

1921

KENYA

516

C O
64358
Rec
Rec: 31 Dec 21

FROM
EAST AFRICA CURRENCY BOARD

DATE
30TH DECEMBER 1921

FOR CIRCULATION :-

SUBJECT

Mr. Boltonley 2/1/22

Mr.

Mr.

Mr. Grindia

Sir H. Lambert

+ Sir H. Read

Sir P. Masterton Smith.

Mr. Wood

Mr. Churchill

CURRENCY

Enclosed copy telegraphic corres. with Currency Officer, Kombasa from which it will be seen that Board contemplates that existing bronze coinage should continue in circulation at present value until it is convenient to replace it and also that there is no intention of withdrawing silver florin at present. Requests consideration of latter point.

Previous Paper

MINUTES

as a matter of policy they will probably work any florin coins that may have got into circulation there to be withdrawn as soon as possible. Uganda will probably not attach so much importance to the disappearance of the florin, judging from their attitude hitherto.

The point is hardly one that can be settled here, and as there is no great urgency I think it should be

W/ 62648/151
1/11

Copy sent to Mr. Kenya & Uganda 16 Jan 1922
Copy (copy above sent) 14 Jan '22

Clack

Subsequent Paper

Jan 23/40 2/12

be referred to the two
parts of desps.

? Copy to Kenya
& Uganda [referring to in
writing to Kenya &
6/182/21]; say as
regards the central coins
that it appears the
most convenient course
will be ^{not} to have any
organised redemption on
a large scale but,
as it becomes convenient,
simply not to receive
the old coins as they
come in: and ask
whether they consider
that a similar arrange-
ment would be suitable
with regard to the florin
coins, or whether they
recommend their redemption
& demonetisation when
adequate supplies of
shillings are available.

Copy of desps. to

go to Currency Board
L.F.

[I do not include
T.T. in proposed
action, as this is the
special problem there
of the German notes,
which will require
separate provision when
we are in a position
to take the field with
the new currency]

C.J.J. 31.12.21.

See H. Read

(1) As regards ^{old} the central coins,
the tit. of 21st Dec does
not agree with either my
or Mr. Jeffries' recollections of
the proceedings at the Board's
meeting of 20th Dec, at
which I pointed out that
withdrawal by means
of redemption & replacement

by the new central coins
was depending part of the
S. 46's decision, & that
approval would be required
to any alteration.

While the Board's action has
been premature, I recommend
that it should be upheld.

See Sir J. Sturges
minutes on 5/27/00.

(a). The sudden redemption of
over ~~four hundred million~~ million coins
& their replacement by over four
hundred million ~~new~~ would
be impracticable locally.

(b). It is not essential, as the two
coins are indistinguishable by
colour and cannot be copied or
simulated, coin circulation is the
best way of establishing the value
of the new central coins.

(c). It would be better first having
the introduction of the new coins
till the whole 200,000,000 are
ready. This avoids an unnecessary
& avoid another serious
problem of storage.

(d). The replacement can be made
gradually - old coins being
withdrawn as they come in the
hands of the East or the Home
and new ~~quarters~~ being

replaced in terms of the new
coins.

518

If previous agreement is
agreed to, Mr. J. J. G. Johnson
draft and new, have shown
state definitely that the
E. Northey's removal of the
proposal to "mark down"
cannot be adopted.

6.11.02

(2). As regards the florins, do
we still propose? The old
being a objection to them was
that they would form a bridge
by which the shilling would be
associated in the public mind
with the value of the half shilling
- has been noted by the fact
that florins have been issued.
They may very well have a
practical use as a two-shilling
piece.

W. G. J. J. J.
Sir J. Sturges
J. J. G. Johnson
as proposed!
4.2.02.
Sir J. Sturges

at least 2/2
H. J. J. J.
not clear
Sir J. Sturges

No. E.A.C.B. 1.



C O
64358
REC 52
REG-31 DEC 21

ALL COMMUNICATIONS TO BE ADDRESSED TO
SECRETARY, EAST AFRICAN CURRENCY BOARD,
GIVE REFERENCE AND THE DATE OF THIS
LETTER BEING QUOTED.

4, MILLBANK,
WESTMINSTER,
LONDON, S.W. 1.

TELEGRAMS AND CABLES: "EASTAFDOB, LONDON."
TELEPHONE: "EASTAFDOB, YOC, LONDON."

30th December, 1921.

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Sir,

I am directed by the East African
Currency Board to acknowledge the receipt of
your letter of the 13th December No. 61182/21
enclosing telegraphic correspondence with the
Governor of Kenya as to the replacing of the
existing subsidiary bronze currency with new.

2. In reply I am to enclose a copy of
telegraphic correspondence with the Currency
Officer, Mombasa, from which it will be seen
that the Board contemplates that the existing
subsidiary bronze coinage should continue in
circulation at its present value as it is
convenient to replace it. It would be
difficult for the Currency Officer to undertake
the replacement of such a large quantity of
coins with the existing staff and it would be
a costly operation for the Board as it is

2.21.
2.12.

Under Secretary of State,
Colonial Office,
S.W. 1.

Currency Board.

521

3rd December, 1921.

Very desirable in my opinion to draw your serious attention to present position of local currency with regard to cental coins. No. 1. If the old cental coin are to be redeemed by the new coins and involved will probably mean severe loss especially if old cental coins have to be shipped for disposal. No. 2. No more available accommodation for storage of new stocks of coin pending issue and on return of old coins in stock. Storage accommodation now being quite stretched beyond limits and storage of silver coin expected here will mean matter of some difficulty if not impossibility. No. 3 To count old cental coins quite impossible with small staff now available. Urge desirability of adhering to original intention to write down present cental coins and re-issue them redemption being practically impossible especially if redemption is insisted on and in accordance with local movements with which I agree local government is induced to hold 1s. silver coin till after sufficient subsidiary coinage for purposes of redemption has been received. Would be glad to be informed as soon as possible what eventually will be done about issue of florin silver or is it to be withdrawn and re-shipped and at what date.

COPY OF TELEGRAM FROM EAST AFRICAN CURRENCY BOARD TO CURRENCY OFFICE

Plat December, 1921.

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See your telegram 12th December see your telegram 14th December you are authorized to proceed as you ^(propose) ~~request~~ in the matter of shipment of rupees. It is not proposed to redeem nickel currency at present on any substantial scale but to allow it to circulate at its present value. No present intention of withdrawing florins. New bronze coin will be holed orders for 2 cents pieces will be cancelled. Send by mail your estimates of bronze coin required next year assuming that existing subsidiary coinage remains in circulation.

R.A.C.B. / 64358/21

Kenya.

523

Handwritten: Cusd 14/12/22



12th Jan. 1922.

Handwritten signature/initials

Sir,

DRAFT.

Kenya no. 485 ✓
Gov. Murray (6/18/21)
Kenya no. 16
O.S.B. 52
MINUTE.

[Following] with ref. to
your tel. no. 412 of the
10th of Dec.,

- Mr. J. J. ... 10/1/22
- Mr. ... 10.1.22
- Mr. ...
- Mr. Grindle
- Sir H. Lambert.
- Sir H. Read.
- Sir J. Masterton Smith.
- Mr. Wood.
- Mr. Churchill.

Handwritten: Copy S.L.C.B. 14 Jan '22

[To Govt] I have the
pleasure to transmit to you, for
your info., the acc.
copy of a letter from the
R.A. Currency Board,
with encls., regarding the
question of the method to
be adopted in replacing
the present florin currency
by shilling currency;

Handwritten: R.A.C.B. 30 Dec. (64358)

Handwritten: Lt required.

Handwritten: L. G.

2. As regards the central
coins, [To (1) only] I regret
that I am unable to
re-open the question of
marking down the existing
coins even with a limited
scheme for redemption such as
is suggested in your telegram, and

[to both]. I consider that the
most convenient course will
be not to attempt any
organised redemption of the
present ~~existing~~ ^{coins} on a large
scale but, as it becomes
convenient, to withdraw the
old coins from circulation
by not re-issuing them when
they have been received ~~by~~
the

the banks or the Treasury.
This ~~method~~ would mean that
the old coins and the new
would circulate side by side,
but the old coins would
gradually disappear from
circulation and would
eventually be replaced by
the new without any
special expense or arrangement.

3. I shall be glad if
~~you mean as to the~~
to leave
~~undisturbed by you~~ whether
you consider that
similar arrangements
should be made with
regard to the replacement

DRAFT.

2

MINUTE.

Mr.

Mr.

Mr.

Mr. Grinell.

Sir H. Lambert.

Sir H. Read.

Sir J. Masterton Smith.

Mr. Wood.

Mr. Churchill.

of florin - coins by shillings,
or whether you would prefer
recommend that the florins
should be redeemed and
demonetised when adequate
supplies of shillings are
available.

4. A similar desq. is being
addressed to the O.A.C. of Uganda
the Gov. of Kenya.

(Signed) WINSTON S. CHURCHILL

(This Document is the property of His Britannic Majesty's
Government).

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RE:
RES: 2 JAN 1922

SECRET.

C.C. End Minutes

GENERAL POST OFFICE.

Imperial Wireless Co-ordinating Committee.

Minutes of the Second Meeting held at the General Post
Office, E.C.1., on Thursday 15th December 1921, at 11 a.m.

PRESENT.

Flight Hon. F.A. Kellaway, M.P. (in the Chair).

Sir G.E.P. Murray, K.C.B.

Mr. E.J. Harding, C.M.G., Colonial Office.

Mr. R.G. Barker, C.I.E.

Mr. J.H. Parker

} India Office.

Mr. F.A. Llewellyn O.B.E., Office of Works.

Mr. F.J. Brown, C.B.E., General Post Office.

Mr. W.H. Eccles D.Sc., F.R.S.

Mr. L.E. Turner, M.A.

Mr. E.H. Shaughnessy, O.B.E.

} Wireless Telegraphy
Commission.

Lt. Col. C.G. Crawley, R.M.A.

SECRETARY.

The Minutes of the first Meeting were confirmed.

(1) Report of Wireless Telegraphy Commission. (I.W.C.C. No. 5).

Mr. Kellaway said that the Report of the Wireless Telegraphy Commission had been circulated as Paper No. 5 to members of the Committee and was being printed for submission to the Cabinet. Mr. Eccles said that the Commission had been asked to attach an explanatory preface to the Report for production in the printed form, and Mr. Kellaway agreed that such a preface would be of advantage.

Mr. Eccles said that he had decided to get out one Report instead of two, as had been mentioned as a possibility at the last meeting, and that the Report, though avoiding details, should be sufficient for a commencement to be made with the work of preparing specifications.

Mr. Parker remarked on the fact that there was apparently no intention of equipping the India station with Arcs, and Mr. Eccles said that that was so, as the Commission considered that Valves would be more suitable for India where a competent technical staff would be always available. The same applied to South Africa and Australia, but in the cases of Kenya, Singapore and Hong Kong, the Commission considered that it would be preferable to put in Arcs in the first instance.

In reply to questions by Mr. Kellaway, Mr. Eccles said that communication between stations of the type which the Commission proposed for England and Australia should be considerably better than that which could be obtained by stations equal to Carnarvon. It might however only be possible to obtain a good direct service for a few hours per diem, not a 24-hour service. Mr. Shaughnessy said that

they

they had found that quite small power could often be used for communication between England and Egypt at certain times of the night; and Mr. Turner said that the small German Station at Königswaterhausen which works daily with the General Post Office, London, had at times actually been recorded on tape at Abu Zabal, but at other times was inaudible.

Mr. Harding and Mr. Parker raised the question of circulation of the Commission's Report to the Dominions and the Crown Colonies, and it was agreed that the Report should be circulated to all interested parties (including the Communications Committee) as soon as it and the explanatory preface had been printed. Mr. Parker said that by the estimate for a Station in India was £125,000, which was much less than the estimate under the 1913 Scheme. He explained that the estimate given in the Report was based on the figures given in the Imperial Wireless Telegraphy Committee's Report and did not include defensive arrangements, merely included an average amount of £25,000 for reception, and this might be too little in the case of the Indian Stations. It was agreed that the India Office and the Commission should consult as regards the estimates for the Station in India.

Mr. Shaughnessy reminded the Committee that, as regards estimates, the Commission's Report did not allow for any expenditure in regard to Royalties or Patent Rights.

(2) India: Participation in Scheme.

Mr. Kellaway asked Mr. Barker to explain the present situation as regards India. Mr. Barker read out a Memorandum by Mr. Montague dated 5th December 1931 as follows:-

"I have had a discussion with the Postmaster General on this subject. There seems to me to be no doubt that we must tell India she must abandon hope of entrusting this work to private enterprise. India was represented

on the Committee of the Imperial Cabinet which discussed this matter this year, and her representatives on that Committee were fully aware of the views of the Government of India, and decided to join in the recommendation. The matter was then taken to the Imperial Cabinet on which India had her full representation of three, and after that discussion the recommendation of the Committee was accepted. Therefore I cannot be a party to go back on this decision.

As regards the preference of India for the one step rather than the two step communication, I am convinced she is wrong; not only would the one step be much more expensive, but it would have this result. Whereas you can use the two step process as the one step process under favourable conditions and fall back on the two step process in unfavourable conditions, you can only use the one step process as a one step process, and there are certainly conditions under which it cannot be used at all when a two step process could be used. Moreover, it is impossible to have different systems for different links of the chain.

Therefore, India ought to be told that she must now, having fought hard, abandon her predilection for private enterprise. She should further be told that she must find money as quickly as possible, and that she really ought not to make such insuperable difficulties out of a sum which at the outset I am told is £150,000".

It was agreed that the terms of this Memorandum were very satisfactory so far as the Committee was concerned.

(3) Australia: Participation in Scheme.

Mr. Kellaway asked what was the present situation as regards Australia. Mr. Harding said that according to newspaper reports, the Commonwealth Parliament had referred to a joint Committee of both Houses two schemes for direct communication with this Country, one by the Amalgamated Wireless Company and the other

by the Radio Communication Company. If after investigation, either scheme were recommended, with or without alteration, the Prime Minister would have the power to sign a contract. The correspondence between the Colonial Office and the Post Office on this subject (circulated to the members as Paper No. 4) was referred to. Mr. Shaughnessy said that there was no existing Station in this Country available for communication with Australia but that some sort of service could no doubt be established with some of the Continental Stations. Mr. Keating, however, said that he thought it was extremely unlikely that the Australian Government would wish to arrange for direct communication between Australia and this Country through Continental Wireless Stations, and he thought that it was also very unlikely that Australia would wish to proceed with a scheme which would apparently cost them very much more, and give less satisfactory results than that proposed by the Government. He thought that perhaps the whole case had not yet been made clear to Australia, and it was agreed that it would be of advantage if the Colonial Office were to draft a telegram to Australia in consultation with Dr. Eccles, explaining exactly how matters now stood. Mr. Harding said that he would arrange accordingly.

(4) Canada: Participation in Scheme.

As regards Canada's co-operation in the scheme it was agreed that when the Report of the Wireless Telegraphy Commission was sent to Canada, it would be desirable to invite the Canadian Government to send representatives to discuss the matter with the Commission from the technical point of view.

(5) Sites for Stations.

Mr. Kellaway asked what the position was as regards the selection of sites for the Stations.

Mr. Eccles said that the Commission had arranged to visit Salisbury Plain immediately after Christmas in connection with the selection of a site for the English Station, that the Wireless Surveying Officers sent out by the Commission were now

on their way from Egypt to Kenya, where they should arrive about the end of January, and, that after selection of sites there, they would probably proceed to South Africa. A Post Office Engineer was on the way to India to carry out receiving tests and confer generally with the Authorities there.

Mr. Llewellyn said that to avoid possible delay, the selection of all the sites should be dealt with as soon as possible, and suggested that arrangements should now be made to send out suitable officers from England to Hong Kong and Singapore for the purpose of selecting sites in these two colonies.

Mr. Maughesay said that he thought it would be of advantage to send out Post Office Engineers to these places for the selection of sites, and it was agreed that this should be done, if the Colonial Governments had no objection.

Mr. Kellaway said that it appeared that no arrangements had yet been made for the selection of sites in Egypt for the second station there, and he would like to know how that matter stood. Mr. Eccles said that the Commission had not yet taken any definite steps as regards this matter but he thought that perhaps the Foreign Office should be communicated with on the subject, especially from the political point of view. It was arranged that the Post Office should communicate with the Foreign Office.

Mr. Maughesay said that, if there were no serious objections, it would probably be desirable that the first station should be the first - possibly on the land in Egypt. Mr. Llewellyn Murray suggested that the second station should, at any rate as a start, be in India. It was agreed that direct communication between India and Egypt being arranged only when conditions were too unfavourable for direct communication. Mr. Eccles said that the Commission were not yet satisfied that the existing Station in Egypt was sufficiently powerful for communication with India under adverse conditions, and it was agreed that tests should

be carried out between Egypt and India as soon as the existing station was in working order. 32

Mr. Llewellyn said that as the services of Land Surveyors would be required Overseas after the sites had been selected so as to prepare detailed surveys, they would be served and time saved if the Colonial Office could arrange for local Public Works Department Surveyors to make the necessary detailed surveys. It was agreed that the Colonial Office and the Office of Works should get into touch on this matter and make the necessary arrangements.

(6) Action on Commission's Report.

Mr. Kellaway said that he was very anxious to press on with the scheme by taking action on the Commission's Report without delay.

Mr. Llewellyn raised the question as to whether, in view of the urgency of pressing forward with the works immediately the scheme was approved by the Cabinet, it would be necessary to await Parliamentary sanction to the Estimates before tenders could be invited and building works commenced. Mr. Kellaway said he did not anticipate any difficulty in arranging for authority to commence immediately if the Cabinet authorized the scheme.

Mr. Shaughnessy said that he represented the Commission, not the Engineer-in-Chief of the Post Office, on this Committee. He presumed however that the Engineer-in-Chief, who is responsible for the provision of all Post Office engineering plant, would be responsible for the provision of power plant, masts, aeriols, and wireless plant, and wireless station. He thought that no advice should be sent yet to the Engineer-in-Chief to take any action, and suggested that the Secretary to the Post Office should now issue definite instructions to the Engineer-in-Chief as to the preparation of specifications etc. It was agreed that this should be done. It was also agreed that the Marconi Company should be approached with reference to the supply of valves, &c., as proposed in the Report.

(7) Co-operation.

Mr. Kellaway said that he would like to emphasise again the necessity for all work being carried out with the full knowledge and co-operation of the Dominions, India and the Colonies, and as soon as plans, etc. had been prepared, he wished that copies with full explanations should be circulated to the Governments concerned.

(Sgd.) C.G. Crawley.