DRAYCOTT PLACE,

R.W.3.

18th August, 1916

The Under Secretary of State,
The Colonial Office,
Downing Street, S.W.

Sir,

E. E. A. Exchange problem.

With reference to the conference between Colonial Office and Treasury representatives of July 1st whereat I had the privilege of attending.

I have given the discussion at that conference most careful consideration and I wish to record my opinion that the arguments advanced by the Treasury representative entirely confirm my view expressed to you that the solution preferred by me on behalf of East Africa does not concern the Treasury but is exclusively a matter for local legislative enactment. The only serious objections raised by the Treasury were to the effect that:

- (1) the legalisation of Treasury notes as tender in East Africa would extend the use of Treasury notes.
- (2) there is no precedent for such action.

The answer to (1) is the Treasury representative's admission that there is no embargo on the export of Treasury notes and Colonel Amery's point that such extended use increases the support of Treasury notes and the process of free amortization arising from loss.

The answer to (2) is the fact that Treasury notes have been made legal tender in Jamaica (authority page 196, Handbook on Income Tax etc. published by the National Bank of South Africa 1915).

I am, Sir,
Your obedient servant,

Franklin D. Roosevelt

9/6652 Lab

DRAFT

MINUTE

14/1/19

the receipt of your
 letter of the 12th of August
 on the subject of the
 exchange ^{question} ~~has been~~
 as affecting British
 E. Africa.

2. The demands
 stated in your letter
 are noted

CHAS H. LAB