

# How and why did the rupee become the currency of Zanzibar and East Africa?

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## Introduction

The island of Zanzibar, now a place whose name is familiar to more people as a tourist destination than can pinpoint its location in the western Indian Ocean, was, in the nineteenth century, a wealthy and important place. Connected to eastern Africa, the Gulf and India by Indian Ocean trade routes, its economy grew rapidly in the first half of the 19<sup>th</sup> century. Recognising the growing importance of the island, its ruler, Said bin Sultan Al-Busaidi, Sultan of Oman, moved his capital to Zanzibar in 1840, around the same time as European and American consuls established consulates on the island to look after their citizens' and merchants' interests (Sheriff 1987). Sultan Said's daughter, Princess Salme, wrote that his wealth was stored as property, houses, slaves, cattle, jewellery, and also in cash – the latter two kept in the house in a special chest with drawers in it. Treasuries in each of his residences were "full of Spanish gold coins, English guineas, and French louis [gold coins]" and the Sultan's personal wealth was inseparable from the state finances, a situation common to other Muslim rulers in Africa (Hunwick et al. 2005). In general, gold coins were kept as stores of wealth, while silver coins tended to be used in transactions, as well as in annual gifts made by the Sultan to his wives and children along with cloth, perfume, and other luxury commodities (Reute 2009, pp.15,28,96,172). By around 1900, however, a very different political situation prevailed, in which European rather than Omani rule dominated, and the dominant currency on the eastern African coast had become the Indian rupee. Indeed, this coin was made legal tender in British East Africa in 1898, providing legal backing to the currency that had by then been the only silver coin in use on much of the coast for some time.

This seems at first glance to be unsurprising, given the ocean trade routes, and processes of globalisation that brought Zanzibar into closer contact with other parts of the world during the 19<sup>th</sup> century (e.g., Prestholdt 2008, 2012; Metcalf 2008). Erik Gilbert argues that Zanzibar had a crucial role

place in an Indian Ocean "shaped by British India" (Gilbert 2015). In this context, the reasons for the rupee becoming the currency of Zanzibar and of eastern Africa, replacing European and American gold and silver coins, seem to be simple. Given the importance of links to western India, so the commonly-accepted argument goes, merchants brought with them the coin that most easily facilitated trade with ports in India, and the rupee entered circulation gradually and naturally. To give just two examples, numismatist Shailendra Bhandare characterises the rupee's use on the African coast as "the fallout of the trade and political links the region had with Oman" – and economic historian Ed Ferguson explains that the rupee became currency at Zanzibar "because of the close commercial ties with that mighty British colony and the powerful role of its merchants in the Zanzibar economy" (Bhandare 2007). This chapter, however, argues that these assumptions, although apparently logical, are incorrect.

This chapter begins by describing the multiple currencies in use at Zanzibar in the mid-nineteenth century, before considering several attempts to fix the values of coins. Looking in detail the 1860s, I will show that it is possible not only to determine exactly when the rupee began to be used in Zanzibar, but also to identify that it was the economic and trade impact of the American Civil War that precipitated a currency change in eastern Africa. The picture that emerges is one that shows that the rupee did not come into circulation at Zanzibar (and from there in Eastern Africa) as a natural result of Indian Ocean trade links, but in spite of them.

This chapter also sheds light more broadly on the processes of globalisation. Classic studies of these have discussed price convergences in commodity trade, with Kevin O'Rourke and Jeffrey Williamson arguing this to be a key measure of globalization (O'Rourke & Williamson 1999; 2002, p.26). Looking in particular at the Atlantic, they argue that a dramatic reduction in transport costs, and price convergence, indicate that globalisation began in the nineteenth century rather than earlier. In this context of increased global trade, there were advantages in reducing transactions costs, which Eric Helleiner argues was one of the key factors in the development of colonial currency policies (Helleiner

2003). This case study, however, shows that communities did not necessarily push their national currencies unless it was in their interest to do so, and they also had the practical ability to do so. Nor was this a case where currencies competed in a sort of "Darwinian struggle" to find the most advantageous (Cohen 2000, p.96). In Zanzibar, the balance of local and global interests was complex, and the island was simultaneously linked to the Atlantic and Indian Ocean trade networks. Although they tried to exert their influence, there were clear limits on the bargaining power of European and American consuls and merchants in Zanzibar. When the balance of merchants' interests changed, in this case suddenly and in response to trade disruption resulting from the American Civil War, it was not always possible to revert to the situation that had prevailed before. The introduction of the rupee into circulation in Zanzibar was intended as temporary expediency, but ended up becoming rather more long-lived.

### **Multiple currencies and fluctuating values**

Explorer Richard Burton wrote an account of his visit to Zanzibar in 1857, including a detailed description of currency there. References to the "dollar", he explained, always referred to the Maria Theresa thaler, and merchants kept their accounts in dollars and cents. The thaler was also a standard of weight used in the bazaars in Zanzibar, called *wakia*, and used for weighing expensive commodities like gold, silver and perfumes, as well as the unit in which goods were priced, with varying quantities of foodstuffs and other commodities sold for a dollar (Steere and Madan 1884, p.456).<sup>1</sup> The thaler was not the only coin in circulation, and there were also silver dollars (8-reales coins) from Spain and South

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1. C. P. Rigby, 'Currency' (1859) report enclosed with despatches to London, Zanzibar National Archives (ZNA) AA 2

America, silver 5-franc coins imported by French merchants (which circulated only at an 8-10% discount), as well as Spanish and English gold coins brought from Mozambique (Rigby 1862, p.248). Burton reported that the value of silver dollars, or pillar dollars, was subject to “incessant fluctuations”, from which moneychangers made significant profit (Burton 1860, p.529; 1872, p.405). Other writers around the same time give similar descriptions, and make clear that any coin other than the Maria Theresa thaler circulated with difficulty or at variable values. American Consul Charles Ward wrote in January 1851 that “the only coin that has a fixed & reliable value is the German Crown [the Maria Theresa thaler],” and six years later his successor Danile Mansfield wrote that pillar dollars “do not circulate freely” and that merchandise was “bought and sold for dollars [thalers] and cents”. (Bennett and Brooks 1965, pp.473-74, 500).

Writing in 1859, newly-arrived British Consul Christopher P. Rigby reported on trade in Zanzibar, and the commodities imported into and exported. However, he noted that since no duty was charged on exports, and no manifest required from departing ships, his figures for exports were unreliable as he had compiled the report based on information from the Customs Master and European and American merchants in Zanzibar. Nonetheless, the tables in the report clearly show the scale and value of the entrepôt trade in Zanzibar, and the types of goods involved.

(Values in Maria Theresa thalers)	Imported from	Exported to
<b>Arabia</b>	\$79,231 (1.9%)	\$105,200 (3.1%)
<b>British India</b>	\$448,230 (11.0%)	\$467,500 (13.8%)
<b>Cutch</b>	\$260,424 (6.4%)	\$313,400 (9.2%)
<b>East Coast of Africa</b>	\$1,636,500 (40.0%)	\$1,233,900 (36.4%)
<b>France</b>	\$516,451 (12.6%)	\$247,500 (7.3%)
<b>Great Britain</b>	---	\$25,050 (0.7%)

<b>Hamburg</b>	\$455,701 (11.1%)	\$161,000 (4.7%)
<b>Madagascar</b>	\$89,000 (2.2%)	\$73,800 (2.2%)
<b>Singapore</b>	\$35,523 (0.9%)	---
<b>United States</b>	\$568,795 (13.9%)	\$534,100 (15.5%)
<b>West Coast of Africa</b>	---	\$230,000 (6.8%)
<b>TOTAL</b>	\$4,089,855	\$3,391,500

Table X.1: Total values of imports and exports at Zanzibar, 1859. Source: C. P. Rigby, 'Shipping 1859' (1859)

reports enclosed with despatches to London, Zanzibar National Archives (ZNA) AA 2 4.

(Values rounded to nearest £ sterling)	<b>Imported</b>	<b>Exported</b>
<b>Brass wires</b>	£7,556	£8,444
<b>Bullion</b>	£166,667	£82,222
<b>Cloves</b>	---	£55,667
<b>Coconut oil</b>	---	£4,067
<b>Coconuts</b>	---	£2,711
<b>Copra</b>	---	£13,333
<b>Cottons – American</b>	£93,744	£103,890
<b>Cottons – English</b>	£37,711	£35,895
<b>Cottons – Indian</b>	£53,777	£50,089
<b>Cowries</b>	£33,333	£51,444
<b>Ghee</b>	£7,778	£2,667
<b>Gum copal</b>	£33,333	£37,167
<b>Gunpowder</b>	£8,875	£11,667
<b>Hides</b>	£17,778	£25,556
<b>Ivory</b>	£195,556	£146,667
<b>Jowar wheat &amp;c</b>	£7,022	£156
<b>Mangrove poles</b>	---	£1,250
<b>Muskets &amp; fowling pieces</b>	£18,840	£15,111
<b>Red pepper</b>	---	£1,422
<b>Rice</b>	£38,445	£1,445
<b>Salt fish</b>	£8,889	---
<b>Sandalwood</b>	£7,778	£667

<b>Sesame seed</b>	£5,333	£20,800
<b>Silk – Muscat lunghis</b>	£11,889	£10,000
<b>Slaves</b>	£57,778	---
<b>Venetian beads</b>	£21,880	£25,556

Table X.2: The top 20 articles imported and top 20 exported at Zanzibar, by value, 1859. Source: C. P.

Rigby, 'Principal Articles of Import at Zanzibar' and 'Principal Articles of Export at Zanzibar' (1859) reports enclosed with despatches to London, Zanzibar National Archives (ZNA) AA 2 4.

Much of the bullion imported and exported would have been coins of various types, and it is also notable that some of the most important commodities listed - including cotton cloth, beads and brass wire - were used as currencies in Eastern Africa (Pallaver 2019, pp.71-92; Prestholdt 2008, p.7). However, on the island, these non-coin currencies were not used as money, but were usually exchanged between merchants as bundles of goods. Larger transactions at Zanzibar could be arranged by exchanging goods, based on credit, or settled through money transfers organised by merchants based there. Whether for trade with mainland Africa, or to equip and supply explorers like Burton, Zanzibar merchants would typically advance money and merchandise, for repayment either on their return, or through money transfers (Loarer 1851, p.294; Sheriff 1987, pp.126-127). Money was usually advanced at 8-12% interest, although this might sometimes be indirectly rather than directly charged, and 100 thalers in Zanzibar was worth between 213 and 220 rupees in Bombay.<sup>2</sup> Rigby's report estimated that "nearly the whole of the foreign trade" passed through the hands of the 5000 British Indian subjects resident at Zanzibar, and that they had also bought or obtained possession by mortgage of a number of

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2. C. P. Rigby, 'Currency' (1859) report enclosed with despatches to London, Zanzibar National Archives (ZNA) AA 2



estates on the island (Sheriff 1987, pp.108-109).<sup>3</sup> So, it is perhaps surprising that the rupee was neither in circulation there, nor used as a money of account. Even the British Consul, who was the representative of the Indian government at Zanzibar, kept records of amounts payable in Zanzibar in thalers, while recording amounts payable in Bombay in rupees, and deposited the balance in thalers with Customs Master Damji.<sup>4</sup>

Moving from large transactions to smaller purchases in the bazaar, a problem with the currency in Zanzibar was that there had been a “dearth of small change on the island” until the 1840s. Small change had been given as packets of *mtama* (millet) or corn, both in Zanzibar and on the East African coast, at “exceedingly variable measures to the dollar” (Steere 1870, p.397; Burton 1872, pp.405-406).<sup>5</sup> As trade increased, so too did the demand for small change. Soon after moving his capital there, the Sultan had taken action to rectify this situation, by importing (with the assistance of the British Consul) MT\$5000-worth of copper pice coins from Bombay, to become the circulating small change at Zanzibar either in 1840 (Burton 1872, pp.405-6) or 1845 (Steere 1870, p.103). This move initially seems to have met with some opposition from Indian merchants, and Richard Burton noted “Kojas and Banyans offered the ruler . . . a considerable annual sum if he would retain the primitive [millet or corn] currency” (Burton 1872, p.405). The pice initially circulated at 132 to the thaler, but moneychangers bought them up and raised their value to 98 to the thaler. The rate later stabilised, but fluctuations in the value of the pice continued to cause problems locally. Despite attempts by Sultan Majid to fix the pice at 128 to the thaler in the late 1850s, there were usually between 110 and 130 pice to the thaler in

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3. C. P. Rigby, ‘Shipping’ (1859) report enclosed with despatches to London, Zanzibar National Archives (ZNA) AA 2

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4. ‘Government Balance held by Luddah Damba at Zanzibar’, Maharashtra State Archives, Mumbai, Political 1858 vol 148, pp. 111-130; and ‘Accounts 1858 to 1891’, Zanzibar National Archives (ZNA) AA 9 1.

<sup>5</sup> Rev. Dr L Krapf, ‘The island of Zanzibar or Ongodja’ (1844), in Church Missionary Society archives, C A5 016.

the 1860s. In addition to these fluctuations in value, there was an enduring shortage of small change as the copper coins began to circulate along the East African coast, creating shortages of coin in Zanzibar during a period of economic growth – importing copper pice had not fully solved the problem it had been intended to.<sup>6</sup>

Europeans at Zanzibar regularly discussed (usually complaining about) these shortages and fluctuations in the values of coins on the island, but their focus was almost always on silver and gold coins rather than on small change.<sup>7</sup> Beyond trade records and merchants' complaints, the coins in circulation – and in some cases the places from which they came – also left their traces in the Swahili language. In his handbook of Kiswahili, written in the first half of the 1860s using sources including lists of vocabulary compiled by representatives of the German trading firm of O'Swald & Co at Zanzibar, and information given by Zanzibari contacts, the English bishop and scholar Edward Steere recorded the names of the gold and silver coins in circulation:

<i>reale ya mazinga</i> (cannon dollar)	Silver pillar dollar of Spain and South America
<i>reale ya sham</i> (Syrian dollar)	Silver Maria Theresa thaler
<i>reale ya kifaransa</i> (French dollar)	French silver 5-franc coin
<i>reale ya thahabu</i> (gold dollar)	American gold 20-dollar coin
<i>robo ingrezi</i> (English quarter)	British gold sovereign  (which was worth around a quarter of the gold \$20 coin)

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6. C. P. Rigby, 'Currency' (1859) report enclosed with despatches to London, Zanzibar National Archives (ZNA) AA 24.

<sup>7</sup> This perhaps indicates that there was a separation between small change for local use and small purchases, and the larger denominations used for trade and larger transactions.

Table X.3: coins listed in Steere's dictionary. Source: Steere 1870, 39, 61, 66, 70.

Steere's dictionary records information about the smaller denominations of coin used at Zanzibar, too, describing them as fractions of a thaler, down to sixteenths known as *nuss ya themuni* (half an eighth; Steere 1870, p.92). Indeed, Steere notes that these subdivisions to describe coins were "the only fractions in common use". It is unclear exactly what form the circulating coins for these smaller denominations took – they seem not to be copper pice. There were some 1/2-*real* (1/16 dollar) coins minted which may have circulated at Zanzibar along with 1-*real*, 2-*reales* and 4-*reales* coins, although perhaps infrequently since contemporary records usually note the main subdivisions of the dollar in circulation as quarter and eighth-dollar coins (Mansfield 1857, p.367; Burton 1860, p.529).<sup>8</sup> It is also possible that these fractions refer to cut coins, similar to the cut fractions of silver dollars that were used in Madagascar (Bennett and Brooks 1965, p. 242; Osgood 1854, pp.9-10; Campbell 2005, pp.287, 300). It may even be that there was a combination, with a *nuss ya themuni* referring to a 1-*real* (or 1/8 dollar) coin that had been cut in half. As a companion to his dictionary, Bishop Steere published a book of *Swahili Tales*, and in one of these stories, a beggar, scratching in a dust heap looking for millet grains to eat, finds an eighth of a pillar dollar (*themuni ya mzinga*; Steere 1870, pp.50-51). Whether this is a silver 1-*real* coin, or a cut part of a thaler coin, it is clear that the *themuni* was a physical coin that could be found in a dust heap and not only a unit used in account books. Whatever its form, its purchasing power was decreasing, and fairly rapidly. The beggar in the story thinks himself rich (and buys a gazelle with his

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<sup>8</sup> Rev. Dr L Krapf, 'The island of Zanzibar or Ongodja' (1844), in Church Missionary Society archives, C A5 016.

found coin), but by the 1860s a *themuni* would buy only 12-15 eggs, about 3 lb of first-quality rice, or 1.5 lb of beef - prices that were more than double what they had been a few years earlier.<sup>9</sup>

Changes in demand sometimes created shortages in the availability of coin in Zanzibar, and concern for merchants there. In 1851 the American Consul reported that Sultan Said had raised a MT\$500,000 advance from the Zanzibar Customs Master to pay for a military campaign in Muscat, "draining Zanzibar of black dollars [Maria Theresa thalers]" (Bennet and Brooks 1965, p.488; Allen 1982, pp. 117-127). Although large, this payment was not the only large shipment of coin to Muscat from Zanzibar. When after the death of Sultan Said in 1856, the Sultanate was split into two parts, each ruled by one of his sons, the Sultan of Zanzibar had to pay the Sultan of Muscat a subsidy of MT \$40,000 a year, which had to be in thaler coins.<sup>10</sup>

In addition to these exceptional and large payments in coin, there was also seasonal demand connected with trade and the monsoon winds, that also caused fluctuations in value of coins and shortages of preferred types of coin. Much of the wealth accumulated in Zanzibar was remitted to the Middle East or India, and at the beginning of the southwest monsoon merchants in Zanzibar bought large quantities of Spanish and Mexican silver dollars at a premium of around 2-3%, to be shipped to

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9. C. P. Rigby, 'Currency' (1859) report enclosed with despatches to London, Zanzibar National Archives (ZNA) AA 2 4., on p. 139.

10. A report on the financial condition of Zanzibar in 1862, outlines the serious difficulties in obtaining enough coin to pay the subsidy and two years' arrears in coin: 'Financial Condition of Zanzibar', in Maharashtra State Archives, Mumbai, Political 1862, Vol 23, pp.227-304. The potential problems with the payment of such large sums in cash were made clear in 1864, when one of the Sultan of Muscat's ministers disappeared "under mysterious circumstances" with \$35,000 of the subsidy payment: 'Secret: Hajee Ahmed Minister of H H the Sultan, departure of \_\_ from Muscat under mysterious circumstances with thirty five thousand dollars...', in Maharashtra State Archives, Mumbai, Political 1864 vol 33, pp.129-142.

Bombay, where they could be sold at a premium of 6-8% for export to China (Mansfield 1857, p.367; Burton 1860, p.529). At this time of year, the usually-less-popular Mexican dollars sold at par, and if there were shortages of coin even the unpopular and heavily-discounted French silver 5-franc coin and English gold sovereign would sell for close to their par values to merchants preparing to send money and cargoes northwards (Bennett and Brooks 1965, pp.473-474, 486). For those who could afford to hold stocks of coin, seasonal fluctuations made it profitable to import and exchange coin in Zanzibar – specie did not attract the flat 5% levied on all other commodities imported, so as long as a merchant could import or buy coins when they were at a discount, and hold them for sale at close to par when monsoon-season remittances began, there was profit to be made. As a result, powerful merchants and moneylenders at Zanzibar had little motivation for changing the system and adopting a single circulating currency.

### **Fixing the value of coins in circulation**

There was competition between European and American merchants at Zanzibar, and each country had its own treaty with the Sultan of Zanzibar, and a resident Consul at Zanzibar pursuing the greatest possible advantage for their interests. Merchants, attempting to secure the largest possible share of the Zanzibar market but also influenced by demand, tended to bring particular imports in order to purchase merchandise and produce for export. Ships from Hamburg often imported beads and brass wire, while American and Indian vessels brought cotton cloth, all of which were important commodities because of their use as currencies on the mainland. French merchants struggled to compete, and when they did import textiles they sometimes found that they were perceived by Zanzibar merchants to be inferior to American cottons, and rejected (Grandidier 1868, pp.29-30). So, coins tended to be imported from France, to pay for merchandise for export, but this trade was dismissed as “trifling” by Rigby, who

thought it would soon cease (Sheriff 1987, p.99).<sup>11</sup> Because of this, French merchants were the most vulnerable to fluctuations in value of 5-franc coins in Zanzibar, and were the first to make efforts to fix their value there.

During treaty negotiations in the early 1840s, the French Consul attempted to secure the right for French merchants to trade directly on the mainland coast, so that they could bypass the powerful Zanzibar middlemen, but Sultan Said resisted, to the Consul's disappointment (Bennet 1969, pp.154-164). When the treaty was ratified in 1846, there was another unsuccessful attempt made to secure a concession relating to the value of the 5-franc coin – the coin was not much in demand in Zanzibar, and French merchants could make little profit on importing them (Bennet 1973, p.606). Moreover, French merchants were keen to secure easy trading links (and to reduce exchange losses) between Zanzibar and the French settlements and colonies at Bourbon, Mayotte and Nosy-Bé, where 5-franc coins circulated at their full value. The Sultan listened cordially to the case made, but declared himself powerless to act without agreement from the merchant community. A meeting was duly convened, and the French negotiator made his case, but was told that they could not hear of fixing the rate. A year later, he tried again to convince the Sultan and merchants to fix the rate, but again failed. As a gesture of goodwill, the Sultan offered to accept the 5-franc coins at a better rate than their market value. The new rate offered by the Sultan, of 110 5-franc coins for 100 thalers was better than the market rate, but had little impact in practise other than reducing the amount French merchants had to pay to the Customs Master, since the Sultan could not compel other merchants to accept the French coin at this rate (Guillain 1856, pp.43-46, 94-95; Bennet 1973, p.608). When a new French Consul was appointed in 1849, he tried once again to resolve the currency-exchange question, but got no further than had his predecessors. The American

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11. C. P. Rigby, 'Currency' (1859) report enclosed with despatches to London, Zanzibar National Archives (ZNA) AA 24., p.135.

Consul, Richard Waters, explained that the attempt to fix the rate of the French coin had failed in the face of what he described as "steadfast Indian opposition," as the Indian merchants and moneychangers sought to protect the profit they made from the fluctuating and discounted value of the French 5-franc coin compared to the thaler (Bennet 1973, p.614, p.614 n.22, p.626). Writing about the situation ten years later, in the late 1850s, Burton described this change in the value of the 5-franc coin as "a somewhat arbitrary process", explaining that 5-franc coins still had no currency, although moneychangers "attempt to pass them off upon strangers at 108 for 100 Maria Theresas," using the agreed rate to profit further from transactions with those who didn't know the current rates (Burton 1860, p.529; 1872, p.419).

Once the special rate had been agreed with the Sultan for his acceptance of French 5-franc coins, the American Consul then tried to persuade the Sultan of the benefits to trade of fixing the values of other coins in circulation. He hoped to convince the Sultan that there were benefits to "his own subjects - the Arabs" of fixing the values of circulating coins, and explained that he thought many of the Indian merchants and moneychangers were in favour of fixing the values of silver and gold coins including Spanish-American dollars and French 5-franc coins. However, the merchant community was not in agreement with Consul Ward's plan, and he later complained that one of the Indian merchants who was most strongly opposed to the change convened a meeting at his house to talk other merchants out of accepting the proposal. Their opposition was due to a concern that if silver dollars were introduced into currency at Zanzibar, American merchants would make so much money that they would no longer bring the American cotton (known as *merekani*) cloth with which Indian merchants made substantial profits on the east coast of Africa. In this case, then, the Indian merchants' opposition to the fixing of the values of coins related not only to the money to be made from exchange, but also to their wish to protect profits on other commodities imported for trade with the mainland, particularly American cotton cloth. The principal objector, who had convened the meeting, Ward noted "is the great money broker among

the Banyans" who was acting to protect the "great profits he was then making when exchanging the different coins" while Mexican dollars were at 5% discount and 5-franc coins at 12.5% discount (Bennet and Brooks 1965, pp.473-474). Ward suspected that the proposal to fix the values of coins would have passed had the powerful Customs Master, Jairam Sewji, been in Zanzibar to influence the other Indian merchants, since he and Sewji had a close connection. However, without that influence, there was little Ward could do.<sup>12</sup>

By the early 1860s, however, a more significant - albeit distant - factor had begun to impact on the trade in Zanzibar: the American Civil War. The immediate impact of the war as far as Zanzibar merchants were concerned was that there was a decline in trade (Sheriff 1987, p.135, table 4.6). Specifically, few American ships now visited the island, and those that did no longer imported cotton cloth, but brought specie and other goods instead. Cotton imports from America that had totalled 12,000 bales before the Civil War dwindled to less than 1,000 bales - exactly the situation that Indian merchants had been concerned about in the 1850s, even if they could not have foreseen that it would happen not due to fixing exchange rates, but instead due to a war thousands of miles away. To meet the demand for cloth on the East African coast, German merchants began to import English cotton goods

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12. The close connection and commercial partnership between the American merchants and the Customs Master had been noted in the past, including in complaints by English merchant Robert Norsworthy about what he described as a "monopolist ring" in the 1830s. In the early 1840s, another English merchant, Edgar Botsford, complained of the "unwarrantable monopoly" in which the American Consul "is an abetter". See Bennett and Brooks 1963, pp. 238-240. By the later 1840s, however, the relationship between the American merchants and Customs Master Jairam Sewji had become more distant, as the Americans complained about Sewji's efforts to encourage more foreign vessels to come to Zanzibar; see Sheriff, 1987, pp.91,99.



instead of silver Maria Theresa thalers, reducing the quantity of coinage arriving at Zanzibar.<sup>13</sup> French merchants continued to import 5-franc coins, so as the thaler became more and more scarce, the market at Zanzibar became flooded with the undesirable French 5-franc coins. Merchants were now losing money, rather than profiting, from the fluctuating values of the circulating coins, and there were shortages of the more desirable types of coin.

Within about six months of the beginning of hostilities in America, the combined impact of the decline in cotton imports and shortages of coin persuaded Zanzibar's merchants of the need to act. They met to discuss the values of coins in circulation, and on 29 Rabi al-awwal 1278 (Friday 4 October 1861) the Sultan issued a notice confirming the outcome of the meeting: rates had been agreed for the coins in circulation, and his proclamation declared them legal tender, with each valued in Maria Theresa thalers:<sup>14</sup>

Gold ounce<sup>15</sup> - MT\$15

Gold sovereign - MT\$4.75

Gold 20-franc coin - MT\$3.75

Gold 10-franc coin - MT\$1 7/8

Silver 5-franc coin - MT\$0.94

This proclamation immediately seems to have had the desired effect – there was no longer profit to be made on exchange, so more coins stayed in circulation and the currency shortage eased.

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13. Norman Robert Bennett, 'Americans in Zanzibar: 1845-1865', *Tanganyika Notes and Records*, 57 (1961), p. 136.

See also Bennett and Brooks, *New England merchants in Africa*, p. 522.

14. Letter from Sultan to French Consul, 29 Rabi al-awwal 1278, in Archives Diplomatiques, Nantes, 748 PO/A 123.

15. A Spanish and South American 8-escudo coin, also known as the 'doubloon'. By the 1860s it was becoming scarcer at Zanzibar: see Bennett and Brooks, 1963, pp.540–541.

Moreover, the agreed and now fixed rates encouraged more coin to be imported, and figures obtained from the Customs Master by the French naturalist and explorer Alfred Grandidier showed that imports of coinage had increased in value from MT\$ 707,500 in 1861, to MT\$ 1,886,550 in 1862-3. At the same time, exports of coin dropped, from MT\$ 1,925,000 in 1861-2 to MT\$ 1,219,000 in 1862-3 (Grandidier 1868, pp.25–29).

Reactions from the European and American communities at Zanzibar were mixed. Presumably, the French Consul was delighted that the 5-franc coin had, at last, a value in Zanzibar close to its par value. However, the newly-appointed British Political Agent, and later Consul in Zanzibar, Robert Lambert Playfair, was concerned that the sovereign was undervalued, and that the exclusion of the rupee from the agreed valuations was "to the great injury of Indian commerce" despite also stating in a later letter that "that coin [the rupee] never had been current at Zanzibar."<sup>16</sup> Playfair, motivated by "the advantage which would accrue to Indian merchants" by encouraging the rupee to come into circulation, spoke to the Sultan, who agreed that the rupee would be added to the list of coins accepted as legal tender, at a rate of half that of the French 5-franc coin, or MT\$0.47 per rupee.<sup>17</sup> Sultan Majid issued the necessary decree on 6 July 1863, and his covering note sent with the decree to Playfair, confirms that there were no rupees circulating at Zanzibar at that time:

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16. Playfair to Anderson, letter 45 in Zanzibar National Archives (ZNA) AA 3 21, 1 July 1863; Playfair to Gonne, letter regarding currency, number 48 in Zanzibar National Archives (ZNA) AA 3 27, 16 March 1865.

17. Playfair to Anderson, letter 45 in Zanzibar National Archives (ZNA) AA 3 21, 1 July 1863. See also Playfair 1864, p. 181.

We inform you that we shall order all our subjects in Zanzibar and elsewhere, to receive as current, the Indian rupee, at the rate of half a French dollar (5-Franc piece) and as soon as Rupees shall arrive (in the Zanzibar market) from that date their value shall be as afore specified.<sup>18</sup>

Playfair reported his success to Bombay, explaining that as rupees were more easily obtained than European coinage, he hoped the rupee would soon become the main currency in Zanzibar.<sup>19</sup> This is the first hint that there may have been political as well as economic factors at play – and if Playfair was also acting out of concern about growing French influence in the region, hoping that the rupee might oust the franc as the currency of parts of the western Indian Ocean, he did not say so in his despatch.

The American Consul then moved to ensure that American merchants did not lose out, towards the end of 1863 persuaded the Sultan to allow the acceptance of American gold coins at par with the Maria Theresa thaler - effectively a premium of about 2% over their intrinsic value (Sheriff 1987, p.136; Bennet, 1963, p.137). The necessary proclamation was made on 3 January 1864, and Consul Hines reported that this would "enable American merchants to pay down funds for the purchase of homeward cargoes without much loss" while the Civil War meant that export trade was much larger than the import trade from America (Bennet and Brooks, 1965, p.524).

After these various proclamations had taken effect, the silver and gold coins whose values had been fixed by the proclamations of 1861-1863 circulated at those values, but the Maria Theresa thaler became scarce in circulation. When thalers were needed, for some remittances to the Middle East or for trade on the mainland coast, they could only be purchased in Zanzibar at a premium over the official

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18. 'Letter from His Highness Seyid Majid bin Said' copy enclosed in dispatch 45 in Zanzibar National Archives (ZNA) AA 3 21, 1 July 1863'.

19. Playfair to Anderson, letter 45 in Zanzibar National Archives (ZNA) AA 3 21, 1 July 1863..

rate, and although still the unit of account they ceased to be the circulating currency.<sup>20</sup> In 1865, Colonel Playfair reported to Bombay in 1865 that the Sultan "has no interest" in the currency situation, but that the Maria Theresa thaler "is day by day becoming dearer and scarcer, so much so that for years past it has ceased to be the universal circulating medium tho still used as the standard of accounts." Rupees, on the other hand, had "come down in great quantities and that coin is now abundant in the market."<sup>21</sup>

It is, of course, not clear what might have happened had the American Civil War been averted or avoided, since European influence in the western Indian Ocean was in any case increasing in the mid-19th century. But it is clear that the conditions caused by the American Civil War and its impact on trade meant that the Indian merchants changed the positions they had firmly held in the 1840s and 1850s, when they opposed the French and American Consuls' attempts to fix values for their countries' coins. In 1861, suffering from losses on exchange, shortages of circulating coin, and a reduction in imports of American cotton cloth, leading to problems with the East African coastal trade, the interests of all the merchant communities at Zanzibar converged and they agreed fixed rates for the circulating coins. Within only a year or two, the circulating currency at Zanzibar had changed dramatically, to American gold coins and Indian rupees, circulating at the rates assigned to each in the proclamations. The rupee had not been in circulation at all in Zanzibar in 1860, but by 1865 it was the main circulating silver coin there. Contrary to what has usually been assumed, it had not come into use gradually, as a natural consequence of Indian merchants and Indian Ocean trade routes, but had instead been introduced through the initiative of the British Consul, and responding to disruptions of trade caused by a war thousands of miles away.

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20. 'Administration Report of Zanzibar' (1864) in Maharashtra State Archives, Political 1864 vol 54, pp.1-43, 1 May 1864. 'Letter of 25 October 1864', in Bennett and Brooks, 1963: 534–535.

21. Playfair to Gonne, letter 48 in Zanzibar National Archives (ZNA) AA 3 27, 15 March 1865'.

### Overvaluation and undervaluation

In 1864, the American Consul noted with satisfaction that the agreeing of values for the circulating coins had been beneficial, and that business was much improved. Thalers were no longer imported by German and French merchants, and were “now very rarely seen.” (Bennet and Brooks, 1965, pp.534-535). American gold coins could now circulate more easily, but merchants (including the American merchants) could now obtain their silver coin in rupees from Bombay.<sup>22</sup> The slight overvaluation of American gold coins meant that some merchants (including the Sultan himself) could profit from importing American currency, although the overvaluation was not recognised in Bombay and remittances there could only be made in gold at a loss (Sheriff 1987, p.136). Some merchants complained about this, and among the most vociferous was a newly-founded British company in Zanzibar, H. A. Frazer & Co., whose representative complained of the "injurious effect" this overvaluation of American gold coins had on British interests. In response to their complaints, the British Consul requested a report from the Bombay Mint on the intrinsic value of all the coins in circulation at Zanzibar.<sup>23</sup> The report confirmed what everyone had suspected, which was that the American gold coins were indeed slightly overvalued, and the sovereign undervalued, in relation to their metal content.

<b>By whom value was fixed</b>	<b>Nature of coin</b>	<b>Nationality of coins</b>	<b>Value of coin</b>	<b>Value in German Crowns</b>	<b>Assay value</b>

22. Playfair to Gonne, letter 48 in Zanzibar National Archives (ZNA) AA 3 27, 15 March 1865’.

23. ‘Currency, exact value’ in Maharashtra State Archives, Political 1864 vol 54, pp. 92-108, 21 June 1864 and 20 June 1864.

By a meeting of merchants	Gold	South American	Ounce	15.00	15.13
"	"	English	Pound	4.75	4.77
"	"	French	20 francs	3.75	3.78
"	"	French	10 do	1 7/8	1.89
"	"	French	5 do	15/16	0.94
"	Silver	French	5 do	0.94	0.96
By H. Highness	"	Indian	Rupee	0.47	0.46
"	Gold	American	Double Eagle	20.00	19.60
"	"	"	Single do	10.00	9.80
"	"	"	Half do	5.00	4.90
"	"	"	Qr do	2.50	2.45
"	"	"	Dollar	1.00	0.98
"	Silver	"	Dollar	1.00	1.02
"	"	"	½ dollar	0.50	0.51

Table 4: Agreed and assay values of coins in circulation in Zanzibar, from report by Mint Master, Bombay. Source: Zanzibar National Archives, AA 3 27, Zanzibar to Bombay, dispatch 48 of 16 March 1865.

However, in the table, and the letter accompanying it, the Bombay Mint Master quietly pointed out something that had not previously been discussed: the Indian rupee was also overvalued.<sup>24</sup> Consul Playfair was then conflicted about what to do. The undervaluation of the sovereign compared to the

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24. 'Currency, exact value' in Maharashtra State Archives, Political 1864 vol 54, pp. 92-108, 4 August 1864.

American gold effectively gave 12 cents, or 8%, per dollar disadvantage to merchants importing sovereigns from England, but the rate fixed for the Indian rupee was favourable, and “more than compensates for the under valuation of the sovereign.” Ultimately, he reassured officials in Bombay that it would be more important to secure a high rate for the rupee than for the sovereign, and was also rather unsympathetic to Frazer & Co.’s complaints of making a loss.<sup>25</sup> It seems that Frazer & Co. were not the only business at Zanzibar complaining of losses due to the changes in the values of coins in circulation, and although it is not clear what prompted it, early in 1865 Sultan Majid attempted to revoke the proclamation he had made fixing the rate of American gold coins. The Sultan’s proclamation was, however, widely ignored, indicating that his word alone was not sufficient to create a change in the value of the circulating coins without agreement from the merchant community, and the American gold coins stayed in circulation at the agreed rate (Sheriff 1987, p.136).

While the American Civil War was ongoing, the effect of the overvaluation of American gold coins was rather limited, since few were in circulation. However, once the Civil War had ended in late 1866 that changed, and Frazer & Co. made fresh complaints that large amounts of American gold coin had been imported, becoming “the only available circulating medium . . . forced upon merchants as legal currency at considerably above its intrinsic and marketable value.” All exchange operations, they reported, were at a loss, and specie remittances were particularly badly affected, with substantial losses not only on money sent to Bombay, but also on money sent to the mainland, which had to be sent in thalers bought at a premium of 4-5%.<sup>26</sup> British officials discussed two main options for how to solve these problems and balance the competing interests: should they raise the value of English and French

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25. Playfair to Gonne, letter 48 in Zanzibar National Archives (ZNA) AA 3 27, 15 March 1865’.

26. Dr Seward, ‘Readjustment of value of currency’ in Maharashtra State Archives, Mumbai, Political 1867 vol 123, pp. 117-121, 5 November 1866.

gold by creating a fictitious Zanzibar dollar as a unit of account, or should they lower the value of American gold and rate all coins at their intrinsic value? Each of these options was unacceptable for different groups of merchants at Zanzibar. Raising the value of English and French gold could only be done “in direct opposition to [American merchants’] wishes and interests”, while lowering the value of American gold would have no effect on restoring the Maria Theresa thaler to daily circulation.<sup>27</sup> Indian merchants opposed any solution that replaced the Maria Theresa thaler with a Zanzibar dollar as unit of account, since that coin “has been in circulation from the time of our forefathers – it is current along the coast, all our values are rated by it, and it is essentially the Zanzibar dollar.”<sup>28</sup> Nor were the Indian merchants in favour of raising the value of British and French gold coins, which would have involved a reduction in the value of the rupee. Whichever remedy was chosen, the Indian merchants asked for a year to prepare for the change.<sup>29</sup> Their views were still the most powerful and listened to – by 1865 it was estimated that only about one twentieth of the trade in Zanzibar was carried out without their involvement. The Bombay Chamber of Commerce was consulted, and they expressed concern at both proposals, noting that the disappearance of the Maria Theresa thaler from circulation in Zanzibar had

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27. Dr Seward, ‘Readjustment of value of currency’ in Maharashtra State Archives, Mumbai, Political 1867 vol 123, pp. 113-115, 13 November 1866.

28. Dr Seward, ‘Readjustment of value of currency’ in Maharashtra State Archives, Mumbai, Political 1867 vol 123, pp. 104-112, 8 June 1867.

29. Dr Seward, ‘Readjustment of value of currency’ in Maharashtra State Archives, Mumbai, Political 1867 vol. 123, pp. 104-112, 8 June 1867.



been going on for some time, and was "due to other causes than the enhancement of the American Eagle."<sup>30</sup>

In the end, the Accountant-General at Bombay decided that the only option was to persuade the Sultan to reduce the assay value of the American gold coins.<sup>31</sup> The opinion of the Accountant-General, as well as a new report from the Bombay Mint Master, were read to a meeting of the principal merchants of Zanzibar. German merchants at the meeting argued in favour of the thaler, American merchants in favour of the dollar, and British merchants "wavered between the two." Indian merchants "expressed themselves quite satisfied with the present state of things," despite only a few years earlier having resisted all attempts to fix the values of coins in circulation. Now, it was the European merchants who wanted to see a change, while the American and Indian merchants were content with the agreed fixed values, from which they benefited. Each group tried to persuade Sultan Majid of their point of view, but after 4 hours of discussions there was no decision, and the British Consul suspected that the Sultan had "pledged himself to all."<sup>32</sup> Eventually, the American merchants offered to lower the value of their coin to that of the Maria Theresa thaler. But this then led to the fear that it would lead to "virtual repudiation" of the American merchants' debts to Indian moneylenders, causing a 2% loss and lawsuits in America.<sup>33</sup>

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30. 'Trade and prospects of Zanzibar, 1865' in Maharashtra State Archives, Mumbai, Political 1865 vol 52, pp. 121-138, and 'Views of Bombay Chamber of Commerce, in Maharashtra State Archives, Mumbai, Political 1868 vol 136, pp. 111-114, 1 February 1868.

31. 'Note by Accountant General' in Maharashtra State Archives, Mumbai, Political 1867 vol 123, p. 132, 15 August 1867.

32. 'Response by Churchill to reports sent from Bombay', in Maharashtra State Archives, Mumbai, Political 1868 vol 136, pp. 119-120, 15 July 1868.

33. 'Response by Churchill to reports sent from Bombay', in Maharashtra State Archives, Mumbai, Political 1868 vol. 136, pp. 119-120, 15 July 1868.

A compromise was agreed, and Sultan Majid issued a proclamation in November 1868 confirming that the Maria Theresa thaler would remain “the dollar of Zanzibar and the unit of account,” and that from November 1869 all other coins would be left to find their values in the market, giving the merchants the requested year to make the necessary arrangements.<sup>34</sup> The proclamation was announced as usual, by a street crier going around the town, beating a buffalo horn and calling out the Sultan’s orders. The British Consulate published a notice that, from November 1869, it would reckon coin received in payment at the intrinsic values that had been determined by the Bombay Mint, with the thaler would be the unit for those calculations.<sup>35</sup> The experiment with fixed rates for the various coins in circulation at Zanzibar had, it seemed, ended.

Things were to change again, in part due to the opening of the Suez Canal in 1869, which changed trade routes in the north-western Indian Ocean, and made it cheaper and easier to travel between Europe and Zanzibar. In 1870, the British Consul John Kirk reported to Bombay that British and British Indian trade in Zanzibar was now more than three times greater than the trade of any other nation.<sup>36</sup> American cotton was still in demand for trade on the East African coast, but the influence of American merchants was in decline (Bennett 1963, pp.49, 57) Despite the proclamation removing the fixed values of the coins in circulation, in 1875 the circulating currency was primarily made up of American gold coins and Indian rupees, and it may even be that the Sultan’s proclamation had been

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34. John Kirk, ‘Settlement of the Currency Question’ in Maharashtra State Archives, Mumbai, Political 1869 vol. 153, pp. 127-132, 4 February 1869. ‘Proclamation issued by Sultan Barghash prohibiting British Subjects from carrying out trade beyond the limits of the town of Zanzibar’ in Maharashtra State Archives, Mumbai, Political 1872 vol. 203, pp.169-182.

35. ‘Proclamations, notices, regulations’ (1863-1908), Zanzibar National Archives (ZNA) AA 12 9, number 7a.

36. ‘Administration Report of Zanzibar’ in Maharashtra State Archives, Political 1871 vol 142, pp.1-55.

widely ignored, since John Kirk reported that American gold and Indian silver coins were “considerably overvalued” and had driven English gold from the market.<sup>37</sup>

The situation was not stable, however, since the value of silver relative to gold fell in the 1870s, significantly impacting the Indian economy and affecting trade and taxation, as well as remittances to the gold-backed economy of Britain (Tomlinson 1996, pp.14-15; Kumar 1983 volume 2 chapters IX and XI). Zanzibar merchants traded mostly with the mainland of East Africa, or with the silver-based economies of the Gulf and India, so were little affected by the depreciating silver rupee. Indeed, the drop in the value of silver enabled merchants to make, rather than lose, money – reports from the Colony of Natal complained that every steamer from Zanzibar, India or Mauritius brought rupees which were used to buy gold sovereigns for export, causing the banks there to refuse what they saw as an artificially overvalued rupee.<sup>38</sup> Kirk complained in 1876 that those who had to convert money from sterling to rupees (including British officials like him) were losing around 10% on each transaction, but admitted that as “the mass of British subjects, Indians, [are] making money out of the situation, I can take no official action.”<sup>39</sup> Perhaps the most significant effect in Zanzibar of this worldwide fall in the price of silver was that American gold coins stopped circulating there. In 1878 William Hathorne, Zanzibar representative of two American companies wrote that “there is no other coin but Rupees,” and noted the overvaluation of the rupee, but said he could do nothing about it. He also explained that although in theory American gold coins were still in circulation at their fixed values, now they could not be obtained other than at premium of 10-20%, and that they were so scarce that he had not seen \$100 of American gold since he had been in Zanzibar (Bennet, 1963, pp.122, 126). If gold arrived at it was

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37. ‘Annual report on 1873-1874’, 8 February 1875, in Zanzibar National Archives (ZNA) AA 2 15.

38. ‘The value of the rupee’ in *Natal Witness*, 4 August 1876.

39. Despatch 116 ‘Zanzibar Currency’ in Zanzibar National Archives (ZNA) AA 1 18, 27 June 1876.

swiftly bought and shipped away again, leaving Indian rupees as almost the only circulating currency, along with the copper *pice* imported from India as small change.<sup>40</sup>

Almost ten years later, in 1884, shortly before John Kirk was to leave Zanzibar, he reported to the Foreign Office in London on the currency in Zanzibar. The unit of account there was still the Maria Theresa thaler, but the Indian rupee was firmly established as the currency in circulation. Kirk explained that the value of the rupee had been fixed by "an arrangement made more than sixteen years ago by the merchants and Consuls and ratified by the Sultan" at 47 cents, with the American gold dollar as equivalent to the thaler. No one holding gold or thalers would pay with them, since "with these he could at a considerable premium buy rupees" and French and other coins, he explained, "have an artificial and fixed value" but were not used in making payments.<sup>41</sup> Thalers were still in use in some parts of mainland East Africa, but rupees had begun to be accepted on the coast from where they would become the primary currency for much of the region (Pawelczak, 2010, ch.9; Johnson, 1879, p.545).<sup>42</sup> Indeed, the currency changes of 1860s and 1870s had also made their way into the Swahili language. In the posthumous 1884 third edition of Bishop Steere's Handbook, the changes to the currency in the twenty years since he first compiled it were reflected in additions to the vocabulary listed. These included *reale ya bwara* (which Steere translated as "dollar under weight") for the French 5-franc piece, and *mende*, literally meaning 'beetle' or 'cockroach', but now recorded as a slang term for the rupee (Steere and Madan 1884, pp.258, 338).

## Conclusion

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40. Despatch 116 'Zanzibar Currency' in Zanzibar National Archives (ZNA) AA 1 18, 27 June 1876.

41. Despatch 55 'Report on Zanzibar Currency' in Zanzibar National Archives (ZNA) AA 1 36, 5 May 1884.

42. Despatch 55 'Report on Zanzibar Currency' in Zanzibar National Archives (ZNA) AA 1 36, 5 May 1884.

In the first half of the nineteenth century, two main currency-related problems faced Zanzibar: fluctuations in the value of silver and gold coins used there, and a lack of small change. The latter was remedied by the importation of copper *pice* from India from the 1840s onwards, which by the 1880s brought an estimated R30,000 annual profit to the Indian Government Mints.<sup>43</sup> Stabilising the relative values of the gold and silver coins in circulation proved more difficult, since it relied on reaching agreement between merchant communities who had very different interests. Merchants importing coin preferred fixed rates, while merchants profiting from exchange preferred to allow the fluctuations and seasonal variations to continue. In response to the trade disturbances caused by the American Civil War, the merchant community in Zanzibar found common cause, and through a series of agreements between the Sultan, European and American Consuls, and Indian merchants and moneylenders, the currency system in Zanzibar was transformed in just a few years in the early 1860s. It changed from being one based on the Maria Theresa thaler, to one in which the thaler was still the unit of account, but in which the silver rupee and the American gold coins were the circulating currencies. The agreed (over)valuations for the silver rupee and the gold dollar meant that coins with higher intrinsic values were held as bullion, or exported. Far from being a gradual and slow process linked to the presence of Indian merchants in Eastern African ports and markets, the change from the thaler to the rupee can instead be seen as a result of interventions in the currency systems of the area. Particularly striking is the speed of the impact of the proclamations of 1861-3, since by 1865 there was already little appetite for removing the fixed values and allowing the currencies to float freely in value again. Then, in the 1870s, changes in the global values of silver and gold, combined with changes in the main trading relationships and patterns of trade in Zanzibar, meant that the American gold coins fell out of use, leaving the rupee and its subsidiary coinage, the copper *pice*, as the only currencies in daily use.

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43. 'Issue of coinage by the Sultan' in Zanzibar National Archives (ZNA) AA 1 46, 'number 174', 11 May 1886.

This chapter has given a new account of the reason why the rupee became the currency of Zanzibar, and from there the currency of most of the East African coast, but it also demonstrates the importance of studying the history of places that later became colonies by looking not only at material from the archives of what later became the colonial power. To understand the full complexity of what at first looked like a simple question about a change of currency at Zanzibar required the use of archival materials in five countries. Using only British archival materials and publications would have made the research process easier, but would not have given enough information to untangle the details of this story. Moreover, it would also have risked studying the history of Zanzibar in the 1860s and 1870s in a way that prefigured the later history of the island, which became a British protectorate in 1890. Already in the 1860s the French Consul complained that the Sultan of Zanzibar was strongly under British influence, but this should perhaps prompt more research using French sources alongside British ones, and deeper analysis of this crucial period of competition between the European powers, at a time when it was not yet clear what would happen later in the century.

Analysis of the multiple currency system in Zanzibar, as well as contributing to a new understanding of the history of money and of currency change in the western Indian Ocean region and Eastern Africa in the nineteenth century, can also shed light on other themes, including the impact of globalisation in the Indian Ocean. The manoeuvring of the consuls and merchants in Zanzibar in relation to the relative values of their currencies and their constant jostling for position in the lucrative trade in Zanzibar, provides a way to consider the growing influence of the European consuls in the second half of the nineteenth century, and to understand the long-distance networks that linked Zanzibar to many other parts of the world, directly and indirectly. Despite this nowhere being explicit, it may have been that the introduction of the rupee into currency in Zanzibar was in part an attempt by the British Consul to prevent the French franc becoming ascendant in the Indian Ocean. It can also be understood as one of the impacts and legacies - perhaps a somewhat distant and unexpected one - of the American Civil

War. Globalisation was not an irresistible force, but nor were global factors something that could be ignored. If as Erik Gilbert (2015, p.124) has argued, Zanzibar was an important part of an Indian Ocean regional globalisation, it was also deeply affected by global factors that could not be controlled.

Merchants in Zanzibar tried to deal with the changing situation in which they found themselves, but the balance of local and global interests was complex, and once it had been upset by events thousands of miles away, they had to take action that would change the currency map of the region permanently.

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