

EAST AFR. PROT
66376/2/1

C.O.
65325
Recd
Nov 13

Bank of S. Africa

88

Currency

1919

Nov

Requests further particulars re scheme before expressing any opinion

Next previous Paper.
66376/2/1
GCA

~~In London~~
Mr. ~~Balch~~ ~~of J. & J.~~

(1) In 44523 we proposed 1/6 as the sum for which our Indian paper could be bought up. The exchange value was then 1/10. Their local manager, Mr. Toogood, (quoted in 65314) thinks that we should buy up at 1/8 now that the exchange value is 1/8.

kept as above + say that the premium eventually paid will depend on the exchange position at the time of the introduction of the new proposals.

(2) This is an important point, and I do not find a ruling in the minutes re. I think that despite though

Next subsequent Paper.

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any special provision with regard to 87
contracts made before the introduction of the
new system.

(3) Point out that the appearance of
the 0.10s will ^{abolish} ~~convert~~ the rupee ~~from~~ a
standard of exchange, and will convert it
into a token coin equalling $\frac{1}{15}$ th of a £1,
and having no exchange value: that the
present rupees, which actually have an
exchange value ^{greater than their token value}, will be bought up or at
all events will disappear ^{being replaced by tokens} from circulation;
and that the change will therefore
automatically take place at once.

C. J. J. 21. 11. 19.

Recd.

Ms. 11. 87

Please see my minute on 66374 as to

immediate action.

On the three points

- (1) As to the Indian rupee & rupee note in worth
 $\frac{1}{2}$ £ in India (it forms slightly more, I
think, a silver rupee) I am that it must
be more than $\frac{1}{6}$ £.
- (2) The point is, I think, that by the D.O. of 1905
the silver rupee of British India is the standard
coin of the East. Hence any further contract
involving the rupee must be construed by
the Courts as meaning the Indian rupee.
The note, as I think, will probably have

The Standard Bank of South Africa Limited.

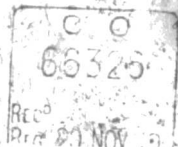
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10, Clements Lane, Lombard Street,

London, 19th November 1919.

Ref: 63514/1919.

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



Sir,

Referring to my letter of yesterday's date, I beg to state that my Board are unable to express an opinion on the scheme outlined in your letter of the 15th instant until they are made acquainted with all the details.

In particular they would like to know at what premium the Indian rupee will be exchangeable for the new East Africa (paper) rupee, and whether in dealing with contracts made and obligations incurred before the proposed change, the new rupee will, for purpose of legal tender be held to be the equivalent of the Indian rupee.

Apparently it is intended to establish 1s.4d. per rupee as the par of exchange, and my Board would like to know exactly how it is proposed to arrive

/ at

The Under Secretary of State. 20th November, 1919.

at this result and within what time.

I am,

Sir,

Your obedient Servant,

Hubert B. Gray

Secretary.