

KENYA
13088

13083
REC^d
REC^d 17 MAR 21

GOVERNOR TEL
NORTHEY 147

CURRENCY

1921

14TH MARCH

Last para C.O. tel. 23rd Febr'y re London Conference. Enquires decision. Business seriously dislocated owing to uncertainty. Rupees should be demonetised earliest possible date as total prevention smuggling impossible.

Last previous Paper.

MD/
12805
4000

Mr. Bottomley, Sir H. Read, Colonel Amery

I have placed within the memorandum prepared after yesterday's meeting of the Currency Board, (92nd para) together with the previous memo. prepared after the meeting and the draft telegrams to Kenya and Uganda.

If the proposals of the Board are approved, it should be circulated for consideration to be taken with regard to the T.T. (letters to the Associated Producers & the Bankers will also be required) C.J.J. 18.3.21.

Submitted for approval. The London people have spent their weeks & confirmed nothing & the matter is urgent in every way.

The people who say that they

*10 in 14 Mar 21
Amery 14 Mar 21
Copy sent to new com. 23 Mar 21
Dr. to go. tel. 24 Mar 21
Tel. to go. 24 Mar 21
24 Mar 21
24 Mar 21*

*24 Mar 21
24 Mar 21
24 Mar 21*

Next subsequent Paper.

MI/
13183

will be missed if we do not have
them into full production and at
all events have some chance of getting
resources from the Board to enable
them to carry on if a business man
unfavourable to them comes to
the fore. As things are, no
Board can be expected to do anything.

We shall undoubtedly have
failures, but no one can say
how many are due to the activities of
the business community, because no one
can say how to what extent there
would have been any decrease in costs
of production.

to C.A. 1873/21

A. J. R.

1873/21

Very well. How let us get Tanganyika
back up. J.M. 1873

I think arrangements should be made on
a number of issues which are for gov-
tment to take them at exchange price for
the next six months or year and have the
amount of money ^{and by such arrangements} taken from
the reserves then issues are available
to buy them up for for below their value.

Mr Battersee

I am in communication
with Mr. Egehall as to carrying out
the further action indicated in Col.
Amery's minute.

Mr. Battersee thought that
the question of informing the banks
re. the issuing a press notice
should stand over for a day or
two (in case the Government have
anything to say about the arrange-
ments now approved). Meanwhile
I submit a dft. asking for the
final approval of the Treasury
to the proclamation demonetising
the notes. Section 10 (1) of the
Coinage Act provides that all proclamations
must be made with the approval
of the Treasury or a S.O.D. as he.
Niemeyer concurred in the dft. Telegram
we need anticipate no difficulty.

C.J.J. 22.3.21

East African Currency.

The annexed memorandum was prepared after the meeting of the East African Currency Board on the 2nd of March, but it was directed that the results of the conference of the various interests represented in London should be awaited.

Papers regarding this conference are ML/10540/21/E.A., and ML/12088/21/E.A. It has now been learnt that the conference, so far as an agreement amongst the different interests is concerned, has had no result, and that the "Associated Producers" are alone in advocating that the rupee should be allowed to circulate at its exchange value. The Banks and commercial interests are unanimously in favour of retaining the 2/6s basis both for currency and for debts. (See ML/12729/21/E.A., and

ML/12804/E.A. & ML/13183/21/E.A.)
The Currency Board considered the position in the light of these developments on the 17th of March. Their views as to the doubtful utility of the proposal to substitute shillings for florins have been strengthened since the 2nd of March, and they do not consider that the disturbance which the change will cause will be compensated by any advantage to be gained from the scheme.

If, however, the shilling in deference to the views of the local authorities, the Board consider that the proposals previously put forward can be adopted, subject to the omission of the provision for the sovereign being the standard coin. As to this, Colonel Amery's minute on 10540/21 and Mr. Niemeyer's letter attached to ML/12088/21/E.A. should be read. After further discussion the Board, with Mr. Niemeyer's concurrence, recommend that the shilling should be made the standard coin, and that no reference to the sovereign or to the pound sterling should be made in the proposed new Order in Council. The exchange value of the local currency

Mr. Mackay
Mr. Batterbee

~~has been discussed~~
I have discussed this morning with Mr. Eyckiel, who thinks that further action should wait until after Easter, except that a note should go to Gov. Kenya ~~asking~~ asking when the proclamation demarcating rupees is issued, & telling him to remove prohibition on export & to inform Gov. Tanganyika of the decision on the general question.

Rpt. mboni M.D.

C.D. 24.3.21.

Discussed with Mr. Batterbee. I have added short telegram to Tanganyika since which will give to Gov. Kenya straight pending further action.

En 24/3/21

see
ML/13206/21/E.A.
received apparently
this scheme is
the E. African
at 1/4 to
in letter address)
C.D. 18.3.21.
The above change
in words some
lower telephone
during morning
(red)

currency would be maintained, as at present, by the operations of the Board, without the necessity of legislation.

As regards rupee and florin debts contracted before and after the change in the local currency in 1920, the Board recommend that these should remain on a florin or two-shilling basis.

The draft telegram to Kenya has been revised so as to give effect to these recommendations.

C.S.D. 16.3.21.

This was brought out at 'Yule's' meeting & represents the views of the Board - it has not been met to be taken for signature as chairman might wish to save time.

C.S.D. 18/3/21.

EAST AFRICAN CURRENCY.

*400/2465/21 Kenya
400/2421/21 Uganda*

The question of East African Currency was again discussed by the Currency Board on the 2nd of March, the telegrams from the Governors of Kenya and Uganda of the 26th and 22nd of February respectively forming the basis of discussion.

While no representations have been received from the interests concerned in London as a result of the meeting held on the 25th of February, the Board consider that a substantial agreement in principle has now been reached with the local authorities which enables them to put forward definite recommendations with a view to giving effect to the views of the local Governments as far as seems possible.

These recommendations are as follows:-

(1). That the Indian rupee coin should be demonetised immediately in Kenya and Uganda and redeemed by florin currency at the rate of one florin for one rupee. In Kenya as far as possible the florin currency issued should be in the form of notes in deference to the Governor's wishes. In Uganda the ten million florin coins now in stock or shortly due to arrive at Mombasa could be used, to obviate the difficulty which the Governor feels as to replacing the 'Natives' holdings of coin by paper.

The Board would deliver florin currency at Mombasa, and accept rupees there, intermediate arrangements being in the hands of the local Governments.

(2). That the period for redemption should be limited to one month, discretion being given to District Officers

Officers to deal with bona fide cases of natives surrendering coin after the expiration of this period up to certain limits, or to report cases outside those limits to the Board for decision.

(3) That steps should be taken to mint an East African shilling, midway in size between the existing shilling and the florin, of a light colour, this coin to be substituted, when available, for the florin currency now to be issued, on the basis of two shillings for one florin. Samples of various compositions will be obtained from one of the Mints and considered.

(4) That the existing one cent five cent and ten cent pieces should be marked down to hundredths of a shilling, without notice or compensation.

(5) That the existing twenty five cent and fifty cent pieces should remain on a florin basis and should be redeemed by new fifty cent and shilling pieces respectively when the latter are available.

(6) That an Order in Council should be prepared providing for the sovereign as the standard, and for the East African shilling to be for the time being unlimited legal tender at twenty shillings to the sovereign. (This is subject to reference to the Governor of Kenya as to the exact meaning of (10) in his telegram of February 16th as to the unlimited legal tender of the shilling).

Draft telegrams are annexed for consideration giving effect to these recommendations in so far as immediate action is concerned.

With regard to the above recommendations it may be stated that:-

(1) The proposal of the Governor of Uganda to allow matters to remain as they are has been considered but it would not meet the views of the Government of Kenya and the Board feel that the risks of heavy losses through smuggling are too great, in view of the time (at least nine months) which must elapse before shillings can be made available in sufficient numbers. The arrangement proposed seems the most that can be done to meet the Governor's wishes, and if importance is attached to keeping florin coin out of Kenya, the co-operation of the banks can no doubt be secured to prevent this occurring in any appreciable degree.

(2) The Board are sceptical as to the results of the "smilling" policy; that is, while they consider that in deference to the strong local body of opinion it should be adopted, and that no disadvantage can result from its adoption, they feel that the prospects of obtaining a reduction in costs of production by its means are very small, as it will be difficult to convince the native, who receives a florin note for his rupee, and subsequently two shillings for that note, that the shilling is worth more than half a rupee.

CO
13083

TELEGRAM.

The Governor of Kenya
Secretary of State for the Colonies.

(Dated 14th March, Received, Colonial Office, 11.15 p.m.,
16th March, 1931.)

400/8365.

No.147. 14th March. Your telegram 23rd
February Currency last paragraph grateful if I may be
informed when decision is likely to be arrived at.
Business seriously dislocated owing to uncertainty.
Urgent rupees should be demonetised at earliest possible
date as total prevention smuggling impossible.

NORTHEY.

AVE. LONDON Telephone 3632 LONDON WALL 14

TELEGRAM

45

CHIEF CABLE STATION, ELECTRA HOUSE, FINSBURY PAVEMENT.

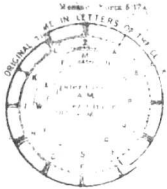
REPLIES SHOULD BE SENT BY

Via



Doubtful words should be OF No inquiry respecting this Telegram

See back of form for list of Company's Stations in London and Telephone Numbers



Examples, PW 3.45 p.m. HL 6.55 a.m.

Name. Time Received.

Cv

9/20



DA 90 N NAIROBI 31 QX 14 GOVT

CHAPELRIES LN

1/4 Made. Janda 23 Feb

Last page of file

147 MANTELTAFT UNEDITED CURRENCY PAFFANT

if may be

when the file is

GRATEFUL ICHABOD INFORMED DEARLOVED

likely to be arrived at

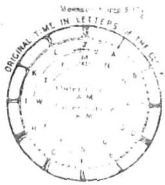
o

LASSBENDEL ANTONIA SILVERGOD BUSINESS

SERIOUSLY DISLOCATED OXYDENLO TARGETIS

Number of Message, Office of Origin, Number of Messages, Date, Time handed in (in Letters: see Clock above) and

LONDON Telephone - 3632 LONDON WALL 14 Lines
TELEGRAM 47
 CHIEF CABLE STATION, ELECTRA HOUSE, PINSBURY PAVEMENT
COPIES SHOULD BE ORDERED
Via Eastern
 Doubtful words should be OFFICIALLY repeated. See Rule Book
 No inquiry respecting this Telegram can be attended to without production of this copy
 See back of form for list of Company's Stations in London and Telephone Numbers



Examples, PW 3.45 p.m.
HL 8.55 a.m.

Name Time Received

London

should be

SILVERGOD URGENT RUPEES SECUTANA DEMONETISED

earliest possible date

DANDERFUL AS TOTAL PREVENTION SMUGGLING

IMPOSSIBLE NORTHY

CALL CABLE STATION. ALWAYS OPEN
 TIMES OF OPENING AND CLOSING
 ALL PARTS OF AFRICA, &c.
 CHINA, JAPAN, STRAITS
 TELEGRAMS
 OMI-

Office of Origin
 Numbers of words, Date, Time handed in (in Letters: see
 Official Instructions

40/13088/21

Mar 1-10 am

Kenya

Clear the line
Mombasa

to 19 March, 1921

Hand 557574

~~unstarted~~ wellground

Your telegram 14th March 147 Currency
heartfelt decision has been delayed owing to

nectarous necessity for awaiting repletions
libric bull'st from interests concerned in London but

amicus androlomy I now approve of following arrangement

DRAFT. TELEGRAM CODE.

GVERNOR,
NAIROBI.

MINUTE.

(3365/21)

- Mr. Kipkor 18/3/21
- Mr. Bollenby 18/3/21
- Mr.
- Mr. Grindle.
- Sir H. Lambert.
- Sir H. Read. 18/3/21
- Sir G. Fiddes.
- Col. Amery. 18/3/21
- Mr. Churchill.

Copy given to Mr. ...

One Demonetisation of rupee coins
remedies and replacement by florin notes as proposed
unelphed posed your telegram 19th February

Two Period of redemption one month
flattering disquisit

For all with discretion to District
deputation officers to deal with some fiducial cases of
Theoretical moonshining (up to six months) the usual
native holders up to a fixed sum

alagen person amount of which I leave to your
discretion some cases of holding
epides excess of this sum being reported

Board for decision

Three East African shilling will

be minted of size and colour desired

Four Order in Council will be

prepared making shilling standard
and therefore legal tender

for conso

reed on by
rency Board)

These copies of these
and of currency
and minutes to be
made.

Dfts.

5 god Conduct

Do not consider it necessary or desirable

mahompa

to make sovereign standard coin as parity with sterling

touch piece

will be amply secured by operations of the Currency Board *5 god*

oratorum

Five When Order in Council passed existing

Casapo Casarelli

Casale

touch piece

one cent five cent and ten cent pieces will be marked

discretion

case bears

down to cents of shilling existing twentyfive cent and

case paper

fifty cent pieces remaining on florin basis until redeemed

case paper

return

by new fifty cent and shilling pieces respectively *5 god*

postcard

pendover

Six Proclamation of demonetisation of rupee may be

idolrete

andert

published immediately and arrangements made for redemption

in accordance with on lines already indicated in previous

Telegram

staryeat

apicaster

Repeat this telegram to Governor Uganda at once.

Roughier

Part 13058/24
Kenya

to e sent 10 hours
49

[Handwritten signature]

CLEAR THE LINE

14 March 81

WIRE TELEGRAM

GVERNOR,
ENTREPRE.

unreliable
 Your telegram 22nd February currency
 see my telegram ^{Manu} February through ^{cinless} Governor Kenya.
^{tercetaria} ^{adenize}
 Unable to agree to redemption of one
^{conobstort}
 rupees notes ^{smackboat} concurrently with coin or to ^{at transend} accept
 your suggestion that matters should remain as they ^{Teelkeeper} ^{annulam}
 are until shillings ready in view of heavy losses ^{Immolating} ^{lingucta}
 which would be entailed through smuggling ^{totalisms} ^{dryced} during
 the considerable period ^{postaria} which must elapse before
 shillings can come into general ^{CEMUTO} ^{silverpod} circulation.
 If however you ^{plardeo} object to issuing florin notes you
^{masquerade} may use florin coin now at Mombasa ^{numellan} ^{provedora} provided that
 if ^{gianfess} Governor Kenya wishes it ^{anclimo} arrangements must be
 made with ^{crebrecze} co-operation of banks to minimise
 leakage ^{offhose} of this coin to Kenya.

18/3/24
alter day 18/3/24
Read 18/3/24
Currency 18/6/24

Roughless

eed upon
Currency Board

se copies of these telegrams
of Currency Board
note to be made

Govt 13088/21

Kenya

23. March 1921

DRAFT.

The Sec. ^{Int.}
Treasury

MINUTE.

Mr. Jeffries 22.3.21

Mr. B. K. R. [Signature]

Mr.

Mr. Grindle.

Sir H. Lambert.

Sir H. Road.

Sir G. Fildes.

Col. Amery.

Mr. Churchill.

15163

Sir,

I am directed to transmit to you, to be laid before the C. C. of the Treas., the acc.

copies of a telegram which

has been sent to

the Governor of Kenya

~~Uganda~~ regarding

currency arrangements

in E. Africa. The

concurrence of the Treasury

in the terms of the

telegram was obtained

19 March

RECIRC.

Kang

unsubmitted
12th March

amending
my telegram 19th March

Currency
Koodoo

Should be glad to
know date of proclamation

demonetising rupee
s'god

Prohibition of exportation of
marble

rupee coin may be
removed as from date

of demonetisation
is to be

Prohibition of
import

should be maintained
s'god

Inform Governor Tanganyika

of decision conveyed
amending

my tel. 19th March

DRAFT. Tel. code

Memor
airmail

Ames
15/18

MINUTE.

- Mr. Jeffries 24.3.21
- Mr. MacCarthy 24/3/21
- Mr. Butterbee 24
- Mr. Grindle.
- Mr. H. Lambert.
- Mr. H. Read. 24
- Mr. G. Fiddes.
- Mr. Amery. 24
- Mr. Milner.

ECIRC

Rough list

Kenya
Port 3058/21

Sent. 52
2.45 per
cut
weightage

58

11024 ^{the} ~~unsubmitted~~ ^{respect}
yak baobab
you tel. 30. March
yak baobab
have a had
currency

DRAFT. Telegram code

Port 3058/21

giantes
you w Kenya to express
yooberet
~~in form~~

MINUTE.

24/3

- Mr. Mackay
- Mr. ...
- Mr. Grindle.
- Sir H. Lambert.
- Sir H. Read.
- Sir G. Fiddes.
- Col. Amery.
- Mr. Churchill.

periplan
you . of
sgod strickman
bill telegraph

sewingbird
as soon as

tomite regarding

yaino fear
application of general

decision to Tampanga

Rongas

20/10