

1933

1933

KENYA

3208

CO 533/437

3208

The Currency Loan Ordinance.

Previous

RU 5740/32 RT  
4007/35  
EA

Subsequent

Reg 297	21/5
Form 300	21/6
S.C. 300	21/6
R. 311	21/6
299	21/6
297	21/6
Form 309	21/6
208	21/7
297	21/7
W.S. (Lagos)	21/7
R 257	21/7

1. Governor Byrne 289 \_\_\_\_\_ 10 Apr. 33  
 11 printed copies  
 of Ordinance. to be kept.

and inform Secy Edch that all these  
 territories have now liquid proceeds

Attache  
 7/6

for the acquisition of C-bills up to  
 \$650,000, \$800,000, and \$350,000 plus  
 interest of 4%.

CRS  
 7.6.33

Revised  
 July 1933

2 To Gov 1460 (Governor) 6/3 21 JUN 1933

Autonomy  
 and

3 To I.A. Currency Board — 1/7/33

copy of ordinance to CR & FIVE on 4/17/33 sent.

4  
 [Signature]

To Gov. F.F. Sec. 11 Gov. Enj. on 4/17/33 EA.  
 sent

**KENYA.**  
**SECRET.**

Downing Street.

11 October, 1933.

Sir,

With reference to Sir Joseph Byrno's despatch No.239 of the 10th of March, enclosing the copies of the Currency Loan Ordinance, 1933, I have the honour to inform you that it will be necessary for the Crown Agents for the Colonies to be supplied with a document authorising them to raise loans under the terms of the Ordinance.

2. I enclose a copy of the authorisation which has been furnished by the Governor of Uganda, and I shall be glad if you will supply me with a similar authorisation which I can send in original to the Crown Agents for their use if the occasion should arise.

3. The sum of £120,000 mentioned in the Uganda authorisation represents, in round figures, that Protectorate's share of the £800,000 which, as you have learnt from my secret despatch of the 20th of June, is to be regarded for the present as the maximum amount to which advantage might be taken of the power to raise money. The figure to be adopted in the case of Kenya might be £220,000.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

THE OFFICER ADMINISTERING  
THE GOVERNMENT OF  
KENYA.

(Sgd.) P. CUNLIFFE-LISTER.

C. O.

Mr. Davies 24/6/33.

Mr. Freeman 29/6/33.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

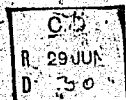
Sir C. Holtzclaw.

Sir J. Shackelagh.

Permt. U.S. of S.

Party. U.S. of S.

Secretary of State.



Sir,

DRAFT.

THE SECRETARY,

~~JOINT EAST AFRICAN CURRENCY BOARD.~~

I am etc. to request you to inform the Joint East African Currency Board that Ordinances have now been passed by the Governments of all the several territories concerned to authorize the raising of loans to enable the Board to provide funds to meet further redemption of currency. The Ordinances in question provide for the assumption of liability up to £650,000, £500,000 and £350,000 in the case of Kenya, Tanganyika Territory, and Uganda, respectively.

Signed J. E. W. FLOOD I as, etc.,

KENYA.

NO. 289



GOVERNMENT HOUSE,  
NAIROBI,  
KENYA.

RECEIVED  
29 MAY 1933  
C. O. REGY

10/ MAY, 1933.

Sir,

Ordinance.

Annex (2)

I have the honour to forward herewith two authenticated and twelve printed copies of an Ordinance entitled "an Ordinance to Authorise the Raising of Loans to Enable the East African Currency Board to Provide Funds to meet Further Redemptions of Currency", which duly passed its third reading in the Legislative Council on the 11th April, 1933, and to which I assented in His Majesty's name on the 5th May, 1933.

Legal Report.

A copy of the Legal Report by the Attorney General is also enclosed.

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER GENERAL.  
GOVERNOR.

THE PRINTING OFFICERS,  
MAJOR SIR PHILIP GUNLAW-LITTLE, P.C., G.B.E., H.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
10, WHITEHALL STREET,  
LONDON S.W.1.



Colony and Protectorate of Kenya.

IN THE TWENTY-THIRD YEAR OF THE REIGN OF  
**HIS MAJESTY KING GEORGE V.**  
**JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., O.B.,**  
*Governor.*

Assented to in His Majesty's  
name this 5<sup>th</sup> day of May,  
1933.

**J. BYRNE**

*Governor.*

**AN ORDINANCE TO AUTHORIZE THE RAISING  
OF LOANS TO ENABLE THE EAST AFRICAN  
CURRENCY BOARD TO PROVIDE FUNDS TO  
MEET FURTHER REDEMPTIONS OF CURRENCY**

**ORDINANCE No. XVI of 1933**

**An Ordinance to Authorize the Raising of Loans to Enable the East African Currency Board to Provide Funds to Meet Further Redemptions of Currency.**

WHEREAS it is provided by section 3, sub-section (2), *Cap. 44.* of the Currency Notes Ordinance that the amount required to enable the East African Currency Board to pay to the bearers of East African currency notes the amounts named therein shall be a charge on the moneys and securities in the hands of the Board and, failing them, on the general revenues of the Colony.

AND WHEREAS it is expedient to make provision for the discharge of this liability on the general revenues of the Colony.

BE IT THEREFORE ENACTED by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited as "the Currency Loan Ordinance, 1933." Short title.

2. In this Ordinance—

Interpreta-  
tion.

"Board" means the East African Currency Board as instituted by the Secretary of State.

"Crown Agents" means the Crown Agents for the Colonies.

"Regulations" means the Regulations defining the constitution, duties and powers of the Board made by the Secretary of State on the 11th July, 1932, and published in the Gazette on the 13th September, 1932, and any Regulation which may hereafter be made in amendment or replacement of the same.

LEGAL REPORT.

THE CURRENCY LOAN BILL, 1933.

The Bill is intended to safeguard the stability of the currency in terms of sterling by ensuring that the East African Currency Board will, if occasion arises, be able to provide funds for meeting further redemptions of currency.

The Board was created in 1920 to provide and maintain new currency linked with sterling to replace the Indian rupee which was then at a high premium in relation to sterling, and the German rupee in the former German East Africa which was essentially similar to, and on <sup>a</sup> par with, the Indian rupee.

In the course of the replacement of the former currency, the value of the Indian rupee and the price of silver fell so greatly that the Currency Board's assets were from the start inadequate to afford complete cover for the new currency issued. The loss in respect of the Indian and German rupee coins alone amounted to £1,526,300. No practical difficulty would have arisen in normal times, but the contraction of the currency during the last three years has resulted in an unexpected further drain on the Board's sterling resources, and in order that the Board may be in an assured position to carry out, in all circumstances, its primary purpose of maintaining the sterling value of the currency, it is proposed that funds should be placed at its disposal by the three Governments concerned up to a maximum total amount of £1,500,000.

The Bill is a precautionary measure, and use will be made of it only so far, if at all, as the necessity arises.

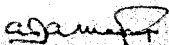
Similar Bills will be introduced in the other two legislatures, and the proportions in which liability



should be assumed by the three Governments have been assigned in the light mainly of the figures for trade and revenues over a period of years.

It is proposed that an additional Regulation shall be made providing that, when the Board are able to satisfy the Secretary of State that they are in a position to do so, they may, subject to the approval of the Secretary of State, pay to the Governments concerned such sums as may be available from time to time towards meeting the interest and repayment charges of the loans.

In my opinion, His Excellency the Governor may properly assent to this Bill in the name and on behalf of His Majesty.

  
ATTORNEY GENERAL.

Nairobi.

12th April, 1933.