

A. G. 370

1920

CURRENCY

Trans statement of issue of coin from Currency Note
Guarantee Fund for 1st quarter of 1920. Explains depletion
of coin reserves. An improvement is anticipated but still
wages a continuation of delivery of the new coin.

Mr. [unclear]
Mr. [unclear]
all this [unclear] \$5.00

was for the [unclear] [unclear]
[unclear] [unclear] [unclear]

2. [unclear]
Mr. [unclear]

Seen by the currency board,
who agreed that no excelsior could
be taken at the rate of the O.A.G.
[unclear] the responsibility of [unclear]

Subsequent Paper

7-2541

and that I should make it plain
for the return to India to show an
account of the 39 lakhs Indian stock
of Indian notes

34 for conon herewith

6/8 1/6/20

For all the money it would have
been unsafe to tell us of those heavy
demands, unless they occurred. For any
other part, I was relying a good deal
on the reputation that he had
of being inclined to meet my
particular views.

Oct. 26, 20

at home

S. J. D.

2/6

25660
 APRIL 1920

My Lord,

In reply to Your Lordship's telegram of the 23rd of March on the subject of shortage of currency

Statement.

I have the honour to attach a statement of the issues of coin from the Currency Note Guarantee Fund from the beginning of January to the end of March 1920 showing for what purposes the coin was drawn in each case. This statement will, I think, be sufficient to explain how the coin reserve has come to be depleted. It is usual for the National Bank of India to import a large quantity of Rupees every year for the Uganda Cotton Crop, but at the present time not only is the exportation of Rupees from India prohibited but the Banks are not prepared to purchase from India Rupees or one Rupee notes, which have a local exchange value of 2/-, at a cost considerably above their exchange value. For this reason also there is no demand for release locally of Indian one Rupee notes, which have to be paid for in Rupees in India, and I therefore propose to return the surplus stock, amounting to 39 lakhs, to India at the first opportunity

RIGHT HONOURABLE

VISCOUNT MILNER, P.C., G.C.B., G.C.M.G., &c., &c.

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, E.C.

There will however be some delay in getting these ready for shipment as reports of the B. Bank have been issued and distributed, and the staff is unable to make rapid progress with the sorting, packing, and counting of them.

2. My reason for wishing to allow the coin in the hands of the Currency Commissioners to go into circulation through the Banks without restriction is because it should in this manner serve more useful purpose than if kept in reserve, and as any attempt to withhold it is liable to prove a stimulant to hoarding. It is probable that the position will improve when the harvest of the Uganda Cotton is over and the collection of Salt and Poll Tax begins, and as the shortage of coin has threatened to affect the labour supply, I have considered that the present rate at which I will also should be sent of the coin to the Currency Commissioners.

3. Although, as has been stated above, some improvement in the position is anticipated I cannot urge too strongly the necessity for accelerating the delivery of the new coinage.

I have the honour to be,
Your Lordship's
faithful obedient servant,

ACTING GOVERNOR

STATEMENT OF ISSUES OF SILVER.

Office Treasury No. 591/16/113 of 25. 3.20.

Date.	Amount Rs.	To whom made	Purpose required.
January 8th 1920	500,000	National Bank of India	N.B.I. Uganda Cotton; St.B. of S.A. Uganda Cotton.
- do -	200,000	St. B. of S. A.	- do -
13th	500,000	Nat. B. of India	- do -
15th	200,000	St. B. of S. A.	Half Uganda Cotton, Half current requirements Nairobi.
20th	500,000	Nat. B. of India	Uganda Cotton.
22nd	100,000	St. B. of S. A.	- do -
26th	200,000	Nat. B. of India	- do -
29th	150,000	St. B. of S. A.	- do -
January 3rd	301,000	Nat. B. of India	- do -
10th	20,000	St. B. of S. A.	Current requirements Nakuru.
24th	500,000	Nat. B. of India	Uganda Cotton.
27th	100,000	A. H. Nedy & Co.	- do -
February 11th	26,000	Nat. B. of S. A.	Current requirements Nairobi.
12th	50,000	St. B. of S. A.	Current requirements Nairobi.
15th	300,000	Nat. B. of India	Uganda Cotton.
16th	150,000	St. B. of S. A.	Current requirements Nairobi - 70,000 Nairobi - 20,000 Kiunga - 15,000 Eldoret - 15,000
24th	100,000	St. B. of S. A.	Uganda Cotton.
55,26,000			

June 19 20

DRAFT.

I have the honor to acknowledge the receipt of your check for \$370

of the 15th of April, regarding the crisis in which the

coin reserve of the currency note Guarantee Fund has

been depleted, and to inform

you that I concur in your

view that it was desirable

that full use of the coin

No. 776

MINUTE.

- Mr. Jeffrey 1/2 pr.
- Mr. Perkins 1.0. 20
- Mr. Dalton 2.0. 20.
- Mr. Grindle.
- Mr. H. Lambert.
- Mr. T. Wood. 2
- Mr. F. Fiddes.
- Mr. Amery.
- Mr. M. Miller.

Concurred.

of the Uganda Cotton Corporation

2. I approve your
proposal to return the

surplus stock, amounting

to 39 lakhs of Indian

one rupee notes, ~~of India~~

as shown in schedule

I have in

(to) [unclear]