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Colonial Bank
India Ltd.

1913

31 July

Last previous Paper.

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Currency Off. I. in C.

Submits details promises every assistance
& trusts that new issue of P. C. Af. paper will
prove successful

~~to~~ Ready Sir. J. Anderson.

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& would you send per common
a copy of the cover of with
this bank & say that he
will not doubt take into
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next subsequent Paper

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Addressed and
marked payable to
NATIONAL BANK OF INDIA LTD.
Telex-Address
MINERVA LONDON

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The National Bank of India Limited.

~~17, Bishopsgate, London, E.C.~~
26, BISHOPSGATE, E.C.

London, 31st July 1913

The Under Secretary of State,
Colonial Office,
Downing Street,
S.W.

211

Sir,

We have to acknowledge receipt of your letter of 17th instant, handing us copy of a draft Order relative to the currency of the East Africa and Uganda Protectorates which is to be submitted to His Majesty in Council.

By the provisions of this Order we observe that the standard coin is to be changed from the Rupee to the Sovereign and that all transactions relating to money shall, in the absence of express agreement to the contrary, be deemed to be made according to the standard coin. We feel sure that such an important measure has not been contemplated without strong reasons for its adoption. Although the Sovereign has been legal tender in East Africa for some years the Rupee has been the only real circulating medium for trade purposes in East Africa, Uganda and in Zanzibar all along and it is our opinion that it will long continue to remain so.

It is therefore to be expected that a steady demand for the new East African Rupee which it is proposed to coin will have to be met and we hope that the Government will, in the event of the new Order being passed into law, take all the necessary steps to see that ample supplies of that coin are obtainable in exchange for Currency Notes.

Under the provisions of the draft Order the bearer of a Currency Note is only entitled to payment in "current coin" which

may mean the payment in gold. We as Bankers must receive Sovereigns from customers in East Africa as we do in India but our experience in that Country shows us that we cannot pay them out with equal facility - our customers in most cases demand Rupees - and we are therefore anxious that the Government should always be in the position to give Silver in exchange for Currency Notes or Gold.

There is only one other point we wish to refer to. The draft Order provides that it shall be lawful for the Currency Board to receive British East Africa Rupees or Currency Notes in exchange for Sovereigns payable in London. We would suggest that a minimum of at least £5000 should be fixed for any such transfer otherwise the Government might be called upon to make small remittances under this clause which cannot be their intention.

We have only to add that with the passing of the measure into law we shall give all the assistance we can in furtherance of the programme of the Government, and we trust that the new issue of British East Africa Rupees will prove in every way successful.

I have the honour to be,

Sir,

Your obedient Servant,

General Manager

*to receive
the 10
summary
of the
proceedings
of the
committee
of 1918*

M.D. / 26395 / E. Africa.

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15

B. August 1913

DRAFT.

22P No. 652

A. C. Bedford Pongu

W. D. D. 8/19/13

Read. 9

Sir,

~~I have the honor to acknowledge the receipt~~ with reference to Mr. Bowring's tel. No. 158 of the (24392) 14th of July I have the honor to thank you for the accompanying copies of course with the National Bank of India Ltd. respecting the Draft A.C. relative to the currency of the E. A. and Uganda Protectorates. You will no doubt take into consideration the points referred to in the letter from the Bank of India

2. A copy of the proposed new Shans Settlements Currency Ordⁿ is also

31 July 1913
 National Bank of India
 26395

National Bank of India
 26395

Currency Ordⁿ & Settlements
 6426
 issued by Sir J. Thomson