Money in South-Central Africa, 1890–1931: Africans, Imperial Sterling, and Colonial Economy-Building

Tinashe Nyamunda and Admire Mseba

Abstract: In South-Central Africa, British mining companies shadowed colonial monetization in an assertive and coercive manner. In the emerging settler states, African money users were obliged to adjust to colonial money for the payment of tax and transactions. Yet they often found it difficult to obtain access to colonial currency. Company rule in the region was initially closely connected to the South African economy, but currencies separated as a result of South Africa's economy building in the 1920s. Nyamunda and Mseba tell the story of the struggles of African money users in engaging with colonial currency.

Résumé : En Afrique centrale et méridionale, les sociétés minières britanniques ont suivi la monétisation coloniale de manière affirmée et coercitive. Dans les États colonisateurs émergents, les utilisateurs africains de monnaie ont été obligés de s'adapter à l'argent colonial pour le paiement des impôts et des transactions. Cependant, il leur était souvent difficile d'obtenir accès à l'argent coloniale pour leurs échanges commerciaux. Le règlement des entreprises dans la région était initialement étroitement lié à l'économie sud-africaine, mais les monnaies se sont séparées à

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la suite du développement de l'économie sud-africaine dans les années 1920. Nyamunda et Mseba relatent l'histoire des difficultés rencontrées par les utilisateurs africains de monnaie pour s'engager avec l'argent colonial.

Resumo : Na África Austral e Central, as empresas mineiras britânicas ensombraram a monetarização colonial de forma assertiva e coerciva. Nos Estados coloniais emergentes, para pagarem impostos e procederem a transações, os utilizadores de dinheiro eram obrigados a adaptar-se à moeda colonial. Porém, enfrentavam com frequência dificuldades em aceder à moeda colonial para as suas atividades comerciais. Inicialmente, o domínio desta região por parte das empresas mineiras tinha estreita ligação com a economia da África do Sul, mas, em consequência do desenvolvimento económico da África do Sul na década de 1920, as moedas separaram-se. Nyamunda e Mseba contam a história das dificuldades que os utilizadores de dinheiro africanos enfrentam para conseguirem aceder à moeda colonial.

Keywords: Southern Rhodesia; Northern Rhodesia; Nyasaland; Central African colonies; African currency

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Currency is an important indicator of the state of economies. It is neither neutral nor natural. The process of "making" money "is a governance project, one of the most penetrating that societies undertake" (Desan 2014:1). "Money is politics" (Kirshner 2003:645). Foregrounding this understanding of money, this article traces how currency (and its transacting power) mediated economic, social, and political relations in Britain's Central African colonies of Southern Rhodesia (Zimbabwe), Northern Rhodesia (Zambia), and Nyasaland (Malawi) from the early 1890s to the early 1930s.

Our analysis combines two strands of research. The first strand illuminates the logic of the use of currencies in global, imperial, and colonial economic and political relations (Cohen 1998; Krozewski 2001; Hinds 2001; Narsey 2016). Economic and geopolitical dominance over competitors and subject populations allowed Britain to control its colonies for its own benefit. The second dimension focuses on currency policies in colonized spaces. In many parts of Africa, the colonial regime failed, even well into the twentieth century, to displace pre-existing commodity currencies. This was because the adoption of colonial metallic currencies depended on the actions of African money users in the colonies.[1] But in British Central Africa—a region Britain frequently viewed as a single-currency bloc—the tension between imperial interests and the actions of Africans was further complicated by the presence of a significant white settler population. While the settlers shared the imperial government's aim of exploiting the region's mineral, agricultural, and labor resources, their approach to currency also reflected the nature of their relations with Africans. When they failed to reach their objectives, the settlers in British Central Africa improvised, often adopting measures that the imperial government rejected. Likewise, Africans needed to develop alternative forms of banking since the banks that operated in the area served the interests of the region's settlers.

From the fifteenth century onward, currency was an important conduit in encounters between Africans and Europeans. Africans in South-Central Africa participated in the trading networks of the Indian Ocean, exchanging commodities with Arab and Portuguese merchants. Gold, cloth, and ivory gained widespread recognition as mediums of exchange, and these local commodity currencies were mutually convertible with Portuguese money. In Uteve, Manyika, Tova, Musapi, and Misanganji, gold was sold at the rate of four Panos a Matical. The Teve made scales from iron and brass, regulating exchange at one Delgado to three Maticals. In pre-colonial northeastern Zambia, local traders and their Arab, Swahili, and European counterparts also used sea shells, beads, and calico as currency (Bhila 1982).

From the 1890s onward, however, asymmetric power relations were the basis for state practices, economy-building, and currency policies. This article explores colonial relations in South-Central Africa between the 1890s and the onset of the Great Depression in the 1930s, showing the importance of the wider political context of economic extraction that connected currency relations, banking, and the organization of economic spaces within the region's economy of raw material exploitation.

Colonial Monetization and its Challenges

British colonial rule brought a new currency regime to what is now Zimbabwe in 1890, and to Zambia and Malawi in 1891. The region was expected to play a role in sterling management within Britain's financial system, which was the hub of the gold standard. Simply put, gold from the region's colonies would be exported to London, while surplus silver coinage from Britain would be dumped in the colonies. British policymakers "were aware of the immediate national advantages in absorbing an appreciating internationally accepted monetary asset [gold] while losing a depreciating commodity [silver] in payments abroad" (Narsey 2016:49). Having already ensured that South Africa and Australia traded their gold in London and were tied to sterling, imperial Britain deployed the same mechanisms in Northern and Southern Rhodesia (Balachandran 2008).

Besides ensuring that gold from South-Central Africa was sold in London, imperial and colonial officials began to regulate the region's currency in line with the imperial economy. In 1891, a few months after white settlers occupied Mashonaland (which would become one of the provinces of Southern Rhodesia), the colonial government proclaimed Ordinance 3, which established the sterling-based currency of the Cape Colony as the "standard coinage" in Mashonaland.[2] In 1894, Ordinance 6 would extend the use of the coinage to the entire region of what became Southern Rhodesia, Northern Rhodesia, and Nyasaland.

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Under Cecil John Rhodes' British South Africa Company (BSAC), a community of settler pioneers was expected to lay the foundations for a colonial economy; in present-day Malawi, Harry Johnstone envisioned a territory that would "be ruled by whites, developed by Indians, and worked by blacks."[3] British legislation and imperial currency designs provided the framework for the management of this economy. The new colonies were absorbed into the purview of sterling and subjected to conditions not necessarily of their own choosing. Even as the BSAC sought profits from colonial acquisitions, it was the royal charter that governed its operation. The coinage used in the Cape Colony was minted at the Royal Mint in London and "always subject to a reserved power of the home government" (Crick 1965:22). Thus, colonial economic construction was not an event but a process established in fits and starts, influenced by factors such as coin shortages and African resistance, and informed by settler aspirations for autonomy and colonial devolution.

It is telling of the economic ambitions of the BSAC that it set up the financial infrastructure in its colonies at a time when it had only a skeletal administrative structure (Baxter 1969). A year after the 1891 occupation of Mashonaland, parts of the region's British jurisdiction remained in the hands of the High Commissioner for South Africa. The BSAC administration in Mashonaland consisted of an acting resident commissioner who also acted as the magistrate, and Barotseland and the Tonga Pleateau (both in Northern Rhodesia) lacked any administrative agents until 1897 and 1898, respectively. However, a stockbroking firm had been created in Southern Rodesia in 1891, and the Standard Bank was set up in 1892, followed by other banks (Karekwaivanane 2003; Henry 1953). Similar banking institutions were later established in Northern Rhodesia. The construction of this financial infrastructure was intended to facilitate the economic activities of the European settlers who, after their occupation of Mashonaland, swarmed into the countryside in search of the "Second Rand" (Phimister 1988:6).

The imposition of colonial rule, including its monetary dimension, was itself a violent and complex process, "mediated by contestations and conversations, rejection and acceptances, negotiations and complicity" (Ndlovu-Gatsheni 2009:39). Aligning the economy and Africans with the colonial project required, among other things, monetization. This meant the introduction of Cape coins and British silver in Southern, Northwestern, and Northeastern Rhodesia. These currencies conformed to the imperial directive that currencies circulating in the colonies were to be "soundly based, readily convertible, and otherwise compatible with the workings of the gold standard" (Hopkins 1970:101). Even the Cape coinage that circulated north of the Limpopo had been pegged to sterling under the Imperial Coinage Act of 1870 (Mseba 2022). For Britain, the use of British silver coinage or colonial currencies pegged to sterling was a crucial tool of imperial control. Moreover, it eliminated competition in trade and facilitated the easy flow of minerals from Central and Southern Africa to London. Indeed, by the end of the nineteenth century, a mining economy, and along with it a regional labor complex dominated by London and sterling, had emerged in the region.[4]

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Even then, realities on the ground often tempered imperial aspirations. For instance, although both imperial and colonial officials preferred that only British and Cape coins circulate in British-controlled Central and Southern Africa, African labor migrants returning from the gold mines on the Witwatersrand brought with them the coinage of the South African Republic (Mseba 2022:148–49). Getting British silver or the Cape coinage to Central Africa posed another challenge to imperial designs for the exclusive circulation of British colonial currency. Southern Rhodesia, Northern Rhodesia, and Nyasaland were all landlocked; it was difficult, given the distance and insufficient shipping infrastructure, to supply adequate quantities of specie, which led to a perennial coin shortage. The magnitude of the currency supply problem is all the more apparent when one considers the fact that before 1892, when the first commercial bank, Standard Bank, set up its branch in Salisbury, the nearest other bank was at Mafeking, on the northern fringes of the Cape Colony.

The persistent shortage of specie led white settlers to adopt alternatives. One settler reminisced: "No one paid cash for anything—all business was done on credit. One signed cards for all drinks and accounts were rendered monthly."[5] Settlers also exchanged cheques, but these often took more than two weeks to redeem. Moreover, settlers were often dispersed in the countryside in the early days of colonial rule, so that cheques could not be counted upon and were usually refused in individual exchanges. Sometimes, the early settlers resorted to bartering. Hugh Marshal Hole, the Civil Commissioner for Bulawayo, explained the challenges he faced trying to purchase commodities at an auction: with a BSAC cheque of £5.3s.4d., he bought a bag of potatoes for 17s.6d.; since the cheque was indivisible and there were no coins, the auctioneer gave him a pair of secondhand boots valued at £2.10s. and a bottle of Cape Brandy for £1 as change. To settle the balance, Hole was offered "the choice of another bottle of brandy or a doubtful cheque of £.5s."[6]

As coin shortages continued, European settlers in Southern Rhodesian called for the establishment of a state bank. In 1896, W. Fosciety, an economist, suggested to Rhodes that he establish a local bank of issue to solve the problem. Fosciety's project was ambitious; he aimed to create not just a bank of issue but an institution independent of London, even if modelled on the Bank of England. "Such an institution should be conducted to ensure safety to the public and profit to the Chartered Company, as well as providing a favourable investment for capitalists," he stated in his letter to Rhodes.[7] There was no reason, he further stated, "why the Chartered Company should not derive the same benefit to issue bank notes as that which the British nation derives by the arrangement made with the Bank of England." The bank, as he envisioned it, would have one department that dealt with the issuing, circulation, and payment of notes, and another for the "ordinary business of a bank of deposit and discount."[8]

Fosciety hoped to ensure the safety of commerce in the country and prevent any private bank from controlling currency. The State and Public Bank would regulate the printing of notes and curb the "hoarding" of coins

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and their smuggling to South Africa.[9] He admitted, however, that it would be difficult, at first, to establish a convertible currency.[10] Obstacles would be reduced if the BSAC were represented on the board of such a bank. Fosciety envisaged the creation of a mint in Southern Rhodesia and the passing of an ordinance that would compel the state bank to give out banknotes for all gold brought in. The price, designed to support the gold mining industry, would earn a profit of "£3 9s. 7d per ounce of … pure gold," just as in the case of the Bank of England.[11]

In response, Rhodes informed Fosciety that the proposal for a public or state bank was being considered by the home board in London.[12] In fact, one of the first tasks of the Legislative Council (LegCo)—the first form of white parliamentary representation in Southern Rhodesia—on its establishment in 1898 was to draw up an ordinance (to be considered for royal assent by the imperial authorities), which would allow it to regulate banking and note issuance.[13] This idea was never accepted, however, because the bank would have brought some autonomy to Southern Rhodesia's monetary and banking sector, going against London's interests. The home board was especially opposed to the proposal that Southern Rhodesia retain its gold and have its own mint to produce coins (Newlyn & Rowan 1954). Issuance was the preserve of the Royal Mint in London; the British state profited from the resulting seigniorage. Thus, the imperial government deemed it premature to establish such an institution in a colony with only three banks. Formally, however, London agreed to consider the "Ordinance to Regulate Banking and Note Issue" in order to avoid alienating settler support. But the matter was not pursued further.

In the absence of the proposed state bank, currency problems continued. Shortages of specie worsened, especially in the wake of the Jameson raid of 1896 and the Anglo-Boer war of 1899–1902. To improve the situation, Bulawayo's Commissioner Hole suggested that Southern Rhodesia use postage stamps as a temporary currency.[14] Initially, settlers resisted these "worthless stamp cards," but they soon realized that they had little option but to accept them, as the alternative was to pay their African employees with scarce coins.[15] Africans, for their part, did not trust "stamp money," since some employers defrauded their African employees by using old stamps and forged cards. Therefore, officials in the company government temporarily sanctioned the use of stamp currency from August 1900.[16]

In promoting the use of the stamps, which became known as "Marshall Hole notes," the company government acted as a quasi-monetary authority. In a way, the issue of currency stamps had shown how a monetary sector controlled by the government could mitigate the problem of coin shortages. However, the company government's policy lacked the basis of a consistent monetary legislation. This fact, together with the problem of coin shortages, prompted the drafting of the "Banking and Note Issue" bill, which had gained traction at the opening of the first LegCo meeting in 1899.[17] According to Thomas Scanleen, a council member, the bill was "intended to apply the leading principles of the Cape Bank Act of 1891." Scanleen futher stated that "clause 17 provides for the issue in Rhodesia of the notes of the value of £1, £5 and £10, and clause 14 safeguards the interests of the public by compelling the banks to deposit securities against note issues."[18] These clauses addressed some of the points that Fosciety had raised in his proposal for a state bank. The bill also stipulated that in the event of any bank failing to accept banknotes, the BSAC would pay the oustanding notes in gold. Thus, gradually, a state emerged that legislated currency matters as well as banking in Southern Rhodesia in a more systematic manner. Yet both the BSAC and the settlers were getting ahead of themselves. Although unanimously passed in the LegCo, any bill dealing with monetary arrangements required royal assent (Crick 1965:47). The ordinance did not receive assent and was thrown out altogether in 1907.[19]

Alongside the question of currency, meanwhile, the colonial state sought to facilitate the establishment of banking infrastructure. Until 1892, non-banking institutions such as the Mashonaland Agency provided quasi-banking services. This was in itself problematic. The agency was not a bank governed by the British Bank Act of 1844; it did not hold an account with the Bank of England but rather with commercial banks in South Africa. Colonial officials therefore worried about the security of deposits, while settlers expressed concern that the absence of a financial institution would stifle economic growth. The 1892 arrival of the Standard Bank changed the situation. The bank, an editorial in *The Mashonaland Herald* opined, would "have the most important bearing on the trade of this colony. … Monied men of the old world … will soon find out that we offer a fine field for legitimate trading, and especially for the profitable employment of surplus capital with undoubted security."[20] The Standard Bank also served as the state's banker.

It is telling of the economic ambitions of the BSAC that it did not initially deem it necessary to extend the kinds of banking structures that it created in Southern Rhodesia to Northern Rhodesia. (A branch of Standard Bank was only established in Northern Rhodesia in 1906). The British imperial government, the regimes in Southern Rhodesia, and South Africa treated the two northern territories as labor reserves for the economies south of the Zambezi.

Since the banks exclusviely served white settler interests, the marginalized Africans adopted their own initiatives, as a man named Diamond did, seeking to apply the banking concept to African areas. Diamond, a near-contemporary European account relates, was

> credited with having started the first native "bank" in the territory. It was a private bank in the strictest sense of the word. … He was entrusted by guileless depositors with their funds, which were stored in a large padlocked trunk sunk into the floor of Diamond's hut. Unfortunately, his trusting clients found in due course that he had utilised their money for his own private ends. The inevitable "run" on the bank ensued and as a result Diamond spent some of his time in the gaol.[21]

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Denied access to banking, Africans who did not turn to individuals like Diamond held on to their money until they had to meet cash obligations, aggravating problems of liquidity.

Africans harbored other grievances against the new colonial monetary system. Some complaints stemmed from the fact that the colonial currency circulated mostly in large denomination coins, and European traders took advantage of this situation to fleece their African customers. They charged higher rates, rounded off prices, and used the scarcity of low denomination coins to justify their actions. When the colonial state attempted to remedy the situation, European traders pushed back. Traders' objections found voice in Colonel Heyman, a LegCo member, who argued that larger storekeepers and liquor traders would oppose the circulation of copper coins since it would favor those who cut prices. "On the other hand," Heyman conceded, "it is considered that besides the lowering of prices, the circulation of copper would tend to encourage thrift and would make people think before spending a shilling.[22]

To further encourage thriftiness and a culture of saving, the colonial state introduced a bank that, in theory, could be inclusive in terms of class and race. This was the Post Office Savings Bank (POSB). The post office operated more widely than existing commercial banks, which had used it to communicate with their clients (Smith 1967; Madimu & Msindo 2019). The post office also handled money through registered mail services and had been successfully expanded in other countries to provide banking services. Thus, the BSAC sought the assistance of the Cape colonial administration to make provisions for a POSB similar to those that had existed in the Cape Colony since 1884. This facility was especially useful to people living in remote areas (Smith 1967). Southern Rhodesia passed the POSB Ordinance on January 1, 1905. By December 1905, £35,469. 18s. had been deposited. From around 1909, the POSB started providing remittance services free of charge, unlike the commercial banks. Three years later, the bank introduced home safes as another means of promoting "thrift," especially among young people.[23]

Apart from encouraging a culture of saving, the home safes were thought to potentially avert another problem, posed by the so-called "box system." This system, fairly widespread among migrant laborers in other parts of the British Empire (Graves 1983), emerged as an unofficial form of credit, and an exploitative tool of colonial monetization. A LegCo member described the system as it obtained in 1912. An African laborer, he said,

> entered a store with his first month's wages and bought a box—the more gaudily coloured it was the better. The box was left in the store in the charge of the seller. The next month when the native had more wages he might enter the store and buy certain goods from the dealer with a view to saving up articles with which to return to his home. The goods were then placed in the box. Sometimes the full amount of the purchase price of the goods was not paid, or the whole of the goods might have been bought on credit. In the latter case the dealer became a creditor in regard to the goods which were

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> placed in the box. It was a system which was fraught with a big amount of evil.[24]

So rampant was this evil practice that in one case, "a man went insolvent and the trustee in the estate had something like 200 boxes in his possession in one store."[25] African workers usually failed to complete payments, and their boxes were seized and auctioned by the store owners without any compensation for money already paid. In fact, "only half the *boys* got their boxes back again and some of them got so much into debt that they left their boxes altogether with the dealer."[26] Moreover, prices could be increased at any point. The problems that plagued this system, as well as the low wages that European employers usually paid their African employees, meant that workers frequently deserted. Consequently, in 1912, the LegCo passed a bill criminalizing the box system.

For the European settlers, a saving culture was part of a drive to build capital to promote their economic activities. If people saved more, they would accumulate funds for the purpose of developing agricultural enterprises, for instance. However, since personal savings were often inadequate for this purpose and expatriate banks were restrictive in lending, the POSB legislation coincided with a proposal for a loan ordinance aimed at assisting farmers with farm improvements.[27] When this proposal foundered, the BSAC established the Land Bank in 1912, which primarily catered to white farmers and discriminated against blacks.

Disruptions and Continuities during the First World War and its Aftermath

The POSB and the legislation banning the "box system" were measures aimed at dealing with monetary problems emerging within the colonies. But since the colonial monetary system was tied to sterling, British measures relating to the pound were deeply felt in the colonies, though often prompted by developments elsewhere. The First World War put additional pressure on colonial monetization and hampered the delivery of coins to the colonies. Seeking to prevent an overvalued pound and soaring export prices at a time of diminished industrial production, Britain left the gold standard in 1914, rejoining in 1925 before abandoning it again in 1931. Because the colonies' currencies were tied to sterling, they inevitably followed Britain's path.

To get a sense of the situation in the colonies, the imperial government requested that information regarding colonial currency arrangements be sent to London annually.[28] London asked the colonies to report on changes in the laws or regulations affecting metallic currency, government currency notes, and banknotes. Colonies needed to provide data regarding reserves in gold and silver coin, the proportion of the reserve to paper money in circulation, and the circulation of coins, including their physical condition, also distinguishing between British gold coin, foreign gold coin, local metallic currencies, and notes.[29] All these measures were aimed at monitoring

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colonial currency arrangements in order to cushion the inflationary pressures that might arise if a large amount of colonial money flowed back to Britain. But the old problems of coin shortages in the colonies persisted. In Southern Rhodesia the secretary of the Salisbury Chamber of Commerce, E. A. Haster, complained that, “the present shortage of silver [was] dislocating business and causing considerable inconvenience.”[30] He suggested a remedy that had a familiar ring to it: a revival of a Boer war era policy wherein postage stamps were issued by the government as coupons which would be acceptable as legal tender at all Post Offices and throughout the territory.[31]

Treasurer Milton, however, refused to follow this advice, arguing that the problem would quickly pass and that although there was a persistent shortage of silver, further supplies were “expected very shortly” and “native tax” would “bring into circulation a considerable quantity of coin.”[32] The latter point is significant. A considerable amount of the coinage in the colony was in the hands of Africans who were saving the currency for the tax-paying season. The fact that these coins had not been absorbed by the banking system where they would easily circulate reflected the contradictions of discriminatory colonial policies that denied Africans access to banks.

Ultimately, the government encouraged the use of banknotes, but the amount of notes issued was based on coins held by the banks. Thus, a scarcity of coinage meant a limited note issue. F.W.T. Posselt, the Superintendent of Natives for Bulawayo, blamed Africans for problems of “obtaining silver for native trade purposes,” drawing on racist stereotypes of the unsophisticated African, even if also reproving the banks for “allowing” the shortage of silver.[33] Posselt stressed that problems with the note issue arose from the fact that, “the Native does not understand, could not be made to understand the finesse of exchange.” Any explanation “would create suspicion in his mind.” “We,” he added, “have educated him up however reluctantly on his part to the acceptance of notes; if he cannot obtain sterling value for the same such acceptance will cease.”[34] What Posselt missed in this racist rant was that Africans refused notes because some traders did not accept them for their actual face value. If anything, Africans in South-Central Africa and elsewhere across the continent were aware that they lost out during colonial currency transitions (Pallaver 2019; Breckenridge 1995). One colonial official captured these concerns well when he noted that

> owing to the banks’ refusing to supply silver, the traders are not in a position to give out change unless in the ratios allowed in note circulation, 10/- or £1 etc, [The African] cannot have the goods, as the trader cannot give change, [the African] is at once under the impression [that] he is being swindled and the note operation is disparaged.[35]

Moreover, as Posselt himself conceded, excluded from formal banking institutions, Africans in Southern Rhodesia opted for coins because of their durability compared to paper money. “Owing to the shortage of gold,” Posselt elaborated, “the natives are … holding all silver they can get as notes are

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perishable and easily destroyed by white ants and rats."[36] Other officials blamed traders for hoarding silver coins.[37] For their part, traders justified hoarding as a logical response to wartime conditions.

The alleged irrational attitude among Africans toward banknotes was, as shown above, influenced by practical considerations in particular circumstances. In any case, the acceptance of notes steadily increased in this period because coin shortages left few alternatives. Posselt, however, attributed feelings among Africans that they were being cheated to their own misunderstanding of an unavoidable situation. To be sure, Africans had to discharge some of their accumulated silver to the government during tax collection. However, tax payments were insufficient to solve the problem of the scarcity of silver coins, even if they provided some relief.

With the war going on, the big mining companies such as the Globe and Phoenix mine also faced coin shortages for the payment of labor, and they requested that the government sanction alternatives used in the past, such as coupons.[38] There were many similar pleas, but the government rejected the use of coupons. Still, the mines needed coins to pay wages, and the banks did not have the required amounts of silver. Therefore, in spite of government objections, the Standard Bank resorted to issuing coupons pending the resolution of the coin shortages.

Coupons came in the values of 5s., 2s., 1s., 6d., and 3d.[39] One side of the coupon indicated its value and origin—that it was from Falcon mine or Globe and Phoenix, for example—as well as the resident secretary's signature. The reverse side read: "This coupon is value of the amount stated on the face value thereof, and has been issued in payment of wages owing to the scarcity of silver coin. An amount equivalent to Coupon issue has been deposited with the Standard Bank of South Africa Ltd, Umvuma branch, who will credit such coupons at the value stated hereon."[40] Employees who were paid in coupons exchanged them freely and used them as currency in the shops and among themselves.

Although the Southern Rhodesian state mostly turned a blind eye to the practice, some members of the regime occassionally complained. For instance, the Chief Native Commissioner argued that the system risked abusing African workers. The Attorney General voiced similar concerns. He proposed putting an end to the system by

> giving notice that after a certain date only silver and gold would be accepted in payment of wages. This might be done either where the system has become discredited by abuse or where the shortage of coinage no longer exists. The Native department would be the avenue of negotiation between employer and employee.[41]

It should be noted that such distrust of the coupon system was not entirely altruistic. Rather, officials feared that if black workers felt cheated through the coupon system, they would become discontented and not avail their

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labor.[42] Thus, the colonial state came under pressure to abolish the system and resolve the problem of coin supplies that bedeviled the country.

Another facet of the story in the years between 1919 and 1922, when silver prices soared, shows the importance of considering specific contexts. At that time, it became important in South-Central Africa, as in other colonies, to prevent the outflow of silver rather than its hoarding. The Cave Commission recommended, in line with imperial policy designs, that the government should restrict the export of silver and gold which was bleeding the country of its coinage stock. In 1920, the BSAC government prohibited the export of gold and silver in coin above £5, including in the form of jewelry above the value of £25.[43]

Melting down coins was also outlawed. Anyone not abiding by this law was fined up to five hundred pounds upon conviction or imprisoned for up to one year, or both.[44] Considering the relatively low level of currency allowed for export, the punishment was draconian. The government also sought to increase the amount of banknotes in circulation by ensuring that the face value written on the notes was more easily recognizable, resulting in notes becoming more acceptable to Africans.[45] Popularizing the use of notes among Africans reduced coin shortages to some extent.

Currencies, Legal Tender, and Economic Spaces after Company Rule

Coin shortage was not the only currency problem that hampered colonial economy building in British Central Africa. By the 1920s, colonial administrators in Northern and Southern Rhodesia and Nyasaland had to contend with the challenges posed by the continued circulation of a multiplicity of currencies within their territories. Cape (and later South African) and British coins had circulated together in Southern and Northern Rhodesia since the 1890s. In principle, this parallelism facilitated trade and the payment of labor migrants from across Central Africa. Following the establishment of the South African Reserve Bank in 1920 however, problems with the arrangements became evident, when the Union of South Africa introduced a new set of coins and, shortly thereafter, moved to demonetize British silver coins. Southern Rhodesian settlers felt that this move disdvantaged them while benefiting their more powerful southern neighbors.

The controversies that followed this development reflected the disparate interests of officials in the British Colonial Office and the colonial states in Central Africa, particularly in Southern Rhodesia. When South Africa demonetized British silver coins, Southern Rhodesia demanded a share of the proceeds that accrued from payments made to South Africa. For their part, officials in London insisted that Southern Rhodesia should not receive any payment but continue to use both South African and British currency as stipulated by the currency ordinance of 1891. Interestingly, Southern Rhodesia entered into an agreement with the Union of South Africa, according to which it would receive a "share of the profits on the coining of silver imported from the Union and circulating in [its territory]."[46] This was a compromise that ensured that Southern Rhodesia would follow the law while deriving some financial benefit in spite of South Africa's new currency legislation. Yet the practice defied Britain's attempts to maintain some control over currency matters in the colonies. This objective was embodied in the 1923 constitution, which gave Southern Rhodesia limited autonomy under "responsible government" but precluded it from passing any law on currency matters without imperial approval.

The debates regarding currency powers and the circulation of British and South African coins brought into sharp focus concerns about the structure of regional economies in South-Central Africa. After the demonetization of British silver coins in South Africa, some officials in the region argued that currency arrangements in the three British Central African colonies ought to be reorganized jointly. This discussion was temporarily shelved because officials in London contemplated a more radical solution for Southern Rhodesia, namely the adoption of the South African currency due to the country's close trade links with South Africa.[47] These officials emphasized Southern Rhodesia's differences from Northern Rhodesia: "It belonged more properly to equatorial Africa than Southern Rhodesia, while Nyasaland is entirely equatorial, and, moreover, is not like the Rhodesias, supplied at all through the Union Railway system." Consequently, officials argued, Nyasaland should "stick to the Imperial silver coinage, unless they determine upon a subsidiary currency of their own …"[48] However, Northern Rhodesia, too, the same officials argued, should be persuaded to adopt South African coinage on the promise that it would receive some annual payment from South Africa.[49]

The Great Depression put an end to these plans due to the different responses by Britain and South Africa to the crisis. In September 1931, Britain left the gold standard, allowing the pound sterling to depreciate. South Africa, in contrast, adhered to the gold standard for a further fifteen months. As a result, during this period the value of the British pound was lower than that of the South African pound. The intricacies of the currency question came to a head in migrant labor relations. The South African pound —along with the British pound—was legal tender in Southern Rhodesia, whereas in Northern Rhodesia and Nyasaland it was not. But returning migrant laborers carried with them the South African currency. Caught between these divergent policies, Britain's Central African colonies agonized on the proper course of action.

Ultimately, the economic interests of powerful local classes and British imperial policy prevailed. On September 26, 1931, the Governor of Northern Rhodesia sent an urgent telegram to the Secretary of State for Colonies in which he explained his decision to follow Britain off the gold standard. As he reported:

> I have discussed the position with Boise, Director of Selection Trusts and Pollak, Director of Rhokana and have also seen telegrams from Auckland Geddes and Chester Beatty to British South Africa Company Livingstone

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> which state that if Northern Rhodesia follows Union of South Africa and remains on gold basis mines may suspend operations. Mining industry is vital to Northern Rhodesia … Northern Rhodesia should adhere to British sterling basis and not follow the example of South Africa. … Northern Rhodesia would be in the same position as Great Britain in relation to Union of South Africa as regards rate of exchange but I consider this less injurious than adverse rate of exchange between Great Britain and Northern Rhodesia.[50]

The decision to leave the gold standard was made in the interest of the large corporations that dominated Northern Rhodesia's copper industry. The situation in the economy, however, was complicated by the fact that the currency circulating in Northern Rhodesia was issued in Salisbury, in Southern Rhodesia. Therefore, as the governor pointed out, "if Southern Rhodesia follows [the] gold standard policy of [the] Union of South Africa and left British sterling then provision for a separate note issue would be required."[51] Therefore, decisions on currency in Southern Rhodesia assumed great importance for both officials in London and the copper barons of Northern Rhodesia.

In light of this, on September 28, 1932, Henry Birchenough of the BSAC wrote to the Southern Rhodesian Prime Minister, H.U. Moffat, stating that it was his company's "feeling" that, as an exporting country, Southern Rhodesia ought to "follow sterling" as Northern Rhodesia was doing.[52] Birchenough was bidding for the BSAC, which still controlled the Rhodesian railways. Moffat, however, also told J. Downie, the colony's High Commissioner in London, that "Standard Bank of South Africa advise we should follow Union of South Africa."[53] In the end, both Downie and Moffat preferred to follow British sterling policy, arguably in an attempt to appease powerful mining and agricultural interests in Southern Rhodesia, which stood to gain from a close association with British imperial policy.

Conclusion

Money in South-Central Africa was shaped by British imperial designs and interest groups. Britain obstructed attempts at creating autonomous monetary and banking institutions in the colonies, vetoing the creation of a state bank in Southern Rhodesia in the late 1890s. Its veto power allowed London to govern an empire-wide sterling system, regulate commodity prices, and manage colonial markets to the benefit of the imperial economy. Colonial monetization in the economies of Southern Rhodesia, Northern Rhodesia, and Nyasaland, however, was a drawn-out process that happened in fits and starts. It involved competing interests: Britain with its prerogatives on sterling management; the big mining firms aiming to create a congenial monetary system; the settler state in Southern Rhodesia which did the bidding of its white constituency; and Africans whose relations to colonial monetization were inherently uneven.

The region in this period faced a persistent shortage of specie. Imperial and local monetary authorities, settlers, and mining interests were divided on how to address this challenge. Colonial administrators introduced stamped coupons which benefitted the European market. Africans were excluded from policy processes, but they participated in a variety of informal ways. Some of these arrangements were clearly exploitative. As such, money users in the colonies often had to improvise. Colonial administrators introduced stamped coupons as a stopgap measure to facilitate monetary transactions, to the detriment of the Africans. Excluded from the banking facilities that catered to white settlers, some Africans sought novel ways to store their savings. Many others fell victim to the predatory "box system" of European store owners.

After the introduction of "responsible government" in Southern Rhodesia in 1923 and the retreat of the BSAC as the governing authority, a closer association was fostered between regional and imperial monetary arrangements in the areas important for mining extraction. A trend that delineated British South-Central Africa from South Africa deepened when Britain left the gold standard in 1931 while South Africa adhered to it for another year and a half. As the South African currency ceased to be legal tender in South-Central Africa, colonial economies were exclusively governed by sterling policy. The colonial currency legislation of 1932 and the creation of a currency board in 1938, instead of a central bank like DCO, provides further evidence of imperial Britain retaining a modicum of control over a reluctant settler state.[54]

This article has focused on agency and the experiences of money users in the region. Perspectives on monetary history in this part of Africa are rare. It is therefore fitting to conclude with brief observations on complementary agendas for prospective research. Among these may be the use of quantitative studies on macro-economic relationships, which can help to test the effects of change on disparate socio-economic groups.

The most pertinent line of inquiry involves the gold standard debate. Pegging colonial currencies to gold was a means of ensuring stable trade with raw-material-producing countries, thereby reducing transaction costs for Western industrial countries by securing a fixed exchange rate and preventing the accumulation of debt (Helleiner 2002). During the First World War and much of the interwar period, however, the link with gold was interrupted and questioned. How did the decline of the gold standard affect different groups of money users? Who bore the brunt of exchange rate instabilities? Regarding the period from 1919 to 1922, when silver appreciated and its outflow from the region posed a danger to the imperial economy, one would need to know more about the relations of the South-Central area with British East Africa. As demonstrated in studies on the East African currency crisis at the time (such as Gardner 2022, in this issue), further lines of inquiry would deepen the investigatigation into how this affected British policy considerations.

Other studies can examine the extent of the impact of, for instance, Britain leaving gold in 1931, especially on mining companies in South-Central Africa. Sources remain silent regarding the predicament of African mineworkers, for example. Here, the different structures of economies in the region also need to be considered. In Northern Rhodesia, the effects of the move arguably impacted the economy as a whole, given the importance of the migrant labor sector related to South Africa. The question of exchange rate changes, in turn, links up with considerations about access to capital, interest rates, and debt, which call for more research on the mining firms. For "ordinary" Africans, though, until the "box system" was abolished in 1912, questions of credit and debt had little to do with macro-economic relations. Africans were at the mercy of shop owners and colonial regulations. With the formation and expansion of the Post Office Savings Bank, Africans could earn interest on savings, but the bank provided no business loans (Madimu & Msindo 2019).

Finally, the aim of the creation of the Southern Rhodesia Currency Board in 1938 (Mseba 2016), which covered all three territories of South-Central Africa, was to stabilize the colonial currency within the imperial sterling economy, as had been the case with its predecessors in West Africa and East Africa. Yet we still need to explore how this move affected different socio-economic groups and what the impact of a counterfactual scenario would have been.

All questions involving African money users suffer from a scarcity of source material. Moreover, historical realities fit uneasily with clearly circumscribed models of national economies. Agency and experiences were politically framed in the context of an extractive colonial economy and a settler state. In this story, Africans were placed at the whims of the colonial economic system. Currency policy was only modified if it threatened their participation in the economy as suppliers of cheap labor. Ideally, research on African experiences could also be conducted with the help of quantitative and counterfactual studies of the impact of macro-economic changes on money users. In the area of monetary history, the involvement, innovations, and encounters of African colonial experiences with exchange may constitute important research challenges for the future.

Notes

1. See, for example, the essays in Guyer (1995), and Pallaver (2022).
2. National Archives of Zimbabwe [NAZ] D 3/9/1, "The Currency Media of Rhodesia: From the Time of the Charter to the Federation."
3. Quoted in Rotberg (1965:17).
4. For the centrality of the Sterling even on the Witwatersrand, see Breckenridge (1995).
5. NAZ ST2/1/1, K.A. Byrne quoted in "Reminiscences on the Operations of the Standard Bank." The interviews were prepared for Amphlet (1914), but never used.

6. Hole (reprint 1969). Hole was an important company administrator who had done clerical work for the BSAC in Rhodes' office. In 1898, he acted as Secretary to the Administrator of Matabeleland at Bulawayo where he drafted his notes.
7. NAZ T2/1/1, Letter from W. Fosciety to Cecil John Rhodes, August 24, 1896.
8. Fosciety to Rhodes, August 24, 1896.
9. Fosciety to Rhodes, August 24, 1896.
10. Fosciety to Rhodes, August 24, 1896.
11. Fosciety to Rhodes, August 24, 1896.
12. NAZ T 2/1/1, Letter from Rhodes to Fosciety, not dated.
13. "An Ordinance to Regulate Banking and Note Issue", NAZ A 11-2/15/1-2.
14. Henry: 155.
15. *The Rhodesia Herald*, August 9, 1900.
16. NAZ D 3/9/1, "The Currency Media of Rhodesia:" 15.
17. Opening speech by Milton, *Southern Rhodesia Legislative Council Debates*, May 15, 1899.
18. Quoted in *Legislative Council Debates*, May 19, 1899.
19. NAZ A 11-2/15/1-2, Letter for Sir William of the London office responding to L. Mitchell, the Administrator of Southern Rhodesia, January 7, 1907.
20. *The Mashonaland Herald*, August 9, 1892.
21. Henry: 134.
22. Quoted in *Legislative Council Debates*, June 6, 1904.
23. Annual Reports of the POSB, NAZ, A11-2/18/2.
24. *Southern Rhodesia Legislative Council Debates*, May 7, 1912, Col.21.
25. *Southern Rhodesia Legislative Council Debates*, May 7, 1912, Col.21.
26. Quoted from above Col.22.
27. As indicated in the bill read by the treasurer, *Southern Rhodesia Legislative Council*, April 26, 1905.
28. NAZ T 2/29/24, Letter from J. H. Schott to Lord Gladstone, May 18, 1914; also letter forwarded from Gladstone to Administrator of Southern Rhodesia, W.H. Milton, July 1, 1914.
29. NAZ T 2/29/24, Schott to Milton.
30. NAZ T2/29/39/1, Letter from E.A. Haster to the Secretary to the Treasury, June 11, 1920.
31. Haster to the Secretary to the Treasury, June 11, 1920.
32. Secretary to the Treasury to Haster, June 12, 1920.
33. "Report on the Enquiry on Facilities for Obtaining Silver for Native Trade Purposes."
34. "Report on the Enquiry."
35. Superintendent to CNC, June 17, 1920.
36. Letter from Superintendent of Natives for Bulawayo to CNC, June 17, 1920.
37. Superintendent to Chief Native Commissioner (CNC), June 17, 1920.
38. NAZ T2/29/39/1-2, 1920. This reflects the general situation during the war.
39. "Report on Facilities for Obtaining Silver for Native Trade Purposes."
40. "Report on Facilities for Obtaining Silver for Native Trade Purposes."
41. *Southern Rhodesia Legislative Council Debates*, 1920 (no date)
42. NAZ T 2/29/39/1-2, Letter from Chief Native Commissioner to Administrator, July 27, 1920.
43. Government Notice No. 256 published in the *Government Gazette*, May 7, 1920.
44. *Government Gazette*, May 7, 1920.
45. See Bank Notes Ordinance 1922.

46. Extract from the Legislative Assembly of Southern Rhodesia, April,10, 1930, TNA [The National Archives, U.K.] T 160/153.
47. RAJ (other details missing), November 28, 1924, TNA T 160/153.
48. RAJ (other details missing), November 28, 1924, TNA T 160/153.
49. RAJ (other details missing), November 28, 1924, TNA T 160/153.
50. Governor of Northern Rhodesia to Secretary of State for Colonies, September 26, 1931, TNA T 160/557.
51. Governor of Northern Rhodesia to Secretary of State for Colonies, September 26, 1931, TNA T 160/557.
52. Birchenough to Prime Minister, Rhodesia, September 28, 1931, TNA T 160/557.
53. Prime Minister of Southern Rhodesia to Rhodesian High Commissioner in London, September 28, 1931, TNA, T 160.557.
54. Studies examining monetary developments beyond the period under review include Nyamunda 2017a and 2017b.

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