

PROT
332 V V

C O
33577
13 JUL 20

D. A. G. CONF
96
CURLING

PARA. 5

PAYMENT OF PENSIONS - RATE OF EXCHANGE 313

1920
22nd May
of previous Paper

States resolution was passed that sterling pensions of persons residing in the Prot. should be paid at ten rupees to the £. Consider it would cause hardship as purchasing power of rupee has not risen

Copy comes to Gov High Conf. 21 July 1920
Copy comes to Gov. T.T. Conf. 3 Oct 1921 (1920)

~~Mr. P. ...~~
Mr. Bostonley

I have detached Treas/2464/100 from the intances bundle, so leaving with this. Please see page 3 of Treas. letter on that paper and para. 4 of our reply. The new points raised in the latter are covered to Treas. general approval of all the proposals in our letter on that paper.

What we have proposed to Treas. and obtained approval for there are as follows:-

sequent Paper.
97 20

(1) normally ^{starting} all ~~new~~ pensions paid
locally will be ~~at the~~

which ~~will be~~ ^{will be} ~~at the rate~~
~~of Rs. 10 to the 21~~

(3) ~~which~~ ^{which} ~~an~~ ^{an} ~~offer~~ ^{offer} ~~had~~ ^{had} ~~entered~~ ^{entered} into
commitments ~~in~~ ⁱⁿ ~~the~~ ^{the} ~~course~~ ^{course} of ~~revisions~~ ^{revisions} ~~of~~ ^{of} ~~pay~~ ^{pay} ~~in~~ ⁱⁿ ~~the~~ ^{the} ~~past~~ ^{past} ~~which~~ ^{which} ~~will~~ ^{will} ~~be~~ ^{be} ~~settled~~ ^{settled} ~~at~~ ^{at} ~~the~~ ^{the} ~~rate~~ ^{rate} ~~of~~ ^{of} ~~Rs. 15 to~~ ^{Rs. 15 to}
~~the 21~~

? Ask. Reply to this by sending
copy of our letter to Treas. on
20360, marked para. of Treas. letter

(24892) & para. 4 of our reply thereto.
Say that while the S. O. agrees that
in all future cases pension should be
fixed at Rs. 10 to the 21, we consider
that ~~the~~ ^{the} ~~in~~ ⁱⁿ ~~the~~ ^{the} ~~course~~ ^{course} of ~~revisions~~ ^{revisions} ~~of~~ ^{of} ~~pay~~ ^{pay} ~~in~~ ⁱⁿ ~~the~~ ^{the} ~~past~~ ^{past} ~~which~~ ^{which} ~~will~~ ^{will} ~~be~~ ^{be} ~~settled~~ ^{settled} ~~at~~ ^{at} ~~the~~ ^{the} ~~rate~~ ^{rate} ~~of~~ ^{of} ~~Rs. 15 to~~ ^{Rs. 15 to}
~~the 21~~ or if officers ~~who~~ ^{who} ~~have~~ ^{have} ~~entered~~ ^{entered} into
contracts ~~with~~ ^{with} ~~the~~ ^{the} ~~expectation~~ ^{expectation} of receiving pension
at that rate should be safeguarded
as indicated in the copy and ask for

Altho

1972

I think it would be better
 to limit the number of
 principles, especially to those which
 affect the choice of a
 particular mode of procedure.
 It should state if the procedure
 changes his permanent residence
 even to another country, not only
 the wife or child.

[E.g. if a Uganda official is
 taken up land in Uganda to buy or
 retirement does however at 15 ft.
 If it suits him to dispose of the
 land & go to live in the U.K. he
 has no claim to a certificate of
 the 15 ft.]

C. C. 10.7.22

John

33877

RECEIVED
OFFICE OF THE
SECRETARY OF DEFENSE
13 JUL 50

DISPATCH NO. 10 254

317

3. Further resolution was called for
 votes to 10 that all payments of sterling pensions
 to pensioners residing in the Protectorate should
 be at the rate of ten rupees to the pound.
 This resolution settles the question to which I
 referred in my Confidential Report No. 66 of
 March 26th, but I am afraid that it will be
 regarded as a hardship by the pensioners concerned,
 as the local purchasing value of the rupee has not
 risen but rather the reverse. A small saving
 will be effected on the pensions of Messrs. Hayes,
 Godaker, Corbett, Manokton, Pickford, Barton
 Wright and Miss Stollard.

---OOO---

Copy to Mr. T. Corp. 2/2/51

404/33577/20
E.A.P.

24 313

July 1920

Copy with enclosure for Mr. J. P. Northey
Copy for Uga 26 July 20

Sir,
With ref. to para 3 of your
Conf. doc. No. 96 of 1920
I may have to draw attention
to you for your conf. the
copy of conference with the Treas.

DRAFT.

MINUTE.

- Mr. Jeffries 16.7.20
- Mr. Parkinson 17.7.20
- Mr. Bottomley 17.7.20
- Mr. Shastley
- Mr. Brindle
- Sir H. Lambert
- Sir H. Road
- Sir G. Fiddes
- Col. Attery
- Lord Milner

on the subject of the rate of
conversion to be adopted for
the payment of public pensions

issued locally. The proposal
submitted to the C. of the Treas. & Co.
letter of 1st June were approved by them.
I agree with the
views of the Legislative Council

in connection
with the general
conditions
of service in the
Army

for conversion
8 May

(10360)

Treas. letter 18 May
para (24692)
letter to Treas. June
of diff. (24692)

that in future cases
such pensions should be
issued on a basis of ten
pounds to the pound.

533
233

Consider, however, that the interests
 of persons who are already
 drawing pension on the basis of
 15 to the pound, and of those who
 before the announcement of the
 change in the currency had
 entered into ^{contracts} contracts, in the
 expectation of drawing a pension
 on that basis, at that rate should be
 safeguarded as indicated in
 the correspondence with the Treas.

4. The ^{Contracts which have been} ~~contracts~~ in
 regard to which the privilege
 of limiting the pension to the
 drawing pension at 15 florins
 has been granted, and the
 privilege of drawing pension on the basis of 15 florins to the pound
 should, I consider, be expressly ~~limited to those contracts~~ ^{limited to those contracts} ~~which~~

It will follow that
 the ~~retired officer's choice~~ ^{of residence} and the privilege
 should

DRAFT.

(2)

MINUTE.

- Mr.
- Mr.
- Mr.
- Mr. Grandie.
- Sir H. Lambert.
- Sir H. Reid.
- Sir G. Fildes.
- Col. Amery.
- Lord Milner.

class in the event
 of persons changing their
 permanent residence, even to
 another country which uses
 the rupee or florin.

I shall be glad if
 you will bring these
 questions before the Legislative
 Council, and invite them
 to reconsider the matter and
 agree to the arrangements
 proposed.

I have

385 27/20
E.A.P.

328

July 1920

DRAFT.

Sir

Comrade

Comrade

Comrade
MINUTE.

I have, by my transport
you for your info, the
acc. copies of correspondence.

with the Gov. of the C.A.P.

the terms regarding

the rate of conversion to

be adopted for the

conversion of payment

of sterling pensions

to be paid locally to officers

- Mr. Jeffries 16.7.20
- Mr. Parkin 16.7.20
- Mr. Galt 17.7.20
- Mr. Grindie
- Sir H. Lambert
- Sir H. Road
- Sir G. Fisher
- Col. Amery
- Lord Milner

Conf. 58 hand 26
(20360)

22
10550
not have of pension
with 2/3 of pension
4 of off. on 24.6.20

50/205 77/20
E.A.P.

320

DRAFT.

Conf.

Corynson
MINUTE.

- Mr. Jeffries 16.7.20
- Mr. Parkinson 16.7.20
- Mr. Cotton 17.7.20
- Mr. Grindle
- Mr. H. Lambert.
- Mr. H. Read.
- Mr. G. Liddes.
- Mr. Milner.

Conf. 28 March 26
(20360)

5560
 as letter to Mr. ...
 and name of 246921 - 100/100
 - letter to Treas. ...
 6 Place W of City - 246921
 to ... A.P. ...
 (B.P. ...)

I have ... to ...
 you for your ...
 are ... of ...
 with the Government ...
 the year ... regarding
 the rate of conversion to
 be adopted for the
 ... of payment
 of ... pensions
 ... locally ...

the operation of the Currency Board under
by the ~~responsible~~ ~~of~~ ~~the~~ ~~Board~~
the ~~Board~~ ~~will~~
have ~~been~~ ~~of~~ ~~the~~ ~~Board~~ ~~will~~
definite obligation ~~of~~ ~~the~~ ~~Board~~
under ~~the~~ ~~Board~~ ~~will~~
from the 21st July the new
Currency Board takes over the ~~sole~~ ~~old~~
obligation of the ~~old~~ ~~Board~~ ~~will~~
and the ~~actual~~ ~~details~~ ~~of~~ ~~the~~ ~~arrangement~~
be a matter for arrangement between the
Board & the ~~Prat~~ ~~Govt~~ : but this does
present a good opportunity ~~of~~ ~~the~~
to ~~consider~~ ~~the~~ ~~position~~ ~~is~~.

As regards the suggestion that
the sale of ~~supplies~~ ~~on~~ ~~interest~~ ~~paid~~
any profits made on ~~investments~~ (over &
above the £10,000 provided in the
1916 ~~Act~~ ~~to~~ ~~reduce~~ ~~the~~ ~~volume~~) should be
devoted to reducing the ~~expenditure~~ ~~on~~ ~~the~~
other fund mentioned in the ~~Act~~,
it will ~~be~~ ~~presumably~~ ~~be~~
for the Board to decide, under para.
24 of their regulations (in 22717/20) &
what ~~extent~~ ~~they~~ ~~can~~ ~~do~~ ~~this~~.
Action is being taken separately

that they funds & the said revenues
and what they will be over for the
Currency Commission as per the 21st
~~some~~ Observe that £14,000 of the
interest on investments in the said Government
fund is earmarked for general revenue,
and that report for that it is clear that
the Govt will require any assistance that
they can give, and not ~~for their~~
persons ^{generally and} after whether they anticipate
that, under Sec. 24 of their ~~Act~~, they
~~cannot~~ will be able to recommend
that any portion of the interest accruing
for their funds will should be made
available for the purpose suggested in
the ~~report~~.

[Although ~~with~~ the I.A.P., Uganda &
T.S. are all entitled to benefit from
the profits of the Bond, it seems
to me that for the present, at all events,

which has been financially
responsible for the Currency Commission
under the 1905 Ordinance

Subject to
the amount
of the
of the

at Hyderabad

[Keep the papers on at
circles of 22/1/19 as sent]

Unless the action proposed by
the officers must be taken at
once, it might be as well
to send this paper with
the 22/1/19 for any business
may have first

ALL

22/1/20

BCH

In the first place to you there,
please

[The papers should be
sent to the Board for their
consideration and the Board
should be kept in the files
of the Board for the future
of the Board]

... of the Board ...
... of the Board ...

32

Mr. ...
... the existing assets of
the Currency Commission have been taken over by
the Currency Board, the Colony, for present pur-
poses, is not directly concerned with their current
value. The question of whether, and if so to what
extent, the Board should be required to contribute
towards the other depreciated assets of the Colony,
is a separate matter which I agree might be reserved
for consideration in due course. I also agree with
the proposed method of dealing with the National
Bank of India Guarantee Fund and the Stearns Depre-
ciation Fund, it being understood that the depre-
ciated value of the latter will not be overlooked
and that the provision will be made for such
circumstances permit. With regard to the Savings
Bank and the U.R. Provident Fund and the Stearns Depreciation Fund, I consider
that, as soon as possible, provision should be made
in the manner indicated in the Circular despatch
of the 22nd November 1919, for the losses which may
be incurred by the realization of the securities.
If such provision cannot be made at once I suggest
that the necessity for it should be borne in mind
in connection with the Colony's finances during the
current and each succeeding financial year with a
view to any realized surplus being allocated to this
purpose.

[Signature]
3/3
Sp. for ...
[Signature]

PROTECTORATE

32-00
HOUSE
3 JUN

25th May, 1920.

323

My Lord,

In reply to Your Lordship's Circular despatch of the 22nd November 1919, I have the honour to forward a statement of the Protectorate's investments, showing the depreciation thereon in relation to the number of Rupees taken for investment. The total amount of the depreciation is 2497,066 and is made up as follows:-

1.	Currency Note Guarantee Fund	299,004
2.	Currency Note Depreciation Fund	28,321
3.	Savings Bank	42,872
4.	Uganda Railway Provident Fund	71,699
5.	Uganda Railway Steamer Depreciation Fund	55,170
	Total	<u>2497,066</u>

2. Of these investments the Savings Bank and the Steamer Depreciation Fund only appear in the Protectorate's Balance Sheet. The Balance Sheet shows also on both sides a sum of £10,960 in respect of the National Bank of India Guarantee, but as this represents only securities lodged with the Crown Agents there will be no need to take any action with regard to it beyond writing down the Rupee value in the Treasury books, which I propose to do when closing the accounts of last financial year. The sterling value will remain the same.

3.

RIGHT HONOURABLE
HON. H. H. MILNER, P.C., G.C.B., G.C.M.G., &c., &c.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W.

... a small account for Surplus Fund, which arose through over-... of the Savings Bank. The amount over-invested was transferred to this account and has been re-transferred to other accounts as occasion to make further investments has arisen. The accounts for the closing of last financial year are expected to show that very little balance remains under this account, and that balance will eventually disappear.

4. I propose that the same action as that suggested for the National Bank of India Guarantee Fund should be taken with regard to the Steamer Depreciation Fund, which is an Insurance Fund and has no immediate liability against it. It is however recognised that the reduction of the amount of this fund is not a negligible matter, especially in view of the increased price at which it would be necessary to replace a Steamer in the event of loss, and should be dealt with when circumstances permit.

5. The position with regard to the Savings Bank, the Railway Provident Fund, and the Currency Note Guarantee Fund is different. Against these there is a direct liability for the full equivalent of the cost price of the investments in Rupees. The position is most unsatisfactory as the Protectorate is not at present able to make any contribution towards making up the depreciation from its Revenue. I suggest that, if any profit is made from the sale of the Indian Rupees when the new Currency is introduced, it should be devoted in the first place to making good this deficiency, and after that to

the Banks' investments, and I further suggest that, if the assets should prove insufficient any amount of the Currency Board out of interest on securities, over and above the sum of Rs.140,000 upon which the Protectorate depends to make the budget balance, might be devoted to making good the balance of the deficit on the three funds mentioned at the beginning of this paragraph. In the meantime I am afraid that these investments will have to be shown at a fictitious value, equivalent to their purchase value. Fortunately the Banks and the Public appear to experience no uneasiness on the subject.

6. The figures given in the first paragraph with regard to the Currency Note Guarantee Fund and the Depreciation Fund represent the depreciation only and in order to arrive at the deficit in the Currency Note Guarantee Fund it is necessary to deduct the value of the total balance of the Depreciation Fund from the amount of the depreciation. This total value of this fund amounts to £56,396, which is made up of £40,936, being the average value of the investments as shown in the Statement, and £14,460 which is Rs.144,600 held in coin. This total deducted from the Depreciation of the Guarantee Fund gives a deficit of £243,608. The figures in this case are taken from the Statement for the 10th of May 1920.

7. There yet remains to be considered the value of 42,000 sovereigns which are held by the Currency Commissioners as representing Rs.630,000 on the subject of which I am addressing to Your

Lordskip

C.O. 533
233
PUBLISHED BY THE GOVERNMENT OF INDIA

Lordship a separate despatch.

see Govt 32901

I have the honour to be,

Your Lordship's

humble, obedient servant,

W. Munro

GOVERNOR'S DEPUTY.

(draft approved by Acting Governor)

Particulars of Security	Rate of Interest %	Face Value	Cost	Mean of quotations between Jan. 1st and Jan. 31st	Value at mean of quotations between Jan. 1st and Jan. 31st
Transvaal	3	54263. 8. 10	800071.78	61 1/2	54263. 00
India	3 1/2	45641. 0. 4	645000.00	59 1/2	45641. 00
Straits Settlement	3 1/2	80634.15. 6	1098601.54	69 1/2	80634. 00
Southern Nigeria	3 1/2	80552. 9. 6	800198.44	64 1/2	80552. 00
Greenland	4	15098. 4. 4	228000.00	74 1/2	15098. 00
Jamaica	4	2969. 6. 7	43430.94	81 1/2	2969. 00
War Loan	5	42799. 8. 9	600000.00	90 1/2	42799. 00
Deposited with the Crown Agents	Bank	430600. 0. 0	4300000.00	-	430600. 00
do do London County Westminster & Parrs Bank Ltd.	"	168313. 6. 6	2528000.00	-	168313. 00
907292. 0. 6					6103423. 00

Depreciation Reserves

Particulars of Security	Rate of Interest %	Face Value				Cost	Mean of quotations Jan. - March	Value at close of quotation calculated as per 10 to 12 1/2
		4	8	4	Rs.			
Transvaal Stock 1922/23	3	8276.	11.	10	115404. 3/4	611	6130	
Straits Settlements do 1937/37	3 1/2	2783.	2.	1	34503. 75	69 1/2	10000	
Jamaica do 1934	4	208.	13.	2	2998. 56	61 1/2	1270	
War Loan do 1929/47	5	1264.	17.	5	17648. 13	90 1/2	1120	
National War Bonds 1928	5	700.	0.	0	10000. 00	97 1/2	10000	
Pending Loan Stock 1963/90	4	30128.	13.	10	361844. 31	73	10000	
Deposited with London County Westminster & Parr's Bank	Bank	10000.	0.	0	150000. 00	72 1/2	10000	
							60380	
					53563. 18. 4		602374. 13	

Holders of Security	Rate of Interest %	Face Value				Cost	Mean of quotations Jan. 1929	Value at mean quotations listed at Rs. 10 to 15.
		Rs.	Ann.	Pais.	Ann.			
Gold Coast	4	1021.	12.	2	15000. 00	74 1/2	7630	
do	3 1/2	3040.	9.	5	41367. 00	68	20060	
Bangkok	3 1/2	1000.	0.	0	13614. 00	69	6900	
Sierra Leone	4	5104.	8.	7	78411. 12	75	20280	
Southern Nigeria	3 1/2	6821.	18.	4	94365. 50	66 1/2	48870	
Straits Settlements	3 1/2	10458.	12.	2	136384. 00	68 1/2	68840	
Trinidad	4	2000.	0.	0	29888. 86	74 1/2	12270	
Zealand	3 1/2	5200.	13.	8	74269. 50	69 1/2	16080	
Transvaal	3	22444.	19.	3	318000. 00	61 1/2	128580	
War Loan	5	2102.	6.	5	30000. 00	90 1/2	16970	
		59195.	0.	3	625000. 00		262280	

	No.	1898.	18.	8	189834	40025
Southern Nigeria	34	11845.	18.	8	189834	97700
Jamaica	34	7569.	13.	2	10670	17300
Canada	34	4194.	10.	7	99782.	6705
Barbados	34	5747.	18.	4	81101.	8060
Straits Settlements	34	14838.	9.	3	24888.	2630
Hongkong	34	2601.	10.	5	38538.	4250
Mauritius	34	1000.	0.	0	13745.	13350
Gold Coast	34	766.	18.	6	10850.	2460
Queensland	34	3506.	0.	9	49278.	2630
Jamaica	4	8217.	5.	2	77178.	4250
Ceylon	4	2198.	13.	9	33050.	13350
Gold Coast	4	372.	12.	9	4416.	2460
Sierra Leone	4	3212.	13.	4	47996.	54100
Punding Loan	4	27878.	4.	11	334338.	203510
National War Loan	5	4300.	0.	0	64800.	41780
War Loan	5	21462.	7.	8	307836.	198800
		116689.	18.	2	1590334.	873840

Amount of expenditure Rs. 716,904
 = 873,699

Particulars of security	Rate of Interest %	Date				Cost	No. of Votations if stored	Value at date of valuation taken into account as per 10 to 12.
		2	3	4	5			
Spain	2½	1934	5	5	1,154,990. 00	69	66120	
Southern Algeria	3½	375	6	10	3,982. 25	644	2480	
Jamaica	3½	7000	0	0	73,373. 25	684	27,600	
Straits Settlements	3½	1,2762	7	1	1,63,600. 69	65	33,780	
Trinidad	4	10018	5	9	1,50,000. 00	792	76,610	
Jamaica	4	280	4	4	3,632. 50	452	2,200	
Sierra Leone	4	333	8	9	4,803. 00	75	2,500	
Fund for Road	4	22539	9	4	2,71,073. 63	73	1,66,900	
National War Bonds	5	200	0	0	20,000. 00	978	1,940	
1st Loan Stock	5	30543	9	8	3,49,650. 34	904	3,47,800	
		100236	16	8	13,37,745. 44		76,6040	

Amount of appreciation Rs. 2,01,700
2,00,170

22900/20
Kenya

Aug 1920

DRAFT

I have to ask the
receipt of ~~you~~ dep. no
551 of the 25th of May
dealing with the depreciation
of the Protectorate's investments
Colonys

Kenya
No. 1262

Sir E. Northey
MINUTE

Mr. Jeffries 24.8.20
~~Mr. Hutchinson~~ 26.8.20
Mr. Grindle
Mr. Packard
27

- Sir H. Lambert.
- Sir H. Road.
- Sir G. Fiddes.
- Col. Ashery.
- Lord Milner.

I concur in the action
which is proposed in
paras. 2 and 4 of the
above-mentioned dep. to take

for consp.

with regard to the National
Bank of India Guarantee
Fund and the Steamer
Depreciation Fund, on the
understanding that the

D.C.A. after dep.

depreciated value of [unclear]
 will not be [unclear]
 that one provision will be
 made for it [unclear]
 permit. With regard to
 the Savings Bank and the
 Uganda Railway Provident
~~Share~~ Depreciation Fund,
 consider that, as soon as
 possible, provision should be
 made in the manner indicated
 in my Circular dated the 22nd
 of Nov. last, for the losses which
 may be incurred by the realisation
 of the securities. If such
 provision cannot be made at
 once, the necessity for it should
 be

DRAFT.

(2)

MINUTE.

- Mr. _____
- Mr. _____
- Mr. _____
- Mr. Grindle.
- Sir H. Lambert.
- Sir H. Read.
- Sir G. Fidler.
- Col. Amory
- Lord Milner.

with the Colony's financial position
 the current will each succeeding
 financial year, with a view to
 any realised surplus being
 allocated to this purpose.

3. The position with regard
 to the Currency Note Guaranteed
 Fund and the Currency Note
 Depreciation Fund is materially
 affected by the fact that the
 assets and liabilities of
 the Currency Commissioners have
 to now, by order of the
 P.A. of Uganda (Legislation) No.

523

283

D. C. C. 1920

of the ~~Board~~ ~~the~~ ~~Colonial~~
 Currency Board ~~the~~ ~~Colonial~~
 to not, ~~these~~ ~~present~~
 purpose, directly concerned
 with the current value of
 the ~~surplus~~ ~~the~~ ~~fund~~
 which are ~~now~~ ~~held~~ ~~by~~ ~~the~~
 Currency Board; and
 consider that the question
 whether, and if so to what
 extent, the Currency Board
 should be required to contribute
 towards the other depreciated
 assets of the Colony is a
 separate matter which must be
 reserved for ~~consideration~~ ~~in~~ ~~due~~

it is ~~more~~ ~~possible~~
 better judgment as to
 the Board will
 to do so ~~it~~

DRAFT.

(3)

MINUTE.

- Mr. ~~...~~
- Mr. ~~...~~
- Mr. ~~...~~
- Mr. Drindie.
- Sir H. Lambert.
- Sir H. Road.
- Sir G. Fildes.
- Col. Amery
- Lord Milner.

4. Similarly, the ~~assets~~
 held by the Currency Board
 as to which separate action
 is being taken, are ~~now~~ ~~the~~
 property of the Currency Board,
 and the responsibility for
 disposing of them with the
 least loss which will be
 incurred in their disposal
 will fall upon the Board.

I have n.
 MILNER

32900/20

31 Aug 1920

DRAFT

Sec.
Currency Board

Received
5/9/20

I am in honor to

you for the info of the
F. A. Currency Board, the
acc. statements which have
been received from the
O. A. G. of Kenya showing
the ~~sums~~ investments
standing to the credit of
the Currency Note Guarantee
Fund and the Currency
Note Depreciation Fund,
in the depreciation ~~loss~~
of those securities in relation

MINUTE.

Office 24.8.20
Lambert

- Grandle.
- H. Lambert.
- H. Roul.
- G. L. Alder.
- Amery
- d. Minnie
- on son

32900/20

to the number of rep-

ment

These securities are amongst

the assets of the

Commissioners which will have

been taken over by the Secretary

Board as from the 21st of

1920.

3. I am to observe that

the Kenya Estimates for the year

1920-21 contain provision for

£14,000 to be credited to the

general revenue of the Colony

from the income of the Hotel

Guarantee Fund. The Board will

doubtless bear this liability in

mind when estimating the value

of their assets.

I am, Sir, Sir,

MAY 1920.

337

My Lord,

I have the honour to inform Your Lordship that I have recently been giving my attention to the subject of the British gold sovereign as a legal tender coin in the East Africa and Uganda Protectorates. As Your Lordship is aware these coins were made unlimited legal tender at the rate of £1 to Rs.15/-, by Section 13 of the Currency Order in Council, 1906.

2. Apart from the holdings of the Currency Board which amount to £42,000, and £2,916, held by the local Treasury and Sub-accountants, I do not think that any large quantity of sovereigns is held in the Protectorates, but there are indications that, in spite of the recent prohibition against importation, a certain number continue to filter in. I have obtained the following information regarding the amount of sovereigns held by the three Banks carrying on business in the two Protectorates which represent their total holdings at all their branches:-

	National Bank of India.	Standard Bank of S. Africa.	National Bank of S. Africa.
May 7th	12.	2556.	1545.
March 26th	12.	973.	820.
Increase:- Nil.		1585.	725.
			Total

RIGHT HONOURABLE
VISCOUNT MILNER, P.C., G.C.B., G.S.M.G., &c., &c.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W.

Total held by the Banks - 24115 of an increase of 10000 in the last 6 weeks. A portion of this increase is of course due to the amount of gold brought into the country which may have been paid in anticipation of the local legal tender value of the sovereigns being reduced in terms of rupees, but it is significant that the increase has occurred in the holdings of the two South African Banks only and it is reasonable to assume that some at least of the increase is due to coins brought into the country from South Africa by customers of those Banks.

3. I recommend that the suggestion of the Indian Exchange and Currency Committee as set forth in paragraph 69 of their report be adopted here and that Government offer to take over all sovereigns at the rate of Rs:15/- to the 21 up to a certain date. The period for redemption at Rs:15/- could be limited to a calendar month, as suggested in the case of India, and thereafter the value of the sovereign could be reduced to Rs:10/- and all restrictions on its import or export could be removed. The most convenient method of redemption would probably be by the issue of Currency Notes. This would leave the question of the Currency Note Reserve alone to be considered. The amount of Gold coin may I think be taken to be roughly 250,000, for even if there should be any unsuspected hoardings it is improbable that this amount can be greatly exceeded.

4. The question of disposal of the gold coin will also require consideration as there is little or no use for this as local currency.

the main portion of the
 Note 3. which would thus amount to
 have been disposed off would be not
 more than 225,000 or 250,000 florins. This is a
 relatively small amount when compared with the
 depreciation in the sterling investments held by the
 Currency Board, and the subject of which I have
 already addressed Your Lordship in my despatch No. 351
 of the 25th May, and should be dealt with in the same
 manner as the deficit on the invested portion of the
 Fund.

6. If therefore Your Lordship is able to agree
 with the recommendations contained in paragraph 3 of
 this despatch, I would ask that the necessary
 amendments to the Currency Order in Council 1905 be
 taken in hand, and that I be informed by telegram of
 the date on which the sovereign will be reduced to the
 value of Rs:10/- for local legal tender purposes and
 authorised to issue the notice offering to redeem
 sovereigns at the rate of Rs:15/- for a limited period.

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

W. P. ...

GOVERNOR'S DEPUTY.

(draft approved by Acting Governor)

TELEGRAM From the Secretary of the Government
of the Colonies to the Secretary of
State for the Colonies.

Dated 26th May

(Received Colonial Office 10.5 p.m. 27th May 1920)

273 26th May Your telegram 19th May Talbot died
on active service. Application for remission of Death
Duties considered in Executive Council and refused
as estate well able to bear them.

MONSON.

8/20/41

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LA 86 80 NAIROBI 27 26 KE 80 DOL -

CHAPELRIES DN - 275 ^{28th July} MARSHES ^{to 11-14 m.} UNFRUITFUL

TADBOT DIED ON SALVATED SILVERSD

application for
ALPENKIND REMISSION OF DEATH DUTIES

CONSIDERED IN ^{Executive Council} ERSTABLE AND REFUSED

AS ESTATE WELD ^{able to} ADARAMS BEAR THEM

- MONSON

sequent Paper.

Case 199
26303
20

343

DRAFT.

Ans to
282113

Gentlemen

May 1920

Richardson
of the Freehold (20163)

MINUTE.

- Mr. Jewell 31.5.20
- Mr. Parkington 31.5.20
- Mr. [unclear]
- Mr. Grindle.
- Sir H. Lambert
- Sir H. Road.
- Sir G. Piddis.
- Col. Amery.
- Lord Milner.

with ref to the letter from the
 Dept of the 21st of May, I have to
 inform you that a letter has been recd
 from the O.B.S. of the S.A.P. stating
 that the late application for the
 remission of death duties on the
 estate of the late Lieut. RA Talbot
 was considered in the Executive
 Council, and that, as the estate
 was well able to bear the
 duties, the application was
 refused.

2. In the cover the S.A.P.

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Notes to the above Dept
 Noted
 8/6/20