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Historical Episodes of Full Dollarization

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About the Series

The Studies in Applied Economics series is under the general direction of Prof. Steve H. Hanke, co-director of the Institute for Applied Economics, Global Health, and Study of Business Enterprise (hanke@jhu.edu). The authors are mainly students at The Johns Hopkins University in Baltimore. Some performed their work as summer research assistants at the Institute.

About the Author

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Abstract

This paper surveys historical episodes of full dollarization in nearly 100 countries, offering facts not previously available in one place.

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Historical Episodes of Full Dollarization

“A Bibliography of Dollarization Scholarship (2023)” by Cathy Wang, which is working paper #241 in the *Johns Hopkins Studies in Applied Economics* series, offers a bibliography of scholarly writings on full dollarization as a contribution to the current debate on the subject. As a kind of companion piece, this paper surveys historical episodes of full dollarization in nearly 100 countries.

This paper defines full dollarization (hereafter, for brevity simply “dollarization”) as a situation under which:

1. People used a foreign unit of account (whether the U.S. dollar or some other currency), foreign notes (paper money), and in some cases coins with official sanction, and there were no domestic issuers of notes. A number of dollarized countries have issued coins, which in modern conditions are sufficiently unimportant that they are not an effective means for initiating a domestic monetary policy.
2. Modern corporate commercial banks existed during at least part of the dollarization period. This criterion eliminates most cases before the 20th century. The paper makes exceptions for a few places with populations so small that they did not have banks.
3. Use of foreign currency was more than an explicitly transitory step intended to last just a year or two. This criterion excludes, for example, most of the former republics of the Soviet Union that continued to use the Soviet/Russian ruble for a time after they became fully independent in December 1994.
4. Use of the foreign currency was on a national scale. This proviso excludes subnational cases, such as the use of the “Swiss print” Iraqi dinar in the Kurdish areas of Iraq from 1993-2003, when the currency was demonetized in other parts of Iraq.

Relaxing these criteria would greatly increase the number of episodes to cover. The list of episodes also excludes some in very small territories with little or no permanent population. Even with these caveats, the list may be incomplete. Researchers who find errors or omissions should feel free to communicate them for correction in an updated version of this working paper.

For each episode, the description uses this template:

Country name: Some countries are grouped together.

Dates: Start and end of episode.

Currency: What foreign currency was used.

Political status: Independent, colony, occupied, etc.; refers to status during the dollarization episode, not necessarily today.

Legislation: Select citations in cases where not too much searching was required.

Preceded by: What came before dollarization and why dollarization was established.

Succeeded by: What came after dollarization and why.

Remarks: Comments on the origin, experience, and end of the episode. Also, a note of when the first bank opened, if during or after the dollarization episode.

References: One or two references besides legislation. References are generally to secondary sources and often focus on the years when dollarization began or ended. The references generally omit the annual reports of the predecessor or successor monetary authorities as being primary sources so obvious that they need not be listed. See Cathy Wang's working paper for other references.

The only previous similar enumeration, Schuler (2005), simply lists country names and years, without supporting information. This paper takes the next step, offering further basic facts on each episode. It focuses on the beginnings and endings of dollarization episodes, and devotes little attention to the events in between. Economists have analyzed only a few dollarization episodes in depth (mainly Ecuador, Panama, and Montenegro; see Wang's paper for references). Even so, a few patterns stand out:

- Dollarization has existed in many countries. There is plenty of historical experience on the subject. That some of it is a century or more old does not invalidate it, unless the historical evidence of similar or greater antiquity, used for example to make the case for establishing the Bank of England and later the Federal Reserve System, is now likewise invalid.
- Many dollarized countries have been small in area or population and not financially advanced, but there are also cases of dollarization in larger countries and fairly advanced financial systems.
- Dollarized countries have been a mixture of dependencies and independent.
- There seems to be no case in which establishing dollarization posed great technical problems.
- Episodes of banking crises are few, though because of paucity of readily available material about some cases of dollarization, some crises may be missing from the list.
- Apparently, the only country that ever abandoned dollarization because of great instability in the currency it used was Danzig, which in 1923 abandoned the hyperinflating German mark. On the other side, there are several cases in which countries have dollarized to leave behind unstable currencies, including the Dominican Republic in 1900, Kosovo and Montenegro in the 1990s, and Ecuador in 2000.

Summary table of countries (* = current cases)

Albania	Honduras	Panama*
American Samoa*	Iraq	Panama Canal Zone
Andorra*	Israel	Papua New Guinea
Bahrain	Jordan	Pitcairn Islands*
Bhutan	Kenya	Puerto Rico*
Bonaire*	Kiribati*	Qatar
Botswana	Kosovo*	Saba*
British Indian Ocean Territory*	Kuwait	Saint Barthélemy*
British Virgin Islands*	Lesotho	Saint Helena
Brunei	Liberia	Saint Martin*
Cameroon	Libya	Saint Pierre and Miquelon*
Cayman Islands	Liechtenstein*	San Marino*
Christmas Island*	Madagascar	Saudi Arabia
Cocos (Keeling) Islands*	Malaysia	Seychelles
Cook Islands*	Malta	Sierra Leone
Cuba	Marshall Islands*	Sint Eustatius*
Danzig	Martinique*	Solomon Islands
Dominican Republic	Mayotte*	Somalia
Dubai	Micronesia*	Tajikistan
Ecuador*	Monaco*	Tanzania
El Salvador*	Montenegro*	Timor-Leste*
Equatorial Guinea	Morocco	Togo
Eritrea	Namibia	Tokelau*
Eswatini	Nauru*	Tunisia
Ethiopia	Nepal	Turks and Caicos Islands*
French Guiana*	Nigeria	Tuvalu*
Gambia	Niue*	U.S. Virgin Islands*
Ghana	Norfolk Island*	Uganda
Gibraltar	Northern Cyprus*	United Arab Emirates
Greenland*	Northern Mariana Islands*	Vatican City*
Guadeloupe*	Oman	Western Sahara*
Guam*	Palau*	Yemen (Southern)

Memo items

Countries that temporarily abandoned paper currency: Mexico, Peru

Countries where paper currency postdated the start of modern banking: Singapore, Vietnam, Yemen (North).

Albania

Dates: Late 1912?-28 February 1926.

Currency: During the Austrian occupation in World War I, presumably Austrian crowns, note of which were issued by the Austro-Hungarian Bank. After the war, mainly Italian lira, issued by the Banca d'Italia, and Greek drachmas, notes of which were issued by multiple banks. U.S. Mint (1926: 144), says "The principal units of exchange...were [French] gold napoleons, English gold pounds [sovereigns], Turkish sovereigns, American paper money, and the small silver coins of Austria, Yugoslavia, and Bulgaria. Italian money has been in very general use in southern Albania and along the coast line." U.S. Mint (1923: 140) says coins only were used in the interior, and Italian and Greek currency along the coast.

Political status: Albania declared independence from the Ottoman Empire on 28 November 1912. During World War I, Austrian forces occupied most of the country. Italian forces swept through Albania near the war's end, starting in September 1918, and by the armistice on 11 November 1918 occupied most of the country. Local sentiment for independence, supported by the United States, prevented Italy from converting Albania into a colony. Italian political and commercial influence was strong, though.

Legislation: Albania, Monetary Law (Legge organica per la Banca Nazionale d'Albania), 5 July 1925.

Preceded by: As part of the Ottoman Empire, Albania had used the Ottoman lira (pound).

Succeeded by: Albania's dollarization episode ended when its newly established central bank, the National Bank of Albania, began issuing currency on 1 March 1926. The Albanian government granted a concession to the Italian commercial bank Credito Italiano to operate the central bank. The National Bank was accordingly mainly Italian-owned, and was representative of Italian ambitions of hegemony in this period. The new currency was the Albanian lek.

Remarks: None.

References: U.S. Mint (1923, 1926).

Andorra

Dates: 1278-present.

Currency: To 31 December 1998, French franc, issued by the Bank of France, and Spanish peseta, issued by the Bank of Spain; 1 January 1999-31 December 2001, the euro, issued by the European Central Bank, as unit of account alongside French franc and Spanish peseta as hand-to-hand currency; 1 January 2002-present, euro. Andorra has issued its own euro coins since January 2015.

Political status: Independent. The Bishop of Urgell (Spain) and president of France are co-princes and heads of state, but political power resides in the parliament.

Legislation: No legislation was necessary in Andorra to introduce the euro, since France and Spain were replacing their national currencies with it. Andorra signed a Monetary Agreement with the European Union on 30 June 2011. The agreement allows Andorra to issue its own euro coins.

Preceded by: Andorra used French and Spanish currency for centuries, but without banks (see Remarks).

Succeeded by: Continuing.

Remarks: The first bank, the Banc Agrícola i Comercial d'Andorra, was not established until 1930.

References: Diari d'Andorra (2015), European Central Bank (2023).

Bhutan

Dates: 28 May 1968-5 April 1974.

Currency: Indian rupee, issued by the Reserve Bank of India.

Political status: Independent.

Legislation: Bhutan, Bank of Bhutan royal charter, 1968.

Preceded by: Mainly barter, though the Indian rupee was in limited use. The first coins were issued about 1790, initially by local chieftains.

Succeeded by: Bhutan introduced a national note currency issued by its ministry of finance on 6 April 1974 to coincide with the impending coronation of a new king (World Bank 1984: 34 n. 1). The new currency was the Bhutanese ngultrum.

Remarks: The first bank was the Bank of Bhutan (headquarters Puntsholing, Bhutan), in Puntsholing, on 28 May 1968 (Bank of Bhutan 1992: 1, 10).

References: Bank of Bhutan (1992).

Botswana (Bechuanaland)

Dates: May 1897-22 August 1976.

Currency: The nondecimal South African pound to 13 February 1961 and its successor the decimal South African rand from 14 February 1961. Until 1925 a number of South African banks issued notes; from 1925 the Reserve Bank of South Africa became the sole issuer.

Political status: British colony until independence on 30 September 1966.

Legislation: Bechuanaland Protectorate, Proclamation No. 5 of 1895; Bechuanaland Protectorate, Proclamation No. 54 of 1932 (made South African currency legal tender along with British currency—in practice, British coins); Bechuanaland Protectorate, Proclamation No. 3 of 1933 (made South African currency the sole official currency of Bechuanaland); Botswana, Bank of Botswana Act, No. 7 of 1975.

Preceded by: Nonmonetary economy.

Succeeded by: Botswana established the Bank of Botswana, a central bank, to earn seigniorage and gain greater economic independence from South Africa, which was then under white minority rule. Certain provisions of the Bank of Botswana Act entered into force on 1 July 1975, but the central bank only began acquiring assets in January 1976 (Bank of Botswana 1975: 2). The central bank did not start issuing a national currency, the Botswana pula, until 23 August 1976.

Remarks: Botswana was sparsely populated and was little integrated into the world economy until after World War II. The first bank was the Standard Bank of South Africa (headquarters London), in Francistown, in May 1897. The branch was open and issued notes for just a few months. The bank established another short-lived branch in Francistown from 1934-1935,

then a branch in Gaborone starting 1950, which was the first permanent bank in the country. In the period without banks both the Standard Bank of South Africa and Barclays Bank sent traveling offices to Lobatsi once a week from Mafeking to provide banking services. A branch of the South African Post Office Savings Bank was established in 1911 (Bhuiyan 1987: 46).

References: Bhuiyan (1987); Bank of Botswana (1975).

British Indian Ocean Territory

Dates: 8 November 1965?-present.

Currency: Pound sterling.

Political status: British overseas territory. The territory was part of British colonies of Mauritius and Seychelles until it was created on 8 November 1965.

Legislation: Britain, British Indian Ocean Territory Order, 8 November 1965.

Preceded by: Before the territory was created, the Mauritius and Seychelles rupees, the legal tender currencies, had fixed exchange rates with the pound sterling.

Succeeded by: Continuing.

Remarks: The territory has no permanent population. The U.S. dollar is also accepted because of the large number of U.S. personnel at the military base on Diego Garcia (Great Britain, Foreign and Commonwealth Office Web site, viewed 11 December 2007). The territory issues commemorative coins.

References: No general references.

British Virgin Islands

Dates: 1837-present.

Currency: Danish West Indies rigsdaler, 1837-1934?; Jamaican pound and U.S. dollar, 1934-196?; U.S. dollar, 196?-present.

Political status: British overseas territory.

Legislation:

Preceded by: A report by the British colonial governor in 1863 noted that notes of the Bank of Saint Thomas (in the Danish Virgin Islands, now the U.S. Virgin Islands) circulated. The bank first issued notes in 1837, and it failed in 1898. The Dansk-Vestindiske Nationalbank in Charlotte Amalie opened in 1905 and issued notes until the bank lost its right of note issue in 1934 (Higgie 1962: 8-9).

Succeeded by: Continuing.

Remarks: The U.S. dollar was the de facto circulation of the islands in general circulation from the late 1930s (Great Britain 1963 & 1964: 17). Sometime in the 1960s the U.S. dollar became the sole legal tender.

References: Great Britain (1963 & 1964); Higgie (1962).

British West Africa: Gambia, Ghana (Gold Coast), Nigeria, Sierra Leone

Dates: Late 1800s-25 June 1913.

Currency: Pound sterling.

Political status: British colonies.

Legislation: United Kingdom, Secretary of State for the Colonies, Memorandum Defining the Constitution, Duties and Powers of the West African Currency Board, 6 December 1912.

Preceded by: Barter and native currencies.

Succeeded by: British silver coins were unlimited legal tender in British West Africa but only legal tender up to £2 in Britain. To prevent the possible embarrassment of large redemptions of British silver coins in response to fluctuations in trade between Britain and British West Africa, and to provide the colonies of the region with seigniorage from issuing a local currency, the British government decided to issue a common currency for the colonies through the West African Currency Board (headquarters London). It began issuing currency on 26 June 1913.

Remarks: The first banks were as follows: Gambia, Bank of British West Africa, in Bathurst (now Banjul), in 1902; Ghana (Gold Coast), Bank of British West Africa, in Accra, 1896; Nigeria, African Banking Corporation (headquarters London, England), in Lagos, August or September 1891; Sierra Leone, first durable bank was the Bank of British West Africa, in Freetown, 1898. In Nigeria, the X briefly issued notes, but there were not successful and it withdrew them. In Nigeria, the Anglo-African Bank, which opened in Old Calabar in 1899, issued a small amount of notes for a few years sometime during 1899-1912, but the issue was small enough that the monetary system was still basically dollarization. These banks all had their headquarters in Britain. (The source for these dates is Fry 1976: 20, 27, 74). In Sierra Leone, the locally owned Commercial Bank of West Africa opened in Freetown in 1882 but closed less than a year later when its founder died (Anin 2000: 13).

References: Fry (1976); Great Britain, West African Currency Board (1913/1914); Loynes (1962).

Brunei

Dates: 1899-31 December 1951, interrupted by Japanese World War II occupation from 22 February 1942-4 September? 1945.

Currency: Singapore dollar to 1938; Malayan dollar from 1938. The Malayan dollar was simply the Singapore dollar renamed to account for a change in the monetary authority issuing it.

Political status: Independent to 1906, then a British protectorate.

Legislation: Malaya British Borneo Currency Agreement, 1950.

Preceded by: Mexican and other silver dollars.

Succeeded by: On 1 January 1952, Brunei joined the Board of Commissioners of Currency, Malaya and British Borneo (headquarters Singapore), along with Sarawak and British North Borneo. Now a participant in issuing the currency, the Malayan dollar, it ceased being dollarized.

Remarks: Brunei used Singapore currency, issued from 1899 by the Board of Commissioners of Currency Singapore, so 1899 is somewhat arbitrarily the start date listed above. In 1938 the currency board was renamed the Board of Commissioners of Currency, Malaya, to reflect that it expanded its membership to the British protectorates of the Malayan peninsula. A Post-Office Savings Bank (headquarters Brunei Town, Brunei) was established in Brunei Town (today Bandar Seri Begawan) in 1935. During World War II, Brunei was occupied by Japanese forces, which issued an occupation currency and interrupted the period of dollarization. The first commercial bank was the Yokohama Specie Bank (headquarters Yokohama, Japan) in 1942; it closed in 1945 when Japanese occupation of Brunei ended. The first commercial bank

to open after the war was the Hongkong and Shanghai Banking Corporation (headquarters Hong Kong), in Brunei Town (now Bandar Seri Begawan), on 2 January 1947 (Skully 1984: 11-12).

References: Skully (1984).

Cameroon (Kamerun)

Dates: 1884-11 August 1914.

Currency: German mark.

Political status: German colony.

Legislation: Cameroon, governor's order of 12 August 1914 (Vernordnung des Gouverneurs von Kamerun über die Ausgabe von Schatzscheinen).

Preceded by: Barter and native currencies.

Succeeded by: Soon after World War I began, the government of Cameroon began issuing notes, ending dollarization.

Remarks: Germany claimed Cameroon as a colony in 1884. The colony's borders were somewhat different from the borders of present-day Cameroon. The first bank was the Deutsch-Westafrikanische Bank (headquarters Berlin), in Kamerunstadt (since 1907 called Douala), in perhaps 1905. The bank was founded on 14 October 1904; the date of 1905 for the first branch in Cameroon is a guess (*Deutsches Kolonial-Lexikon* 1920, v. 1: 446).

References: *Deutsches Kolonial-Lexikon* (1920).

Caribbean Netherlands (Bonaire, Saba, Sint Eustatius [BES])

Dates: 1 January 2011-present.

Currency: U.S. dollar. The islands issue their own coins, mainly for collectors.

Political status: Special municipalities of the Netherlands since 10 October 2010.

Legislation: Netherlands, Rijkswet wijziging Statuut in verband met de opheffing van de Nederlandse Antillen (Kingdom act amendment to the statute in connection with the dissolution of the Netherlands Antilles), 7 September 2010; Netherlands, Wet geldstelsel BES (Law on the monetary system of the BES), 30 September 2010.

Preceded by: Netherlands Antilles florin (guilder), issued by the Bank van de Nederlandse Antillen.

Succeeded by: Continuing.

Remarks: The rest of the former Netherlands Antilles continued to use the Antillean guilder, which had long been pegged at 1.79 per U.S. dollar.

References: News reports.

Cayman Islands

Dates: 1908-30 April 1972.

Currency: The nondecimal Jamaican pound to 8 September 1969 and its decimal successor the Jamaican dollar from 8 September 1969. Pound sterling currency, to which the Jamaican

pound was equal, also circulated until Jamaica switched its currency unit to the Jamaican dollar, worth half a Jamaican pound and closer in value to the U.S. dollar.

Political status: British colony.

Legislation: Cayman Islands Currency Law, No. 19, September 1971.

Preceded by: Use of Jamaican and British currency without banks.

Succeeded by: Cayman Islands Currency Board, which opened on 1 May 1972. It issued the Cayman Islands pound was

Remarks: A Government Savings Bank was established in 1908, so this entry counts dollarization as beginning then. The first commercial bank was Barclays Bank (Dominion, Colonial and Overseas) (headquarters London), in Georgetown, on 2 March 1953 (Crossley and Blandford 1975).

References: Cayman Islands Currency Board (1973), Crossley and Blandford (1975).

Christmas Island

Dates: 1 September 1900-present.

Currency: Straits Settlement dollar, 1 September 1900-20 October 1938; Malayan dollar (the successor the Straits dollar, equal to it), 21 October 1938-30 March 1942; Japanese occupation currency, 31 March 1942-September 1945; Malayan dollar, September 1945-17 January 1968 (alongside Australian pound/dollar from 1 October 1958); Australian dollar exclusively since 18 January 1968. Christmas Island has never issued coins.

Political status: Part of the Straits Settlements (whose most important component was present-day Singapore), 1 September 1900-30 September 1958, except occupied during World War II by Japanese forces, 31 March 1942-September 1945; an Australian territory since 1 October 1958.

Legislation: Christmas Island, Christmas Island Currency Ordinance, 1967.

Preceded by: Mainly use of Straits Settlements and perhaps Indian currency.

Succeeded by: Continuing.

Remarks: Christmas Island was made part of the Straits Settlements effective 1 September 1900, which is why this entry dates the dollarization episode as starting then. Apparently the first bank on the island was Westpac in Flying Fish Cove, which opened sometime since the island became an Australian territory.

References: Christmas Island annual report (1958/1960-present).

Cocos (Keeling) Islands

Dates: 23 November 1955-present.

Currency: The nondecimal Australian pound to 13 February 1966 and its decimal successor the Australian dollar from 14 February 1966.

Political status: In 1886 the British government granted the islands in perpetuity to the Clunies-Ross family. The islands became a possession of Australia on 23 November 1955, transferred from the Straits Settlements (whose most important component was Singapore). On 1 September 1978 John Cecil Clunies-Ross relinquished his authority over the islands to Australia. The Australian government introduced Australian currency and took steps toward

establishing Cocos Malay self-government. On 4 April 1984 the residents voted to merge with Australia.

Legislation: United Kingdom, Cocos Islands Order in Council, 28 October 1955.

Preceded by: The Clunies-Ross family issued notes that were used alongside those of the Singapore (later Malayan) currency board.

Succeeded by: Continuing.

Remarks: The first bank seems to have been the Commonwealth Bank of Australia (headquarters Sydney) in Bantam Village, Home Island, established perhaps early during Australian administration.

References: King (1957: 25-26).

Cuba

Dates: 1 March 1899-May 1934.

Currency: U.S. dollar. Cuba issued its own coins.

Political status: U.S. occupation, 1 January 1899-19 May 1902; independent from 20 May 1902, but until 1934, by treaty the United States had power to intervene in Cuban affairs.

Legislation: United States, executive order of 28 December 1898; Cuba (U.S. military administration), Circular No. 2, 1 March 1899; Cuba, law of 16 May 1933.

Preceded by: The privately owned Banco Español de la Isla de Cuba and the Cuban Treasury issued notes. The Banco Español was the only bank allowed to issue notes. Under U.S. occupation it lost its monopoly and Cuban Treasury likewise ceased issuing notes.

Succeeded by: The Cuban Treasury began issuing silver certificate notes in May 1934. The Cuban peso of the time was equal to the U.S. dollar, and the silver certificates were like those issued by the U.S. government at the time. In mid 1932 the government had issued silver coins in excess of demand for them, earning profits since the metallic content of the coins only about one-third of their face value (Cuba, Decree No. 324, 29 February 1932, cited in Wallich 1950: 77 n. 3; see also p. 79). As the government's financial wants increased, it began issuing silver certificate notes. Until 26 April 1949, U.S. dollars continued to be legal tender alongside Cuban notes. On 27 April 1949, the Banco Nacional de Cuba, a central bank, began operations.

Remarks: Cuba suffered a wave of bank failures from October 1920 into 1921 related to a crash in the price of sugar, the island's main export. In April 1926 there was a wave of bank runs, which soon subsided (Wallich 1950: 55-58, 71-72).

References: Wallich (1950).

Danzig

Dates: 15 November 1920-24 October 1923.

Currency: German mark.

Political status: As part of the settlement of the World War I, Danzig (now Gdansk, Poland) was separated from Germany as "free city" — an independent political unit under a League of Nations high commissioner. Danzig became a free city on 15 November 1920.

Legislation: Gesellschaftsvertrag der Danziger Zentralkasse Aktiengesellschaft (Articles of Association of the Danzig Central Fund, Incorporated), 19 October 1923; Gesetz über eine

Wertbeständige Rechnungseinheit in Danzig (Monetary Law, literally Law on a Stable Unit of Account in Danzig), 20 October 1923.

Preceded by: Danzig had used the German mark as a part of Germany before being separated to become a free city.

Succeeded by: Danziger Zentralkasse A.G., a currency board. The German mark suffered a hyperinflation in 1923, making it desirable to cease using the mark to promote economic stability. The currency board issued the Danzig gulden, at 25 gulden per pound sterling.

Remarks: Danzig would have had no reason to abandon use of the German mark without the German hyperinflation. Like many German cities during the hyperinflation period, Danzig issued notes intended to function as small change because coins disappeared from circulation, being worth more as metal than as money. The German mark remained the main currency and Danzig can be said to have remained dollarized.

References: *Gesetzblatt für die Freie Stadt Danzig* (1923; government gazette); *Danziger Volksstimme* (newspaper).

Dominican Republic

Dates: 1 March 1900-22 October 1947.

Currency: U.S. dollar. Dollar notes were issued by the U.S. Treasury and various national banks, then from November 1914 mainly by the U.S. Federal Reserve System.

Political status: Independent, except for a U.S. occupation from 1916 to 1924 intended to bring political stability. The occupation was unpopular among Dominicans.

Legislation: Decree No. 3940, 9 December 1899; Resolution No. 3956, 17 February 1900; Organic Law of the Banco Central de la República Dominicana, No. 1529, 9 October 1947.

Preceded by: Banco Nacional de Santo Domingo, a privately owned concern that combined central and commercial banking functions. Founded in 1889 with the support of the French investment bank Crédit Mobilier, in September 1895 a U.S. firm bought the bank. In late 1896 the government accepted the bank's notes for payment of up to 20% of import duties (Estrella 1971, v. 1: 58, 86-92). A law of May 1897 made the bank's notes official currency, which previously had not been the case. The bank was heavily involved in financing government budget deficits and the currency depreciated. The president was assassinated on 26 July 1899, and under a new government, a presidential decree of 14 September 1899 demonetized the bank's notes. Some notes continued to circulate for several years afterwards. By 1900 the bank was inactive, though it did not officially cease to exist until 1904 (Estrella 1971, v. 1: 58-92).

Succeeded by: The Banco Central de la República Dominicana began operations on 23 October 1947, issuing the Dominican peso, equal to the U.S. dollar. The Dominican Republic resumed issuing a national currency after several years of stability under local control of finances (see Remarks).

Remarks: From 1905 to 1941 the Dominican customs administration was under U.S. control to ensure that the Dominican government would set aside customs revenue sufficient to pay the interest on the Dominican Republic's foreign debt. A revision of the Dominican constitution in 1907 forbade the government from issuing notes. The constitution was frequently revised and this provision was itself later undone.

References: Estrella (1971).

Ecuador

Dates: 9 January 2000-present.

Currency: U.S. dollar.

Political status: Independent.

Legislation: Presidential announcement of 9 January 2000; Ley para la Transformación Económica del Ecuador (“Ley Trolleybús”), No. 4, 13 March 2000.

Preceded by: The Banco Central del Ecuador issued the Ecuadorian sucre.

Succeeded by: Continuing. Ecuador is the largest dollarized economy as of October 2023.

Remarks: Dollarized to prevent a currency crisis from worsening. The sucre was fixed at 25,000 per dollar and removed from circulation over about nine months. Dollarization has been the longest-lasting single monetary policy since Ecuador became independent from Spain 1822. Ecuador continues to issue its own coins. The Banco Central del Ecuador continues to exist, though it does not issue notes. During the presidency of Rafael Correa (2007-2017), the government used the Banco Central del Ecuador to manipulate the banking system to a limited extent, substituting Ecuadorian assets for foreign assets in the Banco Central’s balance sheet.

References: Banco Central del Ecuador (2000); Mahuad (2021).

El Salvador

Dates: 1 January 2001-present.

Currency: U.S. dollar.

Political status: Independent.

Legislation: Monetary Integration Law, No. 201, 22 December 2000.

Preceded by: Salvadoran colón, issued by the Banco Central de Reserva de El Salvador.

Succeeded by: Continuing.

Remarks: The Banco Central de Reserva de El Salvador had pegged the Salvadoran colón at 8.75 per dollar since 1993. The rationale for dollarizing was to eliminate the currency risk premium that made local-currency interest rates higher than dollar interest rates despite the long period of exchange rate stability. El Salvador continues to issue coins. El Salvador did not declare a date on which old currency would cease to be valid, so in principle it can be used today, but people exchanged most old currency for dollars in the first two years of dollarization.

References: Banco Central de Reserva de El Salvador (2000, 2001).

Equatorial Guinea

Dates: 1909?-11 October 1969.

Currency: Spanish peseta. Equatorial Guinea used Spanish notes and coins.

Political status: Spanish colony, independent from 12 October 1968.

Legislation: Decree-Law No. 3, 3 October 1969.

Preceded by: Spanish currency was used but there were no banks, so the system did not qualify as a modern dollarization episode.

Succeeded by: The Banco Central de la República de Guinea Ecuatorial began issuing currency on 12 October 1969. The Equatorial Guinea peseta was equal to the Spanish peseta. Locally, the currency was called the ekwele; its plural was bipkwele. The ekwele was an iron lance-tip used as currency in precolonial times. The new currency began on the first anniversary of independence from Spain.

Remarks: The first bank was apparently the Bank of British West Africa (headquarters Liverpool, the London from 1910), which established an agency in Santa Isabel (now Malabo), sometime from 1905-1909; the agency became a branch in 1917 (Fry 1976: 62, 89). In 1985 Equatorial Guinea joined a regional central bank, the Banque des États de l’Afrique Centrale (BEAC) (headquarters Yaoundé, Cameroon).

References: Fry (1976).

Eritrea

Dates: 1 January 1890-14 September 1952.

Currency: Italian lira to 23 April 1941; East African shilling, issued by East African Currency Board (headquarters London) from 24 April 1941. The East African shilling was equal to the British shilling, being one-twentieth of a pound sterling.

Political status: Italian colony, 1 January 1890-1941; British military administration, 1941-14 September 1952. British military forces conquered Eritrea during World War II.

Legislation: United Kingdom, Occupied Enemy Territory Administration, Proclamation No. 1, 24 April 1941; Eritrea, constitution of 11 September 1952.

Preceded by: Italian currency was in circulation as early as 1885 but Eritrea was not yet officially an Italian colony.

Succeeded by: Eritrea joined Ethiopia in a federation on 15 September 1952. Ethiopia had a central bank, the State Bank of Ethiopia, which extended its operations to Eritrea. The Eritrean constitution of 1952, enacted to provide a framework for federation with Ethiopia, omitted currency as a subject for provincial jurisdiction, therefore currency fell under Ethiopian jurisdiction.

Remarks: The post office savings bank provided payment services from 1886, but the first commercial bank was the Banca d’Italia, in Asmara, on 2 February 1914 (Banca d’Italia 1940: 63). The following banking problems occurred during Italian rule: Banca per l’Africa Orientale failed, 1923; Banco Coloniale di Credito liquidated, 1932; cooperative bank Banca Cooperative Popolare Eritrea liquidated, 1933 (Mauri 2003, 16-17). The Banca d’Italia had a separate note issue for Italian East Africa from 1938 until the British Army conquered Italian East Africa during World War II. (The main fighting was over by May 1941, but the last Italian units did not surrender until January 1942.) The episode still counts as dollarization because the issuer was the central bank of the colonial power, not a local issuer or a metropolitan bank chartered to operate in the colony.

References: Banca d’Italia (1940); Rodd (1948).

Eswatini (Swaziland)

Dates: 30 June 1921-5 September 1974.

Currency: The nondecimal South African pound to 13 February 1961 and its decimal successor the South African rand from 14 February 1961.

Political status: British protectorate, independent on 6 September 1968.

Legislation: South Africa, Currency and Banking Act, No. 31, 17 December 1920; South Africa, Decimal Coinage Act, No. 61 of 1959; Swaziland, royal Order in Council on the Monetary Authority of Swaziland, 22 March 1974.

Preceded by: Free banking. The National Bank of South Africa (headquarters Johannesburg) opened a branch in Bremersdorp (now Manzini), in 1897 (Crossley and Blandford 1975: 322). Because the banking system in Eswatini was an offshoot of the South African system, free banking ceased in Eswatini when South Africa established a central bank.

Succeeded by: Monetary Authority of Swaziland, a currency board. It opened on 1 April 1974 but did not issue its first currency until 6 September 1974. The currency it issued was the Swazi lilangeni (plural emalangeni), equal to the South African rand.

Remarks: The Eswatini lilangeni continues to be equal to the South African rand. Eswatini is a member of the Common Monetary Area, whose members allow the rand to circulate alongside their currencies and in return receive payments from South Africa tied to the estimated circulation of rand within their borders.

References: Collings and others (1978), Crossley and Blandford (1975).

Ethiopia

Dates: July 1936-14 April 1943.

Currency: Italian (East African) lira to about 29 April 1941; East African shilling, issued by East African Currency Board (headquarters London) from about 30 April 1941. The East African shilling was equal to the British shilling, being one-twentieth of a pound sterling.

Political status: Italy conquered Ethiopia in the Second Italo-Ethiopian War, which began in October 1935 with an unprovoked Italian attack and ended in February 1937. Italy annexed Ethiopia on 7 May 1936 and it became part of Italian East Africa with Eritrea and Italian Somaliland (today southern Somalia). All used the Italian lira as currency. British military forces conquered Ethiopia during World War II and returned it to independence.

Legislation: Italian East Africa, Governor-General's Decree No. 23, 20 June 1936; Italy, Decree-Law No. 1371, 2 July 1936; United Kingdom, Occupied Enemy Territory Administration, Notice No. 3; United Kingdom and Ethiopia, "Agreement between the United Kingdom and Ethiopia with Annex—Addis Ababa, January 31, 1942"; Ethiopia, proclamation of 26 August 1942.

Preceded by: Bank of Ethiopia, a mainly government-owned central bank, issuing the Ethiopian talari. The Italian conquerors replaced the talari at 5 talari per lira.

Succeeded by: State Bank of Ethiopia, an entirely government-owned central bank, issuing the Ethiopian birr. After regaining independence, Ethiopia reissued a national currency.

Remarks: The Banca d'Italia had a separate note issue for Italian East Africa from 1938 until the British Army conquered Italian East Africa during World War II. (The main fighting was over by May 1941, but the last Italian units did not surrender until January 1942.) The episode still counts as dollarization because the issuer was the central bank of the colonial power, not a local issuer or a metropolitan bank chartered to operate in the colony.

References: Banca d'Italia (1940); Gill (1991); Rodd (1948).

French overseas territories: French Guiana, Guadeloupe, Martinique, Mayotte, Saint Barthélemy, Réunion, Saint Martin, Saint Pierre and Miquelon

Dates: 1 January 1973-present in Saint Pierre and Miquelon, 1976-present in Mayotte, 1 January 1975-present in the other territories.

Currency: French franc to 31 December 2001, euro from 1 January 2002. From 1 January 1999 to 31 December 2001, the euro was a unit of account with a fixed rate of 6.55957 French francs but did not exist as notes or coins.

Political status: French Guiana, Guadeloupe, Martinique, Mayotte, and Réunion are overseas departments of France. Saint Barthélemy, Saint Martin, and Saint Pierre and Miquelon are overseas collectivities of France.

Legislation: France, Law 74-1114, 27 December 1974; France, Law No. 98-357, 12 May 1998; France, Ordonnance No. 2000-916, 19 September 2000.

Preceded by: CFA franc, issued by the Institut d'émission des départements d'outre-mer (headquarters Paris).

Succeeded by: Continuing.

Remarks: The French Caribbean territories had a common note issue from 1959 until the French franc replaced the local franc.

References: France, Institut d'émission des départements d'outre-mer (2009).

Gibraltar

Dates: 1855-August 1914.

Currency: Spanish currency, mainly gold and silver coins, to 30 September 1898; pound sterling from 1 October 1898. Because of Gibraltar's extensive trade relations with Spain, Spanish currency continued to circulate even after the pound sterling became the official currency.

Political status: British colony.

Legislation: United Kingdom, orders in council of 9 August 1898; Gibraltar, government notice of 14 September 1898; Gibraltar, Bank Note Ordinance, No. 10, 5 August 1914.

Preceded by: Spanish currency was in use, mainly as coins, but there were no banks.

Succeeded by: Gibraltar Commissioner of Currency, a currency board either from the start in August 1914 or from 1927 when later legislation passed. The Commissioner of Currency issued government notes to alleviate a banking panic that occurred shortly after World War I began.

Remarks: The first bank in Gibraltar was the private (unincorporated) A.L. Galliano Bankers (Banco Galliano), established in 1855. The dollarization episode dates from its founding. British legislation of 1898 and an implementing notice in Gibraltar made the pound sterling the official currency of the colony.

References: Chalmers (1893).

Greenland

Dates: 1 July 1967-present.

Currency: Danish krone.

Political status: Danish colony to 1953, Danish county since.

Legislation: Denmark, Act No. 67, 15 March 1967.

Preceded by: Greenland krone, issued by the government of Greenland, equal to the Danish krone.

Succeeded by: Continuing.

Remarks: The first bank in Greenland was Grønlandsbanken (headquarters Godthåb [now Nuuk], Greenland), which opened in 1967 in Godthåb (now called Nuuk). It was partly owned by the Danish central bank, which on 21 January 2005 concluded an agreement to sell its shares to the government of Greenland (Danmarks Nationalbank, press release of 21 January 2005).

References: Danmarks Nationalbank Web site.

Honduras

Dates: 1912-30 June 1950.

Currency: U.S. dollar. Dollar notes were issued by the U.S. Treasury and various national banks, then from November 1914 mainly by the U.S. Federal Reserve System. *See below for caveats.*

Political status: Independent.

Legislation: Presidential decree of 8 August 1918 (affirming the U.S. dollar as legal tender); Legislative Decree No. 53, 3 February 1950.

Preceded by: Banks and the Honduran government issued notes. They continued to do so during what this entry classifies as the dollarization period, but the U.S. dollar was the main note currency in use, and U.S. coins were also widely used (see, for instance, U.S. Mint 1920: 177). The Honduran currency was initially the peso, but a 1926 law, not effective until 1931, renamed it the lempira. The exchange rate remained the same. Until 1918 the currency was on a silver standard, but in 1918 the U.S. dollar became the anchor at 2 pesos per dollar. Honduras continued issuing its own coins all through the dollarization period.

Succeeded by: Banco Central de Honduras, which opened 1 July 1950. U.S. dollar coins were legal tender from 1943 to 1953.

Remarks: Transportation between the Atlantic coast and the interior was difficult at the time, making the two regions almost separate monetary spheres. The dollar was most used on the Atlantic coast, which was closer to the United States and had more trade links with it than the interior did.

References: Castillo (1974), Vinelli (1971), U.S. mint annual reports.

Iraq

Dates: March 1917-31 March 1932.

Currency: Indian rupee. The Currency Department of the Indian government issued rupee notes, while the Indian Mint issued rupee coins.

Political status: British World War I conquest from the Ottoman Empire, later a British League of Nations mandate.

Legislation: British military proclamation of 27 August 1917; Iraq Currency Law, No. 44, 19 April 1931.

Preceded by: Iraq had been part of the Ottoman Empire. The Ottoman Imperial Bank issued notes, as did the Ottoman government starting in 1915 to finance its World War I spending.

Succeeded by: Iraq Currency Board (headquarters London). The currency board began on 1 March 1932, shortly before Iraq became independent. It issued the Iraqi dinar, equal to the pound sterling. The Indian rupee was itself pegged at 13-1/3 per pound sterling, or 1 shilling 6 pence sterling per rupee.

Remarks: British and Indian forces invaded Mesopotamia, as it was then called, in late 1914 as part of World War I. Their base was India, so they used the Indian rupee. They captured Baghdad in March 1917, which is a convenient date to mark the effective dollarization of most of the country. Making Iraq a mandate of the League of Nations committed Britain to allowing Iraq to become independent at a time that was unspecified but expected to be not too distant. It came on 3 October 1932.

References: Krus and Schuler (2014).

Israel (Palestine) and Jordan (Transjordan)

Dates: December 1917-31 October 1927.

Currency: Egyptian pound. The National Bank of Egypt issued notes, while the Egyptian Mint issued coins.

Political status: World War I British conquest from the Ottoman Empire, later a British League of Nations mandate. Originally Palestine included what are now Israel, the territories controlled by the Palestinian Authority, and Jordan. On 11 April 1921 Britain separated Transjordan (now Jordan) from Palestine and established Abdullah ibn Hussein, a World War I Arab ally, as its king.

Legislation: United Kingdom, Army, proclamation by commander (General Allenby), 23 November 1917; Palestine, Public Notice No. 73A, 12 December 1918; Palestine, Public Notice of 1 February 1921; United Kingdom, Palestine Currency Order, 7 February 1927.

Preceded by: Palestine had been part of the Ottoman Empire. The Ottoman Imperial Bank issued notes, as did the Ottoman government starting in 1915 to finance its World War I spending.

Succeeded by: Palestine Currency Board (headquarters London). The Palestine Currency Board began operations on 1 November 1927. It issued currency for both Palestine and Transjordan.

Remarks: Egyptian pound was issued by the National Bank of Egypt, a combined central bank and commercial bank mostly owned by British and French shareholders. British military forces introduced the Egyptian pound during their World War I campaign in Palestine, which was based in Egypt. Egypt was a British protectorate and the Egyptian pound was pegged to sterling at Egyptian £0.975 per pound sterling. The Egyptian pound was a decimal currency, divided into 1,000 millièmes. Palestine, Public Notice No. 36, 2 January 1921 made Egyptian currency and British gold sovereigns (equal to Egyptian £0.975) legal tender from 22 January 1921, though other currencies were allowed to circulate at market rates.

References: Berlin (2001), Ottensooser (1955).

Kenya (East Africa Protectorate)

Dates: July 1896-1 April 1906.

Currency: Indian rupee. The Currency Department of the Indian government issued rupee notes, while the Indian Mint issued rupee coins. The Imperial British East Africa Company, a privately owned British company that had governed Kenya from 1888 to 1893, had also issued rupee-denominated coins. The colonial government of Kenya also issue its own rupee-denominated coins starting in 1898. The Indian rupee was widely used around the Indian Ocean, not just within India.

Political status: British colony.

Legislation: United Kingdom, Order in Council of 19 May 1898; United Kingdom, East Africa and Uganda (Currency) Order in Council, 10 February 1905.

Preceded by: The Indian rupee was in use but no banks existed.

Succeeded by: East Africa Protectorate, Board of Commissioners of Currency, a note-issuing currency board. Apparently, the motive for establishing the currency board was to gain the seigniorage that previously accrued to the Indian government from people using Indian notes.

Remarks: The first bank was the National Bank of India (headquarters London), in Mombasa, in July 1896 (Tyson 1963: 113, 221).

References: Ross (1927), Tyson (1963).

Kiribati (Gilbert and Ellice Islands, Gilbert Islands)

Dates: 1937-present.

Currency: The nondecimal Australian pound, 1937-December 1941; Japanese occupation currency, December 1941-November 1943; Australian pound, November 1943-13 February 1966; its decimal successor the Australian dollar since 14 February 1966. Kiribati issues its own coins, but has not issued any since 1992.

Political status: What is now Kiribati was part of the Gilbert and Ellice Islands, British colony. The inhabitants of the Ellice Islands wished to form a separate jurisdiction, so the Ellice Islands were separated from the Gilbert Islands on 1 October 1975 and later became independent as Tuvalu. The Gilbert Islands became independent as Kiribati on 12 July 1979.

Legislation: Gilbert and Ellice Islands, Currency Ordinance, 1937; Gilbert and Ellice Islands, Currency (Amendment) Ordinance, 1966.

Preceded by: Use of British and Australian currency, perhaps without a bank.

Succeeded by: Continuing.

Remarks: The first bank was the Commonwealth Bank of Australia (headquarters Sydney), which established an agency on Ocean Island (Banaba) sometime before World War II. This entry dates dollarization as starting in 1937 because the ordinance cited in Legislation marked a change in the monetary system: it made Australian notes and coins legal tender alongside British coins, which continued as legal tender. In December 1941, the acting resident commissioner of the capital, Ocean Island (Banaba), issued £5,000 of local paper money to make year-end payments after the beginning of the Second World War in the Pacific interrupted communications. The notes were retired on 28 February 1942 when Chinese and Europeans were evacuated from the island (Schwan and Boling 1995: 215). After Allied forces recaptured the islands during World War II, the U.S. dollar was used unofficially on Christmas Island (Kiritimati) and Canton Island, where there were wartime U.S. military bases. By 1948, most U.S. dollars had been withdrawn from circulation (Great Britain 1948: 13).

References: Great Britain (1948), Schwan and Boling (1995).

Kosovo

Dates: 2002-present.

Currency: Euro.

Political status: Kosovo Albanians declared their independence from Serbia in September 1992. It was not internationally recognized. In 1998 and 1999 Kosovar and Serb forces fought a war. In 1999 Kosovo came under United Nations administration, though as a part of Serbia. Kosovo unilaterally declared its independence from Serbia on 17 February 2008. This time it gained widespread though not universal diplomatic recognition as a sovereign state. Serbia continues to claim Kosovo, but accepts the governing authority of Kosovo's institutions as a part of the 2013 Brussels Agreement.

Legislation: Not found, but see European Central Bank (2017/2020). Kosovo unilaterally adopted the euro.

Preceded by: Yugoslav (Serbian) dinar. The dinar suffered high inflation in the 1990s, including a hyperinflation in 1992-1994.

Succeeded by: Continuing.

Remarks: Before the euro came into existence as a physical currency in 2002, the German mark had been the dominant currency in Kosovo for some years.

References: European Central Bank (2017/2020).

Lesotho (Basutoland)

Dates: 30 June 1921-18 January 1980.

Currency: The nondecimal South African pound to 13 February 1961 and its decimal successor the South African rand from 14 February 1961.

Political status: British colony until independent on 4 October 1966.

Legislation: South Africa, Currency and Banking Act, No. 31, 17 December 1920; South Africa, Decimal Coinage Act, No. 61 of 1959; Lesotho, Lesotho Monetary Authority Act, No. 13 of 1978.

Preceded by: Free banking. The Standard Bank of South Africa (headquarters London) and the National Bank of South Africa (headquarters Johannesburg) circulated the notes of their South African branches. Because the banking system in Lesotho was an offshoot of the South African system, free banking ceased in Lesotho when South Africa established a central bank.

Succeeded by: Lesotho Monetary Authority, an organization with fewer powers in monetary policy than a typical central bank. Established as a sign of independence from South Africa and its regime of white minority rule. The currency it issued was the Lesotho loti (plural maloti), equal to the South African rand.

Remarks: The Lesotho loti continues to be equal to the South African rand. Lesotho is a member of the Common Monetary Area, whose members allow the rand to circulate alongside their currencies and in return receive payments from South Africa tied to the estimated circulation of rand within their borders.

References: Collings and others (1978); Henry and Siepmann (1963).

Liberia

Dates: 1904-14 July 1974 (or 1989; see below).

Currency: U.S. dollar to 1906; pound sterling, 1906-1913; West African pound (equal to the pound sterling), 1913-1935; U.S. dollar, 1935-14 July 1974. Liberia was founded by American blacks and retained ties to the United States, including use of the U.S. dollar. However, by an arrangement connected to a loan by made to the Liberian government in 1906, customs duties were required to be paid in British gold and silver coins, which became the monetary standard of the country. Liberian silver coins of 10, 25, and 50 Liberian cents were in circulation but “very much depreciated” (U.S. Mint 1909: 287). Liberia then used the West African pound, the currency of neighboring Sierra Leone and other nearby British West African colonies, which began to circulate in the colonies on 26 June 1913. The West African pound was equal to the pound sterling. In 1935, Liberia again adopted the U.S. dollar as its official currency, but the West African pound was allowed to remain in circulation until 1943, when the dollar became the sole legal tender.

Political status: Independent.

Legislation: Act of 1935 (adopting the U.S. dollar as currency); act of 19 August 1943 (ending legal tender for the West African pound).

Preceded by: The U.S. dollar was used, but there were no banks.

Succeeded by: The National Bank of Liberia, a central bank, began operations on 15 July 1974. It issued the Liberian dollar, equal to the U.S. dollar. The National Bank of Liberia Act originally provided for the central bank to issue only coins, not notes, so U.S. notes continued to circulate (National Bank of Liberia 1974: 23). The highest denomination was initially Liberian \$1, but on 12 April 1982 the central bank began issuing Liberian \$5 coins, in the first major step toward a national currency having a full range of denominations (National Bank of Liberia 1982). The central bank’s first notes are dated 1989 and were presumably issued that year.

Remarks: The first bank was the Banque de l’Afrique Occidentale (headquarters Paris), in Monrovia, in 1904 (Alibert 1983: 62). In its time, Liberia was, with Panama, the most widely known example of dollarization.

References: Alibert (1983), National Bank of Liberia (1974, 1982).

Libya

Dates: 1912-23 March 1952.

Currency: Italian lira to 15 September 1943; Algerian franc in Fezzan and Egyptian pound in Cyrenaica, respectively, to 23 March 1952. (Tripolitania used British military currency during the latter period.) When Italian rule of Libya began, Italy had three note-issuing banks, all of which had the right to open branches and issue notes in Libya.

Political status: Italy conquered Libya in the Italo-Turkish War of 1911-12. Under Ottoman Turkish rule, what is now Libya was the provinces of Fezzan, Tripolitania, and Cyrenaica. Libya was an Italian colony until British forces conquered it in early 1943 during World War II.

Legislation: Italy, Decree No. 1367, 10 December 1911; United Kingdom, Occupied Enemy Territory Administration, Tripolitania Proclamation No. 7, February? 1943; Free French

military administration, proclamation of February? 1943; United Kingdom, Occupied Enemy Territory Administration, Tripolitania Proclamation No. 46, 16 September 1943; Libya, Libyan Currency Law, No. 4, 24 October 1951.

Preceded by: During the Italo-Turkish War, the Ottoman government in Libya issued notes.

Succeeded by: Tripolitania, northwestern region of Libya, began using British military currency issued for local use in 1943. It, Fezzan, and Cyrenaica all replaced their former currencies with the Libyan pound, issued by the Libyan Currency Commission, which opened on 24 March 1952. The Libyan pound was equal to the pound sterling. The legal seat of the Commission was Tripoli but its de facto headquarters were in London.

Remarks: None.

References: Banca d'Italia (1940), Rodd (1948).

Liechtenstein

Dates: 6 December 1861-present.

Currency: Austrian gulden to 1892; Austro-Hungarian crown (krone), 1892-1918; Austrian crown (krone), 1918-25 May 1924; Swiss franc from 26 May 1924. Liechtenstein switched from the Austrian crown to the Swiss franc because the crown underwent a high inflation after World War I.

Political status: Independent.

Legislation: Law No. 8, 26 May 1924.

Preceded by: Austrian currency was used, but without banks.

Succeeded by: Continuing.

Remarks: The first bank was the Zins- und Credit-Landes-Anstalt, in Vaduz, on 6 December 1861, to begin the dollarization episode. The Sparkassa went bankrupt as the result of embezzlement uncovered in 1928 (Liechtensteinischen Landesbank 2011: 66).

References: Liechtensteinischen Landesbank (2011), Weibel (2022).

Madagascar

Dates: 1885-4 February 1926.

Currency: French franc.

Political status: Independent to 1895; ruled by France from 1895; French colony from 1897.

Legislation: France, law of 22 December 1925 (establishing the Banque de Madagascar).

Preceded by: Various foreign coins (Campbell 1988).

Succeeded by: Banque de Madagascar, a French-owned commercial bank that also issued notes.

Remarks: The first bank was the Comptoir d'Escompte de Paris (headquarters Paris, France), in Diego-Suarez (Antsiranana), in 1885. It was established in connection with a politically motivated loan that was an outgrowth of a peace treaty Madagascar signed in 1885 after losing a war with France (*Madagascar, cent ans d'expériences bancaires* 1987: 13).

References: Campbell (1988), *Madagascar, cent ans d'expériences bancaires* (1987).

Malaysia (Malayan peninsula)

Dates: August 1908-20 October 1938.

Currency: Straits dollar (issued by the Board of Commissioners of Currency, Straits Settlements, headquarters Singapore).

Political status: The Malayan peninsula contained the following monarchies that accepted status as British protectorates: Selangor, Perak, Pahang, and Negeri Sembilan (the Federated Malay States), and Johor, Kedah, Kelantan, Perlis, and Terengganu (the Unfederated Malay States).

Legislation: Straits Settlements, Currency Ordinance, No. 23 of 1938, and corresponding legislation in the Malay states.

Preceded by: Free banking.

Succeeded by: The Malayan Currency Board began operations on 21 October 1938 as the successor to the Board of Commissioners of Currency, Straits Settlements. Its membership included the Malay states, giving them a share in the profits of the currency, as they had desired.

Remarks: The first bank in Malaya proper, as opposed to the Straits Settlements, was the Chartered Bank of India, Australia and China (headquarters London, England), which opened branches in Kuala Lumpur and Taiping in 1888 (Mackenzie 1953: 115). The starting date of dollarization is August 1908 because that is when the license of the Hongkong and Shanghai Banking Corporation to issue notes in Singapore expired. Banks treated their Singapore and Malayan branches as part of a single network, so when the Chartered Bank of India, Australia and China's license to issue notes in Singapore expired in December 1904, it did not try to issue notes separately in Malaya, and neither did the Hongkong and Shanghai Banking Corporation.

References: Lee (1974).

Malta

Dates: 1878-1886, 1903-August 1914, 1 October 1915-31 December 1939.

Currency: Pound sterling; the Sicilian silver dollar (piastra) was the most widely used currency until Italy demonetized it in 1885, even though the pound sterling was the official currency.

Political status: British colony.

Legislation: United Kingdom, Order in Council of 13 August 1855; Malta, governor's proclamation of 4 October 1855 (this order and proclamation made British coins sole legal tender); Malta, Ordinance No. 8, 12 August 1914; Malta, Paper Currency Ordinance, No. 48, 13 September 1939.

Preceded by: Free banking preceded the first two dollarization periods. In 1878 and again in 1903 banks voluntarily decided to cease issuing notes. It is unclear why they did so in 1878; presumably note issue was not profitable enough. In 1903 it was apparently because checks now provided a sufficient substitute for notes (Sammut 2001: 155, 158).

Succeeded by: Free banking succeeded the first episode as banks decided in 1886 to resume issuing notes. Government issue without any particular backing rules that later turned into a currency board succeeded the second episode, as Malta issued its own currency as an emergency measure during World War I. The Board of Commissioners of Currency, a currency board, succeeded the third episode. Soon after World War II began, Malta again issued its own currency as an emergency measure, again under the Board of Commissioners of Currency, a currency board. The system persisted after the war and Malta never returned to dollarization.

Remarks: Bank withdrawals occurred starting in mid 1914 from fears that war would break out in Europe. Banks closed from August 3-14 1914 after World War I began, then payments were restricted through September 30 (Central Bank of Malta 1968: 20-21). In September 1938, the Munich crisis over the fate of Czechoslovakia led to fears of war, provoking a run on Barclays Bank, Banco di Roma, and other banks; the run dissipated after British bank notes arrived from London (Crossley and Blandford 1975: 91; Consiglio 2006: 136-137). In September 1939, deposit withdrawals at the start of World War II led one Italian and one French bank to end operations (Central Bank of Malta 1968: 22).

References: Central Bank of Malta (1968), Chalmers (1893), Consiglio (2006), Sammut (2001).

Monaco

Dates: Late 1800s-present.

Currency: French franc to 31 December 2001, euro from 1 January 2002. From 1 January 1999 to 31 December 2001, the euro was a unit of account with a fixed rate of 6.55957 French francs but did not exist as notes or coins. Monaco issues its own coins.

Political status: Independent.

Legislation: Monetary Convention between France (on behalf of the European Community) and Monaco, 26 December 2001

Preceded by: Use of the French franc, but without banks.

Succeeded by: Continuing.

Remarks: Some French banks opened branches in Monaco in the late 1800s, but precise dates are hard to find.

References: Monaco (no date).

Montenegro

Dates: 2 November 1999-present.

Currency: German mark to 31 December 2001; euro from 1 January 2002.

Political status: Montenegro was part of Yugoslavia in federation with Serbia until declaring its independence on 3 June 2006 after a referendum. As part of federal Yugoslavia, Montenegro had considerable autonomy, including over the use of currency within its territory.

Legislation: Presidential decree of 2 November 1999.

Preceded by: Yugoslav (Serbian) dinar, issued by the National Bank of Yugoslavia, a central bank (headquarters Belgrade). The dinar suffered high inflation in the 1990s, including a hyperinflation in 1992-1994.

Succeeded by: Continuing.

Remarks: The German mark had been in widespread unofficial use in Montenegro at least since the 1980s. The population viewed the highly unstable Yugoslav dinar as mainly benefiting Serbia, the much larger partner in the federation and the site of the central bank's headquarters. The presidential decree of 2 November 1999 gave the mark legal tender status alongside the dinar. Quickly the population switched to using mainly marks for retail transactions. The government's decision to pay the salaries of its employees in marks completed the transition, and the dinar more or less disappeared from circulation. The euro,

introduced as a unit of account on 1 January 1999, was issued as notes and coins starting 1 January 2002. The German mark and other currencies of countries that joined the European Central Bank ceased to exist. The fixed exchange rate of the mark in effect since 1999 was 1.95583 per euro. Montenegro made the switch to the euro automatically. In 2001, two banks were liquidated and others were partly renationalized via debt-to-equity swaps to prepare them for privatization or resolution (Barisitz 2008: 123).

References: Hanke (2016: 9-10).

Morocco (northern part — Spanish Morocco)

Dates: 27 November 1912-17 February 1958 in Spanish Morocco (the northernmost part of the country). Morocco issued its own coins during the dollarization period.

Currency: Spanish peseta.

Political status: A Franco-Spanish treaty of 27 November 1912 converted French and Spanish zones of influence in Morocco into formal protectorates. Morocco became independent from France on 2 March 1956. The northern zone occupied by Spain rejoined Morocco on 7 April 1956, except for the enclaves of Ceuta and Melilla, which remain Spanish. Tangier became a city under the joint administration of France, Spain and the United Kingdom by the terms of an international agreement signed in Paris on 18 December 1923. It too became part of independent Morocco in 1956.

Legislation: Franco-Spanish treaty of 27 November 1912.

Preceded by: The Banque d'État du Maroc (headquarters Tangier) began issuing notes on 22 April 1907. The bank was a central bank owned by an international consortium, managed initially by the Banque de Paris et du Pays-Bas (headquarters Paris).

Succeeded by: Spanish Morocco rejoined the rest of the country monetarily nearly two years after rejoining it politically. Morocco's central bank was by this time the government-owned Bank al-Maghrib, also called Banque du Maroc.

Remarks: During the Spanish civil war of 1936-1939, Madrid, the headquarters of the Bank of Spain, was controlled by Loyalists. Spanish Morocco was quickly occupied by the opposing Nationalist (Franco) government, whose headquarters was in Burgos, Spain. Only Bank of Spain notes overprinted by the Burgos government were valid in Spanish Morocco (Banque d'État du Maroc 1936: 6).

References: Banque d'État du Maroc (1936), Mateu y Llopis (1948).

Namibia (German Southwest Africa, later South West Africa)

Dates: (1) 1884-7 August 1914; (2) 1 January 1962-14 September 1993.

Currency: (1) German mark, 1884-18 August 1915; (2) South African rand, 1 January 1962-31 July 1990.

Political status: German colony, 1884-1915; South African military conquest, later League of Nations mandate and United Nations trust territory, 1915-20 March 1990; independent 21 March 1990.

Legislation: South West Africa, Proclamation No. 3 of 1922; South West Africa, South West Africa Banks Proclamation, No. 29 of 1930; South Africa, South African Reserve Bank Amendment

Act, 1961; possibly South West Africa, Proclamation No. 130 of 1961; Namibia, Bank of Namibia Act, No. 8, June 1990.

Preceded by: (1) Before the German mark the economy was mainly nonmonetary. On 8 August 1914, soon after World War I began, the government of German South West Africa, as it was then called, issued notes as a wartime emergency measure. (2) The South African conquest of South West Africa replaced the German mark with the South African pound. Two commercial banks, the Standard Bank of South Africa (headquarters London) and the National Bank of South Africa (headquarters Johannesburg), issued notes and were allowed to continue doing so long after the Reserve Bank of South Africa was established in 1921 to monopolize note issue in South Africa. They ceased issuing notes at the end of 1961, so the second dollarization period began then.

Succeeded by: (1) See just above on the nondollarized period from 2 August 1914- 31 December 1961. (2) Namibia, the new nation was called, established the Bank of Namibia, a central bank that opened on 1 August 1990. However, the central bank did not start issuing currency until 15 September 1993, so the dollarization period lasted until then. The new national currency, the Namibian dollar, was equal to the South African rand and rand currency continued to be legal tender in Namibia (Bank of Namibia 1990: 9, 16, 31).

Remarks: The first bank was the Deutsche-Afrikabank (headquarters Lüderitz, German South West Africa?) in Lüderitz, in 1906 (Ikhide and Fitchat 2002: 13-14).

References: Bank of Namibia (1990); Ikhide and Fitchat (2002).

Nauru

Dates: December 1968-present.

Currency: Australian dollar.

Political status: After World War II, a United Nations trust territory under Australian administration until independence on 31 January 1968.

Legislation: Currency Ordinance, No. 9, 31 December 1965; Currency Act 1976.

Preceded by: Used Australian dollar, but without banks.

Succeeded by: Continuing.

Remarks: The first bank was the Bank of New South Wales (headquarters Sydney, Australia), in Yaren, in December 1968, which is why this entry dates dollarization from then.

References:

Nepal

Dates: 15 November 1937-16 September 1945.

Currency: Indian rupee, issued by the Reserve Bank of India. Nepal issued its own coins.

Political status: Independent.

Legislation: Nepal Bank Act, 1937.

Preceded by: Use of Indian currency but without banks.

Succeeded by: The ministry of finance began issuing notes on 17 September 1945 (Nepal Rastra Bank 2005: 350). The currency was the Nepalese rupee, pegged at 1.28 per Indian rupee.

Remarks: The first bank was the 40 percent government-owned Nepal Bank Limited (headquarters Kathmandu, Nepal), in Kathmandu, at the start of this period (Nepal Bank Limited Web site). Previously, in 1880, the government had established an institution called Tejarath Adda (headquarters Kathmandu, Nepal) in Kathmandu, which lent on the security of gold and silver ornaments. Nepal Bank Limited took over the functions of the Tejarath Adda (Gaudel 2003: 27).

References: Gaudel (2003), Nepal Bank Limited (Web site), Nepal Rastra Bank (2005)

New Zealand territories (Cook Islands, Niue, Tokelau)

Dates: Cook Islands: 1901-1987 and 1995-present; Niue: 1901-present; Tokelau: 1925-present.

Currency: New Zealand pound to 9 July 1967; New Zealand dollar from 10 July 1967. Multiple banks issued New Zealand notes until the Reserve Bank of New Zealand opened on 1 August 1934.

Political status: The Cook Islands became a New Zealand colony on 10 June 1901 and is today an associated state of New Zealand. Niue became a New Zealand colony on 11 June 1901 and is today an associated state of New Zealand. Tokelau came under New Zealand administration in 1925, became part of New Zealand on 1 January 1949, and is today a dependent territory of New Zealand.

Legislation: New Zealand, Cook and Other Islands Government Act, 1901; United Kingdom, Union Islands Order in Council Nos. 1 and 2, 1925; New Zealand, Decimal Currency Act, 1964; Cook Islands, Currency Act 1986-87, No. 32, 15 April 1987; Cook Islands, Currency Amendment Act of 1994-95, No. 31, 8 June 1995.

Preceded by: British currency and silver dollars were widely used. The Cook Islands issued their own currency from 1987 to 1995, initially as a currency board but later reducing the required foreign reserve backing. The Cook Islands dollar, equal to the New Zealand dollar, depreciated. The Cook Islands returned to using the New Zealand dollar. The first bank in the Cook Islands opened in 1969. The first bank in Niue opened in 1988. Tokelau apparently has never had a bank.

Succeeded by: Continuing.

Remarks: Samoan currency has also been widely used in Tokelau (United Nations 1979: 8 n. 24).

References: Burdekin (2008).

Norfolk Island

Dates: 1916-present.

Currency: The nondecimal Australian pound to 13 February 1966 and its decimal successor the Australian dollar from 14 February 1966.

Political status: External territory of Australia since 1 July 1914; previously a British territory under the administration of New South Wales.

Legislation: Australia, Norfolk Island Act, No. 15, 19 December 1913 (accepting Norfolk Island as an Australian commonwealth territory).

Preceded by: Use of Australian currency but without a bank.

Succeeded by: Continuing.

Remarks: The Commonwealth Savings Bank (headquarters Sydney) established a branch in 1916, which is why this entry dates the episode as beginning then. The first commercial bank was the Commonwealth Trading Bank (headquarters Sydney), in Kingston, in 1964 (Treadgold 1988: 158, 216).

References: Treadgold (1988).

Northern Cyprus (Turkish Republic of Northern Cyprus)

Dates: 14 July 1974-present.

Currency: Cypriot pound to 1975; Turkish lira since 1975, though the Cypriot pound was allowed to continue circulating until 1983.

Political status: De facto independent, though not generally recognized de jure, since a Turkish invasion separated the northern, mainly Turkish, part of the island from the southern, mainly Greek part in 1974.

Legislation: Law of the Central Bank of the Turkish Federated State of Cyprus, No. 31/1983; decree of 16 May 1983 (abolished use of the Cypriot pound and converted Cypriot pounds to Turkish lira).

Preceded by: Northern Cyprus was part of Cyprus.

Succeeded by: Continuing.

Remarks: Despite its name, the Central Bank of the Turkish Federated State of Cyprus does not in fact issue a local currency.

References: Central Bank of the Turkish Republic of Northern Cyprus (no date).

Panama (and Panama Canal Zone)

Dates: 4 November 1903-present.

Currency: Colombian peso to 1904; U.S. dollar since 1904. Dollar notes were issued by the U.S. Treasury and various national banks, then from November 1914 mainly by the U.S. Federal Reserve System. Panama has a nominally distinct unit of account, the balboa, but it is equal to the U.S. dollar.

Political status: Independent from Colombia 4 November 1903.

Legislation: Currency Law, No. 84, 28 June 1904.

Preceded by: Colombian peso. Colombian notes were issued competitively by banks.

Succeeded by: Continuing.

Remarks: Until Ecuador dollarized, Panama was for many years the largest dollarized economy. The United States helped to create Panama. In return, Panama ceded to it the Panama Canal Zone, which existed from 1903 to 1979. The Canal Zone was not subject to Panamanian laws. It used the U.S. dollar. Panama issues its own coins. A banking crisis occurred in 1988-89 when the U.S. government cut off the flow of dollars to pressure the dictator Manuel Noriega to resign, and then invaded when merely financial pressure was unsuccessful.

References: Conte Porras (1998), Diez Morales (1974).

Papua New Guinea

Dates: 1 November 1910?-18 April 1975 in Papua; 1 January 1915-18 April 1975 in New Guinea.

Currency: The nondecimal Australian pound, 1 November 1910?-March? 1942; Australian pound, May 1945-13 February 1966; its decimal successor the Australian dollar, 14 February 1955-18 April 1975.

Political status: Papua, the southwestern part of the island of New Guinea, was an Australian territory from 1 September 1906, when Britain transferred it to Australia. New Guinea, the northwestern part of the island, was a German colony. The Dutch claimed the western half of the island as part of the Dutch East Indies in 1828. After World War I began in Europe, Australian forces occupied German New Guinea; the small German force surrendered on 17 September 1914. On 17 December 1920 the League of Nations gave Australia a mandate to govern German New Guinea, except for Nauru (made a separate mandate of Australia) and Micronesia (made a mandate of Japan). On 23 January 1942, during the Second World War, Japanese forces invaded the islands of New Britain and New Ireland. They invaded New Guinea on 8 March 1942, conquering it and part of Papua, but they failed to take the whole island. Australian and other Allied forces retook all of Papua and New Guinea by May 1945. On 30 October 1945 Australian combined Papua and New Guinea into the Territory of Papua and New Guinea, which became a United Nations trusteeship territory on 31 December 1946. In December 1973 Papua New Guinea, as it was now called, became self-governing, and on 16 September 1975 Papua New Guinea became independent from Australia.

Legislation: Australia, Currency and Coinage Proclamation, 1916 (ended the use of German coins and notes of the Neu Guinea Compagnie); Australia, Currency, Coinage, and Tokens Ordinance (New Guinea) 1922; Papua New Guinea, Central Banking Act 1973.

Preceded by: In New Guinea's period of German rule, the Neu Guinea Compagnie (headquarters Berling) issued notes. In Papua, British and Australian currency were widely used. The Bank of New South Wales, which was allowed to issue notes in Australia until 31 October 1910, may or may not have issued some in Papua before Australia established a proto-central bank on 1 November 1910.

Succeeded by: Papua New Guinea established the Bank of Papua New Guinea, a central bank, in its last years as a dependent territory because of the view prevalent at the time that an independent country should have a national central bank. The central began on 19 April 1975 and issued the Papua New Guinean kina, equal to the Australian dollar.

Remarks: The first bank in Papua was the Bank of New South Wales (headquarters Sydney), in Port Moresby on 10 May 1910 (Holder 1970, v. 2: 513). The first commercial bank in New Guinea was the Commonwealth Bank of Australia (headquarters Sydney), in Rabaul, New Britain, on 16 April 1916.

References: Holder (1970), Mira (1986).

Persian Gulf British protectorates — Bahrain, Dubai, Kuwait, Qatar, United Arab Emirates (Trucial States) — and Oman

Dates: 1800s to as late as 6 May 1970. The dates on which dollarization ended are as follows: Kuwait, 31 March 1961; Bahrain, 15 October 1965; Qatar and Dubai, 18 September 1966; Oman, 6 May 1970.

Currency: Indian rupee to mid 1959, then the Indian-issued Gulf rupee (see Remarks).

Political status: Absolute monarchies under British protection except Oman, which was independent but under fairly strong British influence.

Legislation: The legislation establishing the Gulf rupee was India, Reserve Bank of India [Amendment] Act, 1 May 1959. The legislation replacing the Gulf rupee with currency boards was Kuwait, Decree No. 41, 19 October 1960; Bahrain, Bahrain Currency Decree, Decree No. 6 (Finance), 9 December 1964; Qatar and Dubai, Qatar-Dubai Currency Agreement, 21 March 1966; and Oman, Currency Decree, April 1970.

Preceded by: Various silver coins. No modern banking existed until the 20th century among these countries.

Succeeded by: To succeed the Gulf rupee, the Persian Gulf states established the following currency boards: Kuwait Currency Board; Bahrain Currency Board; Qatar and Dubai Currency Board; and Muscat Currency Authority (later renamed Oman Currency Board). Abu Dhabi used Bahrain currency from June 1966 by agreement with Bahrain. The Qatar and Dubai currency board in effect covered the other Trucial States (now the United Arab Emirates).

Remarks: The Persian Gulf states has long used the Indian rupee. The government of India established a separate currency, the Gulf rupee, for circulation exclusively outside the country. In doing so, it hoped to reduce the drain on its foreign reserves from gold smuggling with the countries of the Persian Gulf. The Gulf rupee was not fully convertible either inside or outside of India, which caused dissatisfaction in the countries using it. After India devalued the rupee on 6 June 1966, the countries still using the Gulf rupee decided to replace the Gulf rupee with national currencies. As an intermediate step, Qatar and Dubai used Saudi Arabian notes from mid June to 17 September 1966 because local notes were not yet ready for issue. The first banks in the various countries were as follows: Bahrain, Eastern Bank, in Manama, 1 July 1920; Dubai: British Bank of Iran (headquarters London, England), in Dubai, on 12 October 1946; Kuwait, Imperial Bank of Iran, in Kuwait City, 1942; Oman, Imperial Bank of Iran, in Muscat, September 1948. All of these banks had their headquarters in London. (The source for these dates is Jones 1986: 209, 325, 339).

References: Anonymous (2003), Bahrain Currency Board (1965/1966), Bank al-Markazī al-‘Umānī (Central Bank of Oman) (1975), Edo (1975), Jones (1986), Krus and Schuler (2014); Majlis al-Naqd al-Kuwaytī (Kuwait Currency Board) (1961/1962), Qatar and Dubai Currency Board (1966).

Pitcairn Islands

Dates: 1800s-present.

Currency: Pound sterling to 1900s, then New Zealand pound to 9 July 1967; New Zealand dollar from 10 July 1967.

Political status: British Overseas territory.

Legislation: Unknown.

Preceded by: Barter.

Succeeded by: Continuing.

Remarks: The islands have a tiny population, currently about 60 people, and have never had a bank.

References: General histories.

Puerto Rico

Dates: 1913-present.

Currency: U.S. dollar.

Political status: United States territory.

Legislation: United States, An Act Temporarily to provide revenues and a civil government for Porto Rico, and for other purposes chapter 191, 12 April 1900.

Preceded by: The privately owned Banco Español de Puerto Rico, a commercial bank whose stockholders were mainly Spanish, had a monopoly of note issue. By article 8 of the 1898 Treaty of Paris ending the Spanish-American War, the United States pledged to respect the property rights of persons and corporate bodies. The Banco Español de Puerto Rico was therefore allowed to continue issuing notes until its 25-year charter expired in 1913.

Succeeded by: Continuing.

Remarks: Section 11 of the U.S. act of 1900 provides for a currency conversion at 1 Puerto Rican peso = 60 U.S. cents. In April 2010, U.S. bank regulators took over three banks: EuroBancshares R&G Financial Corporation (R-G Premier Bank), and W Holding Company (Westernbank). In February 2015 they took over Doral Bank.

References: Kemmerer (1916), Di Venuti (1950).

Saudi Arabia

Dates: 1925-24 July 1953.

Currency: Various foreign currencies (mostly coins), including British gold sovereigns, silver Maria Theresa thalers, silver Indian rupees, and Egyptian pounds.

Political status: Independent.

Legislation: Decree No. 30/4/1/1046 and Decree No. 30/4/1/1047, both 20 April 1952; Saudi Arabian Monetary Agency, announcement of 23 July 1953.

Preceded by: Use of coins, without banks.

Succeeded by: The Saudi Arabian Monetary Agency, a central bank, opened on 4 October 1952. The Saudis established it with advice from the U.S. government, and a U.S. economist, Arthur N. Young, became its first governor. The central bank did not issue its first notes until 25 July 1953 (Young 1983b: 550), so this entry counts dollarization as having ended the previous day.

Remarks: The first bank was the National Bank of Hedjaz and Arabia, in Jeddah, in 1925. It had notes printed but never issued them. A second bank had been founded by an Egyptian prince. Both were closed after King Abdul Aziz of Nejad conquered the Hedjaz region, including Jeddah, in late 1925. Some trading companies offered banking-type services (Wilson 1991:

16). The Nederlandsche Handel-Matschappij (Netherlands Trading Company, headquarters Amsterdam), a subsidiary of Algemene Bank Nederland, opened a branch in Jeddah in 1926 to serve Moslem pilgrims to Mecca from the Netherlands Indies (now Indonesia) (Jones 1987: 173; Wilson 1991: 19).

References: Jones (1987), Wilson (1991), Young (1953a, 1953b, 1983).

Saint Helena

Dates: 1864-15 January 1976.

Currency: Pound sterling. There were occasional but not regular issues of local coins.

Political status: British colony, later British overseas territory.

Legislation: Saint Helena, The Currency Ordinance, Ordinance No. 7 of 1975; Currency Regulations, 1976, Legal Notice No. 20 of 1976.

Preceded by: Use of the pound sterling, but without banks.

Succeeded by: Saint Helena Commissioners of Currency, a currency board, opened on 16 January 1976. The board's currency is the Saint Helena pound, equal to the pound sterling.

Remarks: The Standard Bank of British South Africa (headquarters London) briefly established a branch in Jamestown from 1864-1865, the first bank on the island (Henry and Siepmann 1963: 7). The Government Savings Bank in Saint Helena and the Ascension Island Savings Bank were established in 1865. The National Bank of South Africa (headquarters Johannesburg), a commercial bank established a branch in Jamestown about 1920 that did not outlast the decade. The first durable commercial bank was not established until 2004 (the Bank of Saint Helena).

References: Henry and Siepmann (1963).

San Marino

Dates: 1882-present.

Currency: Italian lira to 31 December 2001, euro from 1 January 2002. From 1 January 1999 to 31 December 2001, the euro was a unit of account with a fixed rate of 1,936.27 Italian lire but did not exist as notes or coins. San Marino issues its own coins.

Political status: Independent.

Legislation: Italy and San Marino, treaty of 23 September 1931; treaty of 15 June 1935; Treaty of Friendship and Neighborliness, 31 March 1939, article 47; Finance and Exchange Agreement, 20 July 1999.

Preceded by: Use of Italian currency, but without banks.

Succeeded by: Continuing.

Remarks: The first modern bank was apparently the Cassa di Risparmio della Repubblica di San Marino (headquarters city of San Marino), in 1882 (Carisp no date). Its foundation is the start date for the dollarization episode.

References: Banca Centrale della Repubblica de San Marino (no date), Berti (1983).

Seychelles

Dates: 10 November 1903-February 1915?

Currency: Indian rupee and Mauritius dollar. Seychelles did not issue coins during this period.

Political status: British colony. Seychelles was part of Mauritius until 1903. The first governor of Seychelles took office on 10 November 1903, beginning its period as a separate colony.

Legislation: United Kingdom, Letters Patent of 31 August 1903 (creating Seychelles as a separate colony); Seychelles, Paper Currency Ordinance, No. 14, 10 August 1914.

Preceded by: As part of Mauritius, Seychelles used Mauritius currency. Indian currency also circulated.

Succeeded by: The government issued notes as an emergency measure during World War I, then continued issuing them.

Remarks: A Government Savings Bank opened in March 1897 (Bradley 1940, v. 2: 353). The Bank of Mauritius (headquarters Port Louis) opened a branch in Victoria on 16 October 1911; the branch closed in 1915, around or after the end of the dollarization period (Huskinson 1999: 217).

References: Bradley (1940), Huskinson (1999).

Solomon Islands (British Solomon Islands)

Dates: 25 September 1937-23 October 1977.

Currency: The nondecimal Australian pound, 25 September 1937-13 February 1966, and its decimal successor the Australian dollar, 14 February 1966-23 October 1977.

Political status: British colony, self-governing in 1976, independent on 7 July 1978.

Legislation: British Solomon Islands, Currency Ordinance, No. 2 (also referred to as King's Regulation No. 2), 25 March 1937; Solomon Islands, Solomon Islands Monetary Authority Act, 1 June 1976.

Preceded by: British Solomon Islands Commissioners of Currency, a currency board.

Succeeded by: Solomon Islands Monetary Authority. The Monetary Authority had fewer powers than a full-fledged central bank. It issued the Solomon Islands dollar, equal to the Australian dollar, starting on 24 October 1977, less than a year before the islands became independent.

Remarks: Japanese forces conquered part of Solomon Islands during World War II and introduced an occupation currency there; the rest of islands continued to use Australian currency (Schwan and Boling 1995: 620). The first commercial bank was the Commonwealth Bank of Australia (headquarters Sydney, Australia), in Honiara, Guadalcanal, 23 July 1951 (Great Britain 1951 & 1952: 15). The bank had had an agency, though not a full branch, before World War II.

References: Great Britain (1951 & 1952).

Somalia (British Somaliland, Italian Somaliland)

Dates: 1930-30 September 1951 in British Somaliland (now Somaliland and Puntland, de facto independent but not internationally recognized as independent from Somalia); 15 November 1920-21 May 1950 in Italian Somaliland (known in Italian simply as Somalia; now southern Somalia).

Currency: British Somaliland: Indian rupee, 1930-17 August 1940; Italian lira, 18 August 1940-about 30 April 1941; East African shilling (issued by East African Currency Board, headquarters London), about 1 May 1941-30 September 1951. Italian Somaliland: Italian rupee, 1925-March 1941; East African shilling, March 1941-21 May 1950.

Political status: British Somaliland was a British colony except for a brief Italian occupation during World War II from August 1940 to April 1941, ended when the British Army retook Somalia. Italian Somaliland was an Italian colony until the British Army conquered it during World War II in March 1941 and administered it. Italian Somaliland reverted to Italian administration as a United Nations trust territory on 1 April 1950 for a little over a decade before the two territories united to form independent Somalia on 1 July 1960.

Legislation: Italy, Decree No. 1143, 18 June 1925; United Kingdom, Occupied Enemy Territory Administration, Proclamation No. 3, 2 March 1941, and Proclamation No. 4, 21 March 1941; Italy, incorporation of Cassa per la Circolazione Monetaria della Somalia, 18 April 1950; British Somaliland, Ordinance No. 16 of 1951.

Preceded by: British Somaliland: The Indian rupee was long in use but without banks. Italian Somaliland: The Banca d'Italia opened in 1920 and issued rupee-denominated cash certificates.

Succeeded by: British Somaliland became a member of the East African Currency Board, whose currency it was already using, on 1 October 1951. Italian Somaliland established a currency board, the Cassa per la Circolazione Monetaria della Somalia, which opened on 22 May 1950.

Remarks: In British Somaliland, a Government Savings Bank was established in Hargeisa in 1930, which is why this entry dates the dollarization episode from then (Somali National Bank 1961: 164). In Italian Somaliland, the Banca d'Italia opened in Mogadishu in on 15 November 1920, which is why this entry dates the dollarization episode from then. Initially the Banca d'Italia issued cash certificates (*buoni di cassa*) in lire and in a local unit called the Italian rupee; it began issuing lira notes on 1 July 1925 (Banca d'Italia 1940: 93; Somali National Bank 1961: 164-165). The Banca d'Italia had a separate note issue for Italian East Africa from 1938 until the British Army conquered Italian East Africa during World War II. (The main fighting was over by May 1941, but the last Italian units did not surrender until January 1942.) The episode still counts as dollarization because the issuer was the central bank of the colonial power, not a local issuer or a metropolitan bank chartered to operate in the colony.

References: Banca d'Italia (1940), Naparst (2018), Somali National Bank (1961).

Tajikistan

Dates: 25 December 1991-9 May 1995.

Currency: Russian ruble.

Political status: Declared independence on 9 September 1991; independence effective 25 December 1995 with the dissolution of the Soviet Union.

Legislation: Resolution of the State Commission, 6 May 1995.

Preceded by: Tajikistan was part of the Soviet Union.

Succeeded by: Bonki Millii Tojikiston (National Bank of Tajikistan), a central bank, began issuing the Tajikistani ruble, equal to the Russian ruble, on 10 May 1995.

Remarks: Tajikistan was the last former Soviet republic to issue its own currency. It is the only one listed in this paper because its period of using the Russian ruble was so much longer than for any other former Soviet republic.

References: IMF (1994).

Tanzania (Tanganyika, Zanzibar)

Dates: Tanganyika: 1916 to 30 July 1920; Zanzibar: 1893 to 31 March? 1908.

Currency: Indian rupee. The Currency Department of the Indian government issued rupee notes, while the Indian Mint issued rupee coins.

Political status: Tanganyika, now the mainland of Tanzania, had been part of the colony of German East Africa before being conquered by British forces during World War I. (British forces captured the coast by September 1916, but in the interior, German forces waged a guerilla war and did not surrender until the end of the war in Europe.) Tanganyika formally became a British colony in 1919. Zanzibar, previously independent, became a British protectorate in 1890.

Legislation: Zanzibar, Currency Decree, No. 3, 11 March 1908; United Kingdom, Secretary of State for the Colonies, Regulations Defining the Constitution, Duties and Powers of the East African Currency Board, 22 May 1920.

Preceded by: Tanganyika: Note issue by the Deutsch-Ostafrikanische Bank (headquarters Berlin), a privately owned commercial bank with a monopoly of note issue. Zanzibar: Use of the Indian rupee without banks.

Succeeded by: Zanzibar established a Board of Commissioners of Currency, a currency board, that opened on 1 April? 1908. Tanganyika joined the East African Currency Board (headquarters London) along with Kenya and Uganda when the board opened on 31 July 1920.

Remarks: The first bank in Zanzibar was the National Bank of India (headquarters London, England), in Zanzibar Town, in 1893 (Tyson 1963: 111, 221).

References: Licursi (2016), Tyson (1963)

Timor-Leste (East Timor)

Dates: 25 October 1999-present.

Currency: Indonesian rupiah to 23 January 2000; U.S. dollar since 24 January 2000. The country issues its own coins.

Political status: Indonesia, which had invaded the Portuguese colony of East Timor in 1975, turned it over to United Nations administration on 25 October 1999 after a local referendum supported independence; the country became independent 20 May 2002.

Legislation: United Nations Transitional Administration in East Timor, Regulation No. 2000/2, 14 January 2000 (allowed contracts and payments in any agreed currency); Regulation No. 2000/7, 22 January 2000 (established the U.S. dollar as the official currency effective 24 January); Regulation No. 2001, 14, 20 July 2001 (supplemented previous regulations and affirmed the U.S. dollar as the official currency); Timor-Leste, Decree-Law 20/2003, 20 October 2003 (reaffirmed the U.S. dollar as the official currency).

Preceded by: East Timor was part of Indonesia and used the Indonesian rupiah.

Succeeded by: Continuing.

Remarks: None.

References: Valdevieso and others (2000).

Togo (Togoland)

Dates: 1905-August 1914.

Currency: German mark.

Political status: German colony.

Legislation: Vertrag zwischen dem Gouvernement von Togo und der Deutsch-Westafrikanischen Bank. 25 March/24 July 1905.

Preceded by: German mark, but without banks.

Succeeded by: British and French forces captured Togo in August 1914, the first month of World War I. They substituted their own colonial currencies for the German mark: the West African pound, issued by the West African Currency Board (headquarters London) and the local French franc, notes of which were issued by the Banque de l'Afrique Occidentale (headquarters Paris).

Remarks: The first and possibly only bank was the Deutsch-Westafrikanische Bank (headquarters Berlin), in Lomé, in 1905. This entry dates the dollarization period from its establishment.

References: Cornevin (1962), *Deutsches Kolonial-Lexikon* (1920).

Tunisia

Dates: 1873-mid 1904.

Currency: Franc notes of the Banque de l'Algérie (headquarters Paris). Tunisia issued local coins.

Political status: Part of the Ottoman Empire but with considerable autonomy to 1881, then a French protectorate.

Legislation: Tunisia, decree of 8 January 1904; France, decree of 7 March 1904.

Preceded by: Use of various foreign currencies, including notes of the Banque de l'Algérie.

Succeeded by: The Banque de l'Algérie received authorization to establish a branch and issue notes for Tunisia also. Tunisian issues were separately marked from Algerian issues.

Remarks: A French bank was established in Tunis in 1847 but only lasted briefly. The first bank to be durable was an Italian bank whose name and details we could not find. It was already operating without unofficial permission when the London Bank of Tunis Limited (headquarters London, England), opened in Tunis in September 1873, to become the second bank to be durable, beginning the dollarization period of this entry. That bank was founded by the Banque Ottoman Impériale (Ottoman Bank) (Baster 1935: 113, 117).

References: Banque de l'Algérie et de la Tunisie (1955), Baster (1935), Ernest-Picard (1930).

Turks and Caicos Islands

Dates: 1976s?-present.

Currency: The Jamaican pound to 8 September 1969; its decimal successor the Jamaican dollar, 8 September 1969 to 1973; U.S. dollar since 1973. The islands issue coins, but for

commemorative purposes only; they are typically denominated in crowns, named an old British coin, but equal to the U.S. dollar.

Political status: British overseas territory. Separated from Jamaica on 4 July 1959.

Legislation: Unknown.

Preceded by: Use of Jamaican currency but without banks.

Succeeded by: Continuing.

Remarks: Barclays Bank (headquarters London) was the “first major bank” in the islands, opening a branch in Providenciales in 1981, according to the “Visit Turks and Caicos” Web site, implying that there were lesser banks before.

References: “Visit Turks and Caicos” Web site.

Tuvalu (Gilbert and Ellice Islands, Ellice Islands)

Dates: 1937-present.

Currency: The nondecimal Australian pound, 1937-December 1941; Japanese occupation currency, December 1941-November 1943; Australian pound, November 1943-13 February 1966; its decimal successor the Australian dollar since 14 February 1966. Tuvalu issues its own coins.

Political status: What is now Tuvalu was part of the Gilbert and Ellice Islands, British colony. The inhabitants of the Ellice Islands wished to form a separate jurisdiction, so the Ellice Islands were separated from the Gilbert Islands on 1 October. The Ellice Islands became independent as Kiribati on 1 October 1978.

Legislation: Gilbert and Ellice Islands, Currency Ordinance, 1937; Gilbert and Ellice Islands, Currency (Amendment) Ordinance, 1966.

Preceded by: Use of British and Australian currency, perhaps without a bank.

Succeeded by: Continuing.

Remarks: The first bank was the Commonwealth Bank of Australia (headquarters Sydney), which established an agency on Ocean Island (Banaba) sometime before World War II. This entry dates dollarization as starting in 1937 because the ordinance cited in Legislation marked a change in the monetary system: it made Australian notes and coins legal tender alongside British coins, which continued as legal tender. In December 1941, the acting resident commissioner of the capital, Ocean Island (Banaba), issued £5,000 of local paper money to make year-end payments after the beginning of the Second World War in the Pacific interrupted communications. The notes were retired on 28 February 1942 when Chinese and Europeans were evacuated from the island (Schwan and Boling 1995: 215). After Allied forces recaptured the islands during World War II, the U.S. dollar was used unofficially on Christmas Island (Kiritimati) and Canton Island, where there were wartime U.S. military bases. By 1948, most U.S. dollars had been withdrawn from circulation (Great Britain 1948: 13).

References: Great Britain (1948), Schwan and Boling (1995).

Uganda

Dates: November 1906-30 July 1920.

Currency: Indian rupee and Kenya rupee. For the Indian rupee, the Currency Department of the Indian government issued rupee notes, while the Indian Mint issued rupee coins. Kenyan rupee notes were issued by the East Africa Protectorate, Board of Commissioners of Currency, while coins were issued by the government treasury.

Political status: British protectorate.

Legislation: United Kingdom, Order in Council of 19 May 1898 (established the rupee and subdivisions of British India, the rupee-denominated coins formerly issued by the Imperial British East Africa Company, and British Indian notes as legal tender, effective 1 January 1899); United Kingdom, Secretary of State for the Colonies, Regulations Defining the Constitution, Duties and Powers of the East African Currency Board, 22 May 1920.

Preceded by: Use of Indian and Kenyan currency but without banks.

Succeeded by: Uganda joined the East African Currency Board (headquarters London) along with Kenya and Tanganyika when the board opened on 31 July 1920

Remarks: The first bank was the National Bank of India (headquarters London, England), in Entebbe, in November 1906, beginning the dollarization period (Tyson 1963: 221).

References: Tyson (1963).

United States Virgin Islands

Dates: 1935-present.

Currency: U.S. dollar.

Political status: Territory of the United States since 1917, when it was sold by Denmark.

Legislation: United States, Federal Reserve Act, chapter 6 of 23 December 1913, section 18.

Preceded by: Note issue by the Dansk-Vestindiske Nationalbank, known in English as the National Bank of the Danish West Indies.

Succeeded by: Continuing.

Remarks: After the United States purchased the Virgin Islands from Denmark, U.S. currency became legal tender alongside the notes of the National Bank of the Danish West Indies. Like note-issuing banks in the mainland United States, the National Bank of the Danish West Indies fell under provisions of the Federal Reserve Act of 1913 that allowed it to continue issuing notes until 1935.

References: Higgin (1962).

U.S. Pacific territories (American Samoa, Guam, Northern Mariana Islands)

Dates: American Samoa, 1900-present; Guam, 1899-present; Northern Mariana Islands, 1914-present.

Currency: U.S. dollar, except that the Northern Mariana Islands used the Japanese yen from 1914 to mid 1944 and Guam used the Japanese yen from December 1941-August 1944.

Political status: American Samoa, Guam, U.S. territory 1899-December 1941; occupied by Japanese forces during World War II, December 1941-mid 1944; U.S. territory, mid 1944-present. Northern Mariana Islands, conquered from Germany by Japanese troops during World War I; later a Japanese League of Nations mandate; conquered by U.S. troops in mid

1944 during World War II; then part of the U.S.-run United Nations Trust Territory of the Pacific Islands; became a U.S. commonwealth on 9 January 1978.

Legislation: United States, Executive Order No. 108-A, December 23, 1898 (placing Guam under U.S. Navy administration); Tripartite Convention of 1899 (between Germany, the United Kingdom, and the United States, recognizing U.S. rule over what became American Samoa); United States, executive order of 19 February 1900 (placing what became American Samoa under the control of the U.S. Navy); United States, Military Governor of the Mariana Islands (Admiral Chester W. Nimitz), Proclamations No. 4 and No. 6, July or August 1944.

Preceded by: Silver dollars.

Succeeded by: Continuing.

Remarks: The first bank in American Samoa was the government-sponsored Bank of American Samoa in Pago Pago, Tutuila in May 1914 (Bryan 1927: 98). The first bank in Guam was apparently the Guam Savings and Loan in 1954 (according to the Web site of its successor, BankPacific). The Bank of Hawaii has a branch in Saipan, Northern Mariana Islands and may have been the first bank in the islands.

References: Bryan (1927), United States Office of Naval Operations (1957).

Former U.S. Pacific trust territories (Marshall Islands, Micronesia, Palau)

Dates: 1914-present.

Currency: Japanese yen to 1944; U.S. dollar since 1944.

Political status: Conquered from Germany by Japanese troops during World War I; later a Japanese League of Nations mandate; conquered by U.S. troops in mid 1944 during World War II; then part of the U.S.-run United Nations Trust Territory of the Pacific Islands. Dates of independence were: Palau, 1 January 1981; Marshall Islands, 21 October 1986; Micronesia, 3 November 1986.

Legislation: United States, Military Governor of the Marshall Islands (Admiral Chester W. Nimitz), Proclamations No. 1 and No. 3, 1 February 1944; United States, Military Governor of the Caroline Islands (Admiral Chester W. Nimitz), Proclamations No. 4 and No. 6, 1944.

Preceded by: Silver dollars and perhaps German currency.

Succeeded by: Continuing.

Remarks: The first bank in the Marshall Islands was established in 1961.

References: United States Office of Naval Operations (1957).

Vatican City

Dates: 1929-present.

Currency: Italian lira to 31 December 2001, euro from 1 January 2002. From 1 January 1999 to 31 December 2001, the euro was a unit of account with a fixed rate of 1,936.27 Italian lire but did not exist as notes or coins. Vatican City issues its own coins.

Political status: Vatican City officially came into existence as an independent city-state in 1929.

Legislation: Italy and Vatican City, Monetary Agreement of 2 August 1930; Vatican City, Law No. 21, 31 December 1930; Monetary Agreement between the European Community and the Vatican City State, 17 December 2009.

Preceded by: Vatican City did not officially exist as an independent city-state before the start of the dollarization period.

Succeeded by: Continuing.

Remarks: The bank of Vatican City is the Institute for the Works of Religion (Italian: Istituto per le Opere di Religione; Latin: Institutum pro Operibus Religionis), established in June 1942.

References: None beyond Legislation.

Western Sahara (Río de Oro, Saguia el Hamra, and Spanish Sahara)

Dates: mid 1900s?-present.

Currency: Spanish peseta to about January 1979; Moroccan dirham since.

Political status: Initially a Spanish colony. From November 1975 the area was administered jointly by Spain, Morocco, and Mauritania; and, when in February 1976 the Spanish departed, Morocco and Mauritania divided the area between themselves, Morocco gaining the northern two-thirds of the area, including the phosphates. Algeria supported the guerillas of the pro-independence Polisario Front. Mauritania reached a peace agreement with the Polisario Front in 1979 and withdrew its troops, but Morocco annexed the area Mauritania had vacated. About 20% of the territory is controlled by the self-proclaimed Sahrawi Arab Democratic Republic, while the rest is occupied by Morocco.

Legislation:

Preceded by: Money was little used until the mid 1900s, but to the extent it was used, it was the Spanish peseta.

Succeeded by: Continuing.

Remarks: Spain began conquering Western Sahara 1884 and imposed the Spanish peseta, though Saharans used money little until 1960s. The first bank and second bank were the Banco Exterior de España and Banco Español de Crédito (headquarters for both Madrid, Spain), presumably in El Aaiun, dates and order of precedence unknown (both are mentioned in Instituto de Estudios Africanos 1969).

References: Instituto de Estudios Africanos (1969).

Yemen (Aden)

Dates: 9 February 1894-30 September 1951.

Currency: Indian rupee. Until 1935, the Currency Department of the Indian government issued rupee notes, while the Indian Mint issued rupee coins. Starting in 1935, the Reserve Bank of India took over issuing rupee notes.

Political status: Aden, the southern part of Yemen, was a British colony. Beyond the port of Aden there was a hinterland of Arab farmers and herders, the Aden Protectorate.

Legislation: Aden, Ordinance No. 11 of 1951.

Preceded by: Use of the Indian rupee, but without banks.

Succeeded by: Aden joined the East African Currency Board (headquarters London) starting 1 October 1951. The board issued the East Africa shilling, anchored like the Indian rupee to the pound sterling. The exchange rate was 1.50 East African shillings per rupee.

Remarks: The New Oriental Bank (headquarters London) briefly operated in Aden in the 1880s (Tyson 1963: 133), but the first durable bank was the privately owned National Bank of India (headquarters London) in Aden on 9 February 1894; its establishment marks that start of the dollarization period for this entry.

References: Tyson (1963).

Appendix A: Abandonment of paper currency

The cases below were not dollarization in the sense that foreign notes were officially legal tender. Rather, they were cases in which the domestic currency fell into such discredit that the public for a time reverted to using gold and silver coins for transactions where it had formerly used notes. Foreign notes obtained some circulation but were not as widely used as domestic notes had been before they fell into discredit.

Mexico

Dates: 1 April 1917-31 August 1925.

Currency: Domestic gold and silver coins; to a lesser extent, U.S. coins and notes.

Political status: Independent.

Legislation: Presidential decree of 29 March 1917 (providing for retiring existing notes from circulation); Constitution of 1917, article 28 (providing for a central bank); law of 20 January 1923 (to establish a central bank).

Preceded by: A government treasury issue called the *infalsificables* (uncounterfeitables) was quickly counterfeited. The counterfeits plus the large amounts of genuine notes printed caused the public to reject them in favor of using gold and silver coins, and the value of the notes plummeted to such an extent that the president ordered them withdrawn from circulation.

Succeeded by: The Banco de México, a central bank, began operations on 1 September 1925.

Remarks: Mexico seems to have been the largest economy where notes have most recently been abandoned in favor of gold and silver coins.

References: Bett (1957), Maurer (2002), U.S. Mint (1918: 167).

Peru

Dates: December 1887-11? August 1914.

Currency: Silver coins and some foreign notes.

Political status: Independent.

Legislation: Peru, Law No. 1968, 12 August 1914.

Preceded by: Government note issue. The government some years previously had made bank-issued notes forced tender with a government guarantee as a way of generating bank finance for itself. It also issued its own notes. Notes depreciated substantially.

Succeeded by: Government “circulating checks” (really, notes) authorized as an emergency measure shortly after World War I began in Europe.

Remarks: The US ambassador to Peru reported that “paper currency, having greatly depreciated, [was] virtually repudiated throughout the country as part of actual circulation in December 1887” (U.S. Mint 1888: 265).

References: Banco Central de Reserva del Perú (1999-2001), Joslin (1963), U.S. Mint (1888).

Appendix B: Modern banking but initially no note circulation

These are instances where for a few years at the beginning of modern corporate banking, there were no locally issued notes and people preferred to use gold and silver coins rather than foreign notes.

Singapore

Dates: 1 December 1840-30 May 1849.

Currency: Mexican and Spanish silver dollars, silver Indian rupees.

Political status: British colony. Singapore was part of British India at the time.

Legislation: India, Act No. 17, 17 August 1835.

Preceded by: Use of various silver coins, but without banks.

Succeeded by: Free banking. The first bank to issue notes was the Oriental Bank (headquarters London) (King 1957:4).

Remarks: The first bank was the Union Bank of Calcutta (headquarters Calcutta, India), in what is now downtown Singapore, on 1 December 1840 (King 1957: 4)

References: King (1957).

Vietnam

Dates: 1862-7 January 1876

Currency: Mainly Mexican and Spanish silver dollars.

Political status: French colony.

Legislation: Unknown.

Preceded by: Use of various silver coins, but without banks.

Succeeded by: The Banque de l'Indochine (headquarters Paris) established a branch in Saigon on 19 April 1875, taking over the business of the Comptoir d'Escompte de Paris. The bank began issuing notes on 8 January 1876 as a monopoly issuer for Vietnam (Meuleau 1990: 65, 67).

Remarks: The first bank was the Comptoir d'Escompte de Paris (headquarters Paris), in Saigon, at the start of this period (Torres 2000: 21).

References: Meuleau (1990). Torres (2000).

Yemen (North Yemen)

Dates: 1959-7 May 1964

Currency: Silver Maria Theresa thaler and other foreign currencies.

Political status: Independent.

Legislation: Yemen Arab Republic, Law No. 6, 3 February 1964.

Preceded by: Silver Maria Theresa thaler and other foreign currencies, but without banks.

Succeeded by: The Yemen Currency Board (Lajnat al-Naqd) began issuing currency on 8 May 1964. The Yemeni rial was equal to one-third of a pound sterling or approximately one silver Maria Theresa thaler.

Remarks: The National Commercial Bank (headquarters Jeddah, Saudi Arabia) established branches in Sana'a, Taiz, and Hodeidah at the start of the period. After a revolution, in October 1962 the branches were liquidated and succeeded by the Yemen Bank for Reconstruction and Development (headquarters Sana'a, Yemen), 51 percent owned by the North Yemen government and the rest by Yemeni nationals (Central Bank of Yemen 1972: 29).

References: Central Bank of Yemen (1972), Symes and others (1997).

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