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**THE CURRENCY REVOLUTION IN SOUTHERN NIGERIA 1880-  
1948**

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Between 1880 and 1948 the British Government replaced the pre-existing currencies of Southern Nigeria with British currency. There is, as yet, no satisfactory comprehensive explanation of the manner in which this important change was effected, and of its impact on the Southern Nigerian economy and society. Much has, however, been written on the subject.<sup>1</sup> Of these, the contributions of G.I. Jones and A. G. Hopkins are easily the most valuable in the degree to which they help to explain the working of the pre-existing currencies, or the manner in which such currencies were replaced. A. H. M. Kirk-Greene's article is useful in the information it provides regarding the nature and distribution of the major currencies in Nigerian history. His explanation of the manner of their disappearance, like Marion Johnson's, is essentially unsatisfactory. Kirk-Greene suggests that "the Nigerian cowrie died a natural death, brought about by a demand for a more portable medium of exchange" and that "by 1923, they had entirely vanished from the main centers of trade".<sup>2</sup> Kirk-Greene accepted at face value the assertion by Assistant Resident Kisch of Northern Nigeria in 1910 to the effect that British currency was already popular at that time because cowries were cumbersome, 150 mean being required to carry £ 100 worth of them.<sup>3</sup> Marion Johnson, on the other hand, claimed that the demonetization of cowries by legislation in 1904 was a superfluous exercise, "a classic case of closing the stable door after the horse has gone".<sup>4</sup> Her explanation for this was essentially that so many cowries had been imported over the years that by the end of the Nineteenth Century, cowries had seriously depreciated in value, and enormous difficulties were encountered in transporting them about the country in any quantity.<sup>5</sup> These explanations fail to take into account the nature of the Nigerian economy in the pre-colonial setting, and the role of cowries and other local currencies in that context, nor do they explain why cowries and other currencies remained in strong local demand well into 1950 in some parts of Northern and Southern Nigeria. The dangers of using the weight problem to explain the disappearance of the traditional currencies from the Nigerian market may be illustrated by what happened to the British currency with which they were replaced over the period under review. In 1944, the Member for Banking in the Nigerian Legislative Council, the Hon. K.M. Oliver, drew attention to the embarrassing fact that the British currency was not circulating in the Nigerian market:

"it has been a great embarrassment to the Banks and the Currency Board that currency is not circulating. We get large demands for small denominations particularly from Calabar, but if the small money in this country would only circulate, there would be ample. It is not circulating. The banks have received practically nothing back during the

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<sup>1</sup> See for instance: G.I. Jones, "Native and trade currencies in Southern Nigeria during the XVIII and XIX Centuries", *Africa*, 1958, pp. 42-54; A.H.M. Kirk-Greene, "The Major Currencies in Nigerian History", *Journal of the Historical Society of Nigeria*, Vol. 2, No. 1, Dec. 1960, pp. 132-150; A.G. Hopkins, "The Currency Revolution in South-West Nigeria in the Late Nineteenth Century", *J.H.S.N.*, Vol. 3, December 1966, and M. Johnson, "The Cowries Currencies of West Africa, Parts I and II", *Journal of African History*, Vol. XI, Nos. 1 and 3, 1970.

<sup>2</sup> A.H.M. Kirk-Greene, "The Major Currencies in Nigerian History", *J.H. .N.*, 2,1, 1960, pp. 140-148.

<sup>3</sup> *Ibid.*, p. 148.

<sup>4</sup> M. Johnson, "The Cowrie Currencies of West Africa, Part I", *Journal of African History*, Vol. XI, No. 1, 1970, p. 24.

<sup>5</sup> *Ibid.*, pp. 28-33.

last few years. The banks pay it out but it does not come back; and where it is I do not know...."<sup>6</sup>

He further indicated that the problem of transporting large quantities of money had not been solved by the introduction of British currency. "In this country", he said, "currency consists mainly of shillings and it is a very bulky business when dealing with them in millions."<sup>7</sup> These statements should demonstrate the kernel of the currency problem in Nigeria. Traditionally, the local population stored their money in great hoards, transporting them in any quantity only when needed for major purchases. Most wealthy men were invariably polygynists and heads of very large households, and in the pre-colonial setting, they had at their disposal the labour of their kinsmen and slaves as well. The labour costs involved in transporting large quantities of money, be it manillas, brass rods, cowries, or later, shillings, were therefore low or often non-existent (except in terms of costs to the porters themselves) as far as the men of means were concerned. Further, it is significant that when British currency finally gained local acceptance -- and this was a gradual process involving about fifty years of continued local use of the pre-existing currencies -- only the smallest denominations, shillings and pennies were readily taken, and these were generally hoarded in the traditional manner, thus perpetuating the transport problems earlier associated with the cowries and other currencies, and forcing the Government to pry them loose from their hoarders through the standard methods of increasing taxation.<sup>8</sup>

This paper is the result of a re-examination of available evidence on the currency revolution in Southern Nigeria. To fully comprehend the nature and consequences of that revolution, one may ask the following questions: (1) What are the fundamental differences between the pre-colonial Nigerian currency system and the system the British Government wished to impose on the Nigerian economy? (2) Why did the British Government want to replace the pre-existing Nigerian currencies with British currency? and, (3) What costs did Nigerians pay as a result of the change in currency (or more generally, what were the costs and benefits of the new and old systems to British interests and Nigerians respectively)? To answer the first question, it is useful to reiterate, following Paul Samuelson, the fundamentals of money.<sup>9</sup> It is not a physical thing in essence, but rather, a compendium of functions broadly identified as follows: (a) a standard of value; (b) a medium of exchange; (c) a store of value; (d) a unit of account and a standard of deferred payments. All these functions are logically dependent upon the characteristic of liquidity, which is in turn affected by durability, acceptability over a wide range of transactions, and ease of accounting.

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<sup>6</sup> Nigerian Legislative Council Debates, 22nd Session, March 14, 1944, Statement by the Member from Banking (The Hon. K.M. Oliver, M.C.), pp. 151-152.

<sup>7</sup> *Ibid.*, p. 152.

<sup>8</sup> Nigerian Legislative Council Debates, 22nd Session, Statement by the Hon. Financial Secretary, March 16, 1944, p. 273; See also F.D. Lugard, *The Dual Mandate in British Tropical Africa*, (London: Frank Cass Reprint, 1965), p. 264.

<sup>9</sup> P.A. Samuelson, *Economics*, (New York: McGraw-Hill, 1976), p. 283; see also C.S. Belshaw, *Traditional Exchange and Modern Markets*, (Englewood Cliffs, New Jersey; Prentice-Hall, 1965), pp. 9-10. See also A.G. Hopkins, *An Economic History of West Africa*, (New York, Columbia University Press, 1973), pp. 69-70.

Any commodity to function as money must meet these criteria.

Judging by these criteria, there was no functional difference between the pre-existing currencies of Southern Nigeria, and the British currency with which they were to be replaced. It is true that British gold, silver and copper coins had intrinsic value in the metal of which they were composed, and could be melted down and put to other uses. This facility was not lost on the Nigerian population, and as will be obvious in this paper, they did take advantage of it. But the pre-existing currencies of Southern Nigeria also had intrinsic value. Manillas and brass-rods had intrinsic value as metal and, in a damaged condition, were broken up and used as bullets in guns; a value highly appreciated during the early years of colonial rule when the West African Frontier Force was engaged in conquering the country, and the Colonial Government had banned the importation of guns, caps, bullets, lead, shot, gunpowder, and other sub-stances likely to assist the African population in defending themselves against the invaders of their country.<sup>10</sup> There were two significant differences between British currency and pre-colonial Nigerian currencies. Firstly, British currencies were centrally minted and controlled by the Government. Nigerian currencies were not centrally minted and were not amenable to centralized manipulation except through taxation and other forms of currency regulation. The second difference was a function of the nature of the economic system in which each currency operated. Britain was an advanced industrial society in which complex financial transactions and relatively higher price levels ruled in daily transactions. The British currency system ideally suited the British economy. Southern Nigeria, on the other hand, was an agrarian society in which financial transactions were relatively simpler, and lower price levels ruled in daily transactions. This feature was true of the economies of other areas of pre-colonial West Africa. The cost of living was uniformly low, and the generality of the population had little or no use for large denominations of money in commercial transactions, particularly in the hinterland. Food prices were generally low. In 1893, Governor Carter bought a whole antelope at Ogbomosho for 1s. 3d., two legs of wild boar for 10d, and sheep at 3s. to 10s. each. For 5s., one could buy a donkey at Ilorin. Horses, the most expensive beasts of burden, sold for £3 to £10 each.<sup>11</sup> At the 1899 Currency Committee hearings, both Capt. Denton and T.A. Wall estimated that the average African in Southern Nigeria could live well on 2d to 3d a day, and that was the ordinary daily allowance paid by the Government to its African employees.<sup>12</sup> Allowing for the generally higher prices to which Europeans are usually subject in African markets, it is probable that the indigenous population paid even less for their groceries than the prices indicated by Carter. Typical transactions in retail food markets involved the purchase of five cowries

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<sup>10</sup> cf. W.I. Ofonagoro, "The Opening Up of Southern Nigeria to British Trade and Its Consequences, 1881-1916", (Unpublished Doctoral Dissertation, Columbia University, 1972), pp. 143-150.

<sup>11</sup> "Sir Gilbert Carter's general report on the Lagos interior expedition, 1893, No. II; The Possibilities of the Yoruba Country", Lagos Weekly Record, June 2, 1894.

<sup>12</sup> CO/520/4, Revise of Minutes of Evidence, Committee on the Currency of the West African Colonies, November 17, 1899, Q498-Q502. In South-East Nigeria, the equivalent would be 6 cowries worth; CO/520/4, Currency Committee Minutes of Evidence, 1899, Q655-Q658. Captain Denton served the Government of Lagos as Colonial Secretary for 12 years, 1887-1899. During this period he acted as Governor on the numerous occasions when the official incumbent went to England on leave. Mr. Wall administered the Customs Department of the Niger Coast Protectorate, 1891-1899.

worth of palm oil or vegetable to be used not just for one meal, but "for a couple of days".<sup>13</sup>

Further evidence of the prevailing low cost of living in Southern Nigeria may be gleaned from contemporary wage rates. Wages ranged from 6d a day in most hinterland locations to 9d a day in Lagos, a rate which in some districts exceeded four times the cost of a labourer's daily food, as late as 1914.<sup>14</sup> Even the Oba (King) of Lagos was paid an allowance of L300 a year from 1900 to 1920. On this allowance, he was expected to support his enormous household, and the dignity of his office.<sup>15</sup> The highest paid African officers in the Colonial Army earned only £65 a year. Land prices were equally low. In 1845, choice river-front property, 16 miles long and 41-miles deep, was purchased by the Laird Expedition at Lokoja for a measly £45.<sup>16</sup> Equally telling, powerful chiefs Oriaku of Owerrita and Ananaba of Obegu received only £10 a year in 1908 as ground rent for the land on which Government sub-district offices were built at Owerrita and Obegu respectively, while at Akwete, Chief Wagbara shared with his peers as annual rent proceeds for land on which the Government district offices stood, the sum of £25.<sup>17</sup> These did not represent staggering sums of money in the British economy. In Southern Nigeria, they were substantial sums. Thus, very few Southern Nigerians had any use for denominations of British currency higher than the 3d piece, the highest denomination of the local currency represented by those classes of manillas and brass-rods valued at that amount.<sup>18</sup> The British half-crown, 2s.6d, was a very large denomination of money, and the average African had very little use for it in his daily transactions.<sup>19</sup> The British shilling was worth two days' wages in most hinterland locations and even the 3d piece represented the equivalent of from 33% to 50% of a man's daily wages in 1906. To a people who had few needs for foreign luxuries, and most of whose daily necessities could be inexpensively purchased for a few cowries, the British gold sovereign, 20s. in silver coins, was too large a denomination for ordinary commercial transactions. In local currency values, it represented 32,000 cowries. It was the equivalent, at 9d a day, of a man's wages at heavy labour for 27 days in Lagos, 40 days at 6d a day elsewhere in the country. It was understandably unacceptable to most small traders. More prosperous traders only accepted it at a discount of 5% because of the difficulty of having it cashed; and even the European officials cashed their sovereigns

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<sup>13</sup> C0/520/4, Revise of Minutes of Evidence, Committee on the Currency of West African Colonies, November 17, 1899, Q498-Q502. In South-East Nigeria, the equivalent would be 6 cowries worth.

<sup>14</sup> F.D. Lugard, *The Dual Mandate*, p. 405 & ff.

<sup>15</sup> Sir Alan Burns, *History of Nigeria*, (London: Allen & Unwin, 1962), p. 131.

<sup>16</sup> Sir Alan Burns, *History of Nigeria*, (London: Allen & Unwin, 1962), p.96.

<sup>17</sup> Source J.E.N. Nwaguru, *Aba & British Rule*, Enugu, Santana Press, 1973, p. 79.

<sup>18</sup> These included the Brass-rod and the Perekule or Awonawo manillas valued at 3d each. Next in value were the Prince manillas, valued at 12d each, and the Nwaohuru manillas also known as Igbiki, and valued at three fourths of a penny each. For higher transactions, a fictitious unit of account known as Ikpeghe (Kirk-Greene's Okpoho) existed. This was made up of four Nwaohuru manillas, thus 2 Ikpeghe= 8 Nwaohuru manillas. Source: CO/588/1, "Native Currency Proclamation, No 14 of 1902", cf. Text, Section 2, definitions. Other information has been acquired from personal communication and field work in Eastern Nigeria.

<sup>19</sup> C0/520/4, Currency Committee Minutes of Evidence, 1899, Q655-Q658.

with ease only by taking them to the agents of the large firms.<sup>20</sup> Even the lowest denomination of British money, the farthing or  $\frac{1}{4}$ d, represented 25 to 32 cowries. It was thus impossible to make purchases in British currency in denominations as low as  $\frac{1}{32}$ nd or  $\frac{1}{25}$ th of a penny, the value represented by five or six cowries. Simply stated, the pre-colonial Nigerian currencies were ideally suited to the price-levels of contemporary African markets -- myriads of transactions involving small scale grocery purchases in denominations of money impossible of expression in British currency. They were capable of subdivision into accounting units as low as the lowest prices ruling in the local economy. For this reason, cowries, manillas and brass-rods were preferred to the lower denominations of British money in Southern Nigeria. For this reason, Sir Ralph Moor indicated that to drive out the cowrie from the Nigerian market, the Government would have to introduce a coin with the purchasing power of twenty cowries as the lowest denomination of the new British currency in Southern Nigeria. Such a coin would represent  $\frac{1}{8}$ th of a penny or  $\frac{1}{24}$ th of the three-penny piece. Were such a coin to be put into circulation and be readily accepted by the local population, it would have had the immediate impact of enhancing prices by 400%. Moor indicated that ideally, what was needed to fight the cowrie was a coin representing 10 cowries or  $\frac{1}{16}$ th of a penny. 48 such coins would then be equivalent to the three-penny piece. It would also be necessary to compute such a coin on the decimal system in deference to the traditional method of counting money in Southern Nigeria.<sup>21</sup>

In Northern Nigeria, Governor Lugard and Mr. Wallace, along with Governor McCallum of Lagos, opined that to replace the cowrie, a coin valued at a minimum of 4 of a penny was required. Such a coin would be worth about 35 cowries. They all agreed that such a coin must have a hole in the middle for stringing purposes.<sup>22</sup> Their proposal regarding the necessity for a hole in the middle of the coin occasioned some difficulty for the Crown Agents, and was initially vetoed by the Mint:

It appeared that a hole in the middle would interfere with the effigy of the reigning Monarch, without which no coin would be acceptable to the Natives; and the suggestion that the coin might be oval, so that the hole would be at one end and the effigy at the other, was pronounced impracticable by the Mint.<sup>23</sup>

The foregoing should demonstrate the lengths the Administration was prepared to go in its efforts to drive out the cowrie and other pre-existing currencies from the Nigerian market. In essence, the Government could only have any chance of driving out the cowrie by introducing a British equivalent of the cowrie, and by taking other coercive measures against pre-existing currencies.<sup>24</sup>

Two other features of the pre-colonial economies of Nigeria which are crucial to

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<sup>20</sup> 00/520/4, Revise of Minutes of Evidence, Currency Committee, 1899, Q532-Q534.

<sup>21</sup> 00/520/12, Moor to CO, 7/7/01.

<sup>22</sup> 00/879/59, (Colonial Office Confidential Print), cf. No. 16, Governor McCallum to Chamberlain, August 4, 1897. See also CO/446/24, Minutes, Butler to Antrobus, 22/11/02, summarizes the views of all the Governors of the British West African Colonies and Possessions consulted on this question.

<sup>23</sup> 00/446/24, Minutes, H.A. Butler to Antrobus, November 22, 1902, on Lugard to Chamberlain of 19/7/02.

<sup>24</sup> CO/520/12, Moor to CO, 7/7/01.

any understanding of the working of the traditional currencies and the difficulties involved in replacing them with British currency may be noted here. The first was that the standard method of saving money was by hoarding. This meant that such hoarded funds were permanently put out of circulation until special occasions such as weddings, funerals, tribute or tax payments or major commercial expeditions justified the release of large quantities of such hoards into the market, and the labour for transporting money on such occasions was always readily and cheaply available to the men of means.<sup>25</sup> The second was the non-existence of any limit of legal tender in the pre-colonial economies of Nigeria and elsewhere in West Africa. Governor Nathan of Gold Coast drew attention to this feature of African currencies in 1902. In a nutshell, the African population would only accept a subsidiary coinage freely if they can use it to an unlimited extent in the discharge of their obligations. A legal limit of say, the value of one shilling would only make them suspicious of the value of the coins.<sup>26</sup> As Mr. Butler of the Colonial Office noted in this context, any subsidiary coinage introduced to replace cowries, manillas and brass-rods from the Nigerian market, had to have as an essential feature the absence of any limit of legal tender with the risk of the importation of indefinite quantities of such subsidiary coins, redeemable at face value to prevent depreciation in the event of redundancy. Where the new coins introduced were essentially the same as that in use in the mother country, the Colonial Government could simply ship temporarily redundant coins to England, and put them into circulation there. Where on the other hand, a special coinage had been specifically struck for the colony, temporarily redundant coins could only be hoarded by the Government until they were needed in the market, and the Government must for the time being find itself saddled with coins redeemed at face value, but worth to it only the bullion value of the metal of which they were composed.<sup>27</sup> If on the other hand, the Colonial Government, in introducing British currency into the Southern Nigerian market chose to disregard this feature of the pre-existing currencies, the new subsidiary currency would never get into circulation. Under the circumstances, the Colonial Government was careful to follow the time-honoured practice of the African population with the result that by 1944 the transportation of shillings and pennies was presenting the kind of problems which Marion Johnson has noted with respect to cowries in the pre-colonial period.

Against this background, let us proceed to examine the nature and distribution of the pre-existing indigenous currencies of Southern Nigeria, the manner in which they were displaced from the Nigerian market, the reaction of the local population to the imposed changes in their monetary system, and the results of the currency revolution. Long before British currency was imposed in Lagos on May 21, 1880, a number of currencies circulated

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<sup>25</sup> In 1896, The Lagos Weekly Record drew attention to this problem: "The fact should not be lost sight of that in proportion as the interior natives learn the value of gold and silver as money, in like proportion will they be inclined to hoard it up. The majority of the native producers only come to the colony to exchange their produce for specie which they carry back and hoard up. Their wants in respect of European goods for actual consumption are very small".-Lagos Weekly Record, July 11, 1896. In 1922, Lugard indicated that the local population were indeed hoarding their money rather than spending it on high priced British imports. cf. F.D. Lugard, *The Dual Mandate*, p. 264.

<sup>26</sup> CO/446/24, F.D. Lugard to Joseph Chamberlain, July 19, 1902, cf. Minutes, H.A. Butler to R.L. Antrobus, November 22, 1902.

<sup>27</sup> CO/446/24, Minutes, Butler to Antrobus, November 22, 1902. The hoarding of pennies in the United States of America has, in recent years, produced similar results.



on the Island and in the adjoining Yoruba Country. In Lagos Island, Mexican, Peruvian, Brazilian and Chilean dollars circulated freely alongside British gold, silver and copper coins, Spanish and South American gold doubloons and half doubloons, American double eagles, eagles, half eagles and quarter eagles, French twenty-franc pieces, gold dust and nuggets, and Maldivian and Mozambique cowries. Spanish and South American gold doubloons were not accepted as currency in the Yoruba hinter-land, nor were the American eagle coins and French twenty-franc pieces. These coins circulated within the narrow confines of the coastal trading enclaves of Lagos and Whydah. Among the Africans of Lagos, they were valued for their gold content and retained as treasure, and because they represented higher denominations of money, they were useful for transactions with foreign firms. To all intents and purposes, therefore, the currency of Lagos essentially consisted of cowries.<sup>28</sup> The Maria Theresa dollars circulated in Lagos, the Yoruba Country, and in Hausaland. In Morin and Nupe, the local acceptance of these coins later made it possible for the Royal Niger Company to pay the chiefs in the area and elsewhere in Northern Nigeria, their subsidies in Maria Theresa dollars.<sup>29</sup> Some idea of the relative strengths of each of these currencies in the economy of Lagos may be gained from the stock-taking exercises effected by the Lagos Government in 1880. Prior to the demonetization of Maria Theresa dollars, Lieutenant Governor W. Brandforth Griffith of Lagos took stock of various types of money in the chests of the Government Treasury. The first stock-taking on March 2.2, 1880, revealed that of \$49,440 of all sorts equivalent to £ 10,300, the breakdown was as follows:

Mexican dollars	\$28,320 = £ 5,900
Peruvian dollars	\$7,200 = £ 1,500
Brazilian dollars	\$8,160 = £ 1,700
(including \$960 of Spanish pillar dollars valued at £ 200)	
Chilean dollars	\$5,760 = £ 1,200

A second stock-taking on April 28, 1880, produced the following breakdown:

Mexican dollars	\$34,560 = £ 7,200
Peruvian dollars	\$6,240 = £ 1,200
Brazilian dollars	\$4,320 = £ 900
Chilean dollars	\$5,280 = £ 1,100
	\$50,400 = £ 10,500. <sup>30</sup>

The firm of G.L. Gaiser had another £ 6,000 worth of dollars in their possession, and had orders for £ 2,000 more. Gaisers were the largest firm in Lagos at the time. The

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<sup>28</sup> cf. W. Brandforth Griffiths to Governor Ussher, April 29, 1880, CO/147/41; J.A. Otonba Payne, Payne's Lagos and West African Almanack, 1893, pp. 43 and 54. "Double Eagles" are American \$20 gold coins. Eagles and half-eagles are \$10 and \$5 gold coins respectively. The French 20-Franc pieces were gold coins minted by the Napoleon III Government, 1853-1870. See also M. Johnson, "The Cowrie Currencies of West Africa, Part I" Journal of African History, Vol. XI, No. 1, 1970, p. 23.

<sup>29</sup> CO/444/1, Moor to CO, July 18, 1899. The Brass Chiefs confiscated 5,740 of these silver coins during their raid on the R.N.C.'s Akassa depot in 1895, and even as late as 1901, the Lugard Administration accepted the Maria Theresa dollars, a portion of the Southern Nigeria contribution to the revenue of Northern Nigeria.

<sup>30</sup> cf. CO/520/8, Moor to CO, June 22, 1901.

Treasurer of Lagos conservatively estimated the total amount of Maria Theresa dollars in Lagos at the time at 144,000, valued at £ 30,000. About \$72,000 of these, equivalent to £ 15,000 were believed to be gathering dust in private hoards. By way of contrast, there were only £ 1,000 of British currency in the Lagos Treasury at this stock-taking.<sup>31</sup> Since the British Government took over the Administration of Lagos in 1861, it had always accepted the payment of customs duties in dollars. The currency for daily trans-actions in African markets was the cowrie.

In the Benin country, the Niger Delta and other areas of South-East Nigeria, a welter of currencies circulated. West of the Niger, manillas which had been in use in Benin as early as 1522, had given way to Mozambique cowries by the mid-Nineteenth Century.<sup>32</sup> East of the Niger, manillas of various types and denominations circulated in the Niger Delta and the Southern and Eastern Igbo country. In Calabar and the Cross River basin, brass-rods valued at 2d to 3d each, were the major currency. For smaller-scale transactions, copper wires-known as cheethams, and valued at one-eighth of a penny, were employed.<sup>33</sup> In the Awka country of Igboland, a metal currency known as Umumu was used as subsidiary coinage. The Umumu, according to Basden, "consisted of tiny pieces of iron resembling small squashed tin-tacks, half an inch in length with arrow-shaped heads, and stem about the thickness of a large pin".<sup>34</sup> Minted at Awka, it had been used, in the remote past, largely for the purchase of slaves from the Umumba (or Non-Awka Igbos) by Awka traders. The Umumu was considered the equivalent of two cowries at Awka. Its value in sterling was roughly 45 to the British penny. In those areas where it was in use, it tended to take the place of cowries as subsidiary currency, but brass-rods were normally used in such areas as the major currency.<sup>35</sup> Elsewhere in the Igbo country, with the exception of Onitsha, the Niger Valley, and the Western Igbo country where cowries of the *Cypraea Annulus* variety were in general use, the currency consisted of cowries of the *Cypraea Moneta* type.<sup>36</sup> In cases where neither cowries, copper-wires, nor indeed the Umumu were useable for the minutae in village market transactions, the absence of a smaller denomination of money was made up by sub-dividing tobacco, gin, etc.<sup>37</sup>

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<sup>31</sup> 00/147/41, Lt. Governor Brandforth Griffith to Governor Ussher, April 29, 1880. 3100/147/41, Griffiths to Ussher, April 29, 1880.

<sup>32</sup> A.F.C. Ryder, *Benin and the Europeans*, Appendix I, p. 295. Cf. "Fragment of the ship's book of the Sao Miguel trading to Benin in the year 1522".

<sup>33</sup> 00/444/1, Niger Coast Protectorate Blue Book, 1896-97, "Head: Legal tender currency, giving particulars and legislative authority". On the antiquity of these currencies, cf. G.I. Jones, "Native and Trade Currencies in Southern Nigeria during the 18th and 19th Centuries", *Africa*, Vol. I, 1958, pp. 43-54. On the use of brass rods in the Calabar Country, cf. CO/444/1, "Report of Captain E.P.S. Roupell, Political Officer, Niger Coast Protectorate, to Sir Ralph Moor, on the state of the Upper Cross River", enclosure in Moor to CO, 14/6/99.

<sup>34</sup> Basden, *Among the Ibos of Nigeria*, p. 198.

<sup>35</sup> *Ibid.*, p. 200. Basden makes the only known reference to the Umumu in print. Further fieldwork may be necessary to establish its origins and distribution.

<sup>36</sup> *Ibid.*, p. 198. In Igboland proper, the Maldivian cowries were normally reckoned at double the value of the Mozambique variety.

<sup>37</sup> CO/520/13, "Report on the Bluebook for 1900", enclosure in Moor to CO, 24/1/02. Such cases were rare.

Estimates of the amount of brass-rods, manillas, copper-wires and cowries in circulation in the Delta and its hinterland in 1896, or indeed in any year before or since, are impossible to obtain. However, some idea of the relative importance of local and British currencies in Southern Nigeria at this time can be gained from the fact that in 1896, eleven years after British colonial rule had been established in this area, only £ 60,000 of British coins were in circulation in the Niger Coast Protectorate; and the Bank of England notes in circulation were said to be "only a few".<sup>38</sup> In the same year, however, the trade of the Protectorate amounted to well Byer a million pounds sterling, imports alone accounting for £ 522,081:16:9d.<sup>39</sup> In his evidence before the committee on the currency of the West African Colonies in 1899, the Collector of Customs in the Niger Coast Protectorate, Mr. Wall, indicated that the circulation of British gold, silver and copper currency in the Protectorate was limited to the environs of the coast.<sup>40</sup> Even here, some coercion had been necessary to encourage the local population to accept British currency for, according to Mr. Wall, "it had been practically forced upon them for they could not get any goods without it".<sup>41</sup> Coercive measures notwithstanding, the attitude of the local population to the use of British currency remained pragmatic. The gold coins were never taken up country by the Delta middlemen. Rather, they kept them in circulation in the vicinity of the Government stations on the coast, where they were required in the payment of revenue. This was because the Administration accepted only British currency for revenue purposes. Even the local educated elite availed themselves of British money only when they had to make remittances to England.<sup>42</sup>

British currency at this time circulated within very narrow limits. The quantity in circulation among the African population was generally limited to what the Government paid its clerks, soldiers and other employees, or what it spent in small-scale local purchases. Such funds were usually dumped by their African recipients on the agents of the European firms in payment for purchases of imported goods. The European firms in turn passed them on to the Government in the payment of duties. Any coins imported beyond what was justified by these requirements had to be sent back to England as unabsorbable. Sir Ralph Moor noted this situation with dismay, and concluded that "as long as these forms of currency (manillas, brass rods, copper wires, etc.) continue to exist, and there is no fixed rate of exchange as between them and the (British) coinage, it will be almost impossible to

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<sup>38</sup> 00/444/1, Niger Coast Protectorate Bluebook, 1896/97, Head: "Legal Tender Currency".

<sup>39</sup> *Ibid.*

<sup>40</sup> 00/520/4, Currency Committee, Minutes of Evidence, Nov. 17, 1899, Q583-90; and Q660-62 read concurrently.

<sup>41</sup> *Ibid.*, Q668.

<sup>42</sup> *Ibid.*, Q587, Q638 and Q653. The Administration's insistence on collecting revenues only in British currency was due to the fact that the bulk of the revenue was remitted to the Crown Agents in London, and held or invested there. Only funds sufficient to meet the small demands of the Government in Africa--such as the payment of wages to labourers, and the purchase of small quantities of food, clothing, hardware and building materials, etc.--were kept in the local Treasury. The salaries of officials were paid in London. In Africa, they lived off their generous allowances, and in virtually free housing.

get the latter adopted for currency purposes".<sup>43</sup> The Administration's insistence on the use of British currency was respected only as regards the payment of duties or, occasionally in purchases from European firms on a cash basis as opposed to account-book exchanges of palm-oil and kernels for British imports. When the Government itself made purchases from local markets, and refused to use manillas, brass-rods or other local currencies in such transactions, local vendors equally refused to accept British currency. Thus at Calabar, whenever the Prison Authorities wanted to purchase fresh food from local markets for prisoners, they did so by first obtaining from the Government's store quantities of rice, tobacco or other imported items, and then bartered these for fresh food in the local markets. It was otherwise impossible to make such purchases in British money.<sup>44</sup>

Why did the British Government insist on replacing the preexisting Nigerian currencies with British currency? The answer to this question has often been bedevilled with popular misconceptions about the nature of the indigenous economies of pre-colonial Africa. Most popular among these is the vexed question of "barter". A.R. Burns' dictum regarding the question of barter bears re-petition in this paper:

Every book on economics introduces the reader to the subject of money by way of an account of the trials and troubles of life in a community where unorganized barter is the only method of exchange. A community without a medium of exchange or a unit of value has, however, never been found and the stage is one imagined for simplicity of exposition of the merits of money--it must not be taken seriously...<sup>45</sup>

It is the present author's considered opinion that barter was never a feature of the indigenous economies of Southern Nigeria. Barter occurred at the fringe of the local economic system, at the point of contact with European economies, and it occurred precisely because of the lack of recognition by vendors and consumers of both systems, of the media of exchange in use in the other's economic turf. Basden was quite explicit on the total absence of barter in Southern Nigeria:

All goods are sold in terms of the local currency; there is no bartering of commodities in exchange for other commodities. It is true that in disposing of produce to the factories the women bring away cloth, gin, and other wares, but the produce is usually paid for with a cheque equivalent in value to the goods bought. The cheque is after-wards presented at the retail selling store and goods are handed out according to the face value of the cheque, i.e., the value of the produce is reckoned in cash and the value of the goods on requisition is based upon cash....Each transaction is an entirely separate and distinct affair. A buys B's yams for cowries and B buys A's oil for cowries also; they make no attempt at direct exchange. In the open market there are no fixed quotations for goods. On the one hand the seller strives to make the highest price, and on the other the buyer is just as

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<sup>43</sup> CO/520/8, Moor to CO, 12/6/01.

<sup>44</sup> CO/520/8, Leslie Probyn to CO, August 13, 1901.

<sup>45</sup> A.F. Burns, *Money in Ancient Times*, cited in A.H. Quiggin, *A Survey of Primitive Money*, (London: Methuen & Co., 1963), p. 5.

keen to drive the closest bargain for herself, hence the outrageous haggling over prices.<sup>46</sup>

Indeed, it may well be argued that in the African market setting in Southern Nigeria, the market principle operated in its purest form. Prices are determined by market forces. Buyers and sellers always have a good idea of the appropriate market price of goods and commodities available for sale, and the haggling merely ensures that neither buyer nor seller should fleece the other. The Colonial Government initially recognized the indigenous currencies and officially listed them as legal tender.<sup>47</sup> Local officials, including High Commissioner Sir Ralph Moor even went to great lengths to point out to their superiors in London, the error of regarding these currencies as mere items of barter.<sup>48</sup> In the Colonial Office, H.A. Butler, the architect of the Government's currency policy, insisted on treating them as mere barter items.<sup>49</sup> This false assumption was one of the bases of the Government's decision to replace these currencies.<sup>50</sup> The British firms long established in Southern Nigeria were ambivalent in their attitude to the local currencies. For local trading purposes, they recognized and used these currencies in payment for their raw materials purchases. They also accepted payments in them, insisting on a 20% premium when doing so because they could not ship them to England and had to hoard them in their local offices until they could be put back into circulation locally through raw materials purchases. The 20% premium represented the costs to these merchants of having to hoard local currencies.<sup>51</sup> Because they found the arrangement quite profitable, they were not anxious to have these currencies replaced with British currency.<sup>52</sup> Their practice of offering different rates of exchange in buying and selling local currencies is not unusual, even in the highly developed economies of the West. Financial institutions still buy foreign currency at rates of exchange different from those at which they are willing to sell them, and usually more favourable to themselves.

Just as African currencies had no monetary value in Europe and were generally treated as barter items by Europeans, so also among the African population, British and other European currencies had little or no monetary value, and were often accepted only for the bullion value of their metal content. Thus, in Lagos, Benin, and elsewhere in Southern Nigeria, the African population accepted British silver coins, strictly for their ornamental

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<sup>46</sup> Basden, Among the Ibos of Nigeria, pp. 196-7.

<sup>47</sup> See ff. 33.

<sup>48</sup> CO/520/14, Moor to CO, 16/6/02.

<sup>49</sup> 00/520/8, The Butler Memorandum, Section "A".

<sup>50</sup> 00/520/14, Butler to Antrobus, April 11, 1902. Butler believed that if the Government recognized these currencies and fixed a rate of exchange between them and British currency, local European traders would "pour these articles into the country to take away good British money in return". In this attitude, he was encouraged by Sir Alfred Jones whose Bank of British West Africa stood to benefit from the currency change. cf. Holt Papers, Box 14, file 1, John Holt to Jonathan Holt, March 1, 1914.

<sup>51</sup> CO /520/14, Moor to CO, 16/6/02.

<sup>52</sup> CO/520/14, moor to CO, 16/6/02; Holt Papers, Box 14, file 1, John Holt to Jonathan Holt, March 1, 1914.

value. Such coins were normally melted down and used in the manufacture of jewelry. For this reason, the Africans always insisted on absolutely new silver coins, and were often prepared to pay a premium of up to 2 ½% for them; while totally rejecting old or worn coins.<sup>53</sup> Under these circumstances, British copper coins available in Southern Nigeria since 1861, made very little headway in the Nigerian market. Locals must have been hard put to it to assign them any ornamental value. The demand for silver coins as items for ornamental use easily encouraged fraud among African and European cheats. In Lagos, and the Yoruba hinterland, British copper coins were considered cumbersome and difficult to transport, and they did not possess the facilities for subdivision which were the main advantages of the cowrie currency. Indeed, Governor Denton was convinced that "no coin that we could use would possess the facilities for subdivision that the cowrie give".<sup>54</sup> However, enterprising Lagosians--both European and African--soon began to polish up florins, quick-silver farthings, and pass them off as sovereigns in the local produce markets.<sup>55</sup> The European firm of Messrs. Miller Brothers and Co. went one better. In the Benin country, they tried to exploit the local demand for ornamental coins by introducing their own counterfeit florins, worth less than ls.5d. and using them "in the districts where the natives are in the habit of using British silver currency to make ornaments".<sup>56</sup> The Government quickly suppressed the practice.

In the Niger Valley, European entrepreneurs found prices everywhere expressed in cowries, and respected this practice.<sup>57</sup> The Niger Company initially respected this practice to the extent of keeping its books in Africa in cowries, and using cowries as a unit of account.<sup>58</sup> After 1886, secure in the enjoyment of monopolistic powers made possible by its Royal Charter, the Company invented and imposed its own unit of account on its captive market. This unit, the "measure", was well established by 1899 when the charter was revoked, and was still in use in 1909 in spite of the Colonial Government's efforts to impose British currency over the entire market. The evidence of E.A. McLaughlin, Niger Company Agent District Agent at Idah, in *Rex versus A.E.W.G. Plank*, throws a great deal of light on

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<sup>53</sup> CO/444/1, Messrs. Miller Bros. & Co. to Joseph Chamberlain, September 11, 1899; CO/520/4, Messrs. Bey and Co. to Sir Ralph Moor, December 13, 1899; Crown Agents to Bey and Co., March 26, 1900; Bey & Co. to Crown Agents, April 4, 1900; and Currency Committee Minutes of Evidence, 1899, Q671.

<sup>54</sup> CO/520/4, Currency Committee Minutes of Evidence, Q498-Q502.

<sup>55</sup> CO/879/59, No. 16, McCallum to Chamberlain, August 4, 1897. The Akarigbo of Ijebu Remo was himself once cheated in this manner by unscrupulous traders.

<sup>56</sup> CO/444/2, Moor to CO, 7/10/99.

<sup>57</sup> A good example was the Laird Expedition of 1854. cf. W.B. Baikie, *Narrative of an exploring voyage up the Rivers Kwora and Binue commonly known as the Niger and TSADDA in 1854*. (London: Frank Cass Reprint, 1966), pp. 293-294. The cowries in use here were of the *Cypraea Annulus* variety.

<sup>58</sup> Using a head of cowries, whose value the Company fixed at ls.3d, as the base, the Company fixed the prices to be paid for African produce in each district from time to time. But they never accepted payments in cowries. Mockler-Ferryman described the Company's method of evading acceptance of the cowries: "Supposing that a native brings in 5s. worth of palm oil, the agent allows him to select Manchester goods, salt, or whatever he wants, to the value of 4 'heads' of cowries, the value of all articles on sale in the store of course being fixed in English money".--A.F. Mockler-Ferryman, *British Nigeria* (London: Cassel and Co. 1902), p. 88.

how the system operated:

The station agent would be in charge of all station books viz.:--produce cheque books, cashbook, journal, ledger, tabulation books, produce books and abstract book. Produce cheque books are kept by the subordinate clerks: A clerk named Porter kept these books at Idah. He received the produce and made out the cheques. The cheque would indicate quantity of produce bought and the equivalent value in measures. This cheque would then be taken to the shop for payment: If accepting goods from the shop, it would be indorsed (sic) on cheque filed. If taking salt, the holder would receive in exchange from the shop clerk a cheque for (e.g.) salt. I visit my stations periodically to inspect.<sup>59</sup>

Firms, like John Holt, which entered the Niger in competition with the Niger Company after 1900, found it expedient to adopt the "measure". The value re-presented by the "measure" ranged anywhere from 5s. to 14s, depending on market conditions and the state of competition among rival firms using it.<sup>60</sup> These firms used this system because it was more profitable to them than the local currency system, or, after 1900, the British currency system which the Government tried to impose. The firms did not always have the goods required by their customers in stock. For instance, in February, 1901, the Niger Company store at Idah was out of salt. In the same month, however, the Company had bought 1,500 lbs. of rubber from locals at that station, at 2s.5d to 2s.6d per lb. or the equivalent in goods oft 180 to 1 190. Africans who preferred salt to any other commodity available in the company's store were given salt cheques, the amount of such cheques unpaid in February 1901 amounting to 1,800 bags of salt. Holders of such cheques had to wait until the company imported the necessary stocks of salt. Until then, they had no alternative but to be creditors to the company. In effect, the use of cheques, expressed in measures and redeemable at the company's store, forced the local population to sell their produce to the company on interest-free credit, receiving remuneration from the company in goods only when the goods they preferred were in stock.<sup>61</sup> The system described above can hardly be regarded as "barter". It was adapted from the indigenous system of currency and accountancy, and was merely another European solution to the practical problems of trading in an area in which European currencies were not recognized as general purpose

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<sup>59</sup> 00/520/13, cf. enclosed records of proceedings in the Supreme Court of Southern Nigeria, Assizes held at Asaba on the 28th day of November, 1901. "Rex versus A.E. W.G. Plank"; Mr. Plank was convicted at the Asaba Assizes on two counts of falsification of accounts and forgery. Plank was at the time the Niger Company's station agent at Idah, which office he held until 19/3/01.

<sup>60</sup> Holt Papers, Box 1, file 6, extract from Mr. Drewett's letter dated Onitsha July 5, 1905; Sidney Holt, District Agent, Anambara, to Messrs. John Holt and Co. (Liverpoold) Ltd., March 17, 1909. cf. Accounts for February, 1909.

<sup>61</sup> See ff. 59. The John Holt firm went one better, using the measure to fleece even their own locally-recruited staff. Their African staff were given contracts "of the usual native type, given to all our clerks in charge of stations--accepting responsibility for all goods entrusted to their care, etc. They are paid in goods--Thirty shillings per month--charged at native prices, the cost of which would be twenty shillings; goods are sent to them at Native prices also. For instance, we dispatch 50 measures of goods (each measure 5s., interior selling prices) and in return we expect 50 bushels of kernels. The prices paid for kernels in these interior places enables us to pay all expenses and get the kernels down to Asaba at the same price paid for them in Asaba itself." (Holt Papers, Box 1, file 6, extract from Jr. Drewett's letter dated Onitsha, July 5, 1905. The italics are mine.

currencies.<sup>62</sup>

A much more plausible explanation for the Administration's insistence on imposing British currency may be found in the main thrust of its economic policies in the colony.<sup>63</sup> The Government was in the process of extraverting the indigenous economies of Southern Nigeria. Commercially, the country, where foreign trade had once been a trade in foreign luxuries--liquor, perfumes, clothing, guns and ammunition, etc.--catering to the requirements of the affluent, was rapidly being converted into an appendage of the British economy, an area in which the trade with Britain (and other foreign territories, trade with which was permitted by the Colonial Authorities) was increasingly affecting the lives of more and more Southern Nigerians.<sup>64</sup> An essential aspect of this extraversion of the Southern Nigerian economy was the extension of the British monetary system into this underdeveloped region. This will be obvious from our discussion of the manner in which the pre-existing currencies were retired from the Southern Nigerian market.

One of the principal disadvantages often attributed to the traditional currencies of Southern Nigeria was that they were cumbersome to carry about, and presented serious counting and transport problems. But there were professional money counters. The cowrie counters described by Basden in connection with Igboland bear easy comparison with similar functionalities described in action in Kano market by Baba of Karo.<sup>65</sup> As to the transport problem, it was probably more serious for European officials and travellers who often had large entourages, and had to carry with them sufficient funds for paying their porters, giving presents to chiefs, purchasing supplies for their entourage, and otherwise paying their difficult way through a strange country. The African population considered the British copper coinage even more cumbersome, and preferred carrying about the monetary media already in use in their country.<sup>66</sup> When, several decades later, they began to accept British currency under the changed circumstances of colonial rule, they treated British currency in the same manner, singling out the shilling as the standard money, and carrying it about in enormous quantities which also presented counting and transport problems not essentially dissimilar to those posed by cowries or manillas. The irrelevance of these problems to the African population may be illustrated from an incident related by H.L. Ward Price, an official of the Southern Nigerian Government. In 1919, Ward Price bought and imported into Nigeria for his personal use, a two-cylinder, ten horsepower motor car. As he was cruising in it one day in the Yoruba country in 1921, an African stopped him and

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<sup>62</sup> cf. Basden, *Among the Ibos*, pp. 196-200. M.F. Smith, *Baba of Karo*, (London: Faber & Faber, 1964), p. 81.

<sup>63</sup> cf. W.I. Ofonagoro, *The Opening Up of Southern Nigeria to British Trade, and its Consequences*, (Unpublished Doctoral Dissertation, Columbia University, 1972), Chapters 12,13 and 17 for further discussion of this theme.

<sup>64</sup> An excellent example of the restriction of trade with foreign countries in favour of British goods was the action of the Colonial Government regarding the import of Japanese goods into the country; "The Imperial Government became perturbed about the entry of Japanese goods, such as socks at 3d a pair, and bicycle at 15/-; in consequence, severe import restrictions were imposed to prevent them driving British goods off the market".--H.L. Ward Price, *Dark Subjects*, p. 253.

<sup>65</sup> cf. Basden, *Among the Ibos*, pp. 196-200. M.F. Smith, *Baba of Karo*, (London: Faber & Faber, 1964), p. 81.

<sup>66</sup> CO/520/4, *Currency Committee Minutes of Evidence*, 1899, Q488. Evidence of Governor Denton. See also Q498-Q502.



offered him there and then £ 300 in cash for the car. That African fellow was carrying on his person all £ 300 of his offer in shillings. In effect, he was carrying 6,000 shillings on him when he stopped Ward Price to make his offer.<sup>67</sup>

### The Demonetization of Traditional Currencies, and the Imposition of British Currency

"There is no subtler, surer means of overturning the existing basis of society", John Maynard Keynes once wrote, "than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose". The colonial period witnessed the conscious debauchery of the traditional currencies of Southern Nigeria, and the infiltration of this underdeveloped region by the advanced monetary system of Great Britain.<sup>68</sup> It is this process and its impact on Southern Nigerian economy and society that we shall now examine. The debauchery of the currency applied more to the manner in which cowries, manillas and brass-rods were demonetized rather than to the various kinds of foreign currency circulating in Southern Nigeria prior to demonetization. We must, however, examine all currencies, both local and foreign in order to establish a comprehensive analysis of the currency change. Let us begin with the Island of Lagos and the Maria Theresa dollar.

Maria Theresa dollars were demonetized in Lagos in 1880, nineteen years after the establishment of British rule on that Island City. The demonetization was hastened by the profusion of counterfeit Maria Theresa dollars circulating in Lagos at the time, some of them minted to the orders of local merchants by Birmingham manufacturers.<sup>69</sup> The Government had hitherto accepted customs duty payments in dollars, and was saddled with the burden of redeeming them in Europe. The counterfeits were a serious charge on the revenue which the Administration could ill afford. A.G. Hopkins has suggested a more compelling reason for the retirement of these coins from the market. In the late 1870's dollars were worth 3s 7d in Europe, but in Lagos, an 1875 proclamation had officially fixed their legal exchange rate at 4/2d. By importing dollars for the payment of duties, the merchants, even after adjustments for freight charges, easily made a profit of 5d on every dollar, their profit being the Government's loss.<sup>70</sup> The low value of the dollar in Europe in the 1870's had, however, improved somewhat before the demonetization took place. The London Times of March 26, 1880, quoted the ex-change rate of the dollar for the preceding day at 514d, taking dollars at 417 grains troy.<sup>71</sup> The Government would not have had to incur the loss implicit in the difference between the intrinsic worth of the coin and its

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<sup>67</sup> H.L. Ward-Price, *Dark Subjects*, (London: Jarrold's Publishers, 1939), p. 251.

<sup>68</sup> A.G. Hopkins has noted this process in another context. cf. *An Economic History of West Africa*, (New York: Columbia University Press, 1973), p. 207.

<sup>69</sup> A.G. Hopkins, "The Currency Revolution in South-West Nigeria in the Late Nineteenth Century", *Journal of the Historical Society of Nigeria*, Vol. 3, No. 3, December, 1966, p. 479.

<sup>70</sup> A.G. Hopkins, "The Currency Revolution...." *J.H.S.N.*, 1966, p. 479. 7100/147/41, Griffiths to Ussher, April 29, 1880.

<sup>71</sup> 00/147/41, Griffiths to Ussher, April 29, 1880.

current ex-change rate, if they had chosen to return dollar stocks in their possession to the European financial market through the usual banking channels. The only loss involved in such an eventuality would have derived from the payment of freight, insurance and brokerage costs, usually computed at 3% of the market value of the dollar, or about 1-1/4d per dollar.<sup>72</sup> The demonetization process need not have involved more than the mere withdrawal of the coins from circulation, payment in compensation to indigenous holders the equivalent of their money in British currency, and the redemption of the disfavoured currency in Europe. This option was not open to cases involving counterfeit dollars. Even if the Government felt it could only recover the intrinsic worth of the dollars in Europe by smelting it down for its silver content, the Government could still have realized 3/7d per dollar, after allowing 3% for freight insurance and brokerage costs. Its loss then could only have amounted to 7d per dollar, which on the Lagos stock of \$144,000 amounted to £ 4,200.<sup>73</sup> This was not too high a price to pay for the advantages to a colonial Government which purchased most of its supplies through the Crown Agents in England, of imposing on the colonial market, the currency of the mother country. It was not too high a price for the convenience of having its own currency circulate exclusively in a colony which it ruled and administer-ed. Perhaps, the temporary increase in the value of dollars in the European market, and the local profusion of counterfeits as well as the continuing influx of debased coins into Lagos predisposed officials to advocate a hasty and radical solution to the Government's currency problem before it became unmanageable.

Lieutenant Governor Brandforth Griffith gave an apt summary of the Government's dilemma:

I respectfully submit for your consideration that it is better to look this loss in the face at once, for if we procrastinate it may be greater. The duties here may be, and are paid in dollars. If Messrs. Gaiser and other wealthy firms can make a profit of not less than 8% by importing dollars--a gain sufficient to pay their duties, and still leave a handsome margin of advantage--they will do so, and the local treasury will overflow with coins of less intrinsic than nominal value, which we shall be unable to get rid of on the spot, and will be compelled sooner or later to export.<sup>74</sup>

Brandforth Griffith estimated that two months' notice would be required for the entire exercise, to give local holders of dollar stocks sufficient time to re-deem them for British currency, as well as to give the local treasury enough time to import the necessary British coins. This was clearly what the Government ought to have done.<sup>75</sup> Governor Ussher, on the other hand, displaying "less thought and capacity" (to quote one of his superiors at the Colonial Office), had already gone to the extent of passing an ordinance establishing British currency as the legal tender, withdrawing dollars from circulation, and

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<sup>72</sup> Ibid.

<sup>73</sup> P.R.O: Index of Despatches from Ussher to CO, Lagos, 1880, cf. Summaries of 13509 of July 19, 1880; 16456 of September 9, 1880; and 18339 of October 25, 1880. These documents were unfortunately destroyed by statute.

<sup>74</sup> CO/147/41, Griffith to Ussher, 29/4/80.

<sup>75</sup> Minutes, F.R.R. to Mr. Meade, 20/7/70, CO/147/41.

giving only ten days notice to the public of so far-reaching a measure.<sup>76</sup> Governor Ussher brushed aside the painstaking research of his subordinate and explained his own approach to the problem: "Ordinance No. 2 of 1880 which has been transmitted to him,... will meet his questions....the Lt. Governor also misapprehends the intention of the ordinance which is framed, not to exchange any number of dollars to be presented for that purpose at the treasury, but to receive them in payment of dues for 10 days only".<sup>77</sup>

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<sup>76</sup> Ibid., See also Payne's Almanack, 1893, p. 43, public notice re. ordinance

<sup>77</sup> 00/147/41, Minute by Governor Ussher, Accra, May 8, 1880. The text of the public notice of May 11, 1880, confirms that this was in fact, what was done. As of May 21, 1880, "being ten clear days from the date of this notice", only British silver coins would be accepted as legal tender by the Government of Lagos. cf. Payne's Almanack , p. 43, for text of this notice.

Such utter disregard for the property rights of the local population evoked a storm of protests. The Government had, in effect, withdrawn dollars from circulation without any provision for redeeming existing stocks with British coins. It was only on May 27, 1880, six days after dollars had ceased to be legal tender, that Governor Ussher applied to the Crown Agents for £ 10,000 in British gold coins with which to replace the Government's own stock of dollars shipped to England.<sup>78</sup> For the time being, the Government itself was broke, and had to resort to the local credit market to meet its own needs.<sup>79</sup> Available evidence does not indicate that the Government ever redeemed existing stocks of Maria Theresa dollars. What it does indicate was that the Government bowed to local pressure and did not apply the letter of the law, thus the continued use of Maria Theresa dollars even in the payment of duties and taxes was still connived at by the Government as late as November, 1899.<sup>80</sup> Ussher's decision to demonetize doubloons, American eagles, and French twenty-franc pieces, and "reduce all currency to British sterling" was never carried out. The Lagos Official Handbook of 1897/98 cited these currencies as legal tender along with British currency.<sup>81</sup> Demonetization did, however involve the prohibition of further imports of these foreign currencies as well as the Maria Theresa dollar, and all stocks that reached the Government's coffers were promptly removed from circulation. The prohibition of imports and piece-meal repatriation of existing stocks achieved the Government's objective at minimal cost. The American eagles and doubloons had all but disappeared by 1899. Captain Denton, colonial secretary of Lagos, could not recall having to repatriate more than £ 500 worth of Maria Theresa dollars at any given time between 1887 and 1899.<sup>82</sup> By the end of the nineteenth century, though the coins of nearly all the Western Nations which had already been introduced into Lagos remained in use, the basis had been laid for the exclusive use of British currency in the colony. By 1901 when Maria Theresa dollars were worth 2s 9d in the European market, the Government was insulated from any losses inherent in this erosion of value, and enjoyed the further advantage of control over the minting and issue of the official currency of the colony. African holders of dollars who had not disposed of them by 1901 were not so fortunate.

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<sup>78</sup> P.R.O. Index of Despatches from Governor Ussher to C.O., Lagos 1880, cf. Summary of despatch No. 10126 of 27/5/80.

<sup>79</sup> Ibid., Summaries of despatches No. 10145 of 1/6/80 and 10844 of 17/6/80. The above despatches were destroyed by statute. See also, Hopkins, "The Currency Revolution in South-West Nigeria," p. 480.

<sup>80</sup> 00/520/4, revise of minutes of evidence, Committee on the Currency of the West African Colonies, Friday, 17th November, 1899, Q518-522 and 451-457. See also, Hopkins, "The Currency Revolution..." p. 480 and p. 481.

<sup>81</sup> P.R.O., Index to Lagos Despatches, 1880, cf. Summary of despatch No. 10132 of 31/5/80. Original destroyed by statute; E. Thorp, Ladder of Bones, p. 218.

<sup>82</sup> 00/520/4, revise of minutes of evidence, Committee on the Currency of the West African Colonies, Friday, 17th November, 1899, Q518-522 and 451-457. See also, Hopkins, "The Currency Revolution..." p. 480 and p. 481.

Their dollar hoards were now worth a lot less than they were in 1880.<sup>83</sup>

### Cowries, Manillas, Brass-rods, and Other Traditional Currencies

African holders of traditional currencies were even more unfortunate in the manner of their demonetization, and in its impact on their fortunes. Let us examine the specific case of cowries. When Sir Henry McCallum reviewed the subsidiary coinage situation in Lagos, in 1899, British copper coins in de-nominations of 1d, ½ d and ¼ d had been available to the Lagos community since 1881 and were still unpopular with locals. When accepted in commercial transactions, they were heavily discounted by traders disposed to accept them. In 1892, for instance, it was customary, in hinterland markets, to exchange 1/- in British silver coins for 40 strings or 1,600 cowries. 1/- in British bronze coins, on the other hand, only fetched 1,200 cowries or 30 strings in exchange.<sup>84</sup> In Lagos, in 1897, 25 strings, each of 40 cowries, or 1,000 cowries were valued at 3d. At Akure, 1000 cowries fetched 6d, the cost of transport from Lagos to Akure accounting for this doubling in price. Cowries were never very stable. The number of cowries given for a shilling varied considerably from village market to village market; and even in the same place, they did not retain the same relative value. These features did not diminish the popularity of cowries.<sup>85</sup> It is true that cowries were already depreciating in value as a result of over-supply of the market long before the end of the nineteenth century. However, by 1899, augmentations to existing stocks were fast diminishing. Cowries used to be brought to the Nigerian coast as ballast in sailing ships. The disappearance of sailing ships from the West African trade by the turn of the century thus aggravated the scarcity of fresh imports.<sup>86</sup> The total prohibition of the importation of cowries in 1904 had the added effect of enhancing the value of locally available stocks, and it ultimately took fifty years to oust them from circulation in Lagos, the progressive climate of that city notwithstanding.<sup>87</sup> The impact of import prohibition on available stocks is even more demonstrable in the case of Igboland. Depreciation did become a factor in the disappearance of cowries, but this was much later, in the twentieth century; indeed, after 1945.

Cowries had never lost favour with the peoples of Southern Nigeria at any time before the 1904 currency proclamation. Indeed, after the demonetization of

<sup>83</sup> CO/520/8, Moor to C.O., June 22, 1901.

<sup>84</sup> Payne's Almanack and Yearbook, 1893, p. 54; See also CO/879/59, (Colonial Office Confidential Print), No. 16, Governor McCallum to Chamberlain, August 4, 1897.

<sup>85</sup> cf. CO/879/59, No. 16., McCallum to Chamberlain, August 4, 1897; CO/520/4, Currency Committee, Minutes of Evidence, 1899, Q472-Q473; and Q468.

<sup>86</sup> CO/520/4, Currency Committee Minutes of Evidence, 1899, Q470-Q471. Captain George Chardin Denton had the benefit of twelve years experience as Governor on the numerous occasions when the official incumbent went to England on leave. Denton was thus extremely well-placed to comment authoritatively on matters such as this.

<sup>87</sup> Ellen Thorp, Ladder of Bones, p. 219.

Maria Theresa dollars and other currencies in Lagos in 1880, the local community were apprehensive of the Government's intentions as regards the future of the cowries. In 1894, for instance, a great fear swept through the city of Ibadan on account of rumours to the effect that the Government was trying to impose an arbitrary exchange rate for coggies on the local authorities. As it turned out, such rumours were unfounded.<sup>88</sup> In 1897, Governor McCallum of Lagos had suggested the minting of "a silver coin of the face value of one penny for circulation in the Colony, the Protectorate, and the interior", as well as the introduction of a local coin of the denomination of a farthing, made of aluminum or bronze.<sup>89</sup> Such subsidiary coins had to have a hole on them to facilitate their being strung on strings as was customary with the cowries they were intended to replace. The Treasury pronounced the idea of minting silver pennies completely impracticable and uneconomical. The 1899 Currency Committee recommended that British Bronze coins be left to make their own way into circulation in the West African colonies.<sup>90</sup> In 1901, Sir William MacGregor reported that "the bronze coin can scarcely be said to be in circulation in Lagos, and that in practically all small transactions the currency is still cowries."<sup>91</sup> The Administration now began to consider measures of compulsion. The original idea was to deal with the subsidiary coinage question in all six West African Colonies in a single policy decision. The bronze coins were, however, making satisfactory progress in the Gambia and Sierra Leone. In the Gold Coast, Sir Matthew Nathan was opposed to any change.<sup>92</sup> The bronze coins were beginning to make some progress in the coastal towns of the Gold Coast, and the Governor was convinced that improvements in the means of communication in the colony and in Asante would considerably enhance the spread of the use of these coins.

Only the Nigerian Governors and Administrators favoured a drastic break with the past. It was here, therefore that a determined effort was made to create a rival to the cowrie currency and impose it on the market. The "importation of cowries prohibition proclamation, No. 6 of 1904" was designed to restrict the supply of the shell currency by prohibiting all further imports of cowries as a first step in displacing them from the market.<sup>93</sup> Provision was, however, made for the continued use of cowries among the African population of Lagos, Northern Nigeria and Southern Nigeria. The Governor of Lagos and the High Commissioner of each of Southern and Northern Nigeria were empowered "from time to time to make

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<sup>88</sup> The Lagos Weekly Record, June 4, 1894, cf. General News Section.

<sup>89</sup> CO/879/59, No. 16, McCallum to C.O., August 4, 1897.

<sup>90</sup> CO/879/59, cf. No. 18, The Treasury (through E.W. Hamilton) to the Colonial Office, October 29, 1897; and Minutes, Butler to Antrobus, November 22, 1902.

<sup>91</sup> CO/879/59, Minutes, Butler to Antrobus, November 22, 1902.

<sup>92</sup> 00/446/2.4, Minutes, Butler to Antrobus, November 22, 1902.

<sup>93</sup> Cf. CO/588/1, for text. Section 2 of this proclamation prohibited all further imports of cowries, and prescribed a penalty of £ 50 fine or three months imprisonment for violators of this prohibition.

rules regulating, restricting, or prohibiting the use of cowries as currency" within their spheres of territorial jurisdiction.<sup>95</sup> The continued use of cowries was thus barely tolerated and could be terminated by law at any time, at the Administration's pleasure. Such toleration was merely an alternative, and a cheaper alternative, to withdrawing all cowries from circulation, by calling up all locally available stocks and paying their owners compensation for them in British currency, at a fair rate of exchange. The Cowries Proclamation came into effect on June 1, 1904, and was simultaneously enforced in all three Nigerian colonies. The resort to compulsion makes it clear that cowries were still in favour and would be preferred over British subsidiary coins if allowed to circulate without such restriction.

The passage of the Nigeria Coinage Ordinance in 1906 was a concession to reality. It signified the decision to implement the proposal to mint subsidiary coins of a metal other than bronze. Significantly, this decision was taken "on the grounds that the British bronze coin is not generally acceptable to the Natives in Nigeria, and that a new coin is wanted of a very low denomination to supersede cowries..."<sup>96</sup> Because it was believed that lightness would enhance local acceptance of such a coin, it was decided to mint the new coins out of aluminum, and the ordinance specified a standard weight of 15 grains per coin. The lowest denomination preferred by the Colonial Office was the one-tenth of a penny.<sup>97</sup> Barely a year after they were put into circulation, the aluminum one-tenths of a penny were "found unsuited to West African conditions", and had to be replaced with one-tenths of a penny of nickel-bronze.<sup>98</sup> Obviously, one of the problems was that the coin was too light. The new nickel-bronze one-tenths of a penny, consisting of 25% pure nickel and 75% copper, and of a standard weight of 35 grains for each coin, were put into circulation in the latter part of 1908.<sup>99</sup>

It has been, rather incorrectly, suggested that the tenth of a penny was "destined to discredit the cowries".<sup>100</sup> On the contrary, even under restricted conditions, the cowrie was, according to Basden, still holding its own against the nickel-bronze coin as late as 1920. This was because "an enormous number of

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<sup>95</sup> *Ibid.*, Section 4.

<sup>96</sup> The Incorporated Liverpool Chamber of Commerce, Committee of the African Trade Section. Minute Book, 1906-1907, cf. enclosure in page 204, CO to C.A.T.S., May 1, 1907.

<sup>97</sup> 00/520/72, Treasury (through W. Blain) to CO, 2/10/08. Cf. enclosure, Nigeria Coinage Order, 1908. See also, CO/520/61, Minutes, H.A. Butler to Mr. Strachey and Mr. Antrobus, 23/6/08; and Minutes, R.L. Antrobus to Crown Agents, 17/10/08.

<sup>98</sup> CO/520/72, Minutes, Butler to Crown Agents, 17/10/08.

<sup>99</sup> 00/520/61, Minutes, Butler to Strachey and Antrobus, 23/6/08; CO/520/72, Minutes, Butler to Crown Agents, 17/10/08.

<sup>100</sup> J.C. Anene, *Southern Nigeria in Transition*, p. 2.95.

purchases" could still be made at prices much less than the tenth of a penny.<sup>101</sup> Clearly, it was impracticable, and even uneconomical, to mint any coins capable of competing with the cowrie under the conditions of the Nigerian market. The prohibition of imports resulted in an extraordinary appreciation in the value of available stocks. By 1915, cowries had achieved a 100% appreciation in value as compared to their 1904 market value.<sup>102</sup>

The vastly improved value of available stocks, and the stoppage of fresh imports merely called forth the hoards of centuries into the market, and "the tendency to hoard them" as they changed hands in retail buying and selling, "remained as strong as ever". As regards the quantities locally available, "the number", wrote Basden, "must be literally as the sand on the seashore. I have been in some treasure houses where the store of cowries has reminded me of heaps of newly threshed corn".<sup>103</sup> Even as late as 1945, Africans then in their early teens vividly rememberr similar heaps of cowries in the treasure rooms of their parents' homes.<sup>104</sup> It was impossible to eliminate such reserves from the market without paying compensation to their owners in the British currency intended as their replacement, and computed at a realistic rate of exchange. No such redemption of existing stocks of cowries ever took place in Colonial Southern Nigeria. Cowries were still in circulation in Nigeria in 1946 when Mars mentioned them among the "optional money" still in use in the country at that time.<sup>105</sup> The Nickel-bronze one-tenth of a penny was also mentioned by Mars as still in circulation in 1946. By 1950, however, it had all gone out of general use, survived by the cowries it had been intended to replace. At that date, the lowest denomination of British money in the Nigerian market was the '2d, locally known as "anini". Cowries were still in use in the Umuahia country of Igboland in 1948, and were current in the Ikeduru/Owerri area as late as 1950. In the Ogbaku area of Igboland, they remained in use as late as 1952/54.<sup>106</sup>

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<sup>101</sup> G.T. Basden, *Among the Ibos of Nigeria*, p. 200.

<sup>102</sup> Basden indicates that a 100% appreciation in value had been achieved by 1915. Before the 1904 prohibition, 25 Ukwu exchanged for a shilling. After 1904, the ex-change rate changed gradually to 16,15, and 13 Ukwu to the shilling; and by 1915, 12 Ukwu to the shilling. The UKWU = 60 cowrie shells. cf. G.T. Basden, *Among the Ibos of Nigeria*, p. 199.

<sup>103</sup> Basden, *Ibid.*, p. 199.

<sup>104</sup> Personal Communication. The present author must record his gratitude to Professor Ekwueme Okoli of New York City Community College, to Mr. Metu of Eziamma Ikeduru, Owerri; to Mr. B.N. Oriaku of Umuahia, to Mr. J.W. Aguzie of Isiekenesi, Orlu, and numerous others of that generation who have generously provided much information about cowries and other traditional currencies which they recalled using in the forties, and in some cases, well into 1952.

<sup>105</sup> J. Mars, "The Monetary and Banking System, and the Loan Market of Nigeria", in M. Perham, *Mining, Commerce and Finance in Nigeria*, p. 183.

<sup>106</sup> Personal Communication. Cowries were used to the tune of Nnu Kuru Nnu in title-taking ceremonies in the Ewurum family in Ogbaku in 1952 and 1954. Cowries continued to be used increasingly for this purpose even after they went out of general circulation.



One may then ask: how and when did cowries go out of use in the village markets of Southern Nigeria? Only tentative answers are possible to this question. The objective of the Colonial Government had been to wage a war of attrition against the cowrie and other traditional currencies, allowing them to be bandied about in local markets side by side with their British replacement until with the passage of time, they would prove worthless to their last holders. It was, in fine, a conscious effort on the part of the colonial administration to debauch the existing currencies so as to create conditions favourable to their replacement by their British competitor without any expense on the part of the Government. The nature of colonialism in Southern Nigeria made this possible. The colonial period, was a period not merely of transition, but of a profound commercial, social and political revolution. Politically and socially, old elites were being replaced or displaced by a new and foreign ruling class. Their wealth was largely held in the older currencies, and as there was no provision for re-deeming these with the new currencies, they clung to the old even as the frontiers of their traditional market uses shrank with the continued advance of the European trading frontier. The inland advance of the European trading frontier resulted in the importation of the higher cost of living of the more highly developed economy of Britain into Southern Nigeria in the form of the greater, easier and more widespread distribution of high-priced British imports into the Nigerian market. The impact of imported inflation on the traditionally low cost of living in Nigeria was severe. It engendered a steep rise in prices in the Nigerian economy. Basden provides the necessary corroborative evidence:

Taking the country as a whole since 1900, when the colonial office took over the country, prices have advanced greatly. Fowls, and in many districts yams, are double the price they used to be. Roofing mats used to be bought at the rate of one hundred for three heads of tobacco (9d); Now they are sold at 40 for a shilling, and inferior mats at that. Every commodity has increased in price in like proportion, and the whole country is passing through transition stage.<sup>107</sup>

It was a transition from a relatively independent economy, managed by indigenous elites, to a dependent dual economy, managed by a foreign elite in favour of its home market. In the emerging dual economy, the traditional African sector stagnated in subsistence agriculture and remained the sphere of operation of the traditional currencies. The British-dominated import/export sector expanded dynamically at the expense of the traditional sector by siphoning off the dynamic elements of the local economy into the export-oriented cash crop production, etc. Thus, given the rise in prices engendered by imported inflation, conditions were created favourable to the gradual abandonment of cowries and other traditional currencies. Inflation in the later colonial period eventually deprived the cowries of their peculiar advantage of facilitating small-scale retail transactions in local markets. When the lowest prices ruling in these transactions had risen to the point where large quantities of cowries were required to express them, the advantages of

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<sup>107</sup> Basden, *Among the Igbos of Nigeria*, p. 198.

the lower denominations of the British currency came to be better appreciated. That point was reached about 1945. Basden's evidence indicates that prices had already increased by 300% between 1904 and 1920, an average annual inflation rate of about 19%. Inflation became even more severe after 1945. Before 1945, acara balls sold at Awka at one head of cowries (six shells) each. After 1945, one acara ball sold in the same market for 'yd or 10 heads of cowries (60 shells), an inflation rate of about 900%.<sup>108</sup> The British ¼ d and ½ d was now more convenient than cowries for facilitating small payments. The old elites, stout defenders of the traditional currencies, continued to insist on the use of cowries and other traditional currencies in title-taking ceremonies, funerals, bride-price payments, and other ritual functions. But here, even these uses of the traditional currencies would disappear with the passage of time. Before 1945, 30 bags of cowries (36,000 cowries) were considered adequate bride-price in most areas of Igboland. In the late forties, it was no longer possible to find a wife for less than a bride-price of £ 15, (432,000 cowries), and there were numerous cases where parents insisted on £ 20, (576,000 cowries), and even £ 25, (720,000 cowries), for the hand of a daughter in marriage. These staggering sums required the services of 15 porters, and the customary unpaid labour of kinsmen was no longer as readily available as it had once been.<sup>109</sup> As the fifties came around bride-price in Igboland experienced further escalation, and the use of cowries in the payment of bride-wealth was gradually abandoned. Thus the cowries proved worthless to their last holders. The cowrie magnates of pre-colonial Nigeria died with their cowries, but there was little of value in that wealth to be bequeathed to their children.

There are other explanations for the rapid abandonment of the cowrie currency after 1945. Returning Southern Nigerian veterans of the Second World War received their lump-sum entitlements in British currency, and put them into circulation in a manner which engendered and intensified existing inflationary pressures in the local economy.<sup>110</sup> Further, the impact of Westernization, particularly on educated and semi-educated Africans whose numbers had become significant by 1950, was a contributory factor. It engendered a disdain of traditional usages, including the use of cowries as money.

### Manillas and Brass-rods

Manillas and brass-rods, like the cowries, were considered cumbersome and disfavoured by the Colonial Administration in South-East Nigeria.<sup>111</sup> But like the cowries, manillas and brass-rods were also ideally suited to the price-levels of pre-

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<sup>108</sup> Personal Communication: F. Ekeme Okoli of Akpu Village, 1971.

<sup>109</sup> Personal Communication.

<sup>110</sup> Personal Communication: F. Ekweme Okoli of Akpu Village, 1971.

<sup>111</sup> The highest denomination of the manilla and the brass rod was valued at 3d. The Moor Administration tirelessly complained that 30 shillings worth of either currency was a man's load, and that it required 10 strong men to carry j 15 worth of either of them.

colonial Southern Nigerian market transactions. They therefore remained just as popular with the local population. The Moor Administration began a systematic campaign against manillas and brass-rods in 1897. In that year, Moor re-requested authority from the Foreign Office to pass an Ordinance compelling all trade to be carried on in British currency only; and prohibiting the importation of all other currencies into the country. Chamberlain rejected the idea of compulsion as impracticable.<sup>112</sup> Between 1897 and 1902, however, the Government's financial difficulties compelled a reconsideration of that position. Essentially, the merchants imported British currency only because the Government insisted on accepting customs duty payments exclusively in British money; and they imported only what was needed for that purpose and no more. The Government itself spent very little of its revenue locally, and merely re-exported the imported coins to England. British silver and copper coins were not circulating in the local market; the locally available stock of British money, estimated at £ 50,000 to £ 60,000 in 1901, merely making the rounds from the merchants as customs duties to the Government, thence to the Government's locally recruited staff in wage and salary payments, and back to the merchants in payments for purchases, and thence to the Government. Any amounts in excess of £ 50,000 to £ 60,000 was not put to any local use, and had to be re-exported to England.<sup>113</sup> The entire revenue of the Niger Coast Protectorate in 1895/96 amounted to £ 155,513, of which £ 150,106 was derived from customs duties. By 1901, customs duty receipts had doubled to £ 335,930; and in 1902 receipts stood at £ 410,041.<sup>114</sup> As trade expanded and customs revenues increased, the amount of British currency to be repatriated to England similarly increased. The merchants found it cheaper to import gold coins for these duty payments, a practice which tended to defeat the Government's purpose in insisting on British currency in the first place. To discourage this practice, the Government permitted the merchants to temporarily refrain from importing British coins, and allowed them to pay their duties by bills on their Banks in England for the time being. It normally took about a month to execute such bills, and during that interval the Government was, in effect, accepting unsecured promissory notes from private individuals, bearing all the risks of a sudden collapse in the business of the merchants concerned and incurring the loss of the use of the money during the intervening period.<sup>115</sup> These difficulties had already led to negotiations with Sir Alfred Jones aimed at introducing his Bank into the country in the hope that the Bank would greatly facilitate the spread of the use

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<sup>112</sup> 00/879/59, enclosure in No. 21, "correspondence relating to the currency of the West African colonies"; CO/879/59, enclosure in No. 21; CO/520/8, "Currency in Southern Nigeria", The Butler Memorandum, September 9, 1901.

<sup>113</sup> 00/520/8 Moor to C.O., 12/3/01.

<sup>114</sup> Accounts and Papers, Vol. 80, 1903, Statistical Abstract for the Several Colonial and Other Possessions of the United Kingdom, 1888-1902, cd 1729, p. 400. The figures for Lagos were slightly different. Between 1895 and 1901 Lagos imported j 576,348. 1s. 9d. in specie and exported 1 400,480, 12s. 9d. of the same, retaining only . 175,867. Os. Od. worth over the 6 year period.

<sup>115</sup> 00/520/8, The Butler Memorandum, Sept. 9, 1901.

of British currency among the African population.<sup>116</sup> Further, during the Aro Expedition and subsequent wars of conquest preliminary to the occupation of the country, substantial quantities of British currency were introduced into the Igbo/Ibibio/Ekoi country by British troops. By 1902, the Administration had come to the conclusion that measures of compulsion were indispensable to the successful replacement of traditional currencies with British currency in Southern Nigeria. The elimination of manillas, brass-rods and copper-wires by legislation commenced with "The Native Currency Proclamation, No. 14 of 1902".<sup>117</sup> This Decree prohibited the importation of manillas, brass-rods and copper-wires and severely restricted their use as currency in the Southern Nigerian market.

It was, however, quite obvious to the Administrators, both in West Africa and in London, that the success of such a measure must depend on the cooperation of the African population, particularly of those elements of the local population whose vast wealth was stored in the traditional currency. These included the Aro middlemen, the Delta traders, and other elements of the traditional financial elite. To secure their cooperation Leslie Probyn and Ralph Moor warned that the abolition of the pre-existing currencies must be accompanied by the establishment of a fixed rate of exchange between the prohibited currency, and its British replacement.<sup>118</sup> This much had been conceded in the Annual Report for 1898/99. Such a rate of exchange if established officially, would enable locals to exchange their hoards for the new currency.<sup>119</sup>

The Government could very easily, and profitably, afford this fair and painless method of resolving the change of currency issue; for, according to W.A. Mercer of the Colonial Office, "On every 1 10,000 of silver supplied for West Africa, they (The Mint) make a profit (excluding the cost of recoinage of any worn coin) of £ 5,581".<sup>120</sup> This amounted to a 56% profit for the British Mint. Without an equitable provision for exchanging the old money for the new, local holders of large stocks of the old money would continue to resist change. In rejecting this solution, the Colonial Office's currency expert gave the following explanation of his decision:

This, it seems to me, would be to recognize officially the very media of exchange we are anxious to get rid of. If they were so recognized, I don't see how the Government could logically refuse to accept payment in them; in fact, they would become legal tender. Thus, the loss

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<sup>116</sup> cf. W.I. Ofonagoro, *The Opening Up of Southern Nigeria to British Trade*, chp. 17.

<sup>117</sup> cf. CO/588/1, for text. See also CO/520/13, "Report on the Bluebook for 1900", enclosure in Moor to CO, 24/1/02.

<sup>118</sup> CO/879/59, Enclosure in No. 49, Moor to Chamberlain, Nov. 3, 1899; 00/520/9, Pobynto to C.O., 14/9/01.

<sup>119</sup> 00/444/2, enclosure in Moor to C.O., 1/10/99.

<sup>120</sup> 00/520/4, Minutes, W.A. Mercer to R.L. Antrobus, March 23, 1900.

which Sir R. Moor fears for the present holders of such media of exchange it they were eventually supplanted by a coinage currency (and this is the very end aimed at by the proposal) would tend to fall on the Government.<sup>121</sup>

It is clear that the Government preferred to treat these currency media as mere barter items in order to evade compensating their owners when British currency was imposed. Further, the Government was satisfied that this option would not involve any losses for the European interests in the colony.<sup>122</sup> The more equitable option would have required that the Government exchange local for British currency, accumulate and hold stocks of the local currency and retire them from the market as they come into the Government's coffers. Butler reasoned that "the native currency would possess no value to the Government beyond its intrinsic value, which would be nil, and the Government would be to that extent, the loser".<sup>123</sup>

What the Government sought was a solution to the currency crisis which, while combining coercion with the appearance of fairness, had the added advantage of relieving it of all financial responsibility to the African holders of stocks of manillas and brass-rods, who must bear, alone, the losses that the Government was unwilling to share. Such a solution was eventually found. While imposing a currency of overvalued silver coins on the colony, the Government tolerated the continued use of manillas and brass-rods in transactions between Africans, and allowed the chiefs to continue their pre-colonial fiscal role of fixing the rate of exchange between these and British currency, in the African markets only.<sup>124</sup> By shrewd use of those provisions of the Native Courts Proclamation of 1901 which empowered Native Courts to make rules for regulating trade, the Native councils were used as the agency through which the rates of exchange were fixed. Where such councils did not exist, the same ends were accomplished by a Native Market Proclamation.<sup>125</sup> By making the Native Courts responsible for adjusting the exchange rates, the Government exonerated itself from all liability as regards redeeming the local currencies with sterling. No such exchanges were to be entered into by the Government. The prohibition of further imports of manillas and brass-rods was intended to make certain that existing stocks would soon disappear from the market. Butler gave them six or seven years between prohibition and oblivion, and indicated that the Government had conceded very little:

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<sup>121</sup> 00/520/4, Minutes, W.A. Mercer to R.L. Antrobus, March 23, 1900.

<sup>122</sup> Ibid.

<sup>123</sup> Ibid.

<sup>124</sup> In Pre-colonial Niger Igbo communities, the Omu or market Queen had exercised this function, cf. Basden, *Among the Ibos*, p. 195. In the Delta, the chiefs had exercised similar authority as regards rates of exchange between manillas and foreign currencies.

<sup>125</sup> cf. CO/588/1, "Native Courts Proclamation, No. 25 of 1901", section XXXVI, (ii).

By thus limiting the extent to which native currency is legal tender, the danger...that the Government would eventually have to take up all the native currency and lose irrevocably the British coin given out in exchange, would be avoided. The process would be that the brass-rods and manillas now in Southern Nigeria would be bandied about in the Native markets on a par with British coin, until, the renewal of the supply being prohibited, they vanished by the natural process of attrition.<sup>126</sup>

The initial impact of these measures was negative. In 1902, manillas and brass-rods of the highest denominations were worth 3d each. Igbiki or Nwaohuru manillas were worth three-quarters of a penny each, and copper-wires were worth one-eighth of a penny each.<sup>127</sup> By 1906, locally available stocks had appreciated to such an extent that in Calabar, Africans were paying a premium of 2/- in the pound to obtain brass rods because of their scarcity; whilst in Bonny, manillas, legally valued at 320 to the British pound were exchanging at 240 to the pound. Thus, manillas of the lowest denomination had achieved a 25% appreciation in value in four years.<sup>128</sup> By 1912, the same manillas were going at 7 or 8 for a shilling or 140 to 160 for a pound.<sup>129</sup> At the same time, British silver continued to be accepted for strictly ornamental use, and where accepted as money, Africans accorded legal tender status only to coins bearing the effigy of the living monarch. A coin bearing the impression of a deceased monarch was never accepted as money, and was sometimes accepted with misgivings even for use as jewelry.<sup>130</sup> Delta chiefs like chiet Ogolo of Opobo used British currency only when dealing with the Government or the firms. For their commercial expeditions into the hinterland, they changed their British money into manillas and other local currencies preferred in the hinterland markets.<sup>131</sup> By 1911, only copper-wires had been displaced, driven from the market by the tenth of a penny of 1908 which represented a lower denomination of money, the high price of copper in Europe speeding up this development. In 1911, the 1902 Proclamation was repealed, and a new ordinance passed which forbade the use of manillas as currency even in the "Native Markets".

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<sup>126</sup> CO/520/14, Minutes, Butler to Antrobus, April 11, 1902.

<sup>127</sup> CO/588/1, cf. Text of Native Currency Proclamation, No. 14 of 1902, sections 8 and 9.

<sup>128</sup> Liverpool Chamber Commerce, C.A.T.S., Minute Book, March 26, 1906 to May 13, 1907, cf. "Commentary on the return of sterling values of Native currency for the quarter ending December 31, 1905: Southern Nigeria Gazette, No. 10, April 13, 1906.

<sup>129</sup> Report of the Departmental Committee Appointed to Inquire into Matters Affecting the Currency of the British West African Colonies and Possessions, cd. 6427, 1912, cf. Evidence of F.W. Fosbery, Provincial Commissioner, Southern Nigeria, pp. 28 & 29, and p. 126.

<sup>130</sup> cf. West African Mail, March 15, 1912, "Eboe" to W.N.M. Geary

<sup>131</sup> cd. 6427, 1912, Evidence of Chief Ogolo.

Africans ignored this new ordinance and continued to use manillas as currency.<sup>132</sup> The stringency of this measure was not unrelated to the military situation in Europe. On the eve of the 1914-18 European Civil War, the need, in Britain, of metals for war munitions occasioned an intensification of British efforts to demonetize the manilla. Large quantities of this brass alloy monetary medium were gathered up and exported to England for use in the manufacture of armaments.<sup>133</sup> By 1916, the Government's ban on the further importation of manillas had somewhat stabilized their value. In that year, the Igbiki or Nwaohuru manillas (and other manillas of equivalent value such as Okolosupuruma, Perekule and Okukpo) were all exchanging at twelve to a shilling, and the Awarawu manilla at five to a shilling.<sup>134</sup> The 1911 Proclamation was no more effective in eliminating the manilla from circulation, than the 1919 Manilla Currency Ordinance which sought to prohibit dealings by non-Africans in the manilla currency. A further effort by the Nigerian Legislative Council to grapple with the problem in 1935, did not progress beyond the mild semantic jousts of debate in the Council Chamber. Manillas still held the ground in the Niger Delta and the Southern Igbo country as late as 1944. By then, however, the war of attrition launched against them by Sir Ralph Moor in 1902 had already taken its toll. As in the case of cowries, manillas and brass-rods were finally over-taken by imported inflation and modernization; and the chiefs now had the greatest difficulty stabilizing their value in the markets. A successful catch of fish in Okrika would severely depreciate manilla values at Okrika or a given Delta community, and the chiefs would then meet urgently, readjust the exchange rates only to see it collapse with the return of the next successful fishing expedition.<sup>135</sup> Though the chiefs still clung to their manillas even as it rapidly lost meaningful value in colonial Southern Nigeria, educated elements began to agitate for some rectification of the injustice of 1902. By 1944, one shilling's worth of manillas could only purchase six pence worth of stuff in Southern Nigerian markets. Archdeacon (later Bishop) E.T. Dimeari, a Bonny man, blamed the Government's currency policy for the impoverishment of his people, and demanded a root and branch abolition of the manilla currency in his maiden speech in the Nigerian Legislative Council in 1944. He was joined in the demand by the Hon. G.H.H. O'Dwyer of Calabar, as well as by the Banking interests.<sup>136</sup>

The compulsory withdrawal of the manilla from circulation was finally authorized by the Nigerian Legislative Council in 1948. In the subsequent

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<sup>132</sup> Ellen Thorp, *Ladder of Bones*. p. 22.0. See also, *The African Mail*, August 30, 1912, p. 479, "Openings for trade".

<sup>133</sup> F.D. Lugard, *Report on the Amalgamation of Northern and Southern Nigeria, 1912-1919*, cmd. 468, p. 43.

<sup>134</sup> P A. Talbot, *Tribes of the Niger Delta*, (London: Frank Cass) p. 284.

<sup>135</sup> Personal Communication: Mr. I. Adoki of Okrika.

<sup>136</sup> *Nigerian Legislative Council Debates*, 22nd Session, March 14, 1944, pp. 151-152; 170-174 and pp. 199-200.

"operation manilla" which lasted from October, 1948 to April, 1949, teams of Treasury functionaries invaded the countryside, collecting them at the unattractive rate of each. Within the deadline set by the Government, only thirty-two and a half million manillas were turned in by the people. Those who failed to meet that deadline lost even that meager compensation. The cost to the Government was £ 248,000. Exported to Europe, the manillas, as metal, realized £ 153,000.<sup>137</sup> So ended the reign of the manilla currency in South-East Nigerian markets. After the manilla operation of 1948/49, Atricans stuck with their hoards of manillas could no longer use them in the local markets even at Aba, the most important market where manillas had remained current to that date. The market value of manillas after the exercise was 2d each, six going to the shilling, but only the big time manilla changers accepted them at that time.<sup>138</sup> As a concession to the old elites, the 1948 legislation allowed the continued use of manillas for ceremonial purposes only, and to this end, the Government limited a person's manilla holdings to 200 only.<sup>139</sup> Manillas remained in use for this purpose as late as 1956 in Eastern Nigeria, and unofficially, "as a second and intermediate currency" and as "the traditional and compulsory coinage in which bride doweries were paid and in which the men of the community paid their membership fees to their secret societies".<sup>140</sup> Unit 1 1950, the "manilla dealer was as familiar a sight in the sheds of the trading firms" at Opobo, as "that of a money changer in an Eastern market".<sup>141</sup> This continued survival of the manilla was dictated by the old pre-colonial elites and their early colonial heirs. Such uses of the proscribed traditional currencies died with these men, leaving nothing of value in cash assets to be inherited by their children. British currency had come into general use, even in the "Native Markets" by 1956. At that date, brass - rods and copper-wires were still imported for other uses, but had long ceased to be current money, and their owners were never compensated for their stocks when they gradually ceased to be used or accepted as money.

Thus, until 1948, the Southern Nigerian economy was burdened with two currency systems. The one, consisting of British currency and enjoying the favour of the Colonial Administration, became increasingly entrenched as the frontiers of

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<sup>137</sup> cf. A.M.H. Kirk-Greene, "The Major Currencies of Nigerian History, J.H.S.N., Vol. 2, No. 1, Dec. 1960, p. 146; Ellen Thorp, *Ladder of Bones*, pp. 216-221; *The United African Company, Statistical and Economic Review*, 3, 1949, pp. 44-56.

<sup>138</sup> Personal Communication, J.W. Aguzie of Isiekenesi. His father, Job Agusie of Aba (the present author's grand father) lost his fortune in the "operation manilla" of 1948. Their successors, the colonial elites of South-East Nigeria lost their fortunes again during the Nigerian/Biafra war when Nigerian currency was again changed and when, after the war, the victorious Nigerian Government refused to treat Biafran money as currency.

<sup>139</sup> Personal Communication. See also Kirk-Greene, "The Major Currencies in Nigerian History", p. 146.

<sup>140</sup> Ellen Thorp, *Ladder of Bones*, p. 220.

<sup>141</sup> *Ibid.*, p. 217.



European trade operation in Southern Nigeria expanded under colonial supervision; the other, the pre-colonial currencies, connived at by the Colonial Authorities, unrecognized as legal tender, were bandied about until they proved worthless to their last holders. The piles of manillas which litter the alleys and by-ways of Abonemma, and other erstwhile important centers of Delta trade, are adequate testimony to the loss suffered by the last holders of these stocks of pre-colonial Southern Nigerian money. Somebody must have taken the bitter decision to abandon them as junk. Stocks of manillas, brass-rods, and cowries hoarded by being buried in the ground, a testimony to centuries of accumulation, have since been abandoned in their permanent graves, mute witnesses to the loss incurred by the Southern Nigerian population, their fee for the entry of their country into the sterling trading area. The total impact of these currency measures on the local population is difficult to establish with any degree of precision. One thing is certain--the conscious debauchery of the pre-existing currencies of Southern Nigeria impoverished a lot of people while simultaneously compelling them to adjust their fortunes to imported inflation; and it made the extraversion of the local economy much easier, and the entrenchment of British economic control of Southern Nigeria much more formidable.

To complete this discussion of the currency revolution in Southern Nigeria, mention must be made of paper money. During the first World War, the Colonial Government introduced paper money into Southern Nigeria in denominations of £ 1, 10/-, 2/-, and 1/-. The shilling notes were small and made of thin paper and proved very inconvenient for the local population. Their local acceptance rate was initially much slower than that of the metal coinage, and as late as 1919, one could pick up £ 1 notes in Southern Nigeria for 11/- in cash.<sup>142</sup> With the passage of time, however, locals learnt to accept paper as money; and pounds, shillings and pence had effectively become the currency of colonial Nigeria by the end of our period.

It may be useful at this juncture to assess the costs and benefits to Britain and Southern Nigerians of the imposition of British currency in Southern Nigeria. In 1900, W.A. Mercer of the colonial office indicated that the British Mint was making a 56% profit on the silver coins minted for the West African colonies. Writing in 1921, F.D. Lugard, the first British Governor-General of Nigeria, indicated that on the average, the British Mint realized profits in the order of 50% on all silver coins supplied to West Africa prior to the creation of the West African Currency Board in 1913. Lugard considered these profits obscene especially in the light of the fact the "redemption risk" on which they were justified by the Government was purely "hypothetical".<sup>143</sup> He further indicated that by 1913, Mint profits on Nigerian coinage issues alone had been more than sufficient to offset all

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<sup>142</sup> H.L. Ward-Price, *Dark Subjects*, p. 2.51. See also Lugard, *The Dual Mandate*, p. 491.

<sup>143</sup> F.D. Lugard, *The Dual Mandate in British Tropical Africa*, p. 190. See also p. 491, ff: Some idea of the cash amounts of these profits may be gained by the experience of the West African Currency Board. In its first four years of operation, the Board shipped silver coin to the face value of over 1.4 million (excluding British coins repatriated). The Board's assets on June 30, 1917 stood at £ 1,867,000, or an average earning of 497,000 per year.

other costs incurred by the British Government in colonizing Nigeria so that by that date British Colonialism in Nigeria had "cost the British taxpayer nothing".<sup>144</sup> The costs of the currency revolution to the Southern Nigerian population were conspicuously substantial. Whole generations of Southern Nigerians who stored their wealth in cowries, manillas, brass-rods, and other local currency media were progressively impoverished as the ravages of imported inflation and Moor's war of attrition eroded value from their hoards of traditional money. As this process took upwards of fifty years to run its course, the old monied families of pre-colonial Southern Nigeria had been financially ruined within ten years of the end of British Colonial rule in Nigeria.<sup>145</sup> In their place, a new financial elite, drawn largely from the ranks of new men who had made small fortunes by serving as agents of British and other European enterprises in Colonial Nigeria, was barely beginning to emerge by 1950. Against these devastating costs must be weighed the benefits deriving from a modern, uniform currency system, operating throughout the confines of the Nigerian market which it linked effectively, albeit in a dependent capacity, with the international money markets of the twentieth century. While the British currency system reigned supreme in Nigeria, the Nigerian economy remained a ward of sterling, subject to regulation from London. But the foundation had been laid for the ultimate emergence of the Naira, and a relatively independent modern Nigerian money market. When all is said and done it must need be stressed, that the manner in which the change was accomplished was not in the least bit equitable.

#### Summary

This paper has argued that between 1881 and 1948, the British Colonial Government consciously and systematically debauched the pre-existing currencies of Southern Nigeria, replacing them with British currency without fair provision for compensating the African population for their losses. The impact of these measures was to impoverish many a "British protected Person" in Southern Nigeria. The manner in which this currency revolution was accomplished, and with what results, has been the subject of this paper.

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<sup>144</sup> Ibid, p. 609.

<sup>145</sup> British rule in Nigeria ended in 1960.

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#### FOOTNOTES

1 See for instance: G.I. Jones, "Native and trade currencies in Southern Nigeria during the XVIII and XIX Centuries", *Africa*, 1958, pp. 42-54; A.H.M. Kirk-Greene, "The Major Currencies in Nigerian History", *Journal of the Historical Society of Nigeria*, Vol. 2, No. 1, Dec. 1960, pp. 132-150; A.G. Hopkins, "The Currency Revolution in South-West Nigeria in the Late Nineteenth Century", *J.H.S.N.*, Vol. 3, December 1966, and M. Johnson, "The Cowries Currencies of West Africa, Parts I and II", *Journal of African History*, Vol. XI, Nos. 1 and 3, 1970.

2 A.H.M. Kirk-Greene, "The Major Currencies in Nigerian History", *J.H. .N.*, 2,1, 1960, pp. 140-148.

3 *Ibid.*, p. 148.

4 M. Johnson, "The Cowrie Currencies of West Africa, Part I", *Journal of African History*, Vol. XI, No. 1, 1970, p. 24.

5 *Ibid.*, pp. 28-33.

6 Nigerian Legislative Council Debates, 22nd Session, March 14, 1944, Statement by the Member from Banking (The Hon. K.M. Oliver, M.C.), pp. 151-152.

7 *Ibid.*, p. 152.

8 Nigerian Legislative Council Debates, 22nd Session, Statement by the Hon. Financial Secretary, March 16, 1944, p. 273; See also F.D. Lugard, *The Dual Mandate in British Tropical Africa*, (London: Frank Cass Reprint, 1965), p. 264.

9 P.A. Samuelson, *Economics*, (New York: McGraw-Hill, 1976), p. 283; see also C.S. Belshaw, *Traditional Exchange and Modern Markets*, (Englewood Cliffs, New Jersey; Prentice-Hall, 1965), pp. 9-10. See also A.G. Hopkins, *An Economic History of West Africa*, (New York, Columbia University Press, 1973), pp. 69-70.

10 cf. W.I. Ofonagoro, "The Opening Up of Southern Nigeria to British Trade and Its Consequences, 1881-1916", (Unpublished Doctoral Dissertation, Columbia University, 1972), pp. 143-150.

11 "Sir Gilbert Carter's general report on the Lagos interior expedition, 1893, No. II; The Possibilities of the Yoruba Country", *Lagos Weekly Record*, June 2,

1894.

12 CO/520/4, Revise of Minutes of Evidence, Committee on the Currency of the West African Colonies, November 17, 1899, Q498-Q502. In South-East Nigeria, the equivalent would be 6 cowries worth; CO/520/4, Currency Committee Minutes of Evidence, 1899, Q655-Q658. Captain Denton served the Government of Lagos as Colonial Secretary for 12 years, 1887-1899. During this period he acted as Governor on the numerous occasions when the official incumbent went to England on leave. Mr. Wall administered the Customs Department of the Niger Coast Protectorate, 1891-1899.

13 CO/520/4, Revise of Minutes of Evidence, Committee on the Currency of West African Colonies, November 17, 1899, Q498-Q502. In South-East Nigeria, the equivalent would be 6 cowries worth.

14 F.D. Lugard, *The Dual Mandate*, p. 405 & ff.

15 Sir Alan Burns, *History of Nigeria*, (London: Allen & Unwin, 1962), p. 131.

16 Sir Alan Burns, *History of Nigeria*, (London: Allen & Unwin, 1962), p.96.

17 Source J.E.N. Nwaguru, *Aba & British Rule*, Enugu, Santana Press, 1973, p. 79.

18 These included the Brass-rod and the Perekule or Awonawo manillas valued at 3d each. Next in value were the Prince manillas, valued at 12d each, and the Nwaohuru manillas also known as Igbiki, and valued at three fourths of a penny each. For higher transactions, a fictitious unit of account known as Ikpeghe (Kirk-Greene's Okpoho) existed. This was made up of four Nwaohuru manillas, thus 2 Ikpeghe= 8 Nwaohuru manillas. Source: CO/588/1, "Native Currency Proclamation, No 14 of 1902", cf. Text, Section 2, definitions. Other information has been acquired from personal communication and field work in Eastern Nigeria.

19 CO/520/4, Currency Committee Minutes of Evidence, 1899, Q655-Q658.

20 CO/520/4, Revise of Minutes of Evidence, Currency Committee, 1899, Q532-Q534.

21 CO/520/12, Moor to CO, 7/7/01.

22 CO/879/59, (Colonial Office Confidential Print), cf. No. 16, Governor McCallum to Chamberlain, August 4, 1897. See also CO/446/24, Minutes, Butler to Antrobus, 22/11/02, summarizes the views of all the Governors of the British West African Colonies and Possessions consulted on this question.

23 00/446/24, Minutes, H.A. Butler to Antrobus, November 22, 1902, on Lugard to Chamberlain of 19/7/02.

24 CO/520/12, Moor to CO, 7/7/01.

25 In 1896, The Lagos Weekly Record drew attention to this problem: "The fact should not be lost sight of that in proportion as the interior natives learn the value of gold and silver as money, in like proportion will they be inclined to hoard it up. The majority of the native producers only come to the colony to exchange their produce for specie which they carry back and hoard up. Their wants in respect of European goods for actual consumption are very small".-Lagos Weekly Record, July 11, 1896. In 1922, Lugard indicated that the local population were indeed hoarding their money rather than spending it on high priced British imports. cf. F.D. Lugard, The Dual Mandate, p. 264.

26 CO/446/24, F.D. Lugard to Joseph Chamberlain, July 19, 1902, cf. Minutes, H.A. Butler to R.L. Antrobus, November 22, 1902.

27 CO/446/24, Minutes , Butler to Antrobus, November 22, 1902. The horarding of pennies in the United States of America has, in recent years, produced similar results.

28 cf. W. Brandforth Griffiths to Governor Ussher, April 29, 1880, CO/147/41; J.A. Otonba Payne, Payne's Lagos and West African Almanack, 1893, pp. 43 and 54. "Double Eagles" are American \$20 gold coins. Eagles and half-eagles are \$10 and \$5 gold coins respectively. The French 20-Franc pieces were gold coins minted by the Napoleon III Government, 1853-1870. See also M. Johnson, "The Cowrie Currencies of West Africa, Part I" Journal of African History, Vol. XI, No. 1, 1970, p. 23.

29 C0/444/1, Moor to CO, July 18, 1899. The Brass Chiefs confiscated 5,740 of these silver coins during their raid on the R.N.C.'s Akassa depot in 1895, and even as late as 1901, the Lugard Administration accepted the Maria Theresa dollars, a portion of the Southern Nigeria contribution to the revenue of Northern Nigeria. cf. CO/520/8, Moor to CO, June 22, 1901.

30 00/147/41, Lt. Governor Brandforth Griffith to Governor Ussher, April 29, 1880.

3100/147/41, Griffiths to Ussher, April 29, 1880.

32 A.F.C. Ryder, Benin and the Europeans, Appendix I, p. 295. Cf. "Fragment of the ship's book of the Sao Miguel trading to Benin in the year 1522".

33 00/444/1, Niger Coast Protectorate Blue Book, 1896-97, "Head: Legal

tender currency, giving particulars and legislative authority". On the antiquity of these currencies, cf. G.I. Jones, "Native and Trade Currencies in Southern Nigeria during the 18th and 19th Centuries", *Africa*, Vol. I, 1958, pp. 43-54. On the use of brass rods in the Calabar Country, cf. CO/444/1, "Report of Captain E.P.S. Roupell, Political Officer, Niger Coast Protectorate, to Sir Ralph Moor, on the state of the Upper Cross River", enclosure in Moor to CO, 14/6/99.

34 Basden, *Among the Ibos of Nigeria*, p. 198.

35 *Ibid.*, p. 200. Basden makes the only known reference to the Umumu in print. Further fieldwork may be necessary to establish its origins and distribution.

36 *Ibid.*, p. 198. In Igboland proper, the Maldivian cowries were normally reckoned at double the value of the Mozambique variety.

37 CO/520/13, "Report on the Bluebook for 1900", enclosure in Moor to CO, 24/1/02. Such cases were rare.

38 CO/444/1, Niger Coast Protectorate Bluebook, 1896/97, Head: "Legal Tender Currency".

39 *Ibid.*

40 CO/520/4, Currency Committee, Minutes of Evidence, Nov. 17, 1899, Q583-90; and Q660-62 read concurrently.

41 *Ibid.*, Q668.

42 *Ibid.*, Q587, Q638 and Q653. The Administration's insistence on collecting revenues only in British currency was due to the fact that the bulk of the revenue was remitted to the Crown Agents in London, and held or invested there. Only funds sufficient to meet the small demands of the Government in Africa--such as the payment of wages to labourers, and the purchase of small quantities of food, clothing, hardware and building materials, etc.--were kept in the local Treasury. The salaries of officials were paid in London. In Africa, they lived off their generous allowances, and in virtually free housing.

43 CO/520/8, Moor to CO, 12/6/01.

44 CO/520/8, Leslie Probyn to CO, August 13, 1901.

45 A.F. Burns, *Money in Ancient Times*, cited in A.H. Quiggin, *A Survey of Primitive Money*, (London: Methuen & Co., 1963), p. 5.

46 Basden, *Among the Ibos of Nigeria*, pp. 196-7.

47 See ff. 33.

48 CO/520/14, Moor to CO, 16/6/02.

49 00/520/8, The Butler Memorandum, Section "A".

50 00/520/14, Butler to Antrobus, April 11, 1902. Butler believed that if the Government recognized these currencies and fixed a rate of exchange between them and British currency, local European traders would "pour these articles into the country to take away good British money in return". In this attitude, he was encouraged by Sir Alfred Jones whose Bank of British West Africa stood to benefit from the currency change. cf. Holt Papers, Box 14, file 1, John Holt to Jonathan Holt, March 1, 1914.

51CO /520/14, Moor to CO, 16/6/02.

52 CO/520/14, moor to CO, 16/6/02; Holt Papers, Box 14, file 1, John Holt to Jonathan Holt, March 1, 1914.

53CO/444/1, Messrs. Miller Bros. & Co. to Joseph Chamberlain, September 11, 1899; CO/520/4, Messrs. Bey and Co. to Sir Ralph Moor, December 13, 1899; Crown Agents to Bey and Co., March 26, 1900; Bey & Co. to Crown Agents, April 4, 1900; and Currency Committee Minutes of Evidence, 1899, Q671.

54CO/520/4, Currency Committee Minutes of Evidence, Q498-Q502.

55CO/879/59, No. 16, McCallum to Chamberlain, August 4, 1897. The Akarigbo of Ijebu Remo was himself once cheated in this manner by unscrupulous traders.

5600/444/2, Moor to CO, 7/10/99.

57A good example was the Laird Expedition of 1854. cf. W.B. Baikie, Narrative of an exploring voyage up the Rivers Kwora and Binue commonly known as the Niqer and TSADDA in 1854. (London: Frank Cass Reprint, 1966), pp. 293-294. The cowries in use here were of the *Cypraea Annulus* variety

58Using a head of cowries, whose value the Company fixed at ls.3d, as the base, the Company fixed the prices to be paid for African produce in each district from time to time. But they never accepted payments in cowries. Mockler-Ferryman described the Company's method of evading acceptance of the cowries: "Supposing that a native brings in 5s. worth of palm oil, the agent allows him to select Manchester goods, salt, or whatever he wants, to the value of 4 'heads' of cowries, the value of all articles on sale in the store of course being fixed in English money".--A.F. Mockler-Ferryman, *British Nigeria* (London: Cassel and Co. 1902), p. 88.

5900/520/13, cf. enclosed records of proceedings in the Supreme Court of Southern Nigeria, Assizes held at Asaba on the 28th day of November, 1901. "Rex versus A.E. W.G. Plank"; Mr. Plank was convicted at the Asaba Assizes on two counts of falsification of accounts and forgery. Plank was at the time the Niger Company's station agent at Idah, which office he held until 19/3/01.

60HoIt Papers, Box 1, file 6, extract from Mr. Drewett's letter dated Onitsha July 5, 1905; Sidney Holt, District Agent, Anambara, to Messrs. John Holt and Co. (Liverpool) Ltd., March 17, 1909. cf. Accounts for February, 1909.

61 See ff. 59. The John Holt firm went one better, using the measure to fleece even their own locally-recruited staff. Their African staff were given contracts "of the usual native type, given to all our clerks in charge of stations--accepting responsibility for all goods entrusted to their care, etc. They are paid in goods--Thirty shillings per month--charged at native prices, the cost of which would be twenty shillings; goods are sent to them at Native prices also. For instance, we dispatch 50 measures of goods (each measure 5s., interior selling prices) and in return we expect 50 bushels of kernels. The prices paid for kernels in these interior places enables us to pay all expenses and get the kernels down to Asaba at the same price paid for them in Asaba itself." (Holt Papers, Box 1, file 6, extract from Jr. Drewett's letter dated Onitsha, July 5, 1905. The italics are mine.

62 Similar adjustments had been made by European traders over the years in other areas of West Africa. Examples include "the bar" in seventeenth century Senegambia and Eastern Nigeria; the "sorting" used in the seventeenth century between the Gold Coast and Cameroons; and the "ounce" of eighteenth century Gold Coast. cf. Marion Johnson, "The Ounce in Eighteenth-Century West African Trade", *Journal of African History*, 7, 1966, pp. 197-214; A.G. Hopkins, *An Economic History of West Africa*, pp. III-112.

63 cf. W.I. Ofonagoro, *The Opening Up of Southern Nigeria to British Trade, and its Consequences*, (Unpublished Doctoral Dissertation, Columbia University, 1972), Chapters 12,13 and 17 for further discussion of this theme.

64 An excellent example of the restriction of trade with foreign countries in favour of British goods was the action of the Colonial Government regarding the import of Japanese goods into the country; "The Imperial Government became perturbed about the entry of Japanese goods, such as socks at 3d a pair, and bicycle at 15/-; in consequence, severe import restrictions were imposed to prevent them driving British goods off the market".--H.L. Ward Price, *Dark Subjects*, p. 253.

65 cf. Basden, *Among the Ibos*, pp. 196-200. M.F. Smith, *Baba of Karo*, (London: Faber & Faber, 1964), p. 81.

66 CO/520/4, Currency Committee Minutes of Evidence, 1899, Q488.



Evidence of Governor Denton. See also Q498-Q502.

67 H.L. Ward-Price, *Dark Subjects*, (London: Jarrold's Publishers, 1939), p. 251.

68 A.G. Hopkins has noted this process in another context. cf. *An Economic History of West Africa*, (New York: Columbia University Press, 1973), p. 207.

69 A.G. Hopkins, "The Currency Revolution in South-West Nigeria in the Late Nineteenth Century", *Journal of the Historical Society of Nigeria*, Vol. 3, No. 3, December, 1966, p. 479.

70 A.G. Hopkins, "The Currency Revolution...." *J.H.S.N.*, 1966, p. 479.

71 00/147/41, Griffiths to Ussher, April 29, 1880.

72 *ibid.*

73 P.R.0: Index of Despatches from Ussher to CO, Lagos, 1880, cf. Summaries of 13509 of July 19, 1880; 16456 of September 9, 1880; and 18339 of October 25, 1880. These documents were unfortunately destroyed by statute.

74 CO/147/41, Griffith to Ussher, 29/4/80.

75 Minutes, F.R.R. to Mr. Meade, 20/7/70, CO/147/41.

76 *ibid.*, See also Payne's Almanack, 1893, p. 43, public notice re. ordinance No.2, of 1880, issued by C.D. Turton, Acting Assistant Secretary, and dated May 11, 1880.

77 00/147/41, Minute by Governor Ussher, Accra, May 8, 1880. The text of the public notice of May 11, 1880, confirms that this was in fact, what was done. As of May 21, 1880, "being ten clear days from the date of this notice", only British silver coins would be accepted as legal tender by the Government of Lagos. cf. Payne's Almanack, p. 43, for text of this notice.

78 PR.0, Index of Despatches from Governor Ussher to C.O., Lagos 1880, cf. Summary of despatch No. 10126 of 27/5/80.

79 *ibid.*, Summaries of despatches No. 10145 of 1/6/80 and 10844 of 17/6/80. The above despatches were destroyed by statute. See also, Hopkins, "The Currency Revolution in South-West Nigeria," p. 480.

80 00/520/4, revise of minutes of evidence, Committee on the Currency of the West African Colonies, Friday, 17th November, 1899, Q518-522 and 451-457. See also, Hopkins, "The Currency Revolution..." p. 480 and p. 481.

81 P.R.O., Index to Lagos Despatches, 1880, cf. Summary of despatch No. 10132 of 31/5/80. Original destroyed by statute; E. Thorp, Ladder of Bones, p. 218.

82 00/520/4, revise of minutes of evidence, Committee on the Currency of the West African Colonies, Friday, 17th November, 1899, Q518-522 and 451-457. See also, Hopkins, "The Currency Revolution..." p. 480 and p. 481.

83 CO/520/8, Moor to C.O., June 22, 1901.

84 Payne's Almanack and Yearbook, 1893, p. 54; See also CO/879/59, (Colonial Office Confidential Print), No. 16, Governor McCallum to Chamberlain, August 4, 1897.

85 cf. CO/879/59, No. 16., McCallum to Chamberlain, August 4, 1897; CO/520/4, Currency Committee, Minutes of Evidence, 1899, Q472-Q473; and Q468.

86 CO/520/4, Currency Committee Minutes of Evidence, 1899, Q470-Q471. Captain George Chardin Denton had the benefit of twelve years experience as Governor on the numerous occasions when the official incumbent went to England on leave. Denton was thus extremely well-placed to comment authoritatively on matters such as this.

87 Ellen Thorp, Ladder of Bones, p. 219.

88 The Lagos Weekly Record, June 4, 1894, cf. General News Section.

89CO/879/59, No. 16, McCallum to C.O., August 4, 1897.

91CO/879/59, cf. No. 18, The Treasury (through E.W. Hamilton) to the Colonial Office, October 29, 1897; and Minutes, Butler to Antrobus, November 22, 1902.

92C0/879/59, Minutes, Butler to Antrobus, November 22, 1902.

9300/446/2.4, Minutes, Butler to Antrobus, November 22, 1902.

94Cf. CO/588/1, for text. Section 2 of this proclamation prohibited all further imports of cowries, and prescribed a penalty of j 50 fine or three months imprisonment for violators of this prohibition.

95Ibid., Section 4.

96The Incorporated Liverpool Chamber of Commerce, Committee of the African Trade Section. Minute Book, 1906-1907, cf. enclosure in page 204, CO to

C.A.T.S., May 1, 1907.

9700/520/72, Treasury (through W. Blain) to CO, 2/10/08. Cf. enclosure, Nigeria Coinage Order, 1908. See also, CO/520/61, Minutes, H.A. Butler to Mr. Strachey and Mr. Antrobus, 23/6/08; and Minutes, R.L. Antrobus to Crown Agents, 17/10/08.

98 CO/520/72, Minutes, Butler to Crown Agents, 17/10/08.

99 00/520/61, Minutes, Butler to Strachey and Antrobus, 23/6/08; CO/520/72, Minutes, Butler to Crown Agents, 17/10/08.

100J.C. Anene, *Southern Nigeria in Transition*, p. 2.95.

101G.T. Basden, *Among the Ibos of Nigeria*, p. 200.

102 Basden indicates that a 100% appreciation in value had been achieved by 1915. Before the 1904 prohibition, 25 Ukwu exchanged for a shilling. After 1904, the ex-change rate changed gradually to 16,15, and 13 Ukwu to the shilling; and by 1915, 12 Ukwu to the shilling. The UKWU = 60 cowrie shells. cf. G.T. Basden, *Among the Ibos of Nigeria*, p. 199.

103 Basden, *Ibid.*, p. 199.

104 Personal Communication. The present author must record his gratitude to Professor Ekwueme Okoli of New York City Community College, to Mr. Metu of Ezianya Ikeduru, Owerri; to Mr. B.N. Oriaku of Umuahia, to Mr. J.W. Aguzie of Isiekenesi, Orlu, and numerous others of that generation who have generously provided much information about cowries and other traditional currencies which they recalled using in the forties, and in some cases, well into 1952.

105 J. Mars, "The Monetary and Banking System, and the Loan Market of Nigeria", in M. Perham, *Mining, Commerce and Finance in Nigeria*, p. 183.

106 Personal Communication. Cowries were used to the tune of Nnu Kuru Nnu in title-taking ceremonies in the Ewurum family in Ogbaku in 1952 and 1954. Cowries continued to be used increasingly for this purpose even after they went out of general circulation.

107Basden, *Among the Igbos of Nigeria*, p. 198.

108Personal Communication: F. Ekeme Okoli of Akpu Village, 1971.

109Personal Communication.

110 Personal Communication: F. Ekweme Okoli of Akpu Village, 1971.

111 The highest denomination of the manilla and the brass rod was valued at 3d. The Moor Administration tirelessly complained that 30 shillings worth of either currency was a man's load, and that it required 10 strong men to carry j 15 worth of either of them.

112 00/879/59, enclosure in No. 21, "correspondence relating to the currency of the West African colonies"; CO/879/59, enclosure in No. 21; CO/520/8, "Currency in Southern Nigeria", The Butler Memorandum, September 9, 1901.

113 00/520/8 Moor to C.O., 12/3/01.

114 Accounts and Papers, Vol. 80, 1903, Statistical Abstract for the Several Colonial and Other Possessions of the United Kingdom, 1888-1902, cd 1729, p. 400. The figures for Lagos were slightly different. Between 1895 and 1901 Lagos imported j 576,348. 1s. 9d. in specie and exported 1 400,480, 12s. 9d. of the same, retaining only . 175,867. Os. Od. worth over the 6 year period.

115 00/520/8, The Butler Memorandum, Sept. 9, 1901.

116 cf. W.I. Ofonagoro, The Opening Up of Southern Nigeria to British Trade, chp. 17.

117 cf. CO/588/1, for text. See also CO/520/13, "Report on the Bluebook for 1900", enclosure in Moor to CO, 24/1/02.

118 CO/879/59, Enclosure in No. 49, Moor to Chamberlain, Nov. 3, 1899; 00/520/9, Pobynt to C.O., 14/9/01.

119 00/444/2, enclosure in Moor to C.O., 1/10/99.

120 00/520/4, Minutes, W.A. Mercer to R.L. Antrobus, March 23, 1900.

121 00/520/8, Minutes, H.A. Butler to Mr. Antrobus, 18/7/01.

122 Ibid.

123 Ibid.

124 In Pre-colonial Niger Igbo communities, the Omu or market Queen had exercised this function, cf. Basden, Among the Ibos, p. 195. In the Delta, the chiefs had exercised similar authority as regards rates of exchange between manillas and foreign currencies.

125 cf. CO/588/1, "Native Courts Proclamation, No. 25 of 1901", section

XXXVI, (ii). 126CO/520/14, Minutes, Butler to Antrobus, April 11, 1902.

127CO/588/1, cf. Text of Native Currency Proclamation, No. 14 of 1902, sections 8 and 9.

128Liverpool Chamber Commerce, C.A.T.S., Minute Book, March 26, 1906 to May 13, 1907, cf. "Commentary on the return of sterling values of Native currency for the quarter ending December 31, 1905: Southern Nigeria Gazette, No. 10, April 13, 1906.

129Report of the Departmental Committee Appointed to Inquire into Matters Affecting the Currency of the British West African Colonies and Possessions, cd. 6427, 1912, cf. Evidence of F.W. Fosbery, Provincial Commissioner, Southern Nigeria, pp. 28 & 29, and p. 126.

130cf. West African Mail, March 15, 1912, "Eboe" to W.N.M. Geary.  
131cd. 6427, 1912, Evidence of Chief Ogolo.

132Ellen Thorp, Ladder of Bones. p. 22.0. See also, The African Mail, August 30, 1912, p. 479, "Openings for trade".

133F.D. Lugard, Report on the Amalgamation of Northern and Southern Nigeria, 1912-1919, cmd. 468, p. 43.

134P A. Talbot, Tribes of the Niger Delta, (London: Frank Cass) p. 284.  
135Personal Communication: Mr. I. Adoki of Okrika.

136Nigerian Legislative Council Debates, 22nd Session, March 14, 1944, pp. 151-152; 170-174 and pp. 199-200.

137cf. A.M.H. Kirk-Greene, "The Major Currencies of Nigerian History, J.H.S.N., Vol. 2, No. 1, Dec. 1960, p. 146; Ellen Thorp, Ladder of Bones, pp. 216-221; The United African Company, Statistical and Economic Review, 3, 1949, pp. 44-56.

138Personal Communication, J.W. Aguzie of Isiekenesi. His father, Job Aguzie of Aba (the present author's grand father) lost his fortune in the "operation manilla" of 1948. Their successors, the colonial elites of South-East Nigeria lost their fortunes again during the Nigerian/Biafra war when Nigerian currency was again changed and when, after the war, the victorious Nigerian Government refused to treat Biafran money as currency.

139Personal Communication. See also Kirk-Greene, "The Major Currencies in Nigerian History", p. 146.

140Ellen Thorp, Ladder of Bones, p. 220.

141Ibid., p. 217.

142H.L. Ward-Price, *Dark Subjects*, p. 2.51. See also Lugard, *The Dual Mandate*, p. 491.

143F.D. Lugard, *The Dual Mandate in British Tropical Africa*, p. 190. See also p. 491, ff: Some idea of the cash amounts of these profits may be gained by the experience of the West African Currency Board. In its first four years of operation, the Board shipped silver coin to the face value of over 1 4 million (excluding British coins repatriated). The Board's assets on June 30, 1917 stood at t 1,867,000, or an average earning of 497,000 per year.

144Ibid, p. 609.

145British rule in Nigeria ended in 1960.