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**THE CURRENCY BOARDS
OF TRINIDAD (1906-1951)
AND BARBADOS (1938-1951)**

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Global Health, and Study of Business Enterprise



The Currency Boards of Trinidad (1906-1951) and Barbados (1938-1951)

By Sidharth Sah

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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). This working paper is one in a series on currency boards. The currency board working papers will fill gaps in the history, statistics, and scholarship of the subject. 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

We provide the first spreadsheet data series and legislative history of note issue by the Commissioners of Currency, in Trinidad, and the Board of Commissioners of Currency, in Barbados. The paper assesses how orthodox the operations of these two currency boards were, analyzing both the legislation and statistics from their balance sheets. The two boards' operations are compared in their structure and level of orthodoxy. There is also some limited discussion of the effects of the boards on the colonies' economies. The paper makes the various balance sheet data available in machine-readable form for the first time, in a companion spreadsheet workbook.

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Introduction

Trinidad and Tobago existed under the monetary authority of one of two incarnations of a Board of Commissioners of Currency from 1906-1951. Some literature providing a monetary history of this time period does exist, notably including the Central Bank of Trinidad and Tobago's *History of Banking and Currency in Trinidad and Tobago* (1974) and Deryck Brown's *History of Money and Banking in Trinidad and Tobago From 1789-1989* (1989). Machine-readable statistics regarding the operations of the Board, however, are not readily available. We address this situation here with monthly (1906-1934) and semiannual (1935-1951) balance sheet data supplemented by Blue Book and Colonial Report data, although some gaps do exist. Based on certain statistical tests and an analysis of legislation, we conclude that the Trinidad Board of Commissioners of Currency acted as an orthodox currency board for the latter part of the period, though not all tests support this conclusion.

Similarly, Barbados had a Board of Commissioners of Currency regulating its currency supply from 1938-1951. There is, again, some existing literature on the topic. The most comprehensive works are Ida Greaves's "Money and Currency in Barbados" (1952-1953) and Eric Armstrong's *A History of Money and Banking in Barbados, 1627-1973* (2010). This paper also provides spreadsheets of newly organized semiannual (1938-1951) spreadsheet data for the Board, with additional data from colonial annual reports and Blue Books (British colonial statistical yearbooks). Graphing the spreadsheet data and examining the legislation provides evidence that Barbados had a fairly rule-like currency board.

Background on the Currencies of Trinidad and Barbados

From the 17th century until well into the 19th century, the currency arrangements of the West Indian colonies were a highly complex and disorganized amalgamation of whatever forms of coin were available. The predominant currencies of both Trinidad¹ and Barbados were Spanish and Portuguese coins, although other coins were used occasionally, including American and Dutch denominations. The rates of exchange between the various coins, including Spanish doubloons and Portuguese "Joes," varied highly between the different West Indian colonies and within each colony over time. This resulted in a highly volatile currency market in which certain denominations would fluctuate in intercolonial value, resulting in their sporadic disappearance and reappearance from common usage (Central Bank 1974). One interesting example of the chaotic monetary situation of the West Indies was the usage of the shilling in Barbados. The shilling was used as a unit of account for the various other coins in circulation throughout the 1700s and 1800s, despite actual British shillings being almost nonexistent in the colony at the time. Once the shilling started circulating in Barbados in the mid 1800s, however, the actual coin had an entirely different value than the unit of account, until the two were assimilated by law in 1848 (Greaves 1952-53: 59).

This variability in currencies caused several problems for Trinidad, Barbados, and the other West Indian colonies. A shortage of coin was a problem in many colonies, Barbados in

¹ In what follows, mentions of Trinidad include Tobago unless expressly noted.

particular. As early as the beginning of the 18th century, several measures to issue government currency were proposed and even passed by the Barbados legislature (Greaves 1952-53). These attempts were in vain, however, as any such acts were quickly struck down by the British government, which had the last word on colonial monetary matters (Armstrong 2010: 75-76). Instead, London took other short-term measures to address the issue. In the 1780s special copper coins were minted as Barbados pennies. A few decades later, as the currency shortage persisted, London issued a supply of silver based "Anchor Money" to the West Indies, primarily for the benefit of Barbados (Greaves 1952-53: 13-14).

Banks began to fill the need for currency in the 1830s by issuing their own notes. Although colonies like Barbados had been attempting to issue their own currencies, the Colonial Office discouraged this, promoting bank note issue instead (Caine 1950: 36). Thus, by the provisions of their charters, banks including the Colonial Bank and West India Bank began supplying notes in various West Indian colonies. Trinidad accepted bank note issue fairly easily, and, in 1906, passed legislation regulating the issuance of currency notes by banks. The 1906 Bank Notes Ordinance required any banks issuing currency to deposit an equivalent amount of money, in any form, to the "Bank Note Reserve Fund" (Brown 1989: 100-101). Barbados, on the other hand, was initially quite skeptical of such notes, preferring the more established value of coins. A British Order in Council of 1838 helped alleviate the situation, fixing the value of bank-issued dollars in terms of pounds sterling. This allowed the Barbados public to grow to trust bank notes over time (Greaves 1952-53: 55). By the early 1900s, bank issued notes were commonly used in both colonies.

Discussion of a unified Caribbean currency board to issue official government notes began in 1923 with an inter-colonial conference. Such an arrangement was considered desirable to compensate for currency shortages and to enable a stable, consistent means of exchange between the colonies (Central Bank 1974: 22-24). Moreover, having a dominant paper currency with a fixed exchange rate would make the currency market more stable (Greaves 1953: 14). Unfortunately, the prospect of establishing such an authority across all West Indian colonies was unrealistic at the time. The cost of recalling all British sterling coins in the various colonies, the necessity of discontinuing bank note issue, and the need to align the varying interests of the different colonial governments were all substantial barriers to the establishment of a unified currency board (Caine 1950: 36-37).

Nonetheless, currency boards arose independently in some of the West Indian colonies, including Trinidad and Barbados. The Government Currency Notes Ordinance of 1904, in Trinidad, established a Board of Commissioners of Currency, which had the authority to issue notes, and was required to have reserves, in any legal Trinidadian currency, of equal value to total note issue. The Board consisted of the Colonial Secretary, Colonial Receiver-General, and a third member nominated by the governor. The Board actually commenced operations in 1906 with the passage of the Government Currency Notes Regulations of 1906. Another act, the Government Currency Notes Ordinance of 1934, updated the board to require that the reserves be held in pounds sterling, eliminating the need to hold some reserves in gold or silver coin. The new Board of Commissioners of Currency would still consist of three members: the Colonial

Secretary, Colonial Treasurer, and another person to be nominated by the governor. A nearly identical act, the Government Currency Notes Act of 1937, established an extremely similar situation in Barbados. The Barbados Board was likewise chaired by its own Colonial Secretary, Colonial Treasurer, and another person nominated by the governor.

Thus for some years, the British West Indies were supplied with currency by three currency boards, those of Trinidad and Tobago, Barbados, and British Guiana. (The British Guiana board is not discussed in this paper. Farther away, British Honduras, Jamaica, and the Bahamas also had currency boards, but they were not considered part of the region.) The idea of a united Caribbean currency board, however, had never gone away. A West Indian conference was held in May 1946 to discuss the prospect, attended by representatives from Barbados, Trinidad and Tobago, Antigua, St. Kitts and Montserrat, St. Lucia, Dominica, Grenada, and British Guiana. By this time, many of the technical barriers that had prevented a unified board had solved themselves. The disorganized monetary landscape of the West Indies had largely simplified to the usage of government issued notes from the three West Indian currency boards. The notes issued by these boards also all had equivalent and stable rates of exchange with the pound sterling (Caine 1950: 37). Accordingly, an agreement was reached by all of the colonies that had attended the conference in March 1948 to move forward with plans to institute the unified board. Trinidad and Tobago legally consented to this arrangement in Ordinance No. 39 of 1950 (Brown 1989: 159). Barbados did the same with the Currency Act of 1950 (Krus & Schuler 2014: 23). The other participating territories followed suit, and the British Caribbean Currency Board commenced operations in 1951, ending the active roles of Trinidad's and Barbados's Boards of Commissioners of Currency (Central Bank 1974: 28-30).

Currency Board Orthodoxy: Legislative Perspective

An orthodox currency board operates within the restrictions of a few critical principles. By definition, currency boards maintain a fixed exchange rate with their anchor currency; in the cases of Trinidad and Barbados, the anchor was the pound sterling. In order to maintain this exchange rate, currency boards maintain reserves in the backing currency equivalent to at least 100 percent of their circulating currency, though they typically hold slightly more than 100 percent to provide a buffer against asset depreciation. Additionally, one of the key advantages of the currency board system is that they typically accumulate seigniorage, equal to the interest generated on reserves less the operating expenses of the board (Hanke and Schuler 2015 [1994]: 7). Given this definition, the legislation enacting the two currency boards can be assessed for their faithfulness to the currency board system.

Trinidad's Government Currency Notes Ordinance of 1904 established a Board of Commissioners of Currency, but despite the suggestion implied in its name, it was not required to be an orthodox currency board. The Ordinance never explicitly specified a fixed rate of exchange with sterling or any other currency. Of course, "dollars" in the West Indies had a specified value, at four shillings and two pence as per a British Order in Council of 1838 (Greaves 1952-53: 55). More damning, at least in principle, was the nature of the reserves established by the law. The Board was required to keep a "Note Guarantee Fund" of equivalent

value to the currency in circulation. This fund, however, could be kept in any form of legal tender accepted in Trinidad (Central Bank 1974: 23). An orthodox currency board law would require the reserves to be kept in the backing currency. In practice, though, the Board does not appear to have held significant domestic assets.

Trinidad's revised Board of Commissioners of Currency, as established in the Government Currency Notes Ordinance of 1934, had a legal form nearly identical to Barbados's Board of Commissioners of Currency, as established in the Barbados Government Currency Notes Act of 1937. Their similarity reflects an effort by the British Colonial Office to revise and standardize legislation applying to colonial currency boards. Revisions eliminated references in older legislation requiring currency boards to hold gold or silver coin as reserves, considered obsolete given that Britain had abandoned the gold standard in 1931. Assets formerly held in coin were now permitted to be invested in interest-earning securities. The only differences between the texts of the 1930s Trinidad and Barbados ordinances are references to specific locations, such as the Boards' headquarters, and a few provisions in the Trinidadian legislation to cover the transition from the first to the second currency board system. As such, the two currency boards can be assessed simultaneously.

Both pieces of legislation declare that the board will issue notes of an equivalent value for any sterling lodged with them or with the Crown Agents² in London, at a fixed exchange rate of one dollar to four shillings and two pence. Likewise, the legislation provides that the reverse transaction, exchanging notes for sterling, would also be honored at the same rate. Particularly, any sterling provided in exchange for notes was to be charged out of a "Note Security Fund" (both colonies used the same name for this account). The acts include a stipulation that all notes issued would require an equivalent amount of sterling to be paid into the Funds. This implies constant backing reserves that are at least 100 percent of the currency boards' note issue, satisfying the reserve requirement.

These Note Security Funds were managed by the Crown Agents, who were allowed to invest portions of them in various securities, under the discretion of the British Secretary of State for the Colonies. The income generated from such investment was directed into a "Currency Note Income Account" (again, both colonies had the same name for the account). Any expenses incurred by the currency boards were to be drawn from these same accounts. One percent of the values of the Note Security Funds was also to be charged from those accounts to be directed into the Funds once per year. At the end of each year, any money left in the Accounts was then "transferred to the General Revenue of the Island," thereby allowing for the generation of seigniorage revenues.

By meeting the fixed exchange rate and reserve criteria, while also providing for seigniorage revenue accumulation, the Trinidad Board of Commissioners of Currency after 1937 and the Barbados Board were both highly orthodox currency boards, at least by the letter of the law.

² The Crown Agents for the Colonies, a British government body offering asset management and other services.

Differences in Board Operations

Thus, the two currency boards were virtually identical in their legal structures. Nevertheless, in their actual operations, they varied in a few ways worth mentioning. For one thing, notes issued by the Trinidad and Tobago Board of Commissioners of Currency were legal tender in the Windward Islands, Dominica, St. Lucia, and Grenada, as well as the Leeward Islands, Antigua and St. Kitts and Montserrat. This arrangement was in place from the beginning of operations of the board (Greaves 1952-53: 65). Additionally, the growth in notes in circulation issued by Trinidad's board, as well as British Guiana's board, outpaced that of Barbados's board after 1940. The result of this was that from 1946-1949, there were nearly as many Trinidad and British Guiana notes circulating in Barbados as Barbados notes. On the other hand, there was no substantial circulation of Barbados notes in the other two colonies (Greaves 1952-53: 66; Armstrong 2010: 94). These two points together indicate that Trinidad's board had a substantially greater influence throughout the entire West Indies than did Barbados's. It is perhaps for this reason that the united British Caribbean Currency Board, once established, was headquartered in Trinidad. Trinidad was as well the most populous of the colonies the united board served.

The Data

We transcribed monthly or semiannual balance sheet data for the Trinidad and Tobago Commissioners of Currency from the *Trinidad Royal Gazette* from June 1906 to June 1951. Many of the statements are missing, as mentioned below or more extensively listed in the companion spreadsheets. Semiannual statements for the Barbados Board of Commissioners of Currency were also transcribed from November 1938 to March 1951 from the *Barbados Official Gazette*. Data are missing for the period from March 1943 to March 1944. In both cases, any missing data appear to have either not been published by the respective periodical or were not available at the Library of Congress, the source of the publications. Additional data from the Colonial Statistical Abstract and Barbados Blue Books was consulted and used in certain calculations.

Currency Board Orthodoxy: Data Analysis

Utilizing the available balance sheet data for the currency boards of Trinidad and Barbados, the first test we perform to assess their level of orthodoxy is a comparison of total assets to the currency in circulation. An orthodox currency board will hold reserves of at least 100 percent of liabilities, here being the notes in circulation. Figure 1 displays the total assets of the Trinidad and Tobago Board of Commissioners of Currency as a percentage of the notes in circulation. Figure 1 is "continuous," omitting missing data from 1924, 1928, December 1937, June 1938, December 1941, June 1942, December 1944, 1946, December 1947, and December 1948. (The accompanying spreadsheet workbook contains a "discrete" version of the data showing where data are missing. The workbook also contains similar graphs for other data shown here only in their continuous version.) As the graphs show, the Board maintained assets at a level of approximately 100 percent for the majority of its operations. With a few exceptions, most

semiannual statements show the Board having assets of value between 90 and 128 percent of the notes in circulation. There was a fairly prolonged period, from December 1913 to December 1920, when reserves remained below 100 percent. However, even in this time, the percentage of assets to circulating currency remained above 90 percent. Thus, this does not represent a substantial deviation from conventional operations.

When focusing only on the period in which the Trinidad and Tobago Board had the full legal framework of a true currency board, from 1935 to 1951, the data are even more convincing. In this period, our calculations show that the Board held assets strictly equal to between 93 and 127 percent of their notes issued. This would indicate decidedly orthodox behavior. Figure 2 presents data for total assets as a percentage of currency in circulation for the operations of the Board after the Government Currency Notes Ordinance of 1934.

Based on this same test, Barbados's Board of Commissioners of Currency also maintained a fairly strict adherence to the regulations regarding reserve backing of note issue. With only one exception, the semiannual statements for the board throughout its entire period of operations show assets having value between 96 and 110 percent of currency in circulation. The one exception, moreover, consists of one statement from March 1945 in which assets had 167 percent of the value of currency in circulation; having assets in fairly large excess of liabilities is not as heretical to the currency board system as having too few assets.

Thus, by this metric, Barbados's currency board appears to have followed currency board conventions quite well. The data for assets as a percentage of currency in circulation can be seen in Figure 2, which like Figure 1 is continuous, omitting missing observations from March 1942 to March 1943.

The Barbados board seems to have held no domestic assets, while the Trinidad board held none until 1934. After a spike in 1935 and 1935 (related to selling off its gold and silver coin reserves?), its holdings were in low single digits as a share of assets (see spreadsheets).

While these tests suggest that both boards were fairly orthodox in nature, another test, reserve pass-through, differs. Reserve pass-through tracks changes in the monetary base in proportion to changes in net foreign assets. An ideal currency board will match any change in monetary base exactly with an identical change in foreign assets held. Thus, a perfect currency board will maintain reserve pass-throughs of 100 percent (Hanke 2008: 57-58).

When performing the reserve pass-through test for Trinidad's board, the results are initially quite concerning. When looking at the entire period of 1906-1951, the results (Figure 3) show a great deal of volatility. When the scope of the data is limited to the period after 1934, however, when the Board of Commissioners of Currency began to act as a typical currency board, the graphs stabilize substantially. The reserve pass-through rate appears to hover fairly consistently around 100 percent. There is still some variability, however, at the beginning and end of the period. These fluctuations suggest some degree of unorthodoxy.

Fig. 1. Trinidad: Total Assets as % of Currency in Circulation (Continuous)

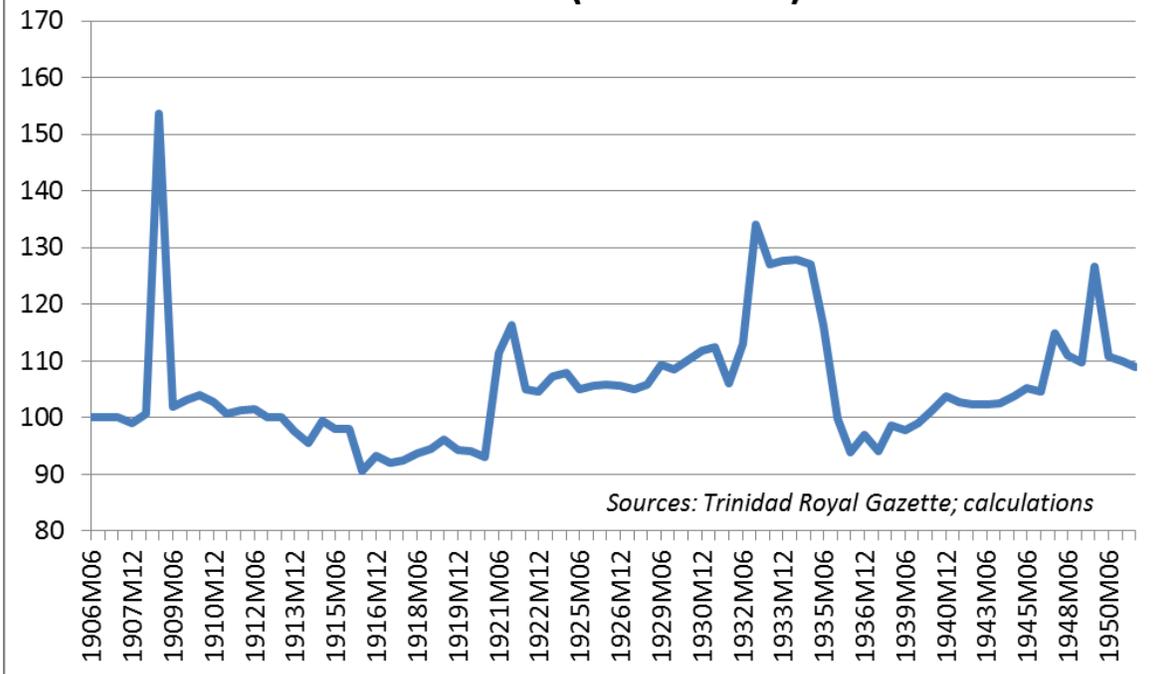
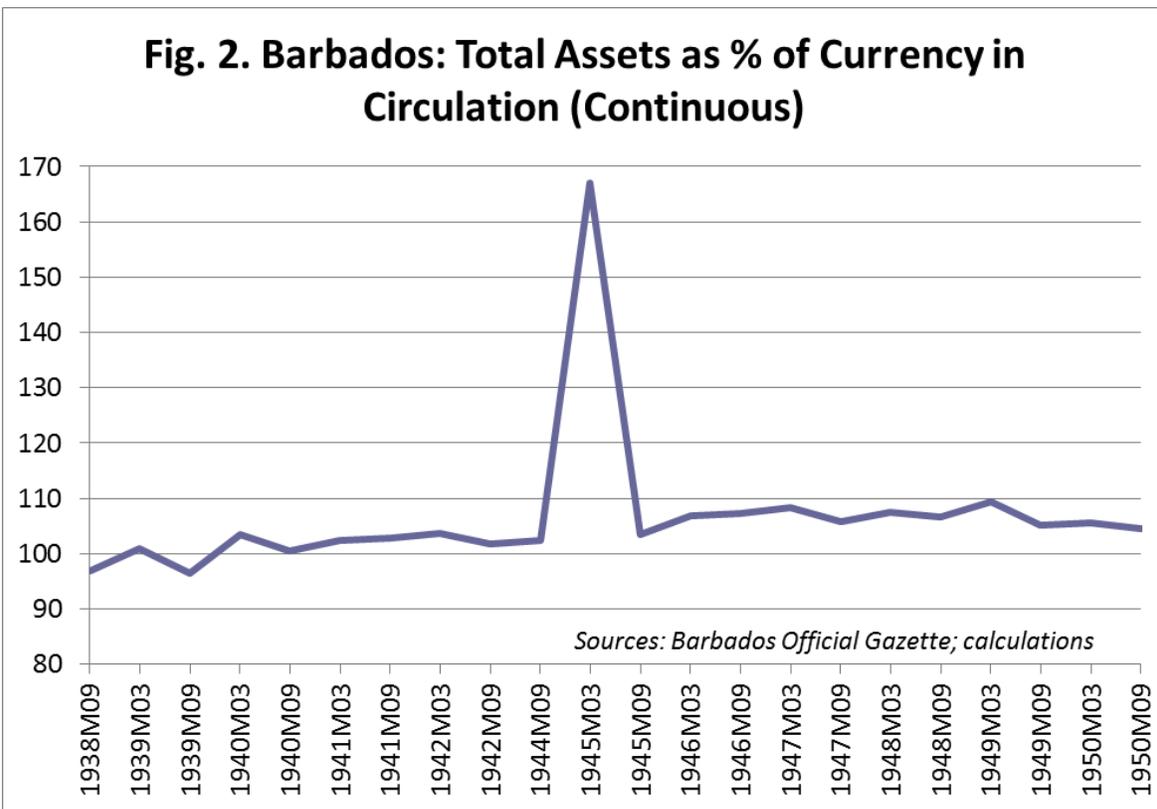
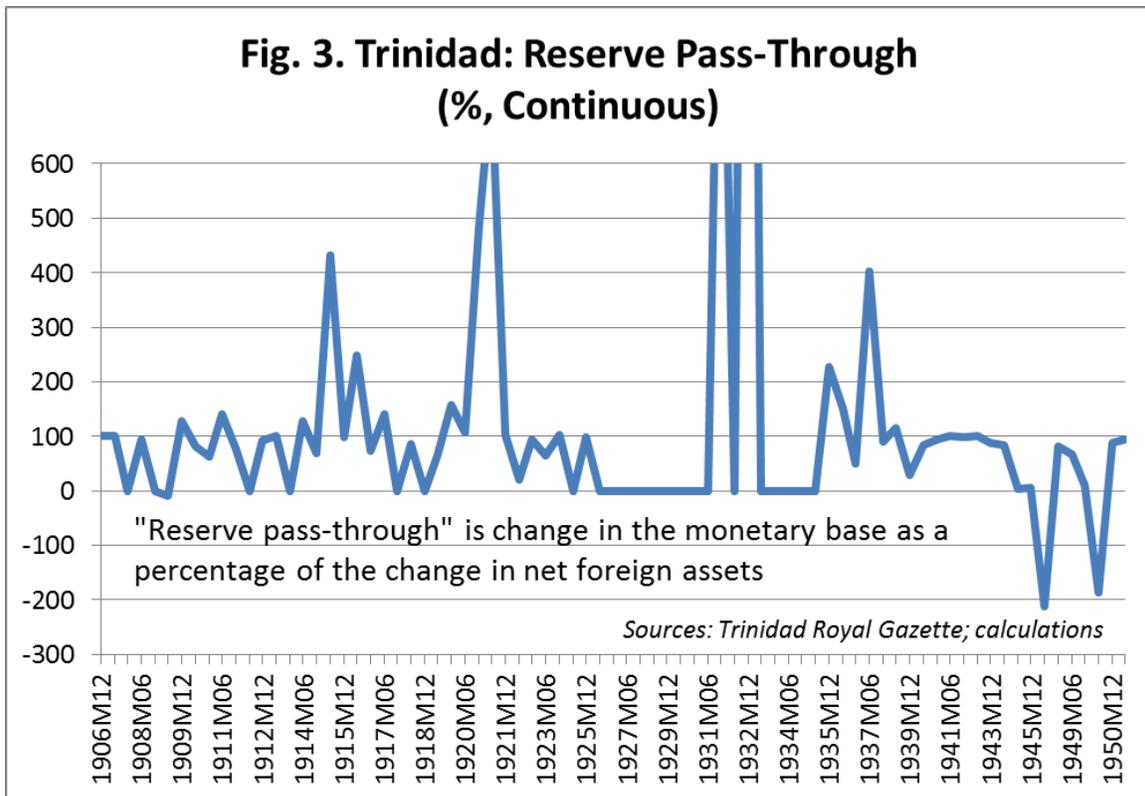


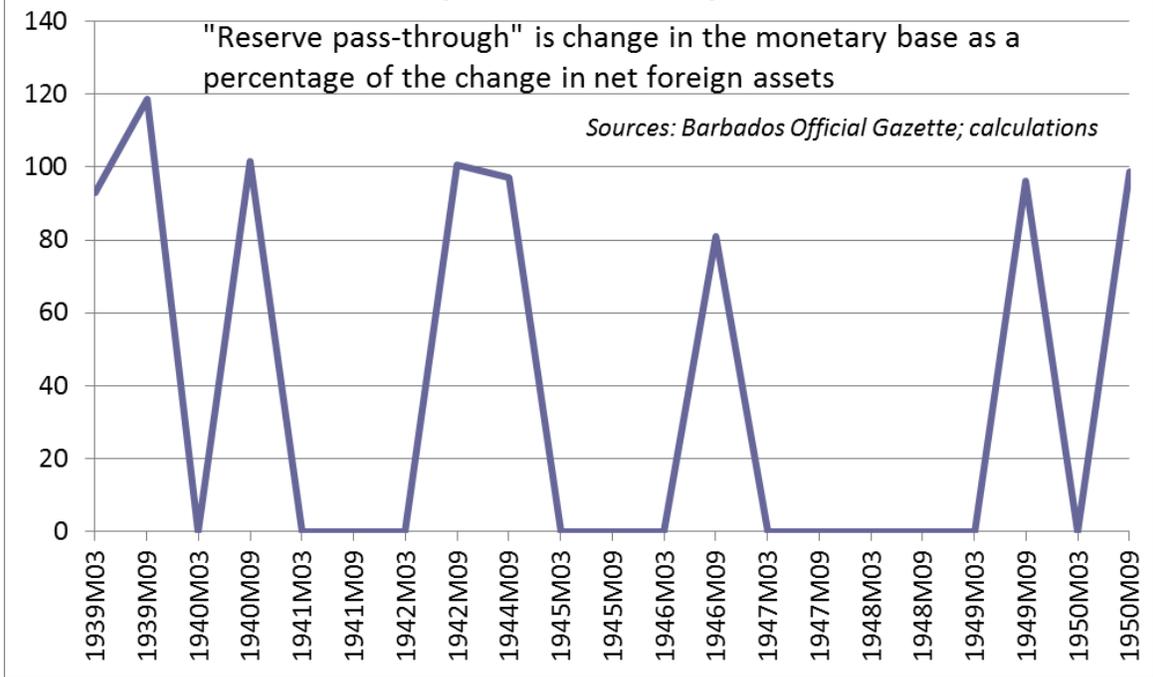
Fig. 2. Barbados: Total Assets as % of Currency in Circulation (Continuous)



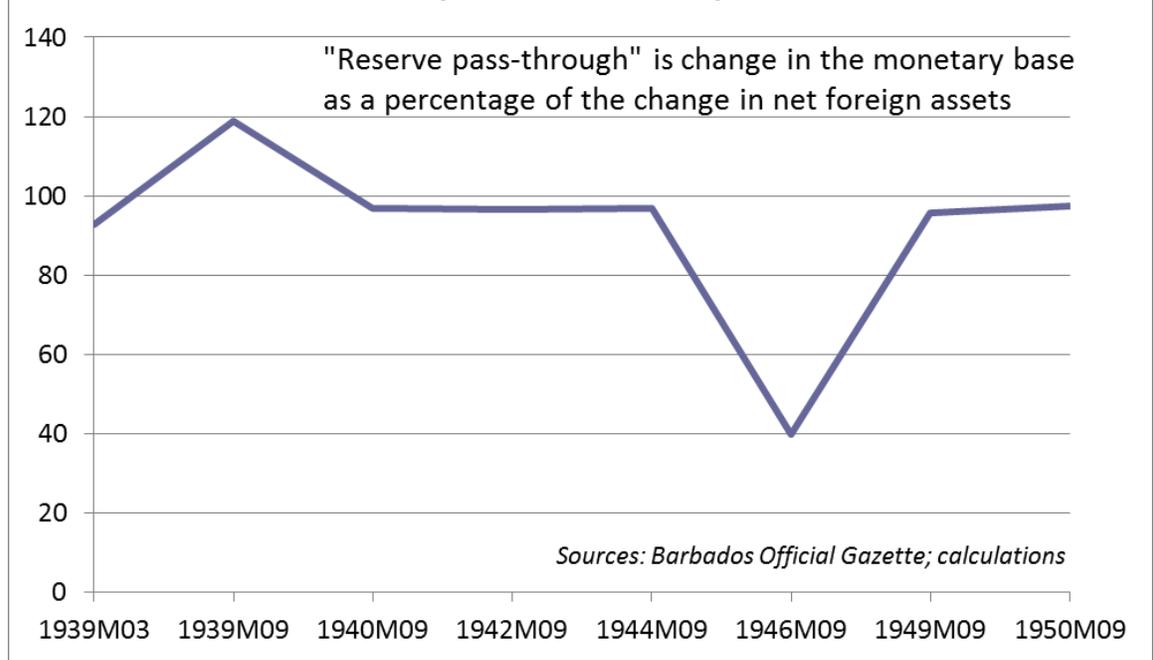


Reserve pass-through data as calculated for Barbados show many large fluctuations, implying extensive divergences from proper currency board behavior (Figure 4). These graphs are somewhat misleading, however. Much of the volatility can be attributed to statements in which the value of currency in circulation did not change from the last statement. By the nature of the calculation, the reserve pass-through calculated for these statements will be 0 percent, regardless of the magnitude of change in foreign assets held. Thus, all such cases will graphically appear to be major deviations from the 100 percent indicative of orthodoxy. In order to correct for this, Figure 5 presents data for reserve pass-through excluding any statements that did not record a change in notes in circulation. Thus, the data for changes in both currency in circulation and net foreign assets are "stretched" across any semi-annual statements that could not be used. When looking at this chart, the Barbados currency board seems to have been relatively rule-like, with the reserve pass through percentage staying quite close to 100 for the majority of the period. For the most part, the reserve pass-through ratio remains between 92 and 120 percent. There is still a fairly serious period of fluctuation, however, between 1944 and 1946. The calculation of reserve pass-through from September 1944 to September 1946 yields a value of 40 percent, quite off from 100 percent. Moreover, the data shown in Figure 13 is quite limited due to the omission of semi-annual statements that were either unavailable or did not record a change in currency circulation. Only 9 out of 25 possible pass-through calculations are displayed. Thus, although the data is promising for Barbados's board's orthodoxy, the statistical deviation from 1944 to 1946 and the patchiness of the pass-through data prevent a conclusive statement.

**Fig. 4. Barbados: Reserve Pass-Through
(%, Continuous)**



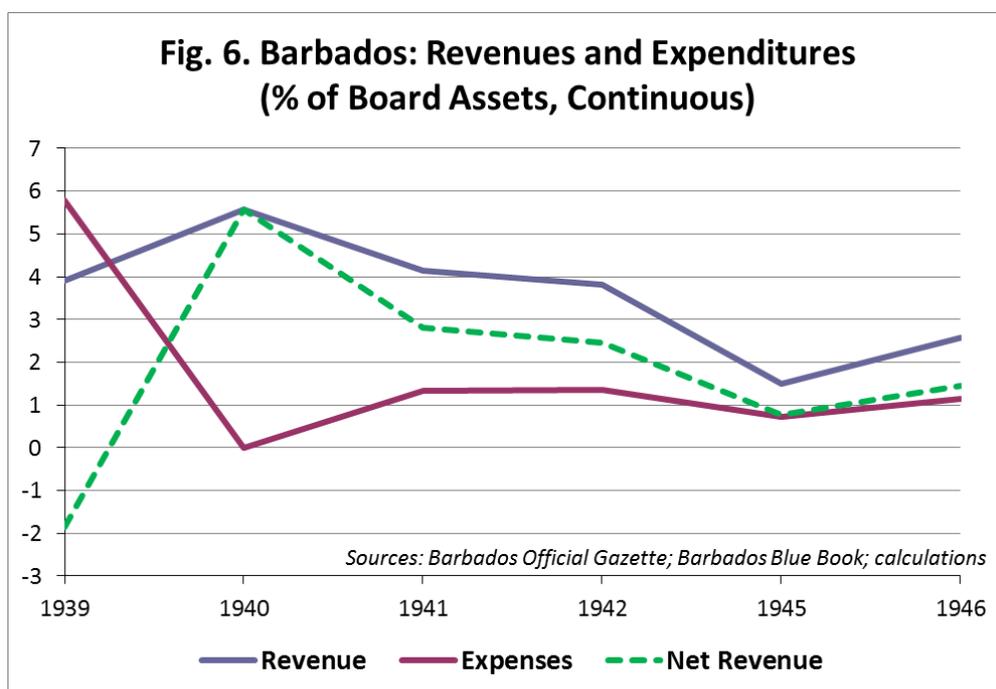
**Fig. 5. Barbados: Reserve Pass-Through
(%, "Stretched")**



Board Operations: Revenue Generation

This paper is not intended to offer extensive analysis of the effects of Trinidad's and Barbados's currency boards on their wider economies. Nonetheless, we did some tests to observe a few of the possible effects the boards may have had upon their colonies. The generation of seigniorage revenue, for instance, was one of the defining characteristics of a currency board identified earlier in the paper.

Figure 6 depicts the total revenues, total expenses, and net revenues of the Barbados Board of Commissioners of Currency from 1939 to 1946, the majority of its period of operations, though unfortunately lacking the period from March 1942 to March 1943, for which data are missing. As can be seen from the green line representing net seigniorage, the Board did create positive profits every year, except for the very first one. It is understandable that the first year of operations may have been less profitable, as it would likely have faced substantial expenses associated with setting up and commencing currency distribution. The seigniorage revenues, although positive, are small in most years. Particularly towards the end of the observed period, the net revenue is trending towards about 1 percent of the Board's assets. This point is not necessarily unfavorable towards the Barbados currency board, however, as it can be partially explained by British government policy. In the early 1940s the British Colonial Office promoted various wartime policies among colonies' currency boards. One policy that was implemented in 1943 throughout the West Indies was to minimize the commission charged by currency boards for the issue and redemption of currency. Indeed, the Colonial Office specifically suggested that profits should be close to nothing in order to reduce the cost of exchange for the public (Armstrong 2010: 98). Thus, although the seigniorage from the Board was small, this is not representative of the typical operations of the Board.



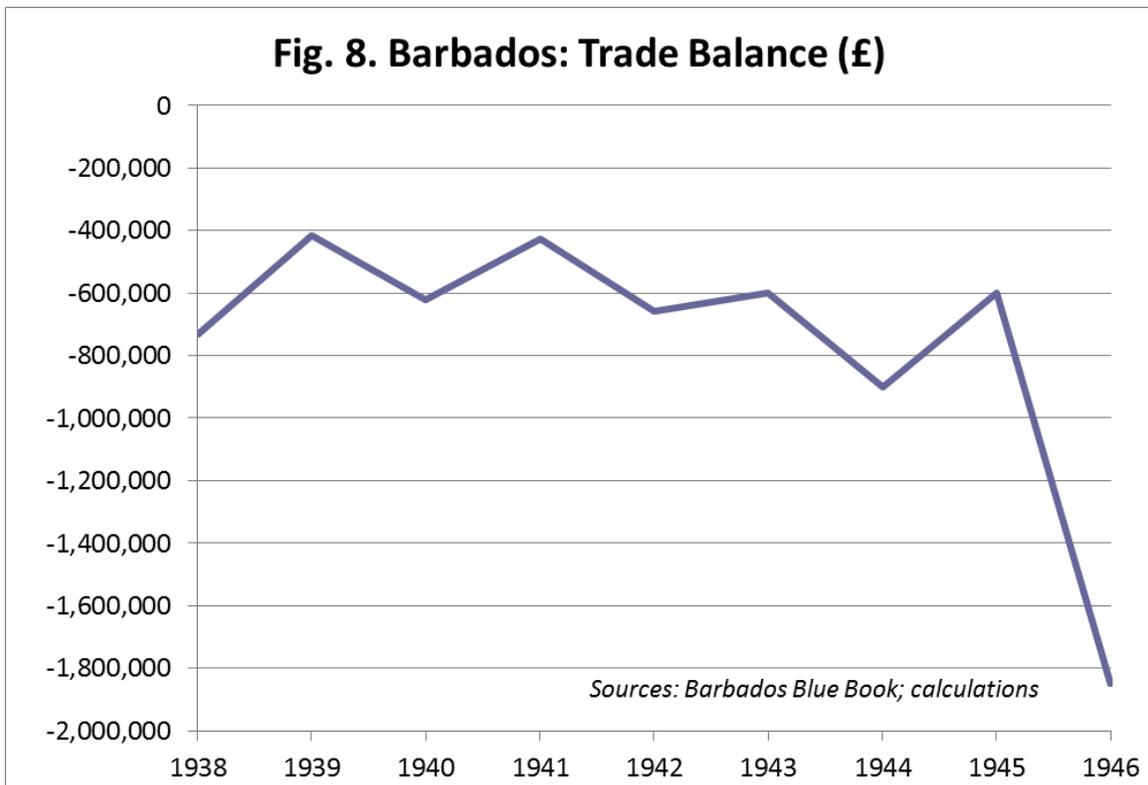
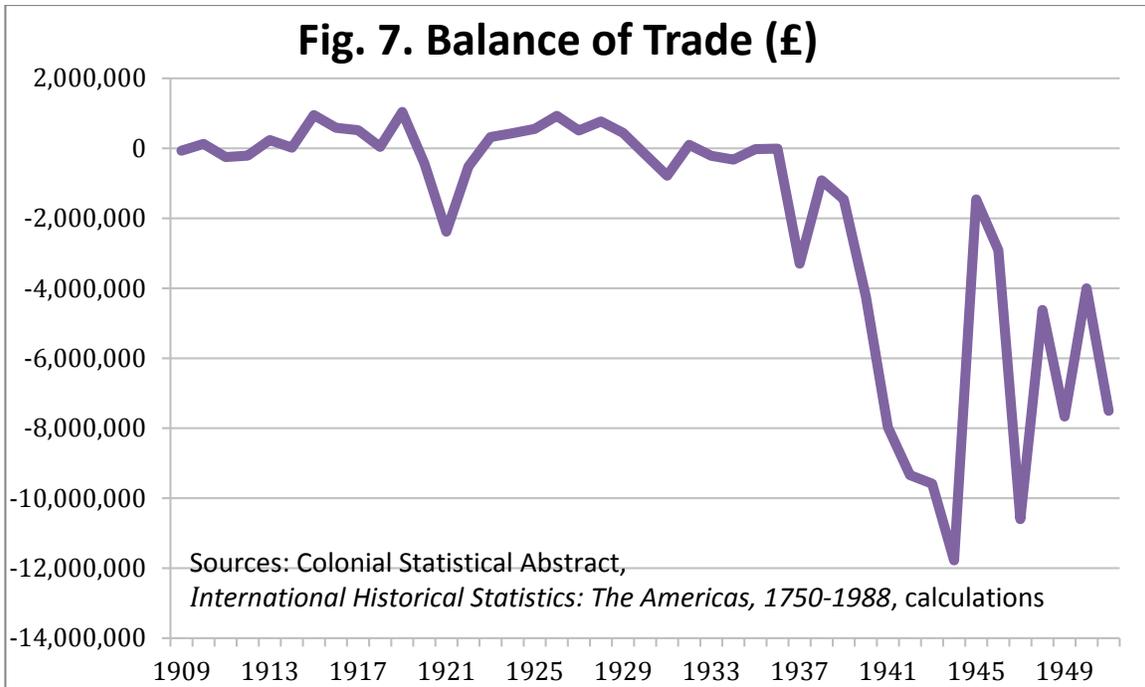
We were unable to conduct the same study for Trinidad and Tobago, as their revenue and expense figures were not available in the Trinidad and Tobago Blue Books. Future study would benefit from locating these numbers if they are available.

Board Operations: Balance of Trade

Another measure we looked at regarding the possible influence of the currency boards was the balance of trade. Currency boards, and fixed exchange rate systems in general, have sometimes been criticized for the negative influences they are purported to have on the balance of trade. Economic theory, for instance, asserts that the inflexibility of the rate of exchange prevents natural adjustments in currency value that serve to correct for trade deficits (Suranovic 2008: 504). On the other hand, critics of the British network of sterling-backed currencies argued that the restrictions on the usage of sterling prevented colonies from spending their income on imports (Hazelwood 1954: 295).

In order to check for any adverse effects, Figures 7 and 8 chart the balances of trade of Trinidad and Tobago and Barbados respectively. Trinidad sees a somewhat volatile balance, generally remaining within £600,000 above or below zero until 1937. From then on, the balance becomes strongly negative and remains so until 1951, the end of the plotted period. Interestingly, this plunge in the balance comes just a few years after 1934, when Trinidad adjusted its legislation to have a more orthodox currency board. This could possibly lend some credence to the notion that currency boards can exasperate trade deficits. This finding cannot be held at face value, however, as any economic figures in the late 1930's and early 1940's will inevitably be confounded by the Great Depression and World War II. The Depression, for example, did cause a documented decline in U.S. imports of goods like sugar and cocoa that were key to the Trinidadian economy (Brown 1989: 123-124). As such, the trade deficit cannot reliably be linked with the operations of the currency board.

Barbados, on the other hand, has a deficit over the entire era charted, from 1938 to 1946. This, again, could potentially indicate that the board prevented Barbados's economy from naturally correcting its deficit. Of course, the existence of either the Depression or World War II through this whole time period again reduces the significance of this trend. On the other hand, the exact magnitude of the trade deficit remains very stable until 1946, never leaving the range of £400,000 to £905,000 in the negative before that year. This suggests that the Board did not cause the deficit to get worse, as the balance does not fall significantly after the imposition of the Board of Commissioners of Currency in 1938.



Conclusion

Final assessment of the degree of orthodoxy of the currency boards of Trinidad and Tobago and Barbados remains inconclusive. The original Trinidad Board of Commissioners of Currency, based on the Government Currency Notes Ordinance of 1904 was unorthodox in legislation if not in practice. The legislation did not set a fixed exchange rate or provide for reserve backing in an anchor currency. The changes brought by the Government Currency Notes Ordinance of 1934 fixed these issues, setting a rate of exchange and including a provision for at least 100 percent reserves in an anchor currency, the pound sterling. The legal framework of the board can therefore be considered orthodox after 1934. The Barbados Board of Commissioners of Currency, formed by the Government Currency Notes Act of 1937, being nearly identical in structure to the Trinidad Board after 1934, can similarly be deemed orthodox, on paper.

Comparison of total assets held to currency in circulation, moreover, suggests orthodox currency board behavior. Between 1935 and 1951, Trinidad maintained assets equivalent to between 93 and 127 percent of total note issue. Barbados, over the entire course of its operations, held assets of between 96 and 110 percent of currency in circulation. In both cases, assets were consistently maintained at a level close to 100 percent.

The Barbados board apparently held no domestic assets, while the Trinidad board held none before 1934, then, after a spike in 1935 and 1935 (related to selling off its gold and silver coin reserves?), its holdings were in low single digits as a share of assets. These figures again suggest orthodoxy.

Reserve pass-through, provides doubt in the case of Trinidad. Volatility in this metric for the Trinidad board raises the possibility of unorthodoxy. Further evaluation of the data may help clarify whether or not Trinidad's Commissioners of Currency engaged in unorthodox behavior, or if the test is somehow misleading or not a good evaluator of orthodoxy in this case.

Barbados, on the other hand, has a relatively stable reserve pass-through, providing further evidence that their board conformed to the principles of a currency board. Unfortunately, their reserve pass through is not quite perfectly stable, and the calculation that demonstrates stability requires the exclusion of a large portion of the data. Thus, although Barbados's board appears to have been orthodox from all angles, a definitive verdict cannot yet be formed. Another approach to the reserve pass-through test may be helpful in further assessing Barbados's situation.

For both colonies, there are at least some gaps in the consulted data. While they are likely not substantial enough to cause major problems in the data analysis, further studies would benefit from acquiring these missing pieces.

As far as the effects these boards had, findings were limited. Barbados's board did generate profits, but not very substantial ones. The limited seigniorage was likely by design, however, due to the wartime measures of the Colonial Office. Repeating this test for Trinidad would

allow for a more complete evaluation of currency boards' ability to create profit for their governments. Evaluating the balances of trade for both colonies does provide some evidence that currency boards may help maintain or even worsen trade deficits. These findings have limited value, unfortunately, as they are influenced by the occurrence of the Great Depression and World War II in the period assessed.

Postscript: Companion Spreadsheet Workbook

The data, calculations, and original versions of the graphs used in this paper can be found in the companion spreadsheet workbooks. The workbooks also contain a significant amount of data not used in this paper.

Appendix A. Summary Legislative History of Trinidad Note Issue, 1903-1950

The below is a collection of pieces of legislation related to note issue in Trinidad and Tobago from 1903 to 1951 along with brief descriptions of each law.

- Government Currency Notes Ordinance, No. 16, 1903: Established legal framework for government note issue.
- Bank Notes Ordinance, No. 243, 1904: Regulations regarding bank note issue.
- Government Currency Notes Ordinance, No. 244, 1904: Established the initial Board of Commissioners of Currency.
- Government Currency Notes Ordinance, No. 4, 1905: Repealed a regulation in Government Currency Notes Ordinance of 1903 requiring a publication in the government gazette of any alteration in regulations.
- Government Currency Notes Regulations, 1906: Prescribed regulations regarding Government Currency Notes Ordinance, No. 244 of 1904, and established the Commissioners of Currency.
- Currency Interpretation Ordinance, No. 23, 1934: Established that prior legislation mentioning pounds, shillings, or pence will now have effect with regards to dollars and cents at the rates of \$4.80 per pound, \$.24 per shilling, and \$.02 per pence.
- Government Currency Notes Ordinance, No. 40, 1934: Repealed 1903 Ordinance and established the revised Board of Commissioners of Currency.
- British Caribbean Currency Agreement, 1950: Establishes a unified British Caribbean Currency Board.
- Ordinance, No. 39, 1950: Granted Trinidadian government consent to discontinue operations of the Trinidad and Tobago Board of Commissioners of Currency and join the British Caribbean Currency Board.

Appendix B. Summary Legislative History of Barbados Note Issue, 1937-1950

The below is a collection of pieces of legislation related to note issue in Barbados from 1938 to 1951 along with brief descriptions of each law.

- Government Currency Notes Act, No. 12, 1937: Established the Board of Commissioners of Currency.
- Government Currency Regulations, 1938: Provided some regulations of the 1937 Government Currency Notes Act of 1937.
- British Caribbean Currency Agreement, 1950: Established unified British Caribbean Currency Board.
- Currency Act, 1950: Discontinued Barbados government note issue and provided the Barbados government's consent to join the British Caribbean Currency Board.

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