

DOMESTIC

EAST AFR. PROT.

C. O.
15894

15894

REC'D
MAY 12 1894

Individual
909
May
Previous Paper.

Monetary Convention with Italy

^{for C. O.}
Leads to note from Italian Ch. d'Aff. stating that Ital. Govt. propose to substitute Italian rufes for the Maria Theresa dollar now current in the Bechuanaland & suggesting a Monetary Convention with Gt. Britain for reciprocal acceptance in Brit. Ital. possessions in E. Africa & that of the P. L. coins issued by the ^{provinces} ports.

General Dept.
W. L. Curtis

In mentioning this I must confess to almost blank ignorance of currency conditions East Africa. But it is perhaps a case in which general considerations weigh most.

It would of course be possible, under an Convention such as that suggested, to safeguard our Protectorates against any actual loss on the Italian coins admitted to equal treatment with their own currency. It is not so much a question of that as of convenience. The Italian Govt. are in any case making a change in their silver coin.

copy to...
June
21 June
22 Oct
32652
32820/10

20601

it is no trouble to them when they
 devise a coin of their own or devise one in
 concert with us. We are not in the same happy
 position, unless we can be assured that the
 Italians will adopt the ripes or parts of
 ripes which constitute the silver currency
 of our East African Protectorates, without
 any deviation except (I further) that of de-gram,
 it would be impossible at this stage to consent
 to an upheaval of the silver currency of
 the Protectorates for the sake of the bene-
 ficial eyes of the Italian possessions in
 these waters. And any alteration made
 for that purpose would mean the abandon-
 ment of the conveniences which the currency
 now possesses in relation to India. A
 very disadvantageous unequal bargain, surely,
 when it no chance in our currency were
 involved, it would be a serious handicap
 to be tied to another Power in the matter
 of issues of coin required for circulation.

And all for what? Apparently for the
 advancement of reciprocal trade in some
 dim & distant future when trade will flourish
 from bank to bank of the India or there
 will be a steamer paying frequent
 calls at British & Italian ports.

along the North East African coast.
 I would reply that as at present
 advised, the S. of S. does not think
 that it would be advisable to enter into
 any arrangement which might
 interfere with the established currency
 of the East African Protectorates, but
 that he will consult the Comd^g on the
 subject in the first instance, and send
 copies of correspondence to the Comd^g
 accordingly for their observations.

S.G.B.

May 13.

Mr Harris

I am sorry I have overlooked this.

There would ~~be a great deal~~ ~~be a great deal~~ ~~be a great deal~~
~~be a great deal~~ ~~be a great deal~~ ~~be a great deal~~ ~~be a great deal~~
~~be a great deal~~ ~~be a great deal~~ ~~be a great deal~~ ~~be a great deal~~
 probably be a good deal of
 convenience in making an Italian ripes of
 full weight legal currency in the Protectorates,
 much in the same way as the U.S. dollar
 is legal in Canada and British Honduras
 without any formal Convention, and the
 Italians would of course reciprocate. But I
 suggest that a fatal objection lies in the
 fact that the ripes is not really a standard,

but is then maintained at the artificial rate
of 2.15 by a most extensive. The Italians
would be able to coin silver at an enormous
profit and flood our Provinces with them
driving out the Indian silver, and it would
be impossible to maintain the existing value. I
do not see how any Convention could possibly
bring the Italian Gold down to us to prevent
this.

So far as I am aware, no part
of the Empire has labored in foreign arbitrary
coinage. So long as the silver remains, as it
is likely to remain, a subsidiary coin based on
the British standard it is. I suggest, out of
the question to allow any foreign silver to
come into use and we must simply put the
Italian Gold off as politely as possible.

J. Mill

I am inclined to think that we
can do all that is necessary by putting
Italian Coins for concurrent circulation
if that is thought desirable and the Italians
can do the same by ours. But I think
would reply for the present as Mr
Baker proposes and believe we cannot

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the great people I could ask both
the Treasury and the India Office
for their views. Both probably will
be unfavorable to any arrangement with
the Italian Govt.

C. A.

June 10
To proceed we should avoid
any such arrangement with the Italians.

June 11. 8
at home

In any further communication on this subject, please quote

No. 17320/09.

and address—
The Under-Secretary of State,
Foreign Office,
London.

Handwritten initials
E.O.
15894
255
Recd
12 MAY 09

FOREIGN OFFICE

May // 1909.

Sir:-

I am directed by Secretary Sir E. Grey to transmit to you herewith, to be laid before the Secretary of State for the Colonies, a copy of a note from the Italian Chargé d'Affaires stating that the Italian Government propose to substitute Italian rupees for the Maria Theresa dollar at present current in the Benadir Colony, and suggesting the conclusion of a monetary Convention with His Majesty's Government on the basis of the reciprocal acceptance in the British and Italian possessions in East Africa and Arabia of the silver coins issued by the respective Governments.

Sir E. Grey will be glad of the observations of the Earl of Crewe on the proposal of the Italian Government.

I am, Sir,

Your most obedient,

humble servant,

W. Langley

Under Secretary of State,
Colonial Office.

islation.

C. O.
15894
12 MAY 1909

256

ITALIAN EMBASSY,

May 4th 1909

17320

MAY

Your Excellency:-

The Italian Government have decided to substitute for the Italian coins of one centime and of 25 centimes and for the currency of Mombasa, Zanzibar and Muscat at present in circulation in the Benadir Colony, a special national currency, the coining of which is now being carried out to the total amount of 4 millions.

The Royal Government now propose to substitute an Italian silver rupee for the Maria Theresa thaler now in circulation. The utility of the new silver money would be considerably enhanced if it were possible to fix its value like the Maria Theresa thaler which it is to replace, not only for the purposes of internal commerce, but also for the purposes of exchange with the neighbouring Colonies and Commercial emporiums.

It therefore appears to the Royal Government most desirable to conclude with Great Britain a monetary Agreement on the basis of the reciprocal acceptance, in the Italian and British Possessions of East Africa and Arabia,

of

of the silver coins issued by the respective Governments. The Convention should lay down, among other provisions ensuring reciprocal equality of treatment, the number of rupees which each Government can put into circulation, and should fix the type of the respective silver coins, which are to be identical in point of value, weight, dimensions and name (the relation which already exists in the case of the Indian rupee of 15 to £1 might be taken as a basis). Other stipulations might establish the right to issue a further number of rupees and the eventual obligation for the Contracting States to recover from each other at fixed intervals their own currency on payment of an equivalent sum, the balance being made up in gold.

By order of my Government I have the honour to request that Your Excellency will take the necessary steps in order that this project may be examined by the proper Authorities and that you will inform me whether the British Government recognise, in principle, its utility: it would then be possible to discuss the technical details of the Convention.

I have &c.,

(Signed) A. de Boscari.

~~1/2~~

F.O./15894/1909.

East Africa Prot.

DRAFT.

Under Secretary of State
Foreign Office.

man

Downing Street,

17 June, 1909

MINUTE.

Mr. Butler. Sir,

Mr. *June 14*

Mr. Just. *f.s.*

Mr. Antrobus.

Mr. Cox.

Sir C. Lucas.

Sir F. Hopwood.

Col. Seely.

The Earl of Crewe.

I am directed by the Earl of Crewe to acknowledge the receipt of your letter No. 17320/09. of the 11th of May, relating to a proposal made by the Italian Government for the conclusion of a Monetary Convention with His Majesty's Government on the basis of the reciprocal acceptance in the British and Italian possessions in East Africa and Arabia of the silver coins issued by the respective govern-

Copy (F.O.) June

2. I am to request you to inform Secretary Sir Edward Grey that, as at present advised, Lord Crewe does not consider that it would be advisable to enter into any arrangements which might interfere with the established currency *British Protectorates in* of the East Africa Protectorates, or with the control of the Governments of those Protectorates over their currency. His Lordship proposes, however, in the first instance to consult the Governments of the Protectorates concerned.

3. When their replies are received, a further communication will be made to you on the subject.

I am, etc.,

(Signed) R. L. ANTROBUS

SSE

C B
14
16

F.O./15894/1909.

East Africa Protectorate.

DRAFT.

Secretary
to the Treasury.
Under Secretary of State
India Office.

Ans d 20/20601 r 31769
June 16/1909

From

Downing Street,

17 June, 1909.

MINUTE.

- Mr. Butler.
- Mr. *June 14*
- Mr. Just.
- Mr. Antrobus.
- Mr. Cox.
- Sir C. Lucas.
- Sir F. Hopwood.
- Col. Seely.
- The Earl of Crewe.

Sir,

I am directed by the Earl of

Crewe to transmit to you the accompanying copy of correspondence with the Foreign Office, relating to a proposal made by the Italian Government for the conclusion of a Monetary Convention with His Majesty's Government on the basis of the reciprocal acceptance in the British and Italian possessions in East Africa and Arabia of the silver coins issued by the respective Governments.

~~10.11th May, 1909.~~

~~June.~~

d/ff. Kerewick

affs.

2. Before consulting the local Govern-
ments as proposed, Lord Crewe would be grateful
for any observations which ~~The Lords Commis-~~
~~The Secretary of~~
~~sioners of the Treasury~~
State for India in Council, may be so good
as to make on the proposal.

I am, etc.,

(Sd.)
(Signed) R. L. [unclear]