

No. E.A.C.B.



COMMUNICATIONS TO BE ADDRESSED TO SECRETARY, EAST AFRICAN CURRENCY BOARD, HARROVY REFERENCE AND THE DATE OF THIS LETTER BEING QUOTED.

C O 4
47338

MILLBANK,
WESTMINSTER,
LONDON, S.W. 1.

EDWARD G. STODOLSKY, "EAST AFRICAN CURRENCY BOARD"
EDWARD G. STODOLSKY, "EAST AFRICAN CURRENCY BOARD"

28th September 1920

sir,

With reference to your letter of 20th May, No. 2711/1920 enclosing regulations approved by the Secretary of State defining the accounts, duties and powers of the East African Currency Board, I am directed by the Board to inform you that owing to the large numbers of 1 Rupee and 1 Florin notes which will be issued the labour and expense entailed in keeping Note Registers for these values and especially in entering cancellations, will be very considerable. The work of registration itself, in the manner prescribed in the Regulations, will also soon be very heavy, not only for these low value notes but also for the large numbers of the East Africa Protectorate Government notes which will be withdrawn within the next few months as they are replaced by the new issues.

2. In the circumstances the Board would suggest that they might be given discretion in these matters in the same way as has recently been allowed to the West African Currency Board; and for this purpose they recommend that sections 12, 13, 14, and 15 of the regulations referred to should be cancelled and replaced by a section reading as follows:-

Under Secretary of State,
Colonial Office.

S.W.1.

REGULATIONS DEFINING THE CONSTITUTION, POWERS AND DUTIES OF THE EAST AFRICAN CURRENCY BOARD

1. The East African Currency Board has been constituted to provide for and to control the supply of currency to the East African Protectorate the Uganda Protectorate and any other territories in East Africa which may be added by the Secretary of State to ensure that the currency is maintained in satisfactory condition and generally to preserve the interests of the said Dependencies so far as currency is concerned.

2. The members of the Board shall be appointed by the Secretary of State.

3. The Board will have the duty of issuing the bank notes which are to circulate in the territories mentioned in clause 1 and of controlling the issue of such notes.

4. The Board will have the duty of issuing the coins which are to circulate in the territories mentioned in clause 1 and of controlling the issue of such coins.

5. The Board shall have the duty of issuing the currency notes for the territories mentioned in clause 1.

6. The Board will have the duty of issuing the currency notes for the territories mentioned in clause 1 and of controlling the issue of such notes. The Board will have the duty of issuing the currency notes for the territories mentioned in clause 1 and of controlling the issue of such notes. The Board will have the duty of issuing the currency notes for the territories mentioned in clause 1 and of controlling the issue of such notes.

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8. The Board will, when required, arrange for the issue against silver or notes tendered in East Africa of drafts payable in sterling in London at a charge not exceeding the cost of transporting specie from East Africa to London, and may at their discretion issue telegraphic transfers in London on such terms as they may think fit.

9. Currency notes may be for such denominations as may be fixed by the Board.

10. The plates from which the currency notes are printed shall be of such designs and shall bear such devices as the Secretary of State shall approve, and shall be prepared by a person selected by the Board. The Board shall be responsible for their safe custody.

11. The currency notes shall be printed on such paper as may be approved by the Board and shall be authenticated by facsimiles of the signatures of the members of the Board for the time being.

12. The Board shall cause to be kept one or more books to be called "Note Registers" in which the denomination, number and date of each note shall be entered as they are issued for circulation.

13. Any currency notes which have become unfit for further use shall be cancelled by cancelling distinctly with a suitable mechanical contrivance the word "cancelled" on the face of each note.

14. The Board shall cause to be kept in the "Note Registers" an otherwise a record of all the currency notes which have been cancelled, and the date of such cancellation, and they shall also cause each note as thus withdrawn from circulation to be so signified in the "Note Registers" by drawing a distinct ink line across its number therein.

15. The Board shall cause to be kept a record of all the currency notes which have been cancelled, and the date of such cancellation, and they shall also cause each note as thus withdrawn from circulation to be so signified in the "Note Registers" by drawing a distinct ink line across its number therein.

15. Cancelled currency notes shall, at convenient intervals, be destroyed by the Board under regulations as may be approved by the Board.

16. A sinking fund, based on silver coin, nickel-bronze coin, and currency notes shall, after the necessary deductions have been made for expenses of administration, be credited respectively to funds hereinafter referred to as "the Silver Coinage Fund," "the Nickel-Bronze Coinage Fund," and "the Note Guarantee Fund."

17. Expenditure in connexion with the manufacture, issue and redemption of coin or notes will be debited against the fund appropriate thereto, but in case of necessity each of these funds shall be available to support the others.

18. Subject to the provisions of paragraph 20 of these Regulations, the Board may invest their funds in securities of the Government of any part of His Majesty's Dominion or in such other manner as the Secretary of State may approve.

19. The Board shall submit half-yearly to the Secretary of State a statement of the accounts of the Silver Coinage and Note Guarantee Funds, and the last day of each half-year.

20. If the proportion borne to the total face value of the notes in circulation by the portion of the Note Guarantee Fund which is held in current coin in East Africa hereafter referred to as the coin portion of the fund falls below a limit to be fixed from time to time by the Secretary of State, the Board shall take all practicable steps to restore the proportion as soon as possible.

21. The Board shall cause to be published half-yearly in the Government Gazette of the East Africa Protectorate an abstract showing (a) the whole amount of currency notes in circulation on the last day of the half-year, (b) the amount of the coin portion of the Note Guarantee Fund on the said day, (c) the nominal value of the paper notes, and the latest known market price of the securities forming the investment portion of the Note Guarantee Fund.

22. The accounts of all the transactions of the Board will be audited by the Comptroller-in-Chief.

23. The Board shall submit annually for the approval of the Secretary of State a statement of their transactions during the preceding year.

24. When the Board are satisfied that their reserves are more than sufficient for all the purposes for which such reserves may be required, they may, with the approval of the Secretary of State pay over the whole or any part of the surplus amount thereof of the revenues of the Dependencies in East Africa in such proportions as may be hereafter determined.

Approved

May 1920

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13 Oct. 1920

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directed by the Board
an ... to ...

M. J. E.

Mr. ...
Mr. ...

Mr. G. Fiddes

Col. Amery

Lord Milner

... and ...

The Board ...

... for ...

... 13, 14 & 15 ...

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ENCLOSURE 47338/20

E. Africa.

Oct 9 1920

DRAFT

MINUTE

- Mr. G. B. ...
- Mr. E. ...
- Mr. H. ...
- Mr. O. ...
- Mr. A. ...
- Lord Milner

to cover

Sections 12, 13, 14 & 15

of the Regulations defining
the Constitution, powers
& powers of the E. A.
Currency Board of a

section, reading:-

"The Board shall
make such arrangements
from time
to time as may be
required for the
purpose of the
Regulations."

It is suggested
that the Board
should be empowered
to make such
arrangements as
may be required
for the purpose
of the Regulations
from time to time
as may be required
for the purpose
of the Regulations.

1/10/20

Africa

2/10/20

12 Oct. 1920

DRAFT

Kinga
No. 14/14
Gov. Council
No. 100/10
G. C. B. B.
MINUTE.
No. 7/15
By all
Gov. Council

- Mr. B. B. B.
- Mr. Grindle
- Sir H. Lambert
- Sir H. Reid
- Sir C. P. P.
- Col. A. A.
- Lord Milner

that I have approved
of the amendment of
the Regulations defining
the constitutive duties
& powers of the S. A. Council

Rev

as they may from time
to time think necessary or

proper for the cancellation

of currency Board notes

until further order for

the destruction of such

cancelled notes and

the amendment of the

provisions of the

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issuance of notes

and the cancellation

of such notes

and the amendment

of the provisions of

the act relating to

the issuance of notes

and the cancellation