

1921

11a

KENYA

36

G.O
29256

FROM GOVERNOR MORTHEBY

DATE

7TH JUNE 1921

13 JUN 21

GRAM NO. 297

FOR CIRCULATION:-

SUBJECT
CURRENCY

APPT OF REPARATION COMMITTEE

New Indian rupee fixed at 2/- pressed by Convention of Associations to appt to enquire into compensation question. Points out difficulties of examining claims and finding necessary funds for compensation and fears result would be futile

Mr. *Battmley* 16.6.21

Mr.

Mr.

Mr. Grindle

Sir H. Lambert

Sir H. Road. *8/21/21*

Sir G. Fildes

W. Wood

Mr. Churchill

Previous Paper

MINUTES

The arguments put forward by the Gov seem unanswerable. The practical difficulties in the way of the Commission would be too great, and, if it recommended compensation, there would be no funds available from which to pay the compensation.

The fixation at 2/- was made to help the old settlers - Major Grogan ^(only one) admits that if nothing had been done they would all have been ruined when the Indian rupee ^{was} ~~was~~ high. The argument that the Gov caused their losses & should compensate them is attractive, but would the Gov have been obliged to pay

See List
19684

And 1931 - 15 Nov 21 4094/21
2/ City 004 up 769 - 19 Nov 21 21
copy to Gen. T.T. 8.32 - 22 Nov 21 (copy)
E.A.

Subsequent Paper

40914

for compensating the banks and creditor interests if the rupee had not been brought down to 1/4?

In any case the decision of the S. G. that rupee contracts should remain on the 2/- basis really includes any question of compensation.

? Reply that the S. G. concurs with the Gov. in thinking that the practical difficulties and the impossibility of providing funds for consumption on a very large scale would stultify the work of the Commission if appointed, & request that this may be fully explained to the convention of Associations.

C. J. J. 16.6.21.
G. S. 16.6.21
H. J. R.
18/6/21

[Faint handwritten notes, possibly bleed-through from the reverse side of the page]

SIR JAMES STEVENSON.

MR. GOOD.

As you know, I still favour an investigation of individual cases where loans have been contracted at 1s. 4d. to the rupee. There is, however, no question of the Government paying any compensation, but only of the banks being forced to accept payment at the original rate of exchange.

Please advise me.

ML

17/8/21.

Mr. Churchill

I have discussed this with Sir J. Stevenson. We both agree that what you suggest would be difficult - if not impossible - to arrange.

But as Northey is now coming home, he would report that the Bankers Dept. a final decision would not have been possible to discuss it with him.

Mr. Northey

S.W. 22.5. 20.04

4c

TELEGRAM from the Governor of Kenya to
Secretary of State for the Colonies

C. O.
29256
13 JUN 21

Dated 6th June.

(Received Colonial Office. 11.30 a.m. 11th June 1921)

297 June 7th News that India Rupee fixation at 2/-

irrevocably established I am pressed by Convention with
Association to ask for your approval to the appointment of
reparation Committee to enquire into question of compensation
to persons who prior to fixation made on March 30th 1920
had borrowed Rupees at 1/4 and must repay at 2/-. Convention
even suggest names to me for appointment to such a Commission
first two of which deeply interested parties who had bank
overdrafts. There are undoubtedly many cases of hardship
but I foresee difficulties as follows if Commission site one
enormous amount of work to examine every claimants account for
years past differentiate between good and bad claims two difficulty
of finding officials who can afford time or unofficials
sufficiently disinterested to sit on such Commission three
Appointment of Commission will raise hopes which would probably
be disappointed because even if claims were recognised I
cannot see it is going to pay them four stabilization was
achieved by Mr. Amery to prevent rupees rising further in East
Africa in interest of these very claimants. Imperial
Government therefore not likely to assume responsibility for
payment. Neither Kenya nor Currency Board have got funds to
pay with and even if they had such payment would eventually
come out of taxpayers pocket. Appointment of Commission would
satisfy sufferers as to Governments sympathy but for reasons
given above fear [to] result will be failure. Convention
representatives urge that it would pay Government in long run
to set old soldier on his legs again by payment of compensation
and demand that I put their case before you for decision.

TELEGRAM from the Governor of Kenya to the
Secretary of State for the Colonies.

C C
29256

Dated 6th June.

(Received Colonial Office. 11.30 a.m. 11th June)

297 June 7th. Fixation of India Rupee at 2/-

irrevocably established I am pressed by Commission with
 Association to ask for your approval to the appointment of
 a Reparation Committee to enquire into position of commission
 to debtors who prior to fixation were on March 30th 1930
 had borrowed Rupees at 1/4 and must repay at 2/- . . .
 even suggest names to me for appointment to such a Commission
 first two of whom deeply interested parties who had bank
 overdrafts. There are undoubtedly many cases of hardship
 but I foresee difficulties as follows if Commission site an
 enormous amount of work to examine every claimants account for
 years past differentiate between ^{good} and bad claims two
 of finding officials who can afford time or unaffiliated
 sufficiently disinterested to sit on such Commission
 Appointment of Commission will raise hopes which would probably
 be disappointed because even if claims were recognized I
 cannot see who is going to pay them four shillings per pound
 achieved by Mr. Amery to prevent rupees rising further in East
 Africa in interest of these very claimants. . . .
 Government therefore not likely to assume responsibility for
 payment. Neither Kenya nor Currency Board have got
 pay with and even if they had such payment would eventually
 come out of taxpayers pocket. Appointment of Commission would
 satisfy sufferers as to Government's ^{good} but ^{not} ^{likely}
 given above fear [to] result will be ^{and} ^{future} . . .
 representatives urge that it would pay over the top
 to set old settler on his legs again by payment of . . .
 and demand that I put their case before you for decision.

CURRENCY REPARATION IN EAST AFRICA.

1 Copy of Minutes.

Sir James Stevenson.

Mr. Wood.

As you know, I still favour an investigation of individual cases where loans have been contracted at 1s.4d. to the rupee. There is, however, no question of the government paying any compensation, but only of the banks being forced to accept payment at the original rate of exchange.

Please advise me.

(Intld.) W.W.

17/8/21.

Mr. Chamberlain.

I have discussed this with Sir J. Stevenson. We both agree that what you suggest would be very difficult - if not possible - to arrange.

But as Northey is now coming home, we would suggest that you should defer a final decision until it has been possible to discuss it with him.

(Intld.) E.W.

22.8.

2 I mentioned this to Sir E. Northey this morning as one which would come up in the course of discussion. He said that it was, in his opinion, quite impossible to make any change now. It had been decided last year that the old debts should be repaid at 2/- and we could not now force the banks to accept payment

payment at the original rate of exchange.

3. The instrument in which the decision was embodied was the Currency Order in Council of 1920 (copy annexed). Article 7 (2) lays down that where the contract has been entered into or made before the commencement of the Order provided for the making of any payment in terms of rupees the contract or instrument shall have effect as if references to florins were substituted for references to rupees.

In the draft order in Council which it is proposed to issue in connection with the change of shilling currency for florin currency, it is provided (subject to the Secretary of State's decision on this point) to re-enact this Article with the substitution of 2/- for a florin.

1008

TELEGRAM

ISSUED FROM CHIEF CABLE STATION, ELECTRA HOUSE, PINSBURY PAVEMENT.
REPLIES SHOULD BE ORDERED

Via Eastern

41



Example, RW 1.45 P.M. NL 1.45 P.M.



V2 RLC 10/51a

DA 54 H NAIROBI 217/216 NN 8 GVT =

June 7th CHAPELRIE LN =
now chief

257 JEWELWEED NUMBERAN INDIA RUPEE

found
21- irrevocably scheduled
FIXATION AT SAXONDOM INVIRILE TEMBENGOOSE

I am
AMPUTARIS PRESSED BY COVEYISE ANTSHRIKE TO
invention with associate

for your approval to the appointment of
ASK AMETODIA AMATORIOUS REPARATION COMMITTEE

engage into question of compensation
TO EDUCATORS QUARNELOUS COBBJAM TO

prove to
DEBTORS WHO POLYZELUS FIXATION MADE ON

in letters see class above: any

no flagged

Name

Chapalries

Discern. Ref.

De M. H.

March 5th 1920

MANDRED YUXDROLFAG HAD BORROWED RUPEES AT

AWHETTER AND MUST REPLY AT SAXONDUM SILVERGOD

CONVENTION EVEN SUGGEST NAMES (SURGEONRY

appointments such a

FOR ALUNTURI (SLINGDOG) COMMISSION FIRST TWO

OFFIGENDI DEEPLY INTERESTED PARTIES

KOSSOTKEMA BANK OVERDRAFTS / SILVERGOD

SUBTERRENE / TERTANGLE MANY 'CANTEEDER

HARDSHIP BULLSHOT / BIFILASTE / FILAMENT' IF

COMMISSION SITS ONE ENORMOUS / MAGREN / WORK

YTCOSREEL EVERY CLAIMANTS / ABHAKEN' SEVERAL

3

E. T. Co., Ltd.

43 Circuit

Pa 34 H

Name _____

differentiate between

YEARS ST (YEFATRIM) GOOD AND BAD CLAIMS

disposal of TWO (DIFIELOSO) FINDING OFFICIALS *who can* (TOSSINGLY)

efficiently AFFORD TIME OR UNOFFICIALS | (SLOWMATCH)

disappointed (DISPALATDS) TO SIT (ORBFISH) COMMISSION *on such*

Appointment of THREE (ALUMISH) COMMISSION (RACKETY) HOPES *will raise*

which would (TOTALSONS) PROBABLY BE (DISCERNUM) BECAUSE *disappointed*

open if UNPEOPPED CLAIMS (YOBLOOSE) 1 (RUBYTOAD) *were recognized committee*

who is (TOSTADOR) (GEOTREBLE) PAY THEM FOUR *going to*

STABILIZATION WAS ACHIEVED BY MR AMERY

Name

Circuit Ref.

Da 34 H

^{to present} ~~PODASTIMUS~~ ~~NUMERUS~~ ~~RISING~~ ~~FURTHER~~ ~~IN~~

^{Office} ~~EAGLESTONE~~ ^{in interest of} ~~IN SWATHING~~ THESE VERY CLAIMANTS

^{supposed to} ~~TGLITE~~ THEREFORE ^{not likely to} ~~LASTAGE~~ ASSUME ^{for the} ~~RETIFORM~~

~~PAYMENT~~ ~~SILVERGOD~~ NEITHER KENYA ~~FOR~~

CURRENCY BOARD ^{have got} ~~YIMBILLE~~ FUNDS ^{to the} ~~PAPAWYREE~~

WITH AND ^{own of} ~~ENFOFFED~~ ^{has had} ~~GYNARROBS~~ SUCH

~~PAYMENT~~ WOULD EVENTUALLY ^{some of} ~~CHUMPCHOP~~ OF

~~TAXPAYERS~~ ~~POCKET~~ ~~SILVERGOD~~ ~~CLUMISH~~

~~COMMISSION~~ ~~ROLLING~~ ~~SUFFERERS~~ ~~ANNULATING~~

^{Government} ~~GERENDIS~~ ~~SYMPATHY~~ BUT ~~RAMENABLE~~ ABOVE

DA36H

Circuit Ref.

Name

43

WALDIFEROS RESULT TOUCHPIECE FUTURE

SILVERGOD CONVENTION REPLICERIS THEOWMAN

PAPERMAN GOVERNMENT IN LONG RUN TO

SET OLD DEPARTMENTAL LIES AGAIN BY

DEPARTMENTAL I PUT THEIR
CASE CAPTOSIS DEPARTMENT WORTHY

THE FINISBURY