Banks and the West African Currency Board*

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During the period in which the four British West African territories[1] were under colonial rule the West African Currency Board (WACB) was the colonial monetary authority. The WACB was set up in 1912 with headquarters in London. The constitution of the WACB charged it 'to provide for and to control the supply of currency to the British West African Colonies, Protectorates and Trust Territories.'[2] In practice, however, the board was no more than a Bureau de Change issuing as much local currency as the banks wanted to buy for sterling and vice versa. Such a system satisfied the Bank of England monetary policy objective of achieving price stability in the colonies.[3] The price stability policy was also compatible with British commercial interests in the colony as it helped facilitate trade with London. The colonial banks that oiled the trade mechanism also benefited from the system.

Given the fact that the Board remained in operation until the early 1960s, it is not surprising that researchers have paid a lot of attention to its origins, operations, defects[4] and subsequent replacement with central banks as the colonies approached independence.[5] Very little attention has however been paid to the relationship between the commercial banks in existence then and the WACB system. The study of such a relationship is important given the fact that banks are an integral part of any monetary system. The level of development of a banking system impacts on the effectiveness of a monetary authority. Actions by a monetary authority could also affect the well-being of financial institutions. Such a relationship has made financial institutions interested in influencing the monetary structures and policies. Also, monetary authorities are interested in shaping financial institutions in order to help them achieve whatever monetary goals they may have. This relationship becomes more complex when the big banks in any territory are foreign banks, which have strong ties with their head offices. The conflicting interests are perhaps best brought out in an era of political change when foreign and indigenous banks viewed the monetary system that was in place differently. Unlike the indigenous banks, the foreign banks were happy with the currency board system, which ensured price stability and did not interfere with their operations. The indigenous banks however favoured the establishment of a central bank with the hope that such a bank could act as lender of last resort to poorly capitalized and poorly staffed indigenous banks. Complications also arise when parties that benefit from the barter system go out of their way to oppose monetization, which would destroy their profitable barter trade. In one particular case a bank was set up specifically to help achieve this aim. This paper examines the origins of the WACB system, and the role, if any, banks played in the establishment process. It then discusses the relationship of banks and the currency board and the role of banks in the demise of the currency board system.

1. Origins of WACB system

With the emergence of colonial rule in British West Africa the British soon put in place an economic and political system for the smooth functioning of this territory. The colonial government, in an attempt to make British coins more prominent, then went on to de-monetize certain coins that were in circulation. By 1880, for instance, formal legislation had been put in place in the Lagos colony which provided for the demonetization of certain coins. The new regulation recognized only British gold and silver coins and a few foreign gold coins as legal tender.[6]

The resultant rise in the use of British coins was, however, not without its problems: Such coins had to be transported from London to the West African coast and then carried inland. The cost of this transfer was not only the transport costs; there were also interest charges building up in London even while the coins were in transit and also during slack trading periods when the coins were stored locally in safes. The predilection of the Africans for silver coins did not help matters either as this necessitated the regular reordering of the coin stock for the colony.[7] The above situation, coupled with the need to service the British commercial interests then in existence, created the opportunity for the establishment of a bank.[8]

This opportunity was first identified in 1871 when the Bank of West Africa was incorporated in London under the Joint Stock Companies Act of 1862 and 1867.[9] The bank, whose head office was located in London, was to have its first two branches located in Sierra Leone and Lagos. There is, however, no evidence that this bank ever opened for business. It was not until 1891 that another party – the African Banking Corporation (ABC) – capitalized on this opportunity by opening a branch in Lagos. This marked the advent of both commercial banking and foreign banks into British West Africa. The ABC, which at the time was headquartered in London and had operations in South Africa, came to Nigeria at the instance of the Elder Dempster Company, which was in control of the shipping business on the West African coast and therefore heavily involved in the importation of British coins into the colony.[10]

The Bank immediately took advantage of the disorderly system of currency supply to the West African territories. By 28 January 1892, it signed an agreement with the Crown Agents by which the Bank was given the right to import new silver coins from the mint into Lagos colony – free of charges for packing, freight and insurance.[11] By May 1892 the Bank further consolidated its position by becoming banker to the colonial government in Lagos.[12] The close relationship between the bank and the Elder Dempster Company soon became the subject of protests by other European merchants in the territory. Such protests, among other factors, caused ABC to develop second thoughts about its Nigerian investment.

In 1893 the Bank invited the Elder Dempster Company to take over its Lagos operations; the Elder Dempster Company obliged and instantly lost its preferential treatment over the importation of silver and the Governor of Lagos was soon instructed to close the official account with the bank. The reason given was that the colonial government wanted such functions to be carried out by a public bank and not a trading company like Elder Dempster. Perhaps because of the initial protests received, the colonial government also required that such an institution should be absolutely independent and restricted from engaging in any business other than that of banking.[13]

To get around this problem, a 'public' bank named Bank of British West Africa, with Alfred Jones as majority shareholder, was established in May 1894. It subsequently established offices in Accra (1898), Freetown (1898) and Bathurst (1902). Soon after, the 'new' bank entered into an agreement with the Crown Agents of the Colonies under which the duties and responsibilities of controlling and regulating the silver currency in Lagos were transferred from the government to the bank. This new agreement was slightly different from the one which the government had with the African Banking Corporation in that it conferred on the bank the sole right of silver importation. The bank swiftly consolidated its hold on the British West African territories by entering into similar agreements with the governments of the Gold Coast Colony in 1896, Sierra Leone in 1898 and The Gambia in 1902.[14]

The bank enjoyed the privilege of being the sole agents for the importation of silver until 1912 when a special silver currency was introduced for the West African colony. This, in itself, was mainly a consequence of the disagreements between the colonial governors and Her Majesty's Treasury over the control, sharing and nature of the seigniorage arising from the importation of silver into the British West African Colonies. The BBWA had no influence in the establishment of a special silver currency for the colony. If anything, it opposed such a currency.[15]

2. Role of banks in the establishment process

An expanding volume of trade ensured the continued absorption of British silver into the British West African colonies. These imports, coupled with the prospects of further future increases, soon enticed some colonial Governors to suggest that their colonies be allowed to share in the profits accruing to the Imperial Treasury from the issue of such silver coins in the colonies. The Treasury, however, did not approve of the above proposal, partly because there was the danger that such coins could be returned to the United Kingdom. Despite this, the Treasury concluded that it had no serious objections to the Colonies adopting a token coinage of their own; though it warned that great care should be exercised to restrain the several governments from the temptation to over-issue, with its consequent dangers in their commerce and to their finances.[16]

It was under the above circumstances that Mr Joseph Chamberlain, the Secretary of State for the Colonies at the time, in 1899 appointed a Committee under the headship of Sir David Barbour to collect information and report on the currency of the British West African possessions.[17] The Bank of British West Africa followed the proceedings of the Barbour Commission closely. In fact, Sir Alfred Jones gave evidence in favour of maintaining the existing *status quo*. He also convinced the Liverpool Chamber of Commerce to submit to the Colonial Office that the introduction of a special colonial currency would harm trade.[18] Any change in the existing currency *status quo* in the colony, it was believed, would adversely affect the BBWA. Any decision in favour of a special colonial silver currency would indeed have involved the appointment of a supervisory board. This, it was presumed, would have ended the bank's silver import advantage.[19]

This opposition ensured that Barbour did not recommend the introduction of a special currency for the West African Colonies. Instead, he advised that the Treasury should release half of the profits accruing from the issue of silver to the colonies.[20] As efforts were being made to reconcile the views of the Treasury with those of the Colonies, silver imports, which were £360,220 in 1900, dropped to £154,730 in 1901.[21] This dramatic drop questioned the colonies argument that there was no likelihood of a relapse in the demand for these currencies. This was perhaps one of the main reasons why the government decided to shelve the Barbour Report. It neither introduced a new silver coinage nor allowed the colonies to share from the seigniorage. The BBWA, therefore, continued to enjoy its monopoly of silver importation into the territories.

The matter was not, however, put to rest as the silver imports into the West African colonies continued to expand rapidly despite occasional fluctuations. In 1906, for instance, £506,600 worth of silver was imported into the British West African territories, while £669,600 worth was imported in 1909.[22] Apart from the pressures from the government in the colonies for the issue to be opened up again, the Treasury was sufficiently worried about the increasing dangers of the system to monetary control in Britain.[23] The increase in the silver exported to the colony was not just rising in absolute terms. It was also rising relative to the total amount of sterling silver in circulation in the United Kingdom. For instance, in the five years ending in 1890, the sterling silver imported into British West Africa was equal, on the average, to about 2.7% of the sterling silver placed in circulation in the United Kingdom. In the period 1906–1910, this proportion had risen to about 85%. Further increase in this proportion was anticipated by the colonial government based at the time on the continued substitution of barter by cash transactions, the opening up of vast tracts of country still underdeveloped and its attendant increase in trade.

These factors subsequently led to the appointment of another commission, headed by Lord Emmott, to re-examine the matter in 1912. Despite the continued preference of the commercial community for the silver import system, the Treasury had their way and the Emmott Commission recommended the establishment of a special silver currency for the West African colonies, with a caution on the use of seigniorage.[24] A West African Currency Board was subsequently set up bringing to an end the BBWA's monopoly over silver imports into the territory. The WACB was headquartered in London and required agents for its operations within the West African colonies; the BBWA became its obvious ally. The bank secured the agency of the currency board in West Africa. In this capacity, it continued to deal with the movement of British money in West Africa, though relieved of control over the supply of it from the mint.[25] The BBWA thus continued to be relevant under the new dispensation. As already mentioned, in 1899 the Bank of British West Africa lost its monopoly on operating in the Nigerian Colony with the advent of the Bank of Nigeria.[26] However, it retained its monopoly in the Gold Coast, Sierra Leone and the Gambia.

3. Relationship between banks and the currency board

By the time the Niger Coast Protectorate came into existence in 1891, there was already in place a community of powerful European traders in the territory. At the time these European traders had put in place a working agreement for the purpose of stifling competition, cutting down their costs, maximizing profits and reducing to a uniform amount the prices paid for their commodities.[27] To forestall the BBWA from gaining a foothold in their territory they set up the Anglo African Bank[28] in 1899 and made a strong bid for the job of importing silver into the colony and for the banking business of the government. The Colonial Office obviously knew that this bank would be of little assistance in the task of establishing the British currency in the colony; this was due to the fact that the companies behind the Anglo African Bank believed that the maintenance of the barter system best served their interest.[29] Such an attitude was against the interest of the colonial government, which was pro-monetization. Monetization, it was believed, would make both governance and the lives of government employees easier.[30]

The colonial government therefore decided to invite the BBWA, which was the only established bank in the territory at the time to set up a branch in Southern Nigeria. The bank was,however, not very keen to accept this offer. Officially Alfred Jones, who for practical purposes was synonymous with the Bank of British West Africa, argued that it was not possible to open a branch of his bank in Southern Nigeria except at an initial loss which he was not prepared to face. Though his main fear may have been the possible repercussions that would befall both the bank and the other interests of Elder Dempster should they cross the path of the powerful European traders then operating in Southern Nigeria.[31] These traders practically had the whole of the trade of Southern Nigeria in their hands and were apparently resolved to prevent, by every means in their power, the establishment of a bank there for the fear that the banking facilities would, in the course of time, liberate the African traders from the barter system under which the firms believed they benefited immensely. In fact, the expected line of action dreaded most by Elder Dempster, should they set up their bank in Southern Nigeria, was the possibility that these European firms would retaliate by establishing an independent line of steamers to West Africa, which would have the effect of breaking the monopoly enjoyed by the Elder Dempster & Company's line of steamers.[32]

The territorial Governor however realized that the monetization of Southern Nigeria could not effectively take place without the co-operation of the powerful merchants.[33] He thus urged Alfred Jones to come to an agreement with the commercial community.[34] This was not to be, at least not immediately, as the two banks had different agendas. It was not until 1903 that the BBWA accepted an invitation to become bankers to the colonial government and to have the sole right of importing silver into Southern Nigeria.[35] This was done, perhaps, with some form of guarantee by the colonial government against possible reprisals from the powerful European merchants in the territory.

Subsequent to the signing of the contract between the government of Southern Nigeria and the BBWA, the Bank of Nigeria launched an offensive in an attempt to reverse the policy. The Shipping Rings Commission in 1907, for instance, provided the Bank of Nigeria an avenue to protest against the activities of the BBWA and its associated companies.[36] Also in May 1908, many of the West African merchants petitioned the new Secretary of State for the Colonies, the Earl of Crewe, urging him to end the monopoly of the BBWA over the importation of silver.[37] Concurrent with the protests were also moves to merge the two competing banks. From 1906, for instance, Alfred Jones had become very interested in a merger. He tried several times without success. In 1907 Lord Elgin, then the Colonial Secretary, also recommended that the two banks should amalgamate.[38] It was not until 1912, three years after the death of Alfred Jones, that the Bank of Nigeria was finally absorbed by the BBWA.

The opposition of the colonial government to the Bank of Nigeria shows that the interest of the colonial government did not always coincide with those of the colonial banks. The colonial government was at the time interested in using the commercial banks as a tool for advancing the monetization of the economy. The British trading interests that set up the Bank of Nigeria, however, perceived this as being against their interest. Each party subsequently adopted its own strategy in order to achieve its aim. In other words, the relationship between the banks and the monetary authority was such that each tried to influence the other. The opposition of the BBWA to a special silver currency for the region is yet another example of the divergent interests between the Colonial Office and the colonial banks.

It is of course possible for some to argue that the interests of the BBWA and the WACB were similar. This was true only to the extent that monetization and the currency distribution agency suited both parties. Cracks in their relationship would have emerged had the WACB pursued policies that upset the stable macro-economic environment under which the bank operated. The colonial government would also have reacted had the BBWA adopted policies that infringed on their interests. In fact, the BBWA did not always agree with the colonial government and its monetary authorities. In 1916, for instance, the monopoly the BBWA enjoyed in the region was again broken with the advent of the Colonial Bank. By 1919, the colonial government had decided on an equal division of its silver currency distribution agency among the two banks. This was endorsed by the Colonial Office despite protests by the BBWA. Stiff competition soon gave way to an agreement between the two banks. The first such agreement occurred in May 1924. This grew in comprehension over the years.[39] It was therefore not surprising that, as the collusion among foreign banks grew, the idea of indigenous banks to service the needs of Africans emerged.

4. Role of banks in the demise of the currency board system

Nigeria was the only country among the pre-independence British West African territories that established an indigenous banking system alongside the colonial banking system.[40] The first indigenous bank in Nigeria – The Industrial and Commercial Bank (1929–1930) – failed mainly due to mismanagement, accounting incompetence, embezzlement and the non-co-operative attitude and denigration of colonial banks.[41] Despite this set back, further attempts were made and by 1947, six additional indigenous banks had been established out of which two had failed.[42] The colonial government, sensing that further bank failures were imminent, moved to regulate the industry. In 1948 G.D. Paton of the Bank of England was invited to enquire into the business of banking in Nigeria, with the view of regulation. Mr Paton submitted his report in October 1948. This culminated in the 1952 Nigerian Banking Ordinance. An attempt by the Colonial Office to encourage the promulgation of a similar regulation in other colonies met with little success.[43]

Preceding the enactment of the 1952 law, Africans, fearing the imminent clampdown on the establishment of commercial banks following the setting up of the Paton inquiry, had rushed to establish more banks before the advent of regulation. The result was that by 1952 at least 24 local banks had been established thus precipitating a crisis in the Nigerian banking system. It was evident that the majority of these indigenous banks were bound to fail, especially with the advent of regulation. It was against this background that a motion was moved in the Federal House of Representatives for the immediate establishment of a central bank, one of its main aims being to strengthen the existing African banks. In other words, the Africans saw a central bank as a vehicle for assisting their beleaguered commercial banks. Also entwined with this event was the belief by the Africans that a central bank would make it easier for them to access credit, which would help power the much needed development. Such views sometimes stemmed from a misconception of central banking.[44] Also, the WACB was generally seen as the 'financial hallmark of colonialism.'[45] Dismantling it was therefore a legitimate part of the de-colonization process. Foreign banks were uncomfortable with such views. Such banks were registered in London, headquartered in London and therefore fell under the regulatory jurisdiction of London. Policies that involved taking orders from indigenous African governments, with respect to their operations, could not be accepted with joy. The WACB system, which exerted little influence on their operations, therefore suited their interests best. Also, the monopoly of the two chief banks of the distribution of the government's silver currency was bound to be lost with the introduction of a central bank. Furthermore, the Bank of England was against allowing the establishment of central banks in underdeveloped economies. The Bank believed that without developed political structures, political interference with the activities of such central banks was inevitable. It was also believed that such central banks would be of little use in territories with undeveloped money markets. Furthermore, developmental functions were at the time considered, at least in colonial government circles, to be outside the scope of central banking.[46]

As already mentioned, foreign banks were not the only beneficiaries of the WACB system. The colonial government also earned seigniorage profits from the system. The motion for a central bank with lender of last resort functions, not surprisingly, did not please the Financial Secretary appointed by the colonial government, who argued that Nigeria at 'its stage of development' was better served by a currency board than a central bank. He was nevertheless prepared, perhaps due to the immense support the motion received from the African Parliamentarians, 'to reconsider the matter'. This culminated in the revision of the motion to exclude assistance to indigenous banks.[47] In essence, the colonial government did not consider it important that such a central bank, if established, should concern itself with developmental functions like assisting in the strengthening of the existing African banks. J. L. Fisher of the Bank of England was subsequently invited to examine the matter. He advised against the establishment of a central bank in the colony.[48] A 1953 report of the International Bank for Reconstruction and Development (IBRD), however, disagreed with the Bank of England position on central banking in Nigeria. This helped resuscitate the central banking idea in the colony and culminated in the establishment of the Central Bank of Nigeria in 1958.[49] The IBRD's report on Nigeria also helped influence the establishment, in 1957, of a central bank in Ghana.[50] Central banks were subsequently introduced in Sierra Leone (1963) and the Gambia (1971).

5. Conclusion

The maintenance of price stability was one of the main advantages of the WACB system; this also suited the interests of the major foreign banks then in existence. The foreign banks also benefited from its role as a currency distribution agency for the WACB. The rise of nationalist movements and the change in the political climate culminated in the establishment of central banks in the Gold Coast (Ghana), Nigeria, Sierra Leone and the Gambia. All the above central banks were midwifed by the Bank of England and their pioneering enabling statutes put price stability as their main objectives and limited their ability to expand money supply. Such central banks also had little control over foreign banks. Such a relationship has since changed. Governments have since interfered in both the operations and ownership of foreign banks. Government policies, in this respect, have included the placement of restrictions on profit repatriation, stipulations on sectoral allocation of credits and indigenization of ownership, among others.[51] All these policies were aimed at aiding indigenous development. What such policies, however, succeeded in doing was to weaken the foreign banks in the territories, thus weakening the reinforcing relationship between these banks and the monetary authorities. The emergent government dominated and controlled banks are no more than political institutions unable to pressure the government in order to defend the banking system when the government adopts policies that go contrary to the interest of such banks. In other words, the need for independence of financial institutions from the monetary authorities is very important for the overall development of the financial system of any country. This is even more so in developing economies without developed political structures where pressures are bound to be put on the monetary authorities to expand its money supply sometimes with the aim of aiding development. Such loopholes did not exist under the colonial monetary system in British West Africa. Further understanding of the relationships between the monetary authorities and the banks in the countries of the former British West African colonies will be beneficial to the current efforts to develop a virile monetary and financial system in these countries.

Acknowledgements
* An earlier version of this paper was presented at the London School of Economics seminar on Comparative Economic History of Africa, Asia and Latin America (London, 16 June 1998). I am grateful to participants for their comments. The views expressed in this paper and its attendant errors however remain mine.

Notes

1 The Gambia, the Gold Coast (Ghana), Nigeria and Sierra Leone. Note that in Nigeria, the colony of Lagos first came under British rule (1861) followed by the Niger Coast Protectorate (1891). The Niger Coast Protectorate was subsequently made part of the Protectorate of Southern Nigeria (1900). Lagos was later made part of the Protectorate of Southern Nigeria (1906). In 1914, the Protectorates of Northern and Southern Nigeria were amalgamated to become the Colony and Protectorate of Nigeria.
2 Section one of the regulation of 1949 defining the constitution, duties and powers of the WACB – reproduced in Loynes 1974.
3 The currency board system, no doubt, satisfied other objectives. For instance, the colonial government earned enormous seigniorage profits from the system.
4 Cf. Newlyn and Rowan 1954; Olakanpo 1965 and Fry 1976.
5 Cf. Uche 1995; 1996 and 1997.
6 Note however that some of the demonetized coins continued in circulation long after the 1880 law. One such currency was the *manilla*, which was finally redeemed by the government in 1948/49. See Ekundare 1973, 84, 313.
7 It was not unusual, at the time, for such coins to be melted for use as jewellery. See Newlyn and Rowan, 1954, 27.
8 Fry 1976, 10.
9 There appears to be no connection between this bank and the Bank of British West Africa which was established later on. To the best of my knowledge, this attempt, in 1871, to establish a bank in the West African colony has remained undocumented in Nigerian banking history.
10 Uche 1999, 672.
11 Under this agreement, other interested parties were still free to order new coins from the mint with the Crown Agents approval but they had to pay a premium of 1%.
12 Fry 1976, 20.
13 Evidence of Leslie Couper, 'Report on the Royal Commission on Shipping Rings with Minutes of Evidence and Appendices' (1909), volume III, Cd. 1670, q.9117.
14 'Report of the Royal Commission on Shipping Rings', 1909, q.9117.
15 Cf. Uche 1999, 674-6.
16 Newlyn and Rowan 1954, 27, 29.
17 Fry 1976, 39
18 Ibid.
19 Opposition to the special silver currency at the time also came from the powerful European merchants in the British West African colonies, especially in the Nigerian colony. This will be discussed later.
20 Though this report was never published, its contents and recommendations were at the time widely known. Cf. Newlyn and Rowan 1954, 30, and 'Report of the Departmental Committee Appointed to Inquire into Matters affecting the Currency of the British West African Colonies and Protectorates' (Emmott Report) 1912, 5.
21 Emmott Report, appendix III, table 1.
22 Ibid.
23 Emmott Report 1912, q195.
24 Emmott Report 1912. 6–9.
25 Milne 1914, 48.
26 Named Anglo-African Bank when it was established. The name was subsequently changed to Bank of Nigeria in 1905.
27 Public Records Office/ Colonial Office [PRO CO] 520/15, Moor to Colonial Office, 26 September 1902.
28 Ofonagoro 1976, 376.
29 PRO CO/520/8, The Butler Memorandum, 9 September 1901, Part A.
30 PRO CO/520/1. Sir Ralph Moor to Alfred Jones, 30 January 1901.
31 PRO CO/520/8, 280.
32 PRO CO 520/10, 521.
33 PRO CO/520/1, Sir Ralph Moor to Alfred Jones, 30 January 1901.
34 PRO CO 520/1, Moor to C.O., 31 January, 1900.
35 Ofonagoro 1976, 389.
36 'Report of the Royal Commission on Shipping Rings', Minutes of Evidence (Q4823, 30 April 1907).
37 PRO CO/ 520/73/3502, Petition dated 26 May 1908.
38 Fry 1976, 67.
39 Cf. Austin and Uche 2007, 8–7.
40 In the Gold Coast (Ghana) for instance, the Companies Act of 1906 prevented the establishment of any local company to carry out any form of banking operation and it was not until 1950 that it was repealed *via* Ordinance no. 36. The Bank of the Gold Coast, which was 100% owned by the government, was subsequently established in 1952.
41 Newlyn and Rowan 1954, 98 and Azikiwe 1956, 3.
42 Central Bank of Nigeria 1986, 64.
43 Bank of England Archives London *Country Files (BEAF)* OV/70/1, folio 62. Memo, 'Sierra Leone- Banking Law', 6 January 1956.
44 Uche 1997, 221, 224.
45 Gold Coast Legislative Assembly Debates, 13 February 1957, Col. 852.
46 Sayers 1957, 112–113.
47 Nigerian Government House of Representatives Debate, 9 April, 1952, Col 1181.
48 Cf. Fisher 1953.
49 Uche 1997, 231.
50 Cf. Uche 1995.
51 Cf. Uche 1998.

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From Cowries to Coins: Money and Colonialism in the Gold Coast and British West Africa in the Early 20th Century

Harcourt Fuller

Introduction

This paper explores the validity of the arguments articulated by the British colonial administration and business interests in favour of the institution of a colonial common currency system in British West Africa in 1912 (see **Fig. 1**). It also aims to provide an analysis of the extent to which the native populations accepted or challenged the new colonial monetary order. Given its centrality to Britain's colonial project in West Africa, the Gold Coast (which was renamed Ghana in 1957 after gaining independence) will be used as a case study (see **Fig. 2**). The chapter explores how the loss of politico-monetary sovereignty in the Gold Coast was occasioned by the coming of colonialism, and the establishment of a colonial monetary system in the form of the West African Currency Board (WACB). The WACB managed the production and design of a common currency for the British possessions in West Africa, namely, The Gambia, Sierra Leone, The Gold Coast, Northern and Southern Nigeria (see **Fig. 1**).[1] However, the Board faced numerous challenges in maintaining its monetary monopoly on West Africa before and after the First World War. Analysing the history of the WACB is significant because it provides insights into the manner in which early 20th century British colonial policy was formulated in London and executed in the colonies. As A.G. Hopkins attests:

> There was an imperial monetary policy… and the solution propounded with respect to West Africa was fully consistent with that policy.[2]

This examination also enables us to gauge the effectiveness of the African responses to monetary colonization.

The introduction of colonial coinage to West Africa

Before the formal introduction of colonial coins and paper money in British West Africa in the first quarter of the 20th century, Africans had their own currencies. African societies and kingdoms used monies such as cowry shells, gold nuggets and dust, iron rods, *manillas* and cloth currency. In the Gold Coast as well as the other British territories in West Africa, the indigenous currencies and United Kingdom silver coinage were largely replaced by the West African Currency Board currencies (see **Table I**), which were issued after 1912 when the WACB was established. This colonial currency became the sole legal tender for British West Africa in 1912 and was to cover a total area of 451,000 square miles (116,808,464ha) and a combined population of over 18 million people.[3]

Eric Helleiner argues that during the age of imperialism, currency boards were created by European powers in their respective colonies for economic ends, including the reduction of international and intra-colony transaction costs, and to promote imperial political identities.[4] The creation of the West African Currency Board confirms his argument. Its establishment was due to the recommendations of the Report of the West African Currency Committee (WACC), a body commissioned by the Rt. Hon. Lewis Harcourt, M.P., Secretary of State for the Colonies. The mandate of the Committee was:

> To inquire and report as to the desirability of introducing into West Africa a special silver coinage common to the five British West African administrations, and also as to the desirability of establishing a joint issue of currency notes in the same territories, and to advise upon the measures necessary for the regulation of the special coinage if introduced or for the better regulation of the existing currency in the event of a special coinage not being adopted.[5]

While economic considerations were central to the establishment of the Board in West Africa, it also had political ramifications for the local populations. It deprived Africans of the ability to develop and control an indigenous monetary system that would give their leaders greater political autonomy

Table 1: Legal tender coins in the five West African administrations, 1912

Administration	Legal tender without limit			Limited legal tender		
	British gold	Foreign gold	Foreign silver	British	Local	Foreign
1. Sierra Leone and 2. Gambia	All gold and silver coins legally current in the UK	Certain French, Spanish and American gold coins	5-franc pieces of the Latin Union	All bronze coins legally current in the UK	nil	nil
3. Gold Coast and Dependencies	ditto	nil	nil	ditto	Nickel-bronze 1/10 of a penny, half-penny and 1-penny pieces	nil
4. Southern Nigeria (Western Province)	ditto	Certain French, spanish and american gold coins	nil	ditto	ditto	nil
5. Northern Nigeria and Southern Nigeria (Eastern and Central Provinces)	ditto	nil	nil	ditto	ditto	nil

Source: NA: CO 984/2, WACC Report, 'Statement of the coins which are now legal tender in the five West African administrations', 2

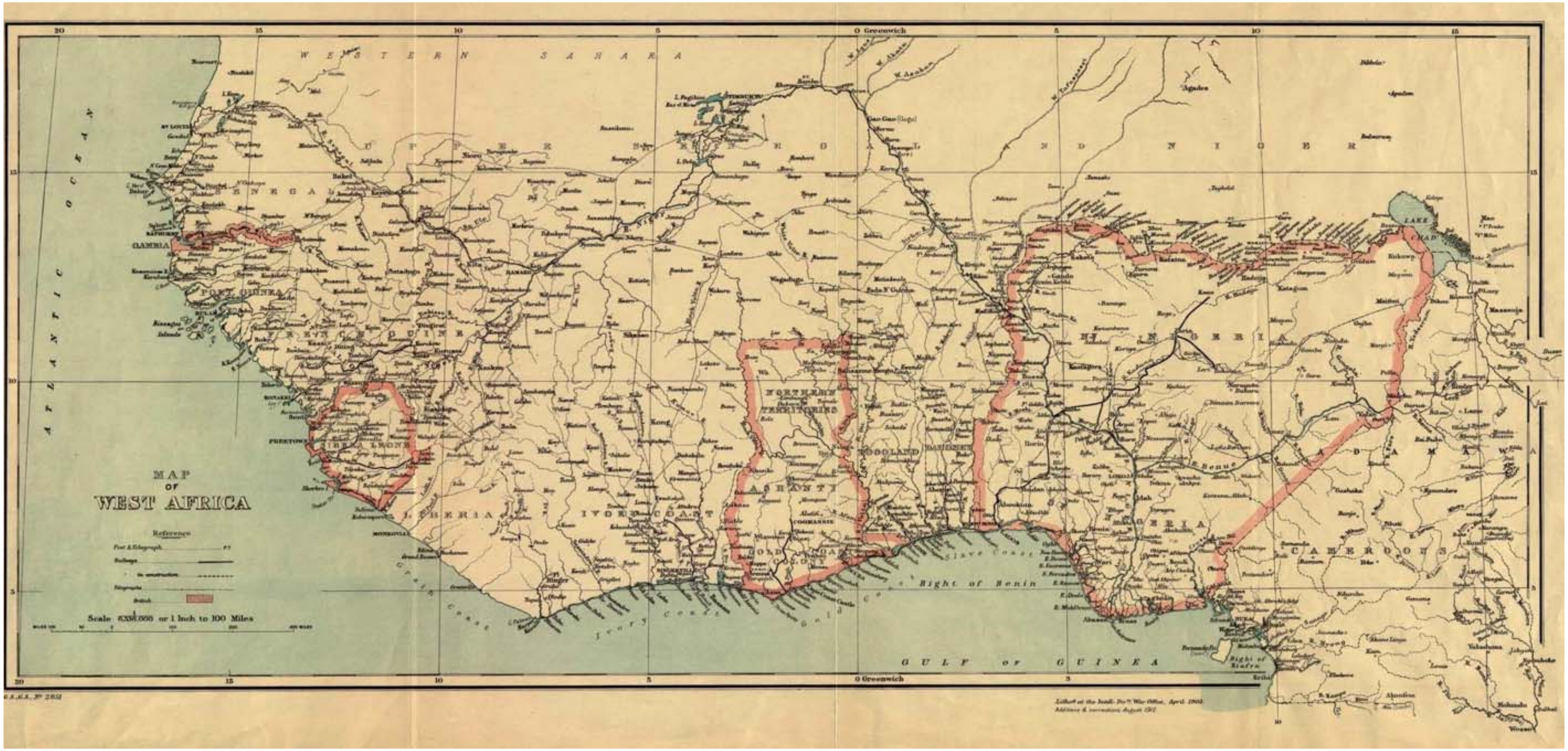

Figure 1 Colonial West Africa (1903/1912), with British colonies highlighted. Scale 1/6,336,000 or 1 inch to 100 miles. Source: NA: CO 984/2, April 1903 and August 1912, 'Map of West Africa'

from the colonial administration. Prior to the publication of the Report, the WACC consulted with 22 of what the Report termed 'witnesses', including the five colonial governments and business interests, such as the major banking and maritime establishments operating in British West Africa.[6] None of the people consulted regarding the new currency system were African however.[7] What does this exclusion of indigenous economic and political interests tell us about the aims of the incoming monetary regime? It appears that the British colonial authority was not aiming to empower Africans to take the reigns of a modern economic and monetary system as top-level administrators. Rather, it is evident that the aim was to replace an existing, albeit less modern economic system across the colonies, with a modern British system. It also appears that Africans were not thought to be capable of, or desired to be, active stakeholders in the ensuing monetary order. This evaluation on the part of the colonial and business officials, that Africans lacked the experience to participate in the new system, as we shall see below, was not completely accurate or justified.

Factors for change

Before 1912, colonial officials and their business counterparts contended that the most widely-circulating medium of exchange in British West Africa was United Kingdom silver coinage. Moreover, a variety of legal tender foreign currencies were also in circulation in the region at the time the WACC Report was published, as **Table 1** shows. At the same time barter trade and traditional African currencies constituted the major aspect of trade in many rural areas.[8] For example, in the Gold Coast Colony, while coin transactions dominated the urban areas, cowry shells enjoyed widespread usage mainly in more remote areas. Gold dust, the Akan all-purpose money, was also used as currency for larger transactions in rural parts.[9] The presumed negative situation in the Colony of Ashanti and the Protectorate of the Northern Territories (see **Fig. 2**) also contributed to the complexity and urgency of implementing a new colonial currency order. Overall, the WACC found that the Gold Coast and Dependencies were:

> In a backward state as regards the employment of metallic currency. In Ashanti, however, the use of British silver is stated to be making rapid progress, and gold is said to be considerably in demand by cattle traders in Coomassie [Kumasi], mainly for the purpose of trade with French territory. In the Northern Territories the natives still employ cowries for the small transactions of the market, but silver is gradually coming into use, and five-franc pieces are in demand by traders from French territory, and stand at a premium in relation to British money.[10]

The characterization of metallic money in the British territories as being in a 'backward state' was not an entirely accurate assessment of the monetary reality in British West Africa. This is evident if we take the case of an important Dependency of the Gold Coast Colony, namely, Asante. The success of the British forces in the Yaa Asantewaa War of 1900-01 resulted in the political annexation of Asante and its incorporation into the Gold Coast Colony. While the use of British metallic money was not common there at the time, Asante metallic currency, namely gold dust, was the currency of choice for official and commercial trade and transactions. Furthermore, gold dust currency was not only important in cattle trading with French territories, but in a variety of

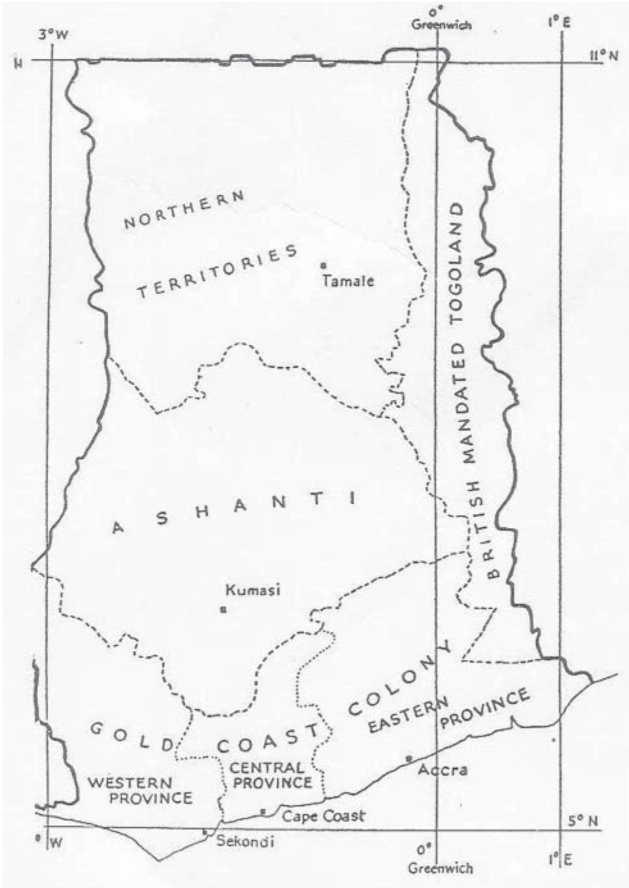

Figure 2 The Gold Coast and Dependencies. Source: Wrangham 1999

commercial transactions beyond the confines of British authority. T.C. McCaskie, in his two-part article, 'Accumulation, wealth and belief in Asante history', reveals the extent to which the Asante state and its commercial sector was economically developed with regard to money and trade. In the late 19th century, the Asante state had a fiscally functioning and effective system of accountancy, taxation and even a 'national' treasury. The latter was a kind of state bank called the 'Great Chest of the Treasury', which was located in the palace of the Asantehene in Kumasi, where gold dust (metallic money) was deposited.[11] In the 20th century, moreover, successful Asante entrepreneurs and traders operating between Asante and the Gold Coast Colony used gold dust currency to trade in commodities including gold, rubber, cocoa and timber. They also provided services as moneylenders, gold dealers, investors, retailers, transportation suppliers and urban developers. Asante businessmen were also involved in the import-export trade.[12] Therefore, for at least one major segment of the Gold Coast Colony and Dependencies, there was a complex economic and political system, with a central administrative authority, banking infrastructure and money that enabled trade to take place. However, McCaskie acknowledges that the advent of British '*laissez-faire* capitalism and the colonial cash economy' ushered in a new economic regime that would eventually replace the local monetary order.[13]

The need to eliminate the competing foreign and native currencies in Britain's West African territories through monetization was also seen as being more crucial given the need to collect taxes. Helleiner explains:

> a particularly important colonial objective was that of bringing peasants in colonial societies into a monetized economy as taxpayers, wage labourers in colonial enterprise, and producers of cash crops for export.[14]

For example, by mandating that poll taxes be paid in the colonial currency, the state forced its subjects into the export-oriented cash crop economy and other colonial ventures, where they were paid with said currency. This situation contributed to resistance and resentment of that system by colonial subjects.[15] Secondly, British coins were imported into the colonies by two private banks, namely the African Banking Corporation (ABC, which was established in Lagos in 1892) and the Bank of British West Africa, Ltd (BBWA).[16] These banks had 'special arrangements' which amounted to an exclusive contract with the imperial government to supply currency to the colonies.[17] Britain paid for freight and other miscellaneous expenses for supplying silver coins to the colonies, 'in return for prepayment in the United Kingdom of its nominal value'.[18] After the ABC ceased operations in 1893, the BBWA, which had opened up in Lagos in 1894, took over these functions from the former by securing an exclusive agreement with the Lagos government on 4 May 1894. The BBWA subsequently set up operations for the supply of British coins in the Gold Coast and the other British West African colonies; it had one branch in the Gambia, two in Sierra Leone, eight in the Gold Coast, five in Southern Nigeria, and one branch in Northern Nigeria.[19] Therefore, Britain effectively privatized the importation and repatriation of silver coins in the colonies by contracting it out to big banking interests. These Banks operated by charging merchants and traders a 1% premium for supplying them with British coinage. However, merchants, traders and other stakeholders in the colonies had contested the preferential treatment afforded the ABC and demanded a more egalitarian system. Merchants complained of the Bank's monopoly of the currency supply, the 1% premium that they had to pay for coinage and that other banks in the colonies were 'prejudiced by these arrangements'.[20] This contestation would bring about the cancellation of the contract that the ABC (and later the BBWA) had with the government and usher in a new monetary regime under the auspices of the WACB in 1912.[21]

It is clear from the foregoing reports of squabbling between the British colonial officials and the expatriate merchants, and the jostling for power and influence between the latter themselves, that the monetary and banking debates and the reforms enacted during this period took place above the heads of the local African populations. Helleiner's argument, that the cash-poor in the colonies were only important in terms of the need to incorporate them into the cash economy as taxpayers and not as important decision makers and stakeholders in the new monetary order, is therefore a plausible one. Moreover, the colonial banks, businesses and officials were also insensitive to the monetary needs of African entrepreneurs, often asserting that Africans were not credit-worthy. The British banks (namely Barclays Bank (DCO) and BBWA) operating in the colony catered mainly to the government, expatriate and non-African interests, and failed to extend adequate credit (or any at all, in some cases) to Gold Coasters.[22] Moreover, as Uche explains, the colonial authorities had outlawed locally chartered banks in 1906, which removed a valuable source of credit for Africans and essentially paved the way for the establishment of the colonial common currency system.[23]

Another major factor, which the WACC pointed out in its Report in support of monetary change, was the increasing demand for British currency in the colonies, particularly in British West Africa. It noted that there was 'a direct inducement to over-issue, because new silver has, in some places, a special value for the purposes of native trade'.[24] From 1886–1911, British West Africa had had a significant increase in the circulation of British currency, at times surpassing the coin circulation in the British Isles itself (see **Table 2**). The Committee speculated that, the potential for British coins to return into circulation in London, was more likely during an economic depression, and the possibility that this could destabilize the imperial economy, made the issue of West Africa having its own independent currency more urgent. The Committee found that:

> the continued issue of the silver coins of the United Kingdom to the West African Colonies is [in]compatible with the successful control of its token coinage by the Home Government without the introduction of radical changes into its financial system… the use of sterling silver in West Africa without limit of tender has now become so considerable as to contain elements of danger, which are intensified by the steady increase of the circulation, and which affect the interests both of the United Kingdom and of British West Africa.[25]

Ironically, the demand for British currency in West Africa was attributed to expanding merchant activities, greater colonial penetration and opening up of the territories, and the replacement of indigenous trading practices such as barter with modern British currency, which now jeopardized the metropolis, monetarily.[26]

The profitability of a new system of currency to the colonial governments and mercantile classes was also a significant factor in the establishment of the WACB regime. As the Committee put it:

> there will, of course, be a very large 'profit' representing the difference between the bullion and face value of [special] silver currency supplied to British West Africa. That country [*sic*] has absorbed over 6 ½ million pounds (face value) in silver coin during the past 26 years, and the absorption may be expected to continue, even if not at the same rate.[27]

Table 2: Circulation of British sterling silver in the UK, West Africa & other territories

Period		West Africa	United Kingdom	Other territories
		£	£	£
Average for the period	1886–1890	24,426	920,088	255,939
	1891–1895	116,323	761,039	124,461
	1896–1900	257,090	796,425	367,233
	1901–1905	262,786	234,150	231,504
	1906–1910	666,190	781,073	325,347
	1911	874,850	1,219,766	286,575

Source: NA: CO 984/2, WACC Report, 'Analysis of British sterling silver issued for circulation in West Africa in the United Kingdom and in other sterling-using Territories', 6.

The Committee continued that the new currency 'should be a source of considerable ultimate profit to the colonial governments concerned'.[28] The admission that the issuance of a special colonial currency would be a profit-making venture within itself undermines the previous assertions that it was just fear that the continued circulation of British coinage in Africa posed a direct risk to the home government. Profit, in addition to the risk of loss, therefore were the main driving forces behind the establishment of the WACB. Therefore, colonial officials and British merchants in West Africa worked together to advance their own interests, which overlapped for the most part. While officials in London and their colonial counterparts in West Africa sought to protect the political and monetary interests of the home government, expatriate merchants worked to protect their commercial interests and profit-base. The latter lobbied heavily for a new monetary system in the colonies mainly because it represented direct control of the machinery of money making to augment their coffers.

After outlining all the factors affecting the currency situation in the territories, the WACC concluded that:

> the introduction of a distinctive silver currency… is therefore… the only practicable measure that we are in a position to suggest for removing the defects of the present monetary conditions of West Africa.[29]

This recommendation resulted in the creation of the West African Currency Board in 1912 and the establishment of a common colonial currency for Britain's five possessions in the sub-region. For a small service charge, the WACB coins and banknotes were made convertible into British sterling when presented at any of the currency centres in Accra, Bathurst, Freetown or Lagos. The equivalent amount in pound sterling would be paid into the customer's account in London.[30] The establishment of this colonial currency system in 1912 signalled the emergence of a new era in West African history. Whereas the pre-1912 period was characterized by the political consolidation of the colonial state at the expense of the vast majority of the peoples, the post-1912 era proved to be a major monetary victory for Britain. However, this monetary advancement would be tempered by several challenges, most notably the resilience of traditional currencies and the coming of a World War two years later.

Colonial currency designs

The WACB authorities confronted several challenges to their new monopoly on money. Firstly, they had the daunting task of making the new currency popular with and acceptable to Africans. In this regard, the WACC Report had highlighted 'the importance of not giving the natives any ground for discriminating between the new coins and those with which they have been familiar in the past'.[31] The Committee found that:

> the native is suspicious of change, and that it might take a long time to overcome any prejudice on his part against the new silver… if the new coins bear the King's head on the obverse and are of the customary denomination, size, and weight, very little difficulty need be anticipated on this score. When it is remembered that the coins now in common circulation in West Africa include five florins, five shillings, and five sixpences bearing five different effigies of three different monarchs on the obverse… the justification for this view becomes obvious.[32]

As Cusack has argued with respect to stamp designs, the

Figure 3 1-shilling coin 1916 (palm tree, King George V)

empire was 'to be represented by the alternating heads of Kings and Queens'.[33] Therefore, minting the head of King George IV on the WACB coinage was not only meant to ensure consistency with previous designs, but also to symbolize the absolute, centralizing power around which the colonized territories and peoples would be consolidated. Similarly, Mwangi has found that, in the case of the East African Currency Board (EACB), the colonial authorities were adamant about keeping the coin and note designs consistent (by minting the effigy of the reigning British Monarch on the face of EACB coinage) so as to maintain public confidence in the money's value.[34] In addition to the British sovereign's head, the other prominent image of the WACB coinage was of the geographical terrain mostly in the form of a palm tree (see **Fig. 3**). These images subtly reinforced the monarch's lordship over the people and colonial landscape; there were no images of Africans. It was only after the 1948 Accra Riots, which resulted in greater agitations by nationalists for political and monetary independence, that the WACB began to include imagery of Africans on their banknotes. Nonetheless, the natives were mainly portrayed as happily engaged in export-designated cash-crop (groundnuts, cocoa and palm oil) production, reinforcing notions of colonial hegemony and the civilizing mission.[35] There are several assumptions that the WACB made about the nature of 'natives' that warrant analysis. Describing them as being 'suspicious of change' and therefore needing some convincing signals, a certain colonial mindset that Africans (perhaps unlike Europeans) were resistant to change, that is, traditional and averse to modernity. Secondly, the Committee overestimated the familiarity and popularity of colonial coinage among locals. While the circulation of British currency increased over time, the majority of peasants would not have frequently used, or had access to, this currency. Moreover, the use of cowrie, gold dust and other forms of traditional currencies showed a resilience to being eradicated that undermined the rapidity with which the colonial administration wanted its coinage to circulate.

Coins, paper money and World War I

As the previous section demonstrated, the 'native question' was always one of the principal considerations and challenges for the success of the new monetary regime. On the issue of the Africans' acceptance of the new coinage, the Committee had been quite confident; 'There is little reason to doubt that coins of the proposed new currency would be well received by the native population, if certain precautions were taken'.[36] Unfortunately, the new coinage issued in 1913 went into circulation just before the beginning of the First World War. During WWI, the WACB and the Clifford colonial government

Figure 4 5-pound banknote 1954 (palm trees, river, natives harvesting palm nuts)

faced even more difficulties in currency administration in the Gold Coast. Silver was scarce worldwide, creating a shortage of silver coinage, which severely affected trade of farm produce, cocoa, mining and other essential commodities. The shortage of coinage was also created by the high expense of sending the Gold Coast Regiment expedition to fight on Britain's behalf in East Africa.[37] However, silver shortage wasn't the only problem. The nickel-bronze coinage introduced by the WACB in 1912 were being used in the marketplace for everything from making small change to ornaments, gambling counters and washers for galvanized iron roofing. The hole in the nickel-bronze coins also made them usable as jewellery.[38] The shortage of currency was further complicated by London's inability to supply the colonies with adequate coinage on the one hand. On the other, locals also tended to melt down coins for jewellery-making, hoard coins and were reluctant to put their money in the banks. Fluctuating cocoa prices also put further strains on the limited supply of coinage in the Gold Coast. Furthermore, London officials remained indifferent to the locals' disdain for, and culturally related reluctance to use, paper money.[39]

If convincing the locals that the coins issued by the WACB after 1912 were just as good as the previous British coins in circulation, then the issuance of paper money was even more difficult, especially during World War I. Coin or metallic money had intrinsic value and therefore was thought to be more 'tangible' than banknotes, which depended on 'real' money (gold or silver) to guarantee its value. The Committee duly recognized this challenge. 'It is clear that the success of a note [paper money] issue in British West Africa must depend on the willingness of an appreciable part of the native population to use this form of currency, which is at present unknown to them'.[40] But how would the WACB try to ensure this loyalty and 'willingness' of the native population to use the new form of currency? There was always the option to use force, but the Committee discounted the suggestions by some witnesses to resort to force, as 'the prospect of ultimate success would be prejudiced if at any early stage notes were forced on natives who preferred coin'.[41] Given these challenges, Governor Clifford found himself in a diplomatic dilemma. On the one hand, he tried to pressure the WACB and the Colonial Office to supply more silver coinage and hold back on issuing paper money too soon in the Gold Coast. On the other, he tried to temper the wartime instability and anxieties in the colony and implored the native population to have more confidence in paper money. The Governor even initially rejected London's advice to issue paper currency to ease the coin shortage, given the locals' resistance to paper money.[42]

Given the special circumstances and hardships of the War, why were ordinary Africans so picky about paper? As Wrangham shows, there were practical and cultural causes for their resoluteness.[43] The tropical climate made paper easy to deteriorate, susceptible to fire and to consummation by white ants. Furthermore, the typical 'pocketless' cloth attire of the native population made it hard to carry around paper money; it was easier for them to tie their silver coins into knots on their cloth.[44] Despite these problems, the WACB decided to introduce non-legal tender paper currency in late 1916, but this was met with unsubstantiated success.[45] However, by the end of the war, a combination of the shortage and high price of silver and nickel-bronze currency forced the Clifford government to confer legal tender status on the WACB banknotes (**Figs 4, 5**).

Notwithstanding, the WACB banknotes were met with resistance. For example, some market places from the Northern Territories to the Coast, and even some workers in the formal sectors refused to accept paper currency as payment since many did not regard it as real money. Some farmers, for instance, preferred to sell their cocoa on credit than accept paper money. Ashanti Goldfields mine-workers in Obuasi were initially paid only 15% of their salary in banknotes after the introduction of bills, and some workers for the West African Rubber Plantations company were adamant about not being paid in paper.[46] Given the currency shortages during World War I, the use of barter and cowry shells still continued, especially in the Northern Territories, Eastern Province, Ashanti and other rural zones.[47] Moreover, in the post-1918 period, paper money continued to be unpopular with the locals. In some cases, if paper money were accepted for transactions, its value would be discounted.[48] However, in September 1920 the

Figure 5 1-shilling banknote 1918 (with image of 1 shilling coin) introduction of a new mixed-metal coinage contributed to a more stable currency environment, coinciding with the fluctuations of the post-war economy.[49] Consequently, the British colonial authorities formulated a massive marketing campaign to ensure the success of the new currency both within as much as outside of their colonial borders.

Conclusion

The coming of coinage to British West Africa in the first quarter of the 20th century, was occasioned by several coinciding factors. There were economic considerations, including: the reduction of monetary transaction costs, between Britain and its colonies and within its colonies; better macro-economic management, and the extraction of seigniorage profits by the colonial governments.[50] These reasons were especially fuelled by the increasing circulation of British currency in West Africa and the fear that unfavourable economic conditions there would cause the repatriation of coins to Britain, which could destabilize the home economy.[51] Hopkins also rightly claims that the WACB was established 'to settle expatriate commercial rivalries in West Africa', among the banking, shipping and other trading interests competing for the spoils of the 'Scramble for Africa'.[52] London officials and their administrators in the colonies, on the one hand, sought to protect the monetary system of the home government from the negative effects of oversupply of British currency in the colonies. On the other hand, colonial administrators on the ground and their expatriate commercial allies viewed the establishment of a colonial currency system as a way to make a profit from seigniorage.

Ideological and politically, monetization represented the last two projects of what missionary and explorer David Livingstone identified as the three C's of British imperialism in Africa, namely, Christianity, Civilization and Commerce. Colonial authorities demonetized a variety of local monies (*manillas*, cowry shells, gold dust, etc.) and foreign colonial currencies (French, American, Latin Union, etc.) that circulated concurrently with the pound sterling. Colonial money was thought to be superior to African currency, and the incorporation of Africans into the world of taxation and waged labour was vital to the success of the colonial machinery.[53] Moreover, the images of the reigning British monarchs and the territorial landscape that were minted on colonial coinage and paper money were symbolic of Great Britain's lordship over the colonized.

The convergence of British colonialism and the WACB's monopolization of currency in the Gold Coast in 1912 signalled the loss of political and monetary sovereignty for the indigenous population. The demonetization of pre-colonial currencies

> produced significant losses for Africans, especially those who held much of their fortune in these forms of money. Without a formal monetary role, cowry shells could only now be sold for their lime content at very low values.[54]

It also forced Africans into colonial enterprises such as the production of cash crops, much of the proceeds of which went into paying taxes and other expenses that were only accepted in colonial currency.

Notwithstanding this loss of politico-monetary autonomy, Gold Coasters, through passive and active strategies resisted the colonial monetary regime throughout the entire period. These subversive measures included the continued use of indigenous and foreign currencies, counterfeiting colonial coins and banknotes,[55] defacing currency, melting down money to make jewellery, and refusing to use bank notes. According to Mwangi,

> through the medium of conflicting currencies… the Africans… without resorting to heroic political action, defied and resisted through their daily lives the ambitions of the [colonial] state.[56]

Political action came in 1957 when Ghana achieved independence from Britian. As I argue in another article, Prime Minister Kwame Nkrumah sought to establish Ghana's status as an independent nation-state by breaking from the WACB colonial common currency and establishing the Ghana pound in 1958 and *cedi* and *pesewa* currency in 1965 – embellished with nationalistic symbols and iconography.[57]

Notes

1 Loynes 1962.
2 Hopkins 1990, 129.
3 NA-CO 984/2, 1.12.11, 19.
4 Helleiner 2002a and Helleiner 2002b, 5–6 for a comparison. See also Hopkins 1990, 103.
5 NA-CO 984/2, 05.06.12, Report of the West African Currency Committee, 2.
6 NA-CO 984/2, 05.06.12, WACC Report, 2.
7 Hopkins 1990, 130.
8 NA-CO 984/2, 05.06.12, WACC Report, 3.
9 NA-CO 984/2, 05.06.12, WACC Report, 3.
10 NA-CO 984/2, 05.06.12, WACC Report, 3.
11 McCaskie 1986, 4.
12 McCaskie 1986, 4, 7.
13 McCaskie 1986, 7.
14 Helleiner 2002b, 12.
15 Helleiner 2002b, 12.
16 See also Uche in this volume.
17 Hopkins 1990, 108–110.
18 NA-CO 984/2, 05.06.12, WACC Report, 3, 15.
19 NA-CO 984/2, 05.06.12, WACC Report, 16.
20 NA-CO 984/2, 05.06.12, WACC Report, 5, 15.
21 Hopkins 1990, 109–111.
22 Uche 2003, 75-90; Helleiner 2002b, 18.
23 Uche 2003; 2008, and this volume.
24 NA-CO 984/2, 05.06.12, WACC Report, 15.
25 NA-CO 984/2, 05.06.12, WACC Report, 6–7; see also Hopkins 1990, 105–106. **Table 2** illustrates the circulation of British sterling silver in the UK, West Africa and other territories.
26 NA-CO 984/2, 05.06.12, WACC Report, 7.
27 NA-CO 984/2, 05.06.12, WACC Report, 9.
28 NA-CO 984/2, 05.06.12, WACC Report, 18.
29 NA-CO 984/2, 05.06.12, WACC Report, 8.
30 Newlyn and Rowan 1954, 46–47; Loynes 1962, 20.
31 NA-CO 984/2, 05.06.12, WACC Report, 10. This wish, however, would prove to be more difficult than anticipated.
32 NA-CO 984/2, 05.06.12, WACC Report, 11.
33 Cusack 2005, 592.
34 Mwangi 2002, 33.
35 See **Figs 3–5** and Helleiner 2002b, 23-24; Mwangi 2002.
36 NA-CO 984/2, 05.06.12, WACC Report, 18.
37 Wrangham 1999, 149.
38 Wrangham 1999, 150–151.
39 Wrangham 1999, 144–155.
40 NA-CO 984/2, 05.06.12, WACC Report, 12.
41 NA-CO 984/2, 05.06.12, WACC Report, 13.
42 Wrangham 1999, 144–155.
43 Wrangham 1999.
44 Wrangham 1999, 148–149.
45 Wrangham 1999, 148.
46 Wrangham 1999, 147–148.
47 Wrangham 1999, 151–152.
48 Wrangham 1999, 153.

49 Wrangham 1999, 154.
50 Helleiner 2002a, 2; Helleiner 2002b, 5–6.
51 Helleiner 2002b, 10; Hopkins 1990, 129.
52 Hopkins 1990, 130; see also NA-CO 984/2, 05.06.12, WACC Report, 9.
53 Helleiner 2002b, 22.
54 Helleiner 2002b, 21.
55 See Olukoju in this volume.
56 Mwangi 2003, 224.
57 The graphical elements of Ghanaian money during the Nkrumah regime featured nationalistic symbolism such as Independence Square (with the inscription 'Freedom and Justice'), Parliament House, the Ghanaian landscape, and national development schemes including logging, cargo shipping, and the harvesting of cocoa. See Fuller 2008.

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The Currency Revolution in British West Africa: An Analysis of Some Early Problems

Adebayo A. Lawal

Introduction

Notwithstanding a plethora of publications[1] on the introduction of European currency to displace the pre-existing African media of exchange, this modest attempt aims at analyzing some socio-cultural problems that arose among the various rural ethnic groups in the remotest parts of the British colonies in West Africa during and after the First World War. This essay concentrates on the problems of inadequate distribution of coins and notes to some inaccessible communities in Sierra Leone, Nigeria and the Cameroon. The newly-established colonial administrative and judicial structures jointly managed by the African Chiefs and British officials, failed to function effectively in transforming the outlook of the local populace because they lacked frequent supervision and correction. However, this negligence was necessitated by the overwhelming demands of the First World War for recruitment of soldiers, diversion of administrative personnel and suspension of on-going road construction works. There was also the post-war burden of administering the mandated territory of the Cameroons, which Britain had to bear in alliance with the colonial government in Nigeria.[2] The issues raised in this paper include the perception and misperception of the new coins and notes, the new banking system, the misinterpretations of the embossed symbols, the changing socio-economic values and attitudes, the problems of currency devaluation across the borderlands between the French and British colonies, the unresolved exchange rates, harmonization of import and export duties, the circulation of the German mark and prevalent Germanophilism in the Cameroons.

Theoretical framework

Embedded in the crusading spirit of British colonialism was the civilizing mission, which was to be vigorously executed through the medium of a wholesale modernization of African political economic and social institutions and relationships. Colonialism would be seen as a broad road to consistent modernization by virtue of the military conquest of Africans by European powers, albeit with some challenges.[3]
Notwithstanding the several strands of modernization theory, which have attracted positive and negative reactions from several disciplinary perspectives, its substance will be appropriate to this endeavour.

Contact between advanced and undeveloped countries inaugurated an era of mutual understanding between an inferior and a superior race. After the dust of conflict settled, and the defeated inferior race accepted the hegemonic status of the superior race, the latter dictated and imposed its values and institutions to replace those of the former. By propaganda, persuasion and military expeditions, the traditional institutions, social systems and social relations must be revamped and modernity must replace traditionalism. The traditional society was seen as stagnant, lacking in innovation, progress, science, technology and European industrialization. To break the jinx of stagnation therefore, undeveloped societies must adopt capitalism, which was the engine of growth from the West.[4] Hence social changes must be predicated on the eradication of the perceived ills of traditional beliefs and practices and the introduction and imposition of a European educational system, which emphasizes and promotes modern science and rationality. African societies were compelled to accept an efficient bureaucracy and modern state apparatus which groomed the educated elite within them for the eventual emergence of the Western-styled liberal democracy. To guarantee their expectations, advanced countries are always prepared to render the necessary assistance in terms of funds, personnel, advice, science, technology and markets to transform the undeveloped countries from tradition to modernity and to avoid the pitfalls experienced by the West.[5]

The general impact of the British currency

Many studies have described the socio-economic and cultural impacts of the new currency and the resistance and opposition of the West African communities to the use of some modern currencies until 1956.[6] But in the coastal towns where trade with Europeans was firmly established, it was easy for African traders to adjust to the change by patronizing the new banks. However from the colonial perspective, the consequences of the currency revolution were stimulating and supportive of the British trade and colonial exploitation. The colonial economy was integrated into the capitalist world market. Henceforth the pre-existing African economic institutions and relations of production in the domestic economy were either adjusted or overhauled. All British colonies in West Africa – the Gambia, Sierra Leone the Gold Coast (now Ghana) and Nigeria embraced the market economy and used a common currency for exchange purposes. It was then easy to subsume the colonies under the British policy of money supply, regulation of market prices, inflation, trade, banking, taxation, wages and salaries; public finance and development projects. Slavery was abolished and was replaced with wage labour, hence the new trend of migrant farmers in towns and rural areas for the cultivation of such export produce as cocoa, cotton, palm oil, palm kernels, groundnuts or rubber. The rapid rate of diffusion of these elements of modernization was relative to the speed of introduction of transportation infrastructure in each colony. Thus where roads, the railways and water transport facilities were provided, the supply of the new currency was easy and the expansion and growth of European trade was implemented.[7]

The monetization of the indigenous economy created new values, tastes and status symbols mostly in towns at first and later in the rural areas. Towns were first developed as commercial centres where African traders had regular contacts with European merchants for business. Hence the amenities in towns caused some premeditated urbanization by adventitious and regular traders, workers and artisans. Dissatisfaction with patriarchal control and restrictions in the village compelled young men and women to move into towns to enjoy their new freedoms to seek employment with the colonial and mercantile establishments. But limited opportunities in this direction caused unprecedented migrations from town to town even across the colonial frontiers in search of greener pastures. In the process Africans directed their creative energies to all sorts of occupations to earn a living. Thus in towns, women took to prostitution while young men engaged in such crimes as theft, robbery, currency counterfeiting and dishonest practices in medical services. Some studies have demonstrated that the remittances of Nigerian prostitutes in the Gold Coast supported their relations in Nigeria as a form of social security service.[8]

The reactions of colonial subjects to the British currency 1912–1918

Within the first 10 years of the currency revolution in West Africa, the British colonial officials gleefully celebrated an historic success of their experiment, to judge from the reports from the Gambia, Sierra Leone, the Gold Coast and Nigeria. The popularity of nickel penny, half penny and tenth penny in the Gold Coast and Nigeria was commended. However the local people rejected the imperial bronze coin because of its dullness. They preferred a bright coin. To them, the farthings were not bright when minted. They had to rub them in fine sand until they became bright and were fond of showing the bankers to ask why they could not be issued in the acceptable condition.[9]

West Africa nickel coins had a round hole in the middle for Africans to string together in a rope or twain. The hole enabled African carpenters, mechanics and smiths to use the 'tenths' as washers for nails and screws when fixing galvanized iron sheets in the building industry. For its brightness and intrinsic value, the silver coin was admired for making ornaments. As this practice adversely affected the circulation of coins and local trade, silver bullion was shipped to West Africa in increasing quantities for African silver smiths to boost their business. However several diviners in their localities used both cowries and silver coins in their rituals.

Any change in the design of a coin quickly provoked people's reactions. They looked at the coin with suspicion if it bore the embossed image of a dead British monarch and thereby rejected it, in preference for a new coin bearing the image of a new monarch. In their calculation the old coin was valueless on account of the dead monarch and was tagged 'the money of the dead' or 'owo oku' in Yoruba (Southwest Nigeria). Of course it would be wrong to suggest or affirm that Africans quickly dispensed with their commodity currencies. Rather they were treasured as stores of value, objects of worship and materials for herbal medicine. By 1918, in the riverine areas of Southern Nigeria, the 'rods' and 'wires' were used for mending and strengthening the canoes, as these communities had only water transport.[10]

It was in 1916 that the West African Currency Board (WACB) began to issue notes in three denominations of 20 shillings, 10 shillings and 2 shillings (20s, 10s, 2s) to Nigeria, the Gold Coast and Sierra Leone, where they were popular among the educated elite, school teachers, European commercial class and colonial civil servants. The majority of illiterate farmers, labourers, traders and artisans preferred coins which they could handle well for local purchases. Apart from their inability to decipher the symbols on the notes in various denominations, notes were easily lost, damaged or destroyed in their poor living conditions. On the other hand, coins could not be destroyed by insects or rain. But the notes could be destroyed during fire outbreaks in the rickety huts or houses with thatched roofs that the majority of people lived in: only a small number of elite and successful business men and traders could afford to cover their houses with corrugated iron sheets.

The fishermen and fishmongers in the above mentioned riverine areas lost a great deal of currency notes during the rainy seasons that resulted in the notes being torn to shreds. Having learnt their lessons they henceforth preferred coins.[11]

Another general practice was hoarding of coins in homes rather than saving them in the banks. Hoarding, from an African perspective, is a misnomer for saving their daily earnings in the traditional culture. For safety and security, coins might be buried in the earth but could unfortunately be washed away during heavy downpours. Others kept coins in small earthen wares, like pots, with holes on top. These were hidden in an obscure part of their houses.

Africans were (and still are) in the habit of keeping money at home or always carried cash because they distrusted the European banks and bankers. How could they save their stores of values with strange Europeans, whose names, addresses and language they never knew, spoke and understood? They feared they would be cheated and even detested the banking processes that required their mandatory credentials for withdrawals. Their misconceptions and misperceptions of these rituals compelled them to either adhere to the pre-existing thrift societies or keep their money at home. Indeed the collectors of daily contributions of these thrift societies did not save the collections in the banks in compliance with the unwritten constitutions by members. Another major reason was the distances to be covered from their dwelling places to the banks. Some had to trek for two or three days to transact banking business as motor transport was a rarity. Only a few people with bicycles could visit the distant banks frequently.

The impact of First World War and currency in Sierra Leone

Prior to the war, the trade of Sierra Leone was dominated by both Britain and Germany. But by 1917, all German traders were totally excluded from the colonial trade and the vacuum was filled by France, the United States, Belgium and Switzerland in exporting palm kernels, groundnuts, ginger, colanuts and palm oil. But trade was hindered by the war especially by attacks on the trans-Atlantic shipments by German U-Boats, hence the local shortage of British currency.

This development occasioned the use of the 5-franc pieces of France, Belgium, Italy and Switzerland, in addition to the imperial and the West African coinage as legal tenders, the value of each being fixed at 3s: 10½d. This new arrangement caused a lot of confusion among the colonial subjects. Even British traders, having been stirred by economic nationalism, condemned the economic disadvantages of permitting foreign coins to circulate as legal tender at a fixed rate of exchange which local producers of export crops did not understand. Herein lay an unpremeditated paradox in the official prohibition of commodity currency and the introduction of British currency. Ironically the war conditions and the new trade relations with some European countries now permitted the circulation of their coins to strengthen diplomatic ties at the expense of the economic interests of local traders.[12]

On account of inadequate quantities of British currency, local buyers of European and African merchandise resorted to the barter system. The general shortage of coins restricted their freedom of choice and caused some stagnation of trade. Those who possessed the French coin with the current exchange rate of 3s: 5½d. *Vis-à-vis* the British coin, inevitably had reduced purchasing power when later the French coin depreciated to 3s:5½d. They thereby had to pay more in pound sterling (British coins) for consumer items. To them therefore British goods were more expensive. To alleviate their plight, the colonial subjects resorted to smuggling and the black market, which further aggravated the colonial trade. This development precipitated recurring, relentless protests from the local chambers of commerce in the local and foreign press with a request for an immediate prohibition of foreign coins.

Meanwhile the British currency notes for £1 and 10shillings issued under the Currency and Bank Notes Act, 1914 were also legal tender in Sierra Leone. Out of them, notes to the value of 18, 500 were withdrawn in 1917, leaving notes valued at 6,500 still in circulation. As usual, such a withdrawal was because the notes were not so popular with majority of people, who expressed their preference for British coins but which were inadvertently in short supply. An alternative was to supplement the remaining paper currency in circulation with the introduction of West African currency notes, issued in Nigeria, in denominations of £1 10s to the value of £6000. Although not officially legal tender in Sierra Leone, the colonial government gave a guarantee to accept the Nigerian notes in payment of dues. With the tacit agreement with the Bank of British West Africa, the notes were redeemable at the Bank face value.[13]

British currency in the mandated territories

The wartime scarcity and shortages of British coins and European goods had severe adverse effects on the local economy. The mandated territories of Togo and Cameroons, were seized from Germany and shared between Great Britain and France. Thus British and French Togo as well as British and French Cameroons shared common borders. Although our attention is on the experience of the local population in the British sphere, it is inevitable to discuss the problems of trans-frontier fiscal policy in terms of cross-border trade, taxation, movement of goods and people and exchange rate of one currency with another.[14]

Hitherto, the peoples of the British Cameroons had been exchanging the German mark for 1 shilling without any demur in their trading activities. But the exigencies of the war and the exercise of mandatory powers to regulate socio-economic activities in the mandated territory accounted for the issue of an official order for the exchange of one German mark for 9 pence with immediate effect in 1918.

This deviation from the existing parity exchange rate generated some unprecedented argument and protests among the local population against the untoward depreciation of the German currency in their possession.[15] By arguing that the German mark had an equivalent purchasing power of 1 shilling, they expressed an ingrained degree of Germanomania which could only be erased by British propaganda, liberal democratic ideas, programmes of modernization and re-orientation with the ultimate objective of gradually cultivating Anglophilic sentiments.

But the law must have its free course and the people lamented the depletion of their capital by one quarter. Indeed they were ignorant of the complicated processes of exchange between countries. Those that possessed large stocks of rubber and cocoa to sell to the merchant firms discovered with great disappointment and shock that their value was worth only three quarters of the expected turn-over. When they added the transport cost for delivering their produce to the facilities of the merchant firms, they discovered a further reduction in their profit margins.[16]

To promote an instant Anglomania, the importation of marks was prohibited and about half a million sterling worth of marks in circulation were withdrawn, melted down and re-coined into British shillings on a par with the coinage in Nigeria. It was expected that this arrangement would foster the economic integration of the British Cameroons into Nigeria and the consolidation of British control. With the total eradication of traces of German influence, free trade between the peoples of Nigeria and the Cameroons, was expected to flourish, to mutual benefit.

To cover the cost to the British Treasury, 5% was charged on remittances of money from the Cameroons to Nigeria by European and African traders, colonial civil servants and plantation workers. With this measure, the British government could offset any losses on the question of free trade as opposed to trade monopoly. But the 5% charge was a heavy burden on both European firms and African traders in Nigeria, as well as their counterparts in the Cameroons who transmitted money to Nigeria in payment for the goods obtained there. Also those who purchased goods in Nigeria to be conveyed to the Cameroons had to pay 5% more on the goods. The general hardships caused by this fiscal policy impelled the local people to lodge a serious complaint with the League of Nations through the Permanent Mandates Commission after the war.[17]

Thousands of African labourers on about 30 plantation farms in the Cameroon, were initially unwilling to receive their wages in marks, having discovered that they got less than they expected when making purchases in the local markets. This nasty way of being short-changed could hamper labour productivity and cause a general decline in the economy. Only an increase in labour income could stimulate higher agricultural productivity and production of export crops. But the challenges of the war prevented the adoption of any liberal measures to ameliorate the similar economic hardships experienced in the Ivory Coast and Dahomey (now Republic of Benin) owing to the lamentable shortage of silver and paper money. The complaints of African and French businessmen about inadequate supply and circulation of 5-franc or 3-franc pieces (paper money) was the subject of the meeting of the French Colonial Union in 1918, in course of which, lack of transport was identified as the major cause.[18]

Along the Nigerian boundary, in the immediate vicinity of Mamfe (in the British Cameroons), in 1923, the shilling was the predominant coin, but east of Mamfe the further one travelled towards Bamenda and Chang, the higher the value of the mark, while the rarer British currency became. Around Menka, brass rods were more common than marks, whose conversion into British currency during tax collection was a complicated and expensive process. For example the Banyang traders charged 6 pence in the pound as commission. According to the 1923 annual report, sufficient British currency could only be introduced into the area by employing large forces of labour on the plantain farms and encouraging produce-purchase by European firms.[19]

Bangwa, which was in the British sphere, also lacked trading facilities for the sale of produce to European firms. But Nkongsamba in the hilly terrain of the French zone happened to be a more popular and profitable produce-buying centre than Mamfe or Ikom, with the German mark predominantly used in commercial transactions. Indeed, some villages such as Akwun, a two-day journey from Ikom, traded regularly with Nkongsamba about an eight-day journey. Lack of trading facilities also inevitably exposed the Kumba Division to the same scarcity of British currency and the predominance of both French and German currencies. While the farmers were forced to pay customs duties on their export crops of cocoa and palm kernels, and later on their imports, they had to receive French money in payment for their produce which was of doubtful value in the British territory and usually led to further loss when exchange was effected. Basically, the customs barriers and lack of trading facilities between Kumba Division and the French area accounted for the general dilemma confronting the local people who concluded that the British deliberately discouraged the establishment of trading facilities because the collection of customs duties was deemed to be more profitable to the government. In 1923, German silver marks equivalent to £2,787 was in circulation in the Cameroons Province.[20]

Cross-frontier fiscal policy and people's reactions

The colonial subjects also experienced some hardships on account of the fiscal boundaries fixed by the French and British authorities by which two different import and export duties were collected from traders intending to cross from one border to another. The problems of trans-frontier migrations and control measures on smuggling and crimes have been well researched and do not warrant any further articulation. But it must be stressed that the two colonial powers appeared to be strange bedfellows on account of their rivalries and conflicting fiscal and monetary policies, in the mandated territories of Togo and the Cameroons.[21]

According to a report submitted by the Permanent Mandates Commission to the Council of the League of Nations in 1924, the two colonial powers had imposed dissimilar import duties on spirituous liquors imported into the mandated territories to the effect that while the liquor was cheap in the French sphere, it was more expensive in the British sphere. This being so, the local population within the borderlands resorted to smuggling, which hampered colonial trade. The League of Nations recommended the introduction of an *ad valorem* duty to stem the rising waves of smuggling. Both French and British governments were expected to meet and deliberate on the modalities for adopting uniform import duties on alcoholic liquors imported into West African including the former colonies.[22]

But the French were confronted with the depreciation of the franc in terms of its exchange rate to the pound sterling. The implication was the resultant lower import duties on spirituous liquor of equal strength imported into the French possessions and the mandated territories contiguous to Nigeria i.e. the Gold Coast and the British spheres of the Cameroons and Togoland. This depreciation was attributed to an increase in the British rate of duty above the minimum required by the convention signed at St. Germain-en Laye on the 10 September 1919. By article 4 of the convention, a minimum import duty of 500 francs per hectolitre of pure alcohol must be levied on all spirituous beverages imported into the areas covered by the convention. This was alcohol of standard strength i.e. 50% alcohol, which attracted an import duty of 15 shillings *per* gallon in British West Africa and the British spheres of the mandated territories. But the British increased the duty to 25 shillings per gallon in case of spirits containing more than 50% of alcohol. This is equivalent to 4,950 francs per hectolitre of pure alcohol taking the franc at 90 to the 1 pound sterling. These figures were based on the speculations of British officials that were close to the French officials. While ignorant of the current rate of duty on spirits imported into French territory, they were of the opinion that the rate was below the above figure.[23]

While anticipating a deadlock in the Anglo-French negotiation of uniform duties, the Permanent Mandates Commission suggested that the two colonial powers could agree on the same rate of duty expressed in gold francs per unit of pure alcohol so long as the gold value of the pound sterling remained stable. The French government was expected to undertake a frequent review of its actual rates of duty (in paper francs) in view of the fluctuations in the gold value of the paper Franc. The Commission insisted on the substitution of *ad valorem* duty for the current specific duty which was economically detrimental to the British possessions and mandated territories in West Africa. When two elephants fight, it is the grass that suffers. As long as the diplomatic negotiation was unresolved because neither party was ready to concede to the other, the colonial subjects, rather than endure any stress on cross-frontier trade, resorted to cross-border smuggling and black market as their survival strategy.[24]

Thus the erection of two walls of conflicting fiscal frontiers by the French and British in West Africa inevitably led to the imposition of the prevailing irreconcilable export and import duties which constituted a heavy burden on African traders involved in cross-frontier commerce. While a law-abiding minority used the official trade routes and submitted to border checks and payment of mandatory duties, the majority charted new escape routes in the porous borders through which European goods and produce were smuggled in the day and at night. Both British and French personnel patrolled the borders to arrest smugglers. In the process, they encountered armed smugglers with whom they exchanged gun shots that resulted in the death of smugglers and patrol men.[25] Even though official reports affirmed the arrest and prosecution of culprits and the confiscation of their merchandise, the phenomenon of cross-border crimes have remained a recurring concern in the West

Africa Economic Community (ECOWAS) since its formation in 1975.

The early years of modernization and colonialism also compelled the populace to direct their ingenuity to evolving anti-colonial practices that guaranteed relief and comfort during short-term or sustained trade cycle as soon as they realized that new fiscal and monetary policies dmamaged their interests. For example, the colonial concept of taxation (in any form), exchange rate, devaluation and customs duties, were inimical to their commercial and material interests and profit margins. They could not understand the essence of taxation as a compulsory civic obligation. In their thinking, tax proceeds were spent on the provision of amenities to European residential areas to the detriment of their own welfare, hence the frequent widespread tax revolts, tax evasion, avoidance and dodging, in trans-frontier migration.[26]

This study also gives a hint about the evolution of unofficial currency exchange business at the various border towns or posts by Africans across West Africa. Quite often in contemporary times, the prevailing official exchange rates in each country help the money changers to determine their rates which are a little higher. Yet they attract patrons. Payment is made on the spot in cash. Despite the well-established modern banking system, the majority of African traders and travellers still carry cash in inter- and intra-African trade: a carry-over from the colonial period. The only snag in the unofficial currency exchange (tagged black market) is the risk of receiving counterfeit currency notes, which may not be detected on the spot. Many patrons have been victims of dishonest money changers over the years[27] and, to date, no country in the sub-region has successfully eradicated the black markets, which have remained a vibrant segment of the informal sector since colonial days. So also in trans-border trade, which economists believe has contributed substantially to economic growth, even though lack of reliable records handicap any attempts at determining the extent of the contribution. Similarly, the operations of the black markets have allegedly been held responsible for heating up national inflation and distorting the configuration of the external annual remittances to each country on account of unrecorded transactions.

Conclusion

A key segment of the colonial scheme was the monetization of the colonial economy in West Africa, by which the use of African traditional currencies was prohibited for the substitution of the newly-introduced British coins and notes. Wage labour, sale of land, taxation and the European banking system were introduced to facilitate the much expected change and the integration of the colonial economy into the global capitalist market. In other words, colonial administration and the establishment of judicial, military, economic and political structures were integral to the programme of modernization and processes of social change. There was an assurance of the emergence of new social organizations and new values among the populace which overshadowed the pre-existing traditional social structures and political institutions. These new structures must be similar to those in the industrialized countries and orchestrated by social mobilization to revamp old social, economic and psychological behaviour for exposure to the use of European machinery, buildings, consumer goods, modern life, mass-media, change of residence, urbanization, industrialization, literacy and growth of *per capita* income.[28]

Crucial to these changes were the functions of money and wealth, which were to be acquired by the colonial subjects through wage labour, services and engagement in the production of export crops and sales of domestic and imported goods in the local markets. New markets and banking institutions functioned as regulative and allocative mechanisms in the economic life of the populace with many problems of adjustment, hence the colonial application of coercive measures. In the perception of the populace, capitalism was synonymous with inequality, discrimination, injustice and exploitation of labour and resources, as exemplified by wage differentials between African and European workers, the well furnished but segregated residences of the latter and their standard of living, all in the name of modernization. It was therefore natural for the colonial subjects to identify a number of contradictions between the European ideals and social reality,[29] hence the rising waves of direct and subtle anti-colonial revolts and protests in the form of tax evasion, hoarding and counterfeiting of coins and smuggling. However, modernization is an ongoing process of change and progress, with problems to be confronted and solved later. Nevertheless its benefits outweigh its curses.

Notes

1 Johnson 1970, parts 1 and 2; Johnson 1968; Hogendorn and Johnson 1986; Hopkins 1966; Herbert 1973; Curtin 1975; and Hopkins 1973.
2 Osuntokun 1979, 169-205 AND 237-269.
3 Curtis, Feierman, Thompson and Vansina 1978, 451–471; Webster and Boahen 1969, 228–256; Growder 1973, 116–162.
4 Joshi 2007 and Sanderson 1995.
5 Anonymous 2007.
6 Ofonagoo 1979, 283, 284 and 290.
7 Railway transport facilities were extended to areas noted for export crops and minerals for exploitation and shipment to Europe.
8 Naanen 1991.
9 *West Africa*, 26 January 1918, 871.
10 *West Africa*, 26 January, 1918, 871.
11 *West Africa*, 26 January, 1918, 871.
12 *West Africa*, 1 December, 1917, 736.
13 *West Africa*, 1 December, 1917, 736.
14 For details, Asiwaju 1984, 29–50.
15 *West Africa*, 18 May, 1918, 244.
16 *West Africa*, 18 May, 1918, 244.
17 *West Africa*, 18 May, 1918, 244.
18 *West Africa*, 25 May, 1918, 266.
19 National Archives, Ibadan, CSO 26/2 File no. 11556.
20 National Archives, Ibadan, CSO 26/2 File no. 11556.
21 Hargreaves 1984.
22 National Archives, Ibadan, CSO 26/2 File no. 13977.
23 National Archives, Ibadan, CSO 26/2 File no. 13977, Enclosure in Foreign Office (F.O.) Letter no. A 7016/4960, 4 December, 1923.
24 *Ibid*.
25 For ethnic groups and impact of the Anglo-French Boundary see Fanso 1982.
26 For colonial policies and distant migrations, see Fanso 1982, note 25, 356–370; Asiwaju and Crowder 1977, 3, 5; Asiwaju 1974; Asiwaju 1977.
27 Author's recent personal experience traveling from Nigeria to Ghana by road.
28 Eisenstaat 1965.
29 Collin 1997.

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The Adisi Case: Currency Counterfeiting in Interwar Colonial Gold Coast

Ayodeji Olukoju

Introduction

The discussion in this chapter is set within the context of the inter-war period, especially the economic crisis of the late 1920s and early 1930s, which highlighted the fragility of indigenous entrepreneurship in the face of the vagaries of the global economy.[1] A striking feature of the period from the perspective of the British colonial administration was the high incidence of foiled and successful counterfeiting and uttering of colonial currencies. Much has been written on this subject, especially in the Nigerian context. Toyin Falola,[2] and Falola and Akanmu Adebayo,[3] have located currency forgery in the context of culture and politics of money in Yorubaland (south-western Nigeria), while Ayodeji Olukoju has added the dimension of counterfeiting and uttering as an ambiguous illustration of self-help criminality as resistance against the colonial order.[4]

Falola and Adebayo have attempted to explain the incidence of currency counterfeiting in terms of a 'get-rich-quick' mentality that can be understood in the context of the attitude of the Yoruba to money. Although the society traditionally frowned at ill-gotten wealth, the wealthy (*olowo* or *olola*) were accorded respect in society and this encouraged money-making enterprise in the society. Adebayo has also deepened our understanding of the Yoruba attitude to money by highlighting the people's characterization of money as 'Kose-e-mani' (The Indispensable One).[5] The colonial context simply accentuated such tendencies and attitudes toward money and money-making (among the Yoruba and other colonized peoples) and provided new opportunities for money-making, including illegal ones such as counterfeiting. Olukoju's study on the other hand while agreeing that counterfeiting was a product of the colonial context placed it in the framework of inter-regional trade between northern and south-western Nigeria (which facilitated the uttering or distribution of the fake coins) and, more importantly, explained it in terms of an implicit alienation from (and resistance to) the colonial order, coupled with a drive for accumulation.

It may be deduced from the Nigerian case studies that a combination of any of cultural pressure for accumulation or the privileging of the wealthy, the context of inter-war depression and underlying alienation from, coupled with ambiguous resistance to, the colonial order was responsible for the upsurge of inter-war currency counterfeiting in West Africa. But more case studies are required for a clearer understanding and better explanation of the phenomenon in colonial Africa. Consequently, the following discussion of developments in the late-1920s Gold Coast and the adjoining French Togoland colony provides another perspective on the subject of currency counterfeiting in the wider, West African context.

Incidence of forgery of financial instruments in coastal West Africa in the 1920s

By the end of the First World War, a combination of circumstances had made the introduction of currency notes necessary.[6] First, there was a shortage of silver currency, which needed to be augmented with alloy coinage or notes, if a serious currency crisis was to be averted. Second, the brief post-war boom of 1918–20 had engendered an atmosphere of optimism that was, however, reversed in the next two years, when an equally brief and drastic economic slump dislocated the colonial economies.[7] The Gold Coast colony had emerged as a major cocoa-exporting economy, which expanded the space for the emergence of African entrepreneurship in a colonial economy that was dominated by expatriate interests.[8] It is being suggested that the incidence of currency counterfeiting and the involvement of a certain class of Africans in the act derived from the peculiarities of the political economy of the 1920s, especially the dislocating aftermath of the post-war boom.[9]

Attempts to counterfeit colonial currency on the Gold Coast might have had a longer history but the earliest case of inducement to counterfeit the notes was in 1924. In that year, a Gold Coast *indigene*, known as J. Miles Oppon, using a post-office box address in Coomassie (Kumasi) had approached a German jeweller in the Cologne area to make a mould for making counterfeit 5- and 10-penny coins. He also requested information about the composition of the alloy (mixture of copper and brass) to facilitate his own reproduction.[10] It is instructive that he promised to pay his prospective accomplice in the product of the Gold Coast:

> if you so desire, I will ship you cocoa beans of the best quality to cover the cost of the machine and your charge in analysing the coin, or otherwise remit you money in payment.[11]

Realizing the criminality of his proposal and its consequences, Oppon warned his German contact to 'keep this matter strictly confidential between ourselves only, and you will see how we both will be benefited [*sic*] by.'[12]

While Oppon was interested in making fake coins for circulation, other Gold Coast indigenes attempted to print currency notes. A German police report of September 1925 stated that:

> the Niggers Josef Samuel Solomon, Mechanic, born 15/8/92 and Joachim Benjamin Coblima Acken, Trader, born 11/5/86 in Elmina were arrested here on the 22/9/24 for attempting to arrange for the printing of forged '20/- Notes' of the Island of Lagos, in British West Africa.[13]

They were sentenced to four months imprisonment and released on 22 February 1925 on completion of their terms. The police could not trace them afterwards.

A different request came from a Mr Schmeck, based in Accra, capital of the Gold Coast to a German trader, Albert G.

Richard Gossow, requesting the forgery of 1,000 copies of Customs entry forms, receipts and other financial instruments of 20/- and 10/- each. The West African demanded confidentiality and promised to pay for the printing by bank draft to cover costs, freight, packing and other incidental expenses once an agreement was reached.[14] Gossow approached a Leipzig printer, Messrs Vereinigle, for the printing of the Customs Declaration forms only. The latter reported the matter to the Police, who arrested and prosecuted the German, Gossow. He claimed that he had not committed any offence as he thought the printing of the Customs entry and I.O.U. forms – a financial instrument – (the latter in water-colours) was in order and that was what he took to the printer on behalf of the customer in Accra. In any case, he argued further, the enquiry concerning the price did not contain an order. However, the German printer declined the job since he did not do steel engraving but did not warn Gossow that the request was criminal in intent. In the final analysis, the charges were dropped as currency notes were not involved.[15]

Colonial records of the 1920s are replete with cases of foiled attempts at forging postage stamps and colonial currency notes by young literate indigenous Africans. As stated in **Table 1** below, such attempts took place in Nigeria and the Gold Coast, the leading colonies of British West Africa. With few exceptions, the incidents took place in major coastal commercial towns of these colonies. Most of the prospective counterfeiters had had a smattering of formal education and had served a form of apprenticeship under some expatriate traders. Others, such as, Ernest Adisi, the subject of this study, were promising indigenous traders. All had requested German printers to aid them in the production of the forged notes. In virtually all cases the Germans reported them to the police, who took appropriate action. Several of these prospective counterfeiters were duly convicted (see **Table 2 below**). But, as we shall see, the case of Ernest Adisi was exceptional in several respects.

The examples above indicate the prevalence of the attempts by Gold Coast citizens to procure European printers to aid them in the forgery of security instruments, especially coins and currency notes. By March 1926, after convictions had been obtained in several cases, the Gold Coast Inspector-General of Police enthused that though there were 'several outstanding cases' under investigation, 'I hope I have stopped this sort of thing for a time'.[16] His optimism was based on the reports of convictions contained in **Table 2 below**. This was later belied by the scale and daring of the scheme masterminded by Adisi, as detailed in the rest of this essay.

Colonial officials welcomed the co-operation of the European would-be collaborators of the West African counterfeiters who had aided police prosecution. But officials of the West African Currency Board (WACB.) were dissatisfied with the seemingly light sentences imposed on the offenders. They felt that two years' imprisonment with hard labour was,

> inadequate if such crimes are to be prevented… [given the] numerous attempts [that]… have been made by natives of the Gold Coast to defraud the country by means of counterfeiting, and it is evident that such efforts will continue to be made unless they are put down with a strong hand.[17]

Events were to show that the sentences did not discourage prospective coiners, the most celebrated of whom was Ernest Adisi, whose activities will be examined later in this piece. Meanwhile, financial inducement had helped in getting prospective European collaborators to co-operate with the colonial and imperial governments in West Africa to foil many of these bids. After due consideration, it was decided that a sum of £25 would be paid to an informant as soon as the first notification was lodged, followed by enquiries about the credibility of the source and the balance of £25 paid upon receipt by the WACB. of a report from the affected colony whether or not the culprit was traced or conviction secured.[18] **Table 1** indicates the success of such collaboration motivated by financial rewards.

In all, the cases of attempted counterfeiting in the early/mid-1920s as indicated in the Tables reveal some discernible patterns. First, the prospective counterfeiters sought to exploit their limited artisanal knowledge to forge currency notes, as in the case of Narking (alias 'E.T. Nyedemey') of Akuse, who deployed his skills in photography to that criminal end. Second, the counterfeiters nonetheless admitted their technical disability by seeking collaboration with European printers (**Table 2**). Hence, virtually all of the counterfeiting schemes had international dimensions. Third, they appear to

Table 1: Particulars of informants and suspects in counterfeiting cases in West Africa in the 1920s

Informant and address	Attempt made by
Dr Trenkler & Co. Leipzig	Joseph Dabuanu of Koforidua, Gold Coast
Messrs Schumann of Berlin	George A. Whyte of Kumasi
Maschinenfabrik C. Thomas (in conjunction with Max Doeller of Neustadt an der Haarolt)	Shalman Godfrey of Calabar, Nigeria
Rothschild & Co. of Eisenbach I Thuringia	Jayeola Coker of Lagos, Nigeria
Secke & Devrient of Leipzig	Gold Coast Stores, Ltd., Accra
Steenbergen & Co. of Schandauer Strasse 24, Dresden	M.P. Armye, Gold Coast
Frederick Metzger of Elise Averdieckstr 12, Hamburg	F.O.C. Horsfall of Abonnema, Nigeria
E.A. Gaile of Riga, Latvia	Mensah Bros & Co. of Koforidua, Gold Coast
Heinrich Wigge of Unna	Shalman Godfrey of Calabar
C. Henke Gesellschaft fur Bahn und Industrie Bedarf M.B.H., Dortmund	-ditto-
J.A. Morin of Hamburg	Abousam Amuhuba and Epiphone Regis Tate of Ivory Coast; and N.P. Frankson of Attuaboe, Gold Coast
Joseph Jegeb of Dresdenerstr 18, Berlin	K. Wadjo Bonn, Tafo, P.O. Box. 13, via Accra, Gold Coast; Joseph Arkansas c/o Swanzys Transport, P.O. Box 31, Koforidua, Gold Coast; R.S. Seraphim of Koforidua, Gold Coast

Source: National Archives of the United Kingdom, London, CO 554/73/4, 'Counterfeiting of West African Currency,' Secretary, WACB. to Commissioner of Police, New Scotland Yard, 26 January 1927, enc. in Sec., WACB to Undersecretary, Colonial Office, London, 4 February 1927

Table 2: Convictions for counterfeiting currency notes on the Gold Coast, 1925–26

Name	Place of offence	Date of conviction	Sentence	Remarks
Emmanuel Twinty Narkrong alias E.T. Nyemedey	Akuse	30.4.25	5 Years Imprisonment with Hard Labour (I.H.L)	Notes were forged in the colony by photography
Sam John Ocansey	Akuse	27.5.25	10 & 5 Years I.H.L, to run concurrently	-ditto-
Kweku Brenyah	Saltpond	21.8.25	2 Years I.H.L.	-ditto-
Kobinak Gyimah	Saltpond	9.9.25	5 Years I.H.L.	-ditto-
K.E. Hausou	Saltpond	9.9.25	4 Years I.H.L.	-ditto-
Kauko Arthur alias J.K. Arthur	Accra & Sekondi	8.10.25	5 Years I.H.L.	An attempt to import from England
F.D. Dukun	Half Assini	281.26	5 Years I.H.L.	An attempt to import from Germany (Hamburg)
Aggrey	Prestea	4.3.26	5 Years I.H.L.	An attempt to import from Manchester, U.K.
Oseni Latunji	Tarkwa	4.3.26	5 Years I.H.L.	An attempt to import from Germany (via F.R. Schmidt, Torgau)
Walter K. Kofie	Tarkwa	4.3.26	5 Years I.H.L.	-ditto-

Source: National Archives of the United Kingdom, London, Encl. In IGP, Gold Coast to Bevin, 27 March 1926, CO 554/69/2, 'Counterfeiting of W[est] A[frican] Currency and Postage Stamps'

have identified Germany and the United Kingdom as likely sources of collaborators, as indicated by the target and destination of their overtures.

'A very big fraudulent scheme': the Adisi case, 1927

On Sunday, 5 June 1927, one Joseph K. Mamattah, Agent of the United Trading Company (UTC) at Keta, Gold Coast, was arrested for uttering a fake £1 WACB note in the Motor Accessories shop of Messrs G.B. Ollivant, Lome. The Police discovered in his premises 37 new fake notes of the same denomination in a small leather handbag and a leather suitcase 'of considerable weight' containing £3,717 in fake notes. The suspect confessed under interrogation that he had received the consignment from one Edward Bruce, a resident of Anecho in French Togoland, who had also been arrested. A sum of £40,000 in fake notes was found in Bruce's premises. Mamattah further implicated Bruce's brother, Emmanuel, who was based in Nuremberg, Germany.

The Police had thought that the notes had been printed in either of the Gold Coast or Togo, especially as Mamattah had a lithographic establishment in Keta, which he had sold in 1924/25 to one Titus Glover of the Scottish Mission printing department, Accra. They dismissed the supposition that Glover had printed the notes in Accra and then smuggled them across the border through Mamattah, who was a frequent visitor to Accra. This was because Glover's failure to pay for the printing press had strained relations between both men. But it was later concluded that the notes were printed in Germany since Mamattah had recently cabled £200 to Bruce in Nuremberg. Moreover, Edward Bruce had also received a consignment of beds, mattresses and motor oil from Germany under the name of Goldsmith Kwawuvi. Strangely, the papers for the goods (consignment notes and invoices) were sent to the Bank of British West Africa (BBWA), Keta, where they were called for and paid for by Mamattah. Initial Police investigations concluded that the fake notes were imported by means of the mattresses in the consignment. The notes were described as 'excellent forgeries except for the lack of a watermark.'[19]

The British Vice-Consul in Lome provided a detailed description of the technical defects in the notes, which might have been unknown to the untrained eye. In addition to the lack of a watermark, the paper was slightly glazed; the notes were slightly wider than the genuine ones; the black printing was too accentuated and showed through on the other side; the red printing was not distinct enough and paler than in the genuine note.[20] Apparently, the forged notes were shipped to Lome in the upholstery of a sofa and in a large false-sided tin of motor grease. The writer advised the Gambia colony to examine mails from Germany to check for further importation of the fake notes.

Colonial officials and those of the WACB were alarmed by these developments, which posed a great threat to the colonial currency system. The fact that the notes had been manufactured and uttered (that is, put into circulation)was particularly worrisome. This necessitated inter-departmental and, more significantly, inter-colonial co-operation in West Africa and Europe. First, efforts were made to apprehend Emmanuel Bruce, who was reported to be making his way to West Africa from Hamburg with more consignments of the fake currency notes. The French authorities in Lome, Togo counselled secrecy especially over the arrest of his accomplices, Edward Bruce and Mamattah, so as not to scare him off.[21] The WACB, which was eager to halt the circulation of the notes, suggested that the French should get the German police to arrest Bruce in Nuremberg but feared that news of local arrests might hinder the apprehension of the masterminds behind the scheme. Conversely, the Sierra Leone colonial government thought that a public warning would check the spread of the fake notes.[22]

The earliest hint that a bigger mastermind was behind the Bruce brothers and Mamattah was given in a terse telegram sent by the Currency Officer, Accra to the WACB as follows: 'Ernest Kweku Adisi importing counterfeit West African currency notes of 20/- denomination… travelling by… [the S.S. Wadai]'.

The suspect was described as being 38 years old, 5 feet 4 inches tall, black and hailing from the Gold Coast. The intelligence report was sequel to the discoveries of further consignments of the fake currency notes in Accra, which were strikingly similar to those already seized in Togoland.[23] Adisi was arrested and charged at Bow Street Police Court, London under the Fugitive Offenders Act, with importing counterfeit currency notes within the jurisdiction of the Gold Coast Colony and Togoland. As much as £4,000 was suspected to have been so imported. Adisi demanded to read the warrant and then refused to make any statement even in Court, and was, therefore, remanded. A banker's draft for £450, £16 in English money and some money in foreign (presumably German) currency was found on him.[24] Adisi had been described by a Gold Coast official as 'a well known Accra man, a cocoa dealer who has handled large sums of money in produce dealing in the last few years.'[25]

A clearer picture of the scam was now emerging, with Emmanuel Bruce, based in Nuremberg, identified as the key figure in the actual manufacture of the fake notes. He was described as a native of Anecho (German Togoland) and was agent for Mr. Kubukanapfs of Keta, from whose employ he resigned to start his own business in Germany. Before relocating to Europe, he had been agent for G.B. Ollivant at Keta but he barely escaped conviction for embezzlement and falsification of books, having been acquitted only on a technicality. The judge had said that in spite of the reprieve, there was ample proof of his culpability. Bruce was nevertheless engaged by the German shipping firm, Woermann Linie, as its agent at Lome and Keta.[26]

An official of the BBWA in Hamburg submitted a later report on Emmanuel Bruce after the suspect had been arrested. It stated that Bruce was well known to the bank in the city, having been educated in Germany, 'which he regards as his 'spiritual home''. Though he often visited West Africa, he resided mostly in Nuremberg, at 34 Bauerngasse. Bruce was reported to have had dealings with several Hamburg firms, 'some of whom have lost money on him while the others have only avoided losses by means of legal proceedings and garnishee orders'. He was, in the opinion of the bank official, 'an exceptionally able scoundrel'.[27]

The French in Lome desired to apprehend Emmanuel Bruce who was being expected from Nuremberg, but did not wish to seek German diplomatic assistance to achieve this aim. Yet, it was important to arrest him with the fake notes in Germany for the dual purpose of getting a conviction and of leading the police to his printer. The British too were eager to have him in custody but preferred that he should face trial in French territory because the French police and legal systems were more draconian. 'The French authorities are not kind to forgers and others in custody as ourselves', the Gold Coast Inspector-General of Police stated, 'and it is possible that Edward Bruce ('Goldsmith Kwawuvi') will disclose information that may implicate certain persons in British Territory'.[28] Hence, he had not given publicity about the counterfeit notes lest Emmanuel Bruce should be warned off and abscond, but banks, treasuries and Chambers of Commerce were duly warned. Accordingly, the Accra Chamber passed a resolution asking the government to withdraw the notes or have them perforated.[29] The BBWA, Keta was excited by a report that the police in French Togoland had made 'a big seizure of 46,000 exceptionally good counterfeit West African Currency Board Notes' which might deceive 'a native' but should have been detected by a bank cashier 'as the colouring is slightly blurred and although the printing is exceptionally good, there is no water mark'. The report added that the French had 'wrung a confession' from Mamattah, which implicated the Bruce brothers, and enthused that the French government 'have the situation well in hand and have no doubt nipped in the bud a very big fraudulent scheme'.[30]

The Nuremberg Police finally moved against Emmanuel Bruce but a search on his house on 30 June 1927 yielded nothing, presumably because he had received sufficient warning. He was, however, placed under surveillance and was to be searched if he ventured to travel. The German Police did not commit themselves to any further action since no evidence had been found to implicate him. However, under pressure from the British Consulate in Hamburg, the Germans detained Bruce.[31] It was reported that Bruce and his German companion had gone to the harbour in Hamburg on 27 January to board a ship for West Africa. But on learning from a cook that Adisi had been arrested in Southampton, they reportedly left the harbour in haste! The German police then apprehended one Paul Herden, who had printed the notes for Emmanuel Bruce, who was also arrested apparently on the strength of evidence supplied by Herden. Bruce claimed to have printed the fake notes under Adisi's instructions.[32]

On the Gold Coast, Edward Bruce and Mamattah admitted under interrogation that only they and Emmanuel Bruce had been responsible for the illicit activity. Not satisfied, the Police searched the cable communications of the period and discovered that a consignment of two cases of bedsteads and bedding, and a drum of oil had reached Accra by the *S.S. Djojca* by the end of May 1927 and had been cleared. They searched Ernest Adisi's premises in Accra, where they discovered a 'drum of grease containing counterfeit notes packed in metal containers and oiled paper.'[33]

Conclusion of police investigation and trials in Germany, the United Kingdom and the Gold Coast

Police investigations in Germany and the Gold Coast had reached a critical point by July 1, 1927. In Germany, Bruce's host family (the Knolls) and his female companion, Frau Baer (Herr Knoll's sister) co-operated with the detectives. Bruce's companion disowned and threw him out of the apartment. Frau Mathilde Knoll admitted that she saw him loading what he had called 'advert materials' inside beds and mattresses. As she 'did not want to have any more unpleasantness,' she deposited three large trunks of his belongings at the forwarding agents Strauss in her name. Bruce, who had been arrested at an inn, and Herr Knoll took police to Herden's shop, where the latter admitted to have manufactured 100,000 'advert forms' for Bruce. He submitted all the heliographic plates in his possession.

Herden, an elderly German in a precarious financial state, claimed to have had doubts from the beginning but had been assured by Bruce that the 'forms' were not for circulation as currency. Bruce had explained that they did not need to have a watermark, as they would be sent in single pieces to individual customers![34] Bruce later brought the Arabic letters for inclusion on the blank obverse side of the 'advert forms' after Herden had received the order. When queried, Bruce had explained it away as the logo of his company! Herden stated that when he voiced his apprehension, Bruce assured him that he could not engage in forgery or swindling, as that would jeopardise his 'large export business.' For the 100,000 notes that he printed, Herden received 3,000 marks in several instalments, a price that the police agreed was too low a remuneration if he was a conscious accomplice. This was because the forgery entailed three series of colour printing, which, with the material used, left a narrow profit margin.

Bruce's testimony corroborated Herden's and implicated Ernest Adisi as his principal in the criminal act. He admitted that he had 'done something which I ought not to have done and which is punishable.' Bruce explained that he gave piece-meal orders for the printing of the fake notes so that Herden would 'not demand so much money for the printing.' Moreover, he needed to avoid arousing the printer's suspicion. He exonerated the Knolls and explained how he met Adisi and the manner of the packing and despatch of the consignments of fake money. [35]

As preparations were being made to try the accused persons in court, Bruce retracted his earlier statement and secured the services of a German barrister. Apparently acting under instructions, he refused to make any statement and no incriminating evidence had actually been found when the police searched his premises. The defence counsel stuck to the claim that the fake notes had been made as 'advert materials' but this was undermined by evidence that they had been uttered in West Africa. The court took notice of Herden's advanced age and relative poverty as predisposing him to throwing discretion to the winds when he was approached to print what he should have known were fake currency notes. Notice was also taken of his low charges and the fact that Bruce had not paid him the balance for the job. Herden's conduct was described as being 'as unbusinesslike as it was imprudent.' As for Bruce, the evidence was not considered strong enough to warrant his extradition but he was tried nonetheless under German law.[36] The court sentenced Bruce to four years 'penal servitude and … the loss of civil rights for a further five years' and Herden to 18 months imprisonment.[37]

While the trial of Bruce and Herden was proceeding in Germany, Adisi's too was making slow but steady progress through the British and Gold Coast courts. On 23 July 1927, Adisi appeared before Sir Chartres Biron at Bow Street Court and was defended by Mr. Christmas Humphreys, instructed by Mr. E.F. Hunt of 6 Gray's Inn Place. Adisi was committed to Brixton Prison for 15 days pending appeal against his extradition.[38] A newspaper report stated that the presiding Magistrate had ruled that there was 'a clear *prima facie* case, and he therefore made an order for the accused man to be returned to West Africa for trial.'[39] Adisi lost his appeal and was duly extradited to the Gold Coast, where he arrived on 24 August 1927.

The trial of E.K. Adisi, E.J. Afwireng, E.T. Amoah, J.E. Lokko, Mrs Afwireng, Beatrice Dankwa, Q.L. Crabbe, Mercy Matheson and Yaw Sao – 'all Africans' – before His Worship Captain J.K. Dickinson, M.C., was full of drama. The accused persons were duly represented by counsel: Mr Francis Dove for Adisi; Mrs H.F. Ribeiro and Mr K. Quartey Papafio for the Afwirengs; Messrs R.S. Sackey and Owoo for Amoah; Mr Charles Renner for Lokko; Quartey Papafio for Yaw Sao; and Mr. R.S. Sackey for Crabbe. As no evidence was offered by the Crown against Beatrice Dankwa, Q.L. Crabbe, Mercy Matheson and Yaw Sao, they were all duly discharged. The others faced trial at the District Commissioner's Court, Accra from 30 August to 9 September 1927. 'Considerable interest was shown by the public,' it was reported, 'and the Court was crowded daily.' The case was transferred to Cape Coast because of 'the many relatives and acquaintances of the accused persons in Accra.' Adisi, in particular, was said to have been 'an intimate friend of several lawyers in Accra.' It was feared that a trial by jury in Accra would favour him for the Inspector-General of Police declared, 'I distrust Accra juries.' The Chief Justice of the Gold Coast refused Adisi's plea for a change of venue (back to Accra).[40]

There was 'considerable legal argument' as to whether the accused persons should be tried together or separately. The judge, Mr Justice Michelin ruled that all should be tried together by assessors. The trial then commenced on 18 October before Michelin and three assessors: one European (Mr Thomas) and two Africans (Messrs Hammond and Mensah). The accused were charged with possessing and uttering counterfeit currency contrary to Section 303, subsection 2 Cap. 16 of the Laws of the Gold Coast Colony; importation with intent to defraud contrary to Section 1 of that Law; importation contrary to Section 50 and Section 303 subsection 1 of Cap. 16; and for conspiracy to commit these crimes. The actual trial lasted from 14 October to 22 December 1927; 43 witnesses being examined, 26 on behalf of the Crown and 17 for the defence; and 156 exhibits were tendered and received in evidence. After the evidence for the prosecution closed on 8 November 1927, the Chief Justice ruled that there was no case against Loko, who was accordingly discharged. Adisi was found guilty on all counts and was sentenced to 15 years on the first and five years each on others, all sentences running concurrently. Afwireng (in whose mother-in-law's cellar at Mangoase, some 50km from Accra, was found £40,000 counterfeit notes) was found guilty on the third count but not on the first two. After a 'strong recommendation for mercy by the assessors,' he was jailed for three years with hard labour. Amoah was found guilty on the first, second and third counts, and got six years for the first and five years each for the other two counts, all running concurrently. Mrs. Afwireng was not found guilty and was duly discharged. This was the end of the Adisi case, which the Police chief described as 'one of the biggest known cases of the actual importation of counterfeit currency notes in the Empire.'[41]

The police handling of the investigation of the case and the trial of the accused in the Gold Coast generated its own controversy. As the Inspector-General of Police in the Gold Coast admitted, the police were criticized for its handling of the trial.[42] It was alleged that Scotland Yard officers (Messrs Mansergh, Moorman and others) 'secreted or destroyed a most important document' (an agreement) to obstruct Adisi in his defence. Second, either of Messrs Mansergh or Simmons 'deliberately fabricated the whole of the statements made by one of the accused persons' (Afwireng) after he was arrested. Third, the three British police officers were said to have 'lied with respect to 5th accused's (Mrs Afwireng) knowledge of English.' Fourth, the police had interfered with witnesses for the defence. Fifth, there was an inter-departmental conspiracy between police and Customs Officers to fabricate evidence to support prosecution. Sixth, that police concealed material papers found during the searches. Seventh, that preferential treatment was meted out to the accused Amoah and, finally, that it was 'not a police prosecution but a persecution'!

The Inspector-General of Police absolved his men and colleagues of these serious charges. He argued that the Gold Coast police 'have received excellent instruction and training and have acquired a mass of information about persons in this country which is invaluable.' He added a note of racist paternalism, typical of the age, by commenting that: 'I considered it necessary to keep the investigation in the hands of European Officers as far as possible.' The defence of men and operatives by officers is to be expected but we have seen above that French police investigators and interrogators were already notorious for their strong-arm tactics. But, on balance, it cannot be denied that there was a near-successful and daring attempt to counterfeit and utter colonial currency by desperate colonial subjects. If the element of nationalism cannot be found in this saga, the contributions of formal education and exposure to international trade, as well as the likelihood of influences by others (Syrians were the usual suspects) played a great role in this misadventure. As the police chief commented while clamouring for tougher sanctions: 'I maintain that the punishment now provided by law is an insufficient deterrent for the more subtle type of criminal that education and prosperity have produced'.[43]

Conclusion

The significance of this case study stems from its manifold novelty. First, we have concrete evidence for the provenance of the equipment (moulds) used in the making of forged currency. Second, unlike previous cases of local counterfeiting, this was a clear case of foreign manufactured and imported fake currency. Third, this was the first instance of the forgery of currency notes as opposed to coinage, which was counterfeited in many parts of West Africa, especially Southern Nigeria. Fourth, the Adisi case provides a unique illustration of a trans-national crime network in a colonial context. It is significant how the case engendered a multinational European effort (British-French-German) to crack. Fifth, this was organized crime of a type that was probably unknown in early 20th-century British West Africa. Most striking is that it involved two sets of brothers: Edward and Emmanuel Bruce, and Ernest Adisi and E.J. Afwireng, who were said to be 'blood brothers' though they bore different surnames. This suggests that criminal enterprise, like licit entrepreneurship, was seen to thrive on social solidarity and that a thin line separated the two in the desperate situation of the 1920s. The kin-based solidarity was probably seen as ensuring security or secrecy, or was a device to keep the profits in the family. Sixth, the preference for the Germans as accomplices suggests that the West Africans were conscious of differences between the Germans and other Europeans (arising from the post-World War I settlement) and thought that they could exploit German disgruntlement for their purpose. Of relevance is the fact that the Germans had lost their colonies in Africa to the French and British, and it is instructive that Emmanuel Bruce, the lynchpin of the actual forgery operation, was a German-speaking African based in Germany who hailed from a former German colony. It also suggests that German reputation for precision and expertise in fabrication or manufacturing endeared them to the West Africans.

Finally, in comparative terms, the Gold Coast case-study presents striking parallels to the earlier Nigerian studies. The inter-war colonial context was a shared experience both in terms of economic vicissitudes and the self-help strategies of African entrepreneurs, who were marginal actors in the colonial economy. From the correspondence of the would-be counterfeiters and colonial sources, Africans in both Nigeria and the Gold Coast shared a drive for money-making and a readiness to cut corners based on the suspicion that expatriate entrepreneurs (British and Levantine) also engaged in shady deals. Such assumptions were reinforced by the produce adulteration and sharp practices that characterized the export and import trade of the period. However, unlike the Nigerian case-study, the evidence for the Gold Coast did not stereotype any group (like the Ijebu-Yoruba of Western Nigeria) as being preponderant actors in the counterfeiting saga.

Acknowledgements

Material for this paper was collected while the author held the British Academy, Henry Charles Chapman, and Leventis Visiting Research Fellowships at the Institute of Commonwealth Studies and the School of Oriental and African Studies, University of London in 1998 and 1999. Comments by Dr Funke Adeboye and participants in the British Museum Conference on 'Money in Africa', 9–11 March 2007 on an earlier version of the paper are gratefully acknowledged. The author remains culpable for any subsisting errors in the paper.

Notes

1 For the literature on West African economic history, with particular reference to the inter-war period, see Hopkins 1966, 1970, 1988; for a case-study of the vicissitudes of colonial-era entrepreneurship, see Olukoju 2002a.
2 Falola 1997.
3 Falola and Adebayo 2000.
4 Olukoju 2000. While Falola 1997, Falola and Adebayo 2000, and Olukoju 2000, focus on fake coins and on Nigeria, this piece deals with a successful case of the manufacture and uttering of currency notes in another British West African colony.
5 Adebayo 1999.
6 See Hopkins 1970, Ofonagoro 1979 and Olukoju 1997, 2002b for studies of the Nigerian currency system during the period. For other British African colonies, see Hogendorn and Gemery 1988 and Maxon 1989.
7 For a Nigerian case study see Olukoju 2004.
8 For a study of the Gold Coast colonial economy see Austin 2005.
9 See Olukoju 2004 and 2002a.
10 National Archives of the United Kingdom, CO 554/69/2, 'Counterfeiting of W[est] A[frican] Currency and Postage Stamps.'
11 CO 554/69/2, J. Myles Oppon, P.O. Box 43. Coomassie, Gold Coast to C. Becker, Esqr., Jeweller & Goldsmith Drususgasse, 1, Köln-am-Rhein, Germany, 4 December 1924, enc. in Walter D. Ellis, Downing Street to Sec., WACB, 11 February 1926.
12 CO 554/69/2, J. Myles Oppon, P.O. Box 43. Coomassie, Gold Coast to C. Becker, Esqr., Jeweller & Goldsmith Drususgasse, 1, Köln-am-Rhein, Germany, 4 December 1924, enc. in Walter D. Ellis, Downing Street to Sec., WACB, 11 February 1926.
13 CO 554/69/2, Report by Dachsel, Criminal Detective, Criminal Detective Department, Leipzig, 4 September 1925.
14 CO 554/69/2, Agent, Gold Coast Stores Ltd., c/o Box 166, Accra to Messrs Richard Gossow & Co., 15 August 1925.
15 CO 554/69/2, Statement made to the Police by Albert G. Richard Gossow on 16 September 1925; F. Oliver, British Consulate General, Hamburg to Principal Secretary of State for Foreign Affairs, 24 March 1926.
16 CO 554/69/2, IGP, Gold Coast to Bevin, 27 March 1926.
17 CO 554/73/4 'Counterfeiting of West African Currency', Sec., WACB to Currency Officer, Accra, 4 February 1927.
18 CO 554/73/4, Secretary, WACB to Commissioner of Police, New Scotland Yard, 26 January 1927, enc. in Sec., WACB to Undersecretary, Colonial Office, 4 February 1927.
19 CO 554/73/4, Capt. H. Mitchell, Assistant Commissioner of Police, Keta to IGP, Accra, 7 June 1927.

20 CO 554/73/4, R.C.F. Maugham, British Consul, Dakar to Principal Secretary of State for Foreign Affairs, 22 June 1927, enc.: W. Darwall, Ag. British Vice Consul to Governor, The Gambia, 8 June 1927.
21 CO 554/73/4, Enc.1, Telegram, Currency Officer, Accra to WACB, 15 June 1927, in Wickhart, Sec., WACB to Undersecretary, Colonial Office, 22 June 1927.
22 CO 554/73/4, enc.2: Sec., WACB to Currency Officer, Accra, 17 June 1927, in Sec., WACB to Undersecretary, CO, 22 June 1927.
23 CO 554/73/4, enc. 3: Currency Officer to WACB, 20 June 1927.
24 'Forged Notes in West Africa: Gold Coast Merchant Arrested', *The Times* (London), 27 June 1927.
25 CO 554/73/4, Sec., WACB to Undersecretary, 5 July 1927, enc. 1: IGP to Currency Officer, 17 June 1927.
26 CO 554/73/4, Sec., WACB to Undersecretary CO, 23 June 1927, enc: Confid. Rpt. By Head Office, B.B.W.A., London, 20 June 1927.
27 CO 554/73/4, Sub-Manager, B.B.W.A., Hamburg Office to GM, Head Office, 6 July 1927, enc. in Sec., WACB to Undersecretary CO, 12 July 1927.
28 CO 554/73/4, Lt-Col. H.M. Bamford, IGP, to Currency Officer, Accra, 10 June 1927.
29 CO 554/73/4, Sec., WACB to Undersecretary, CO, 5 July 1927, enc.2: African & Eastern Provinces, Chamber of Commerce, Accra to Treasurer, Victoriaburg, Accra, 17 June 1927.
30 CO 554/73/4, L.C. Chilley, BBWA, Keta to General Manager, Head Office, London, 15 June 1927.
31 CO 554/73/4, Code telegram, 1 July 1927 from Addison, Berlin to CO.
32 CO 554/73/4, F. Oliver, Consulate-General, Hamburg to Chargé d'Affaires, British Embassy, Berlin, 2 July 1927; Code telegram, Addison, Berlin to CO, 9 July 1927.
33 CO 554/73/4, Sec., WACB to Undersecretary, 5 July 1927, enc. 1: IGP to Currency Officer, 17 June 1927.
34 CO 554/73/4, Chargé d'Affaires, Berlin to Principal Sec., Foreign Office, 13 July 1927, enc. 2: Ruckdaschel, Criminal Kommissar, Muggenhoferstrasse no. 26, 5 July 1927.
35 CO 554/73/4, Sec., WACB to Undersecretary, 5 July 1927, enc. 1: IGP to Currency Officer, 17 June 1927.
36 CO 554/73/4, Asst Comm., New Scotland Yard to Undersecretary, CO, 5 August 1927, enc: Rpt by ComPol of the Metropolis.
37 CO 554/73/4, Wickhart, Sec., WACB to Undersecretary, CO, 22 November 1927.
38 CO 554/73/4, Asst Comm., New Scotland Yard to Undersecretary, CO, 5 August 1927, enc: Report by Commissioner of Police of the Metropolis.
39 *The Times*, 25 July 1927.
40 CO 554/77/10, 'Counterfeiting of West African Currency, 1928', Bamford, IGP to Col. Sec., Victoriaburg, 5 January 1928, enc. in Gold Coast Confidential of 21 January 1928.
41 Ibid.
42 CO 554/77/10, Bamford to Col. Sec., 5 January 1928, for the quotes and information in the following paragraphs.
43 CO 554/77/10, Bamford to Col. Sec., 5 January 1928.

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