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Trans Bank
Africa

Currency Board

Date.
Dec.
Previous Paper.
39180

Justo report recd from managers at Nairobi & Mombasa
on question of location of the Head Office of the Board.
They ask for two branches, but if it be decided that
there can only be one office for issue of notes they
consider that office at Mombasa is the better.

W. Fiddes.

It was decided in 1910 to move the Head
Office of the Currency Board from Mombasa to
Nairobi, but to retain at Mombasa a branch
Office at which notes would be redeemed and
issued at the convenience of the Govt. An
Order in Council was passed to enable the
change to be made, but before anything was
done, the Standard Bank of South Africa
started operations in the pt. Mr. Bourne
explains in B. how this complicates the
question of having a branch, with optional
powers, at Mombasa. Briefly put, he does
not see how the Govt. in the exercise of such

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Copy above to Governor, Cape Colony, 14/3/11
14315/12

Subsequent Paper
14315/12

optional powers, is going to steer a middle course between the requirements of the two Banks in Mombasa. I do not altogether understand the difficulty which he feels, though I fully see that it might be necessary at times to dis-appoint one bank or the other. Anyhow, he now thinks that there should be only one office & that at Nairobi, unless the Banks can make out a very strong case for having the single office at Mombasa (a. now).

We have consulted the Banks. They both (very naturally) consider that there should be two Currency Board Offices, one in Mombasa & one in Nairobi, both, as I understand their letters, with full obligations as to issue and redemption of notes. Failing that they would no doubt be glad to see a Head Office & an optional branch. But they are both clear that, if there is to be only one office, that should be at Mombasa.

I do not see how we can decide the question here. We can hardly agree at present to two offices with full obligations as to issue & redemption. Short of that, the local Govt must balance the claims of the

mercantile community against the convenience
of the Govt. & advise whether the principal
office shall be at Nairdi or Mombasa &
whether there shall be an optional branch
at the other of the two places. 264

? Send the Govt a copy of the
con. from $\frac{B}{310824}$ & ask for his final
recommendation in the matter.

HAB

Dec. 7.

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Edw
The Standard Bank of South Africa Limited. 39180

RECD
C. I. F. C. II
5th December 1911.

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

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Sir,

Currency Board in the East Africa Protectorate.

I have the honour to refer to your letter of the 8th October last, and to my reply of the 9th idem, with regard to your request for an opinion on the question whether the Office of the Currency Board in the East Africa Protectorate should be situated at Mombasa or Nairobi.

The following letter on the subject, dated 8th ultimo, has just been received. It represents the considered opinion of our Managers at Nairobi and Mombasa.

- * In response to your request, we beg to submit herewith, for the information of the Board of Directors, the following views on the question raised by the Colonial Office with regard to the location

The Under Secretary of State.

4/12/11.

" location of the Head Office of the Currency Board
" in this Protectorate.

" In view of the distance between Mombasa
" and Nairobi (327 miles) we would strongly urge for
" two branches of the Government Note issue Office,
" and, in doing so, would remark that a second Office
" in Nairobi would undoubtedly be of much convenience
" to the business people of the Highlands, and, more-
" over, would obviate the risk, expense and inconven-
" ience that exists at present in the frequent trans-
" mission of currency notes between the two places.

" If, however, it is decided that there can only
" be one Office for the issue of notes, then our be-
" lief is that the different interests of the country
" would best be served by the retention of such Of-
" fice at Mombasa, as otherwise the extra cost of
" railage, Mombasa to Nairobi, would have to be added
" to the already high cost of importing specie."

This opinion has been submitted to the Bank's
General Managers in Cape Town, who have notified us
by cablegram that they concur in the recommendation
of the Managers of our Nairobi and Mombasa Branches.

✓ In

The Under Secretary of State.

4/18/11.

In their cablegram, our General Managers intimate that they refer to the matter at greater length in their letter of the 29th November, which should be in our hands in about a fortnight's time.

If, in that letter, they give any information likely to be of value to the Secretary of State, I will not fail to communicate it in due course.

With regard to the views expressed in your letter of the 6th October last, my Board trust that they may be permitted to enquire whether it would not be possible, in case of need, for the Currency Board, located at either Nairobi or Mombasa, to control two Branches of issue, one at Nairobi and the other at Mombasa.

I have the honour to be,

Sir,

Yours obedient servant,


Secretary.

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Gov. de Riquemont

15 Dec 1874.

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Mr. ~~Buckingham~~ 11/12

Mr. ~~Buller~~ 13

Mr. ~~Palmer~~

Sir H. ~~Justice~~

Sir J. ~~Anderson~~

Lord ~~Lucas~~

Mr. ~~Harcourt~~ 23

Banking 29 Sept

Standard Bank 5 Oct

Nat. Bank of India 6 Oct

Standard Bank 5 Oct

Nat. Bank of India 11 Oct

Banking 20 Oct

Standard Bank 17 Dec

With ref. to my despatch No 70 of the 10th of Feb., I have the

honour to transmit to you,

for your review, a copy

of the correspondence on

the subject of the

of the Currency Board,

in the East of Africa,

to request that you will

submit to your final

recommendation in the

matter after a personal

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of their cases^a.

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