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‘Getting Too Great A Grip’: European Shipping Lines and British West African Lighterage Services in the 1930s¹

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Abstract

With only one natural seaport on the West African coastline, shipping in the region during the colonial period was dependent upon the use of lighters to feed ocean-going vessels. However, lighterage services were monopolised by the leading expatriate shipping lines which constituted the West African Shipping Conference or cartel. This essay examines the reaction of the British government when an American tramp shipper challenged the cartel on the issue of shipping charges in British West Africa and triggered the West African lighterage services controversy of the 1930s.

The paper exposes the discriminatory practices of the lighterage companies which tried to forestall potential competition on the US/West Africa shipping route. The cartel, by cleverly tying its interests with those of the United Kingdom and mobilising support in the Colonial Office and the Board of Trade, proved too entrenched to be dislodged. In its analysis of the debate among leading officials in the Colonial Office, the essay sheds light on the cleavage between the protectionists and free traders, the ramifications of business/ government, metropolitan/colonial relations, and on the leverage of shipping in the imperial economic system. It was a system clearly controlled by the imperatives of the paramouncy of British over foreign, and of metropolitan over colonial, interests.

Résumé

Avec un seul port maritime situé sur la côte ouest-africaine, la navigation maritime de la région dépendait des allèges servant à ravitailler les navires de haute mer. Cependant, les services de batelage étaient sous le monopole des grandes compagnies de navigation maritimes étrangères, qui formaient la «West African Shipping Conference» (Cartel de navigation de l’Afrique occidentale). Cette présentation décrit la réaction du gouvernement britannique, au moment où un tramp américain avait attaqué le cartel, à propos des frais d’expédition prati-

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qués en Afrique occidentale britannique, provoquant la controverse au sujet des services de batelage d'Afrique occidentale dans les années 30.

Cette communication décrit les pratiques discriminatoires des sociétés de batelage qui tentaient de se mettre au premier-plan d'une concurrence potentielle, sur la route de navigation USA/Afrique Occidentale. En associant habilement ses intérêts à ceux du Royaume-Uni et en s'attribuant le soutien du ministère des Colonies, et celui du Ministère du Commerce, le cartel s'était si bien établi qu'il était devenu «intouchable». Dans le cadre de son analyse du débat entre les hauts responsables du ministère des Colonies, cet essai apporte des éclaircissements sur le clivage existant entre les protectionnistes et les antiprotectionnistes; il fournit des informations sur les ramifications des relations existant entre le monde des affaires et le gouvernement, et entre le monde métropolitain/colonial, et décrit l'influence qu'exerçait la navigation sur le système économique impérial. Ce système était visiblement caractérisé par la prédominance des intérêts britanniques sur les intérêts étrangers, et par la prédominance des intérêts métropolitains sur ceux coloniaux.

Introduction

The close relationship between ports and shipping is exemplified by the fact that the physical condition of the port largely determines the character of its shipping. Hence, while ports with deep and convenient entrances receive vessels of commensurate draught and size, the converse is the case at ports with shallow and inconvenient access. This is aptly illustrated by West Africa where only one of its over ninety ports, Freetown (Sierra Leone), is a natural harbour. At Lagos and other major ports, extensive and expensive harbour works have had to be undertaken to make these outlets accessible to ocean-going shipping.²

At other points along the West African coast, shallow entrances necessitated the use of surf boats or lighters to feed shipping lying in the roadsteads. Consequently, lighterage services played a significant role in British West African shipping, particularly at Lagos before 1914 and at the Gold Coast (modern Ghana) ports up to the Second World War. Yet, this subject has received only a passing mention in the literature,³ partly because of the overwhelming dominance of West African shipping by the Conference lines (constituted by the leading European shipping firms), which kept out tramp shipping. This forestalled any challenge to the domination of lighterage services by these firms, which would have generated the kind of controversy permitting a searchlight into their operations.

This unusual occurrence took place in the mid-1930s when an American tramp shipper challenged the West African shipping cartel. By focusing on this episode in the wider context of the politics of shipping in British

West Africa, this essay sheds light on the politics and economics of lighterage services described as an 'essential link' in West African shipping.⁴ It illustrates the travails of tramp shipping and the dilemma of the colonial and metropolitan governments in the face of the vice-like grip of the shipping cartel on British West Africa's maritime trade.

The Development of Lighterage Services in British West Africa Up to the 1930s

With the development of steam shipping between West Africa and Europe from the mid-nineteenth century, extensive commercial relations developed between the region and Europe especially in the age of European imperialism. Eventually, by 1895, British and German lines (Elder Dempster and Woermann Linie, respectively) had constituted the West African Conference, which dominated the West African shipping trade, except during the First World War, up to the onset of the Second World War.⁵ It was these lines that introduced lighterage services as from 1903 to facilitate their operations. 'The Lighterage Services', it was noted in 1936, 'have been built up on dependency and regularity of the Liner Companies'.⁶

In the early days of the development of West African liner shipping, surf boats and canoes were owned by the consignees who came alongside the ship to take delivery of their cargo. But this arrangement was characterised by delay and confusion since packages had to be sorted by the ship's crew before being consigned to the various lighters. This prompted Elder Dempster in 1903 to form boating companies at the various ports. One of these, the Accra Boating Company, was later incorporated with the West African Lighterage and Transport Company Limited, which dominated the West African trade and to which reference will be made later in this essay.

In Nigeria, privately owned lighterage services existed at each port except at Port Harcourt and Victoria (Cameroons Province). At the former, all the traffic was handled over the wharf and at Victoria service was supplied by the Marine Department. The latter port, it was noted, was 'an open roadstead and the maintenance of such craft, subject to heavy wear and tear, is so costly that private firms or individuals are unwilling to undertake it'.⁷

Given the absence of natural harbours on the Gold Coast, lighterage services were crucial to its shipping.⁸ They were provided by two main groups—the West African Lighterage and Transport Company Limited, a subsidiary of Elder Dempster Lines, and the Takoradi Coaling and

Lighterage Company Limited, a subsidiary of the United Africa Company Limited (UAC). We may note that while Elder Dempster was the senior partner in the West African Conference, the UAC dominated the merchandise trade of British West Africa. The lighterage companies served the steamers of their parent companies and their associates. Elder Dempster's lighterage company served the firm and its associates in the North European Shipping Conference while that of the UAC served its fleet and that of other lines which operated on the routes between West Africa, on the one hand, and Italy and France, on the other. In addition, these lighterage companies served semi-regular lines to and from destinations outside the range of the regular lines, such as Japan, Australia, Scandinavia and South Africa, as well as chartered vessels. It was one of the last-named that kicked against the lighterage charges and opened the floodgates of the controversy considered below.

What is clear from the above is that throughout the pre-World-War-II period, West African lighterage services were undertaken by 'those interests mainly responsible for the regular shipping lines'.⁹ A combination of the leading shipping firm and the dominant merchandising company had thus secured virtual monopoly of the region's maritime trade. As might be expected, this cartel maximised its advantage and, on the Gold Coast, exploited it to the detriment of competitors, that is, casual (tramp) shipping. This was facilitated by the peculiar circumstances of that colony's ports.

Loading and discharging of steamers at all Gold Coast ports, except Takoradi, took place off open beaches buffeted by strong surf and which varied in depth with tides and currents. Such circumstances demanded regular employment of 'trained, experienced and well-disciplined crews' conversant with the local conditions and the requirements of the cargo handled at such ports. This arrangement presented delays and loss of cargo. The lighterage companies consequently relied on their parent companies, which provided regular shipping services, to operate a regular service. To ensure steady supplies of manpower, they devised a system of making advance payments to a community of skilled boatmen who selected suitable crews to undertake lighterage according to the financial terms of the agreement.

Consequently, the shipping lines included lighterage charges in the freights to West Africa. Conversely, on the home run, a separate charge was made for lighterage because shippers delivered cargo alongside ships themselves. The emergence of the lighterage companies was thus, according to one of their principals, for 'the joint benefit of the established shipping lines and shippers, and (they) would never have come into exis-

tence if it had not been for the former'.¹⁰ Although these companies did not limit their service to their parent companies and their associates, their treatment of casual shipping was a source of discontent. The arrangement outlined above operated without any apparent challenge at West African ports until an American casual shipper demanded fair charges and invited the British government to intervene in West African lighterage services.

An American Challenge to the West African Shipping Cartel in the mid-1930s

Regular shipping services between the United States of America (USA) and West Africa commenced in 1911. By the mid-1930s, they were provided by two lines—Elder Dempster and the West Africa Line.¹¹ In 1935, there were 37 direct sailings to and 38 from West Africa, serving the ports of New York, Boston, Philadelphia, Baltimore and New Orleans, and as many as 45 West African ports. In addition, these lines called at thirty other points along the West African coast whenever cargo was available there. The major West African export to the American market was cocoa, the bulk of which was produced in the Gold Coast. The cocoa trade being seasonal, it was only during the peak period that tramp shipping, an uncommon feature of West African shipping, called at the Gold Coast ports. It was one of such non-regular lines that lodged a complaint against the discriminatory practices of West African lighterage companies.

In September 1935, one Alexander Singer, representing the New York firm of Rockwood and Company, described as 'one of the large Chocolate Manufacturers and ... comparatively large users of West African cocoas', petitioned the Colonial Office in London about the discriminatory pricing policy of the West African lighterage companies.¹² Singer introduced the firm as a member of 'a small cocoa buying pool on the Gold Coast', which included British firms. He explained that Rockwoods produced chocolates, which competed in world markets with Dutch manufactures and, in this context, shipping freights were crucial to their competitive advantage.

The current freight on cocoa from West Africa to New York was 45s (shillings) per ton plus 5s lighterage from Gold Coast ports whereas the rate to Holland was only 30s per ton 'due to competition between vessels of the established steamship lines and those chartered by the UAC'. This placed the American firm at a disadvantage against its Dutch competitor. To cut costs and redress the handicap, it decided to charter steamers to convey its cocoa purchases to New York taking advantage of the cheaper rates of tramp shipping compared to the established lines. As this hurt the

interests of the latter, they frustrated the charterer by imposing higher lighterage rates: 15s per ton lighterage at surf ports, including Accra, and 12s 6d (pence) at Takoradi.

The significantly higher rates were considered punitive. 'This is quite evidently being done', Rockwoods protested, 'with the object of making it unprofitable for us to charter, and we are requesting the Colonial Office to use its influence to obtain for us a more reasonable rate'. This was in view of the fact that the lighterage companies charged only 5s per ton for the same service when shipments were made by conference lines, irrespective of destination or nationality. Rockwoods also highlighted the prospect of the lighterage companies, 'acting at the behest of the shipping cartel, obstructing chartered ships by delaying their departure thereby causing the charterers to incur demurrage losses, generally making it difficult for us to succeed in this venture'.¹³ Although the chartered vessels had not sailed, Rockwoods decided to alert the Colonial Office in time to obtain fair treatment. Events were to prove such pre-emptive measures prescient and timely. The firm demanded 'a fair deal and our fair proportion of surf boats and lighters, as the case may be, should other vessels besides ours happen to be loading at the same time at the ports in question'.

The Initial Response from the Colonial Office

This development elicited a prompt response from the Colonial Office and its top officials exchanged minutes, which were highly critical of the Conference Lines. A. Fiddian expressed dislike for the domineering position of Elder Dempster in West African shipping but cautioned that the controversy was likely to be 'a long and troublesome business, in which the well-known subservience of the Board of Trade to anything in the shape of a shipowner will at any rate neutralise that Department, if it does not make them actually critical of our action'.¹⁴ He noted that the ramifications of the UAC and Elder Dempster interests were so considerable as to paralyse any tendency on the part of traders to West Africa to sympathise with or support any proposal of official regulation. The solution was to invite comments from the colonial governments under confidential cover to provide a strong basis for a well considered response.

Another top official, G.L.M. Clauson, examined the interests at stake and noted that if, on the one hand, Rockwoods succeeded in chartering steamers at 30s a ton to ship their cocoa to the United States, their activity would upset the freight market. This might force the conference lines to reduce freights and British firms would lose 'a good deal of money'.

Given that prospect, Clauson asserted that UAC and Elder Dempster would exploit their control of lighterage 'to make chartering as difficult as possible'. On the other hand, he acknowledged that it was in the interest of the Gold Coast to have as many outlets for their cocoa as possible, 'and we [that is, the British government] ought ... to help if we can'.¹⁵

The Colonial Office took further steps, asking the West African colonial governors to investigate 'how far conditions similar to those of which complaint has been made prevail in the territory under your administration, and ... [to state] your views on this matter generally in so far as it affects your government'.¹⁶ In the meantime, Singer was assured that the colonial governments would 'ensure that independent charterers get a fair deal'.¹⁷ Next, the Colonial Office convened a meeting in London at which officials and representatives of the UAC and Elder Dempster considered Rockwood's complaint. Their discussions and decisions are summarised below.

Elder Dempster immediately went on the offensive by reading a telegram from its Gold Coast agent reporting that the Colonial Office had instigated the Gold Coast government into 'contemplating ... a licensing scheme for the control of lighterage'.¹⁸ This placed the Colonial Office on the defensive and officials present promptly denied it while admitting that mere reference had been made in the despatch to that remote possibility. The shipping firm's representatives then explained the working of the system stressing that, following negotiation with the various shipping lines, a lighterage charge of 5s per ton had been levied for some time on ships belonging to the North European Conference (Elder Dempster, the UAC, the German and Dutch lines, and the American Barber line) which provide regular services all year round. Though they were charged 5s, the shipping companies made up the balance of 2s 6d. But, when non-liner shipping, such as Australian and French casual shipping, called, a higher rate of 10s to 12s 6d was charged for the service.

In the particular case of Rockwoods, the lighterage company justified the higher rates as follows. By chartering a ship to convey cocoa to New York during the peak season, the firm was undercutting the regular shipping lines and it was 'quite unreasonable' that it should expect to be charged the same rate as the regulars! In any case, Singer's activities 'would not result in a larger export of cocoa from the Gold Coast and any gain accruing to him would simply mean an equivalent loss to the regular shipping lines'. Hence, the lighterage companies 'felt fully justified in protecting their principals by the imposition of a rate of 12/6 or 15s according to port in Mr. Singer's case'.¹⁹ In any case, they argued, Singer had not criticised

the rate but had been more concerned with getting adequate services. Elder Dempster officials finally assured that they did not, and would not, discriminate against any customers though mail steamers were usually accorded priority. At the end of the day, Rockwood's grievance was not addressed.

Meanwhile, the colonial governors had sent in field reports on the situation in British West Africa. The acting Governor of the Gold Coast confirmed that the contents of Singer's letter were 'generally correct' and endorsed the position that the lighterage companies and the shipping cartel 'should not be in a position to render independent chartering impossible'. However, as the shipping lines had given appropriate guarantees of fair dealing, the governor saw no need for legislation to control lighterage charges unless these were later shown to be 'in excess of what may be considered, under all circumstances of the case, to be reasonably fair inclusive cost of the services rendered plus a reasonable margin of profit'.²⁰

On the basis of the assurances by Elder Dempster and the colonial government, the Colonial Office allayed Singer's fears and clarified the intricacies of the tariff schedule to him.²¹ It explained that the charge of 5s was below actual cost of lighterage and that while this was paid by the customers of the regular lines, the firms themselves bore the balance of the full cost of the service. Singer's firm was now expected to pay 10s per ton for lighterage at Takoradi and 12s 6d at other Gold Coast ports.

Reports from other British West African colonies shed more light on the lighterage controversy and also highlighted contrasts along the coast. The acting Governor of Nigeria declared emphatically that 'such a monopoly as appears to exist at Gold Coast ports would fail in Nigeria as Government lighters and launches could be made available for hire by the public at all ports as would ensure the failure of any attempt to impose monopoly charges on private individuals'. The policy of the Nigerian government, he stressed, was 'not to compete with private enterprise' and, in any case, the keenness of private competition obviated government intervention in lighterage services. Where it had to provide services at Victoria, the total daily cost for one Government launch and one lighter of 60 tons capacity was £12.10.²²

The governor of Sierra Leone likewise reported that there was no prospect of independent chartering for the export of produce from the colony and this obviated the need to control lighterage charges. But if any shipowner attempted to compete with the established lines, the governor envisaged that such 'would meet the same difficulty as appears to be the case in the Gold Coast. Either the lighterage rates would be raised to a

prohibitive figure or the use of lighters would be withheld altogether! This was a measure of the hegemonic position of the conference lines in West African shipping. As the colony's Harbour Master explained, they had invested 'considerable capital' in the lighterage services and would 'naturally decline to give cheap lighterage rates which would enable outside shipowners to undercut their steamer rates'. Yet, as in the Gold Coast case, it was not feasible to bring pressure to bear on them when their interests were threatened in this manner.²³

In London, officials at the Colonial Office remained divided over the policy response to the unfolding development. It would appear that the pro-conference lobby was steadily gaining the upper hand as can be gleaned from the exchange of minutes in November 1935. A top official, H.F. Downie, came down squarely on the side of the shipping cartel arguing that its position was sustainable on all grounds.²⁴ First, the lighterage firms were within their rights in charging a higher rate to Rockwoods and other independent charterers; the policy was 'perfectly reasonable' from a commercial point of view; and if, as claimed, 2s 6d of the actual cost of the service was being borne by the shipping lines, a charge of 12s or 15s to Rockwoods could not be considered exorbitant.

Second, from the perspective of the interests of West African colonies, the discriminatory pricing policy of the lighterage companies, which favoured shipping lines that maintained a regular service, 'appear[ed] to ... have obvious advantages'. For, it was in the interest of the colonies to encourage the maintenance of regular steamship services. In that regard, lighterage should be controlled by the firms which were 'in a position to discriminate in favour of the regular lines ... [which] are, *incidentally, mainly British*'.²⁵ If, however, the government decided to regulate lighterage charges, as was then prevalent in Palestine and East Africa (Kilindini and Dar-Es-Salaam), Elder Dempster and UAC shipping lines would have to reduce their freight charges. That, he contended, would compel Elder Dempster to reduce their regular service and the UAC to lower produce prices paid to West African farmers. This was a thinly veiled threat of economic reprisals if the shipping cartel failed to have its way.

This submission was challenged by another top bureaucrat, G.L.M. Clauson. 'It does not seem to me possible', he argued, 'to contend that it is good for a Colony to keep up shipping charges, lighterage charges or any other kind of charge affecting the movement of their goods'.²⁶ That freight reduction was more beneficial than otherwise, he noted, was confirmed by a fall in shipping freights as soon as the American firm

challenged the established lines. This demonstrated that outside competition was more beneficial to the colony and the shipping companies' insinuations that freight reduction would lead either to their bankruptcy or to the discontinuance of service lacked foundation in reality.

In any case, Clauson contended, the advantages said to be conferred on West Africa by regular shipping services had tended to be exaggerated. He stressed that it could not be taken as 'a self-evident truth that a regular service is always the best thing'. For, in the first instance, West African exports were seasonal (cocoa) or non-urgent (palm oil) and, so, would not suffer from irregular service. Second, though a regular service from the United Kingdom was essential to West Africa, there was no reason to fear that it would be imperilled by the competition on the US route.

Clauson was unsparing in his criticism of the West African shipping cartel and its practices. 'I ... hold the orthodox view', he declared 'that competition is good for a commercial company; it keeps it on its toes, and it makes sure that it does not raise charges too high'. And since the maintenance of differential lighterage rates deterred competition, 'it must therefore be bad'. He admonished that while it was good for the Colonial Office to maintain 'friendly and helpful relations' with Elder Dempster and the UAC, officials should also be 'fully alive to the undesirability of their *getting too great a grip* on West Africa, and the sort of vertical trust between the shipping companies and the lighterage companies seems to me exactly the kind of grip which is undesirable'.²⁷ He, therefore, recommended official control and licensing of lighterage, entailing the setting of maximum rates, guaranteeing non-discrimination against non-regulars, and giving a small discount to regular shipping lines.

The debate proved inconclusive and so failed to upset the status quo. Indeed, official opinion weighed against government intervention. 'It is a somewhat ticklish business', an official contended, 'to control lighterage charges; there seems to have been no general demand for any such action; and we do not want further points of friction with the UAC—or with ED (Elder Dempster)—particularly at present'.²⁸ Even Clauson had to acquiesce, stating that Mr. Singer would not 'haggle over half-a-crown a ton'. If Singer did not quibble, the entire saga would be given what another official, Sir John Campbell, had called 'a burial of the first class' ... [hoping] 'that there will be no resurrection'.²⁹ Such optimism was misplaced because the lighterage companies reneged on their agreement and Mr. Singer too did not feel wholly satisfied after making a trial run.

As the matter remained unresolved, this necessitated another meeting at the Colonial Office in December 1935.³⁰ This roundtable was occasioned

by the apparent repudiation by the lighterage firms of the charges of 10s and 12s 6d respectively levied on Rockwoods, as stated above. The representative of the UAC declared that the firms 'had never offered a rate of 10s to 12/6d to Mr. Singer', and any such impression was a misapprehension on the part of the lighterage firms' local representatives in the Gold Coast! That rate, he explained, was offered only to semi-regular ships, such as the Australian and French lines, which called at the Gold Coast four or five times a year and which were not in competition with any of the regular lines. On the contrary, the lighterage companies did not feel obliged to extend the same terms to purely casual ships, which were 'openly attempting to capture the trade of the regular lines'. He concluded that, in any case, Singer had already accepted the rates of 12s 6d and 15s and there was no reason for any further controversy.

The representative of Elder Dempster too justified the differential rates from a technical standpoint. He mentioned the difficulty of offering service to the casual shipper at the height of the export. As this entailed hiring additional crews, the Conference incurred additional expense, which the extra charges were meant to offset. The UAC proffered an extra justification in the defence of national economic interest: Rockwoods was employing a German ship to capture trade from the regular British lines and the American Barber line!

Significantly, an official supported the cartel, arguing that the removal of the differential charge imposed on the casual shipper would not result in more cocoa being exported from the Gold Coast; that, regardless of the lighterage charges, Rockwoods would still patronise Gold Coast cocoa, because of its quality; and that, in any case, the Gold Coast cocoa farmer would not obtain a higher price even if the casual shipper got the reprieve being demanded. Though another official expressed doubts about the propriety of differentiating between semi-regular and casual shippers, the status quo was maintained but further protests followed Rockwood's trial run in early 1936.

Rockwoods finally made their foray into the West African market in early 1936 despite the discriminatory charges levied by the lighterage companies. Singer gladly informed Clauson at the Colonial Office that American Cargo Underwriters were pleased with the consignment from the Gold Coast, claiming that none had ever arrived from West Africa in a better condition. However, he lamented that the firm sustained 'very considerable loss ... owing to the heavy lighterage rates'.³¹ The company had attempted to cut its losses by loading cocoa (an export) via the import wharf served by the railways thus obviating the use of lighters. This was,

however, thwarted by shortage of railway trucks. Hence, it loaded only 256 tons in this manner compared with 664 tons by lighters.

As another of its chartered vessels was due to arrive in early February, Rockwoods requested the supply of more railway wagons ‘so that our other steamers could be loaded entirely from the wharf and lighterage avoided’. This was because it had failed ‘to bring the Lighterage Companies to reason ... [and] and it is no use at all denying that the rate ... is intended to be punitive, which fact has been quite frankly admitted ... by one of [them]’.³² Ironically, the American firm had had no difficulty shipping from Nigeria but that colony did not have sufficient quantity of the high quality cocoa that was more readily available in the Gold Coast.³³

On this occasion, the Colonial Office declined to intervene. It refused to instruct the Gold Coast government to permit Rockwoods to load all its ships with cocoa direct from the wharf at Takoradi. As this would entail ‘considerable inconvenience’, the decision on whether the facilities could be made available ‘must depend on local circumstances’. Even so, there must be reasonable assurance that the provision of such facilities would not interfere with the ‘normal traffic at the wharf’.³⁴

The lighterage companies were even less sympathetic. They were resolutely committed to maintaining what were evidently punitive rates. ‘It appears’, argued the UAC,

that the Colonial Office’s assistance is being enlisted to enable one *American manufacturer* to obtain preferential treatment over other shippers and manufacturers, which, if obtained, would enable him to secure additional profit for himself as against his competitors, and strengthen his power of competition with *British* (and also Dutch) manufacturers of cocoa butter. If the lighterage companies had quoted lower rates, they would have been indirectly encouraging this *American manufacturer to reduce the tonnage shipped by the regular lines on which they themselves were dependent*.³⁵

The company added that, even so, the volume of Gold Coast cocoa exports would not have increased by a single ton nor would the African producer have benefited from an increase in price.

The UAC went further to justify its discriminatory (indeed, punitive) pricing policy on the grounds of its ‘altruism’ and the peculiarities of West African trade. First, the ‘special rates’ quoted to steamers like those chartered by Rockwoods were justified by the canons of business practice and on the precedent laid by the government itself! Higher levies on casual steamers compensated for ‘the additional difficulty inherent in loading and discharging them’. Their arrivals could not be anticipated under the

normal schedule of work though they were most likely to call at the peak of the cocoa season, when the lighterage companies were usually fully booked. It was, therefore, logical that casual shipping paid extra for services already stretched to the limit by demand from regular lines.

The UAC then marshalled arguments hinged on the principles of business practice and official policy as follows. First, that it was an established policy to charge premium above the normal rate for irregular customers. Second, that it was 'an accepted commercial practice throughout the world' to reduce charges according to the volume of business offered. Third, that the discriminatory charges of the lighterage companies were punitive and protectionist, the intention being to discourage an increase in the number of interlopers, which 'would inevitably dislocate and disrupt the trade of the established lines'. Lest the government should condemn such brazen discrimination from a higher moral ground, the UAC argued that its tariff policy, which 'tended to concentrate trade in the hands of the established shipping firms', merely followed the lead provided by the government itself! The lighterage companies, it contended, were 'merely furthering a policy which the Colonial Government itself encourages by limiting their business to those companies, with negligible exceptions'! This was a clever allusion to the monopoly of official passages conferred on Elder Dempster.³⁶

The peculiar circumstances of West African trade constituted the company's second line of defence. That trade, it stressed, required regular and frequent services for the purpose of delivering and shipping small quantities of cargo at a time. In this connection, it highlighted four features of West African shipping and merchandise trade. First, the outward (West Africa-bound) business of the leading European firms was conducted through retail outlets, which required that the merchants must receive their cargo in small consignments at regular intervals. Second, there was great difficulty in getting full cargoes on home (Europe) bound ships as produce came in small lots and sales were effected in small quantities. Third, existing facilities on the Gold Coast did not permit storage of produce in large quantities for lengthy periods. Fourth, space had to be provided not only for cocoa but for palm oil and kernels as well as timber, none of which were shipped in full cargoes.

In view of these features of the trade, particularly the fact that ships had to be run half-filled during the slack reason and had to visit 'unequipped, isolated ports to deliver or pick up uneconomical consignments', the regular lines needed to be encouraged. They had to be assured of making up their losses by discouraging 'undue competition'

during the high season, when full cargoes were carried. 'If the system of casual charters was to be encouraged and became frequent', the UAC warned, 'the smaller volume of business would necessitate the regular lines increasing their freight rates to the detriment of all shippers, and in particular those shippers whose transactions were too small for them ever to charter'.³⁷ The concomitant reduction of sailings and the ultimate break-up of the regular shipping services being provided would then necessitate the diversion of traffic for many months between West Africa and the USA to an indirect route via either Liverpool or Hamburg.

By a selective mixture of sheer blackmail, *laissez faire* and protectionist arguments, the UAC sought to justify its discriminatory policy towards charterers in favour of the conference lines. It emphasized that the British government itself had endorsed the principle that the latter had to be protected as it raised no objection to the system of loyal shippers' rebates. The practice of deferred rebates, it stated, 'by making it definitely against the financial interest of any shipper to divert even a single consignment to another carrier, effectively protects the British shipping lines to non-American ports against carriage by vessels chartered at uneconomic rates during the peak season'.³⁸ However, deferred rebates had been prohibited in shipping to and from the United States under the U.S. Merchant Marine Act of 1920. Hence, protection of regular shipping lines by the discriminatory charges of the lighterage companies was an equally good substitute.

In a separate but suspiciously similar submission, Elder Dempster defended the discriminatory tariffs but it added that Rockwoods' foray into West Africa was injurious to British interests since the firm was chartering German vessels: 'foreign ships are taking cargo from British Colonies at a time when British ships cannot find employment'! Moreover, the American firm was said to be seeking to obtain cheap cocoa to compete in the British market for cocoa butter and this would be in competition with the cocoa butter mill 'recently established' in Hull.³⁹

One of the lighterage companies in the dock, the West African Lighterage and Transport Company Limited, advanced the additional argument that in none of the principal ports of the United Kingdom did Harbour Authorities operate or control lighterage companies. There, it argued, as in other parts of the world, lighter owners were free to quote rates according to the services rendered. It added cynically and for good measure that, in the West African case, the existence of two lighterage companies 'affords protection against monopoly, and tends to maintain rates at a reasonable level'.⁴⁰ This was indeed a farcical argument as it

was well known that both acted in concert against their mutual competitors. This and other arguments generated another round of debate in and policy response from the Colonial Office.

Debate and Compromise in the Colonial Office

Officials at the Colonial Office in London were once again sharply divided over the defence put up by the shipping cartel. Clauson characteristically made mincemeat of it and his remarks deserve a closer examination for the light they shed on the subject. First, he rejected the comparison with the United Kingdom and the suggestion that only private enterprise should offer lighterage services. Much of what private enterprise did in the United Kingdom, he declared, had had to be done by the colonial governments in their peculiar circumstances. 'Government Railways', he noted, 'are as normal in the colonies as they would be objectionable in the United Kingdom'. In respect of lighterage, if the private firms had not existed, 'the Government, when the volume of trade reached a certain sale, would have had to supply the deficiency itself, just as it supplied the Railway'! The alternative, he contended, was not just between existing lighterage companies and no facilities at all, but 'between the ... Companies and facilities supplied by the Government as they are supplied elsewhere'.⁴¹

Second, the lighterage companies were, like the Railway, performing public utility functions and, as common carriers, ought to provide the same facilities for all without discrimination or favour. 'The general principle governing the operations of public utility concerns', he emphasized, 'is that they should base their charges on cost plus a reasonable margin of profit'. The only justification for maintaining differential charges was if there was a difference in the cost of performing those services and this was not the case.

Third, Clauson condemned the declared aims of the discriminatory charges: to maintain the shipping freights on colonial produce; to discourage 'casual' ships from competing with the regular services of the lighterage companies' parent shipping lines; and, particularly, to circumvent the provisions of the US Merchant Marine Act of 1920. If the intention was to favour the parent companies, less objectionable ways could have been sought. One possibility was to give them an outright subsidy, as in Cyprus, or mail contracts, which contained an element of subsidy. Another was to relieve the favoured shipping lines of part or the whole of harbour dues or to grant other privileges. These measures shared the attribute of spreading the burden of the relief over the whole community.

In summary, Clauson found ‘no justification for a public utility body taking advantage of its position to give favours to its parent Company’. He considered discriminatory lighterage charges the most objectionable method of giving favours to the regular lines, for it was entirely outside the control of the Government and wholly uncertain in its effects, so far as the incidence of the burden was concerned. Clauson insisted that the government should object to the system of differential tariffs unless it could be justified by a difference in the cost of services. Even so, the lighterage companies would have to fix an equitable charge after due consultation with the colonial governor.

Predictably, Clauson’s position was challenged by other (particularly, pro-Business) officials at the Colonial Office. One felt that as there were ‘too many contentious and difficult issues’ involved in the matter, it should be dropped. Moreover, were the government to intervene, he did not see how practicable that would be. ‘Personally’, he concluded, ‘I would drop the business’, as the intervention as recommended by Clauson ‘seems to me to rush too many, and too formidable, fences’.⁴²

An apparently neutral Sir Cecil Bottomley highlighted contrasts between the West and East African cases. At the latter, disagreements had been over government wharf accommodation and lighterage services but, in West Africa, it was ‘an isolated case concerning a particular charter-destination [the United States], and very little evidence of loss to the colony’. He, however, expressed doubts over the UAC claim that serving non-regular charterers involved special arrangements; otherwise, lighterage providers at Kilindini (East Africa) would have demanded extra money for it!⁴³

The debate in the Colonial Office was spiced with an interview with Picton Jones of Elder Dempster who strained himself to assure officials that his firm was ‘not in the pocket of the United Africa Company’. He cited as proof of the firm’s autonomy its submission of a separate memorandum but, as we have seen above, it was a virtual replica of the UAC’s. Jones, however, confided in Clauson that ‘it would be quite reasonable if the Government fixed a maximum lighterage charge of 10/6d subject to slight variation one way or the other at the different ports’.⁴⁴ This indicates that the UAC was the more intransigent as its interests were more vulnerable to Rockwood’s challenge.

Officials were finally won over to the position that it was all right for the lighterage companies to levy a higher charge for casual shipping compared to the regular lines. But, in view of complications that might arise where, for example, a German chartered vessel was involved, a

uniform rate was to be maintained among all non-regular lines irrespective of nationality. The 'differential' was to bear some relation to the extra cost of providing such service to casual shipping. If the firms rejected the proposal, the government would reconsider its position. This was a mere bluff; for, an official doubted 'whether the Government had any real power to impose its will on the Companies'.⁴⁵

Just as it appeared as if London had reached a decision that was generally favourable to the shipping cartel, Rockwoods made a last-ditch attempt to secure a fairer deal from the lighterage companies. The firm's London agent visited the Colonial Office to deliver a virtual ultimatum: if the 'present prohibitive rates were levied on their steamers they would have to leave the Gold Coast and purchase their requirements in the [French colony of] Ivory Coast, where lighterage services were Government-owned and cost about 6/8d a ton'. He stated that their cocoa purchases were in the range of 20,000 tons; in the previous season they had purchased 15,000 tons in neighbouring Ivory Coast and only 6-7,000 tons in the Gold Coast. But whether or not they left the Gold Coast, Rockwoods made it clear that they would not give up chartering vessels, an option that conferred three crucial advantages.⁴⁶

First, their cocoa shipments arrived in New York in 'much better condition' than otherwise. Second, the consignments could be off-loaded at Rockwood's own wharf instead of being landed elsewhere and then transported. Third, arrangements could be made for the cocoa to arrive exactly when it was required and not at the pleasure of the shipper, often after three or four months! This was an indictment of the services of the protected regular lines. In any case, as the lighterage charged to other casuals (such as the Blue Funnel Line) did not exceed 6s a ton, Rockwoods nursed a 'real grievance in the discrimination against them'.

This meeting made an impression on the officials at the Colonial Office. The Americans, an official noted, were 'not going to give up chartering steamers, but may give up the Gold Coast (cocoa) unless the lighterage charges can be reduced'.⁴⁷ This threat seems to have informed the tone of the Colonial Office correspondence to the lighterage companies, which drew their attention to the prohibition by American law of differential rates on vessels chartered for American ports.⁴⁸ Consequently, the lighterage firms agreed to charge non-discriminatory rates among non-regulars. Accordingly, the West African Lighterage and Transport Company released the following schedule. Rates for cocoa carried by Conference Lines regular liners for which the lighterage companies were under contracts were 5s per ton at Takoradi and 6s per ton at surf ports.

Cocoa conveyed by non-Conference liners, for which yearly cargoes had been fixed at agreed freight rates to non-berth ports (principally, Australia), drew charges of 6s and 7s 6d respectively. Considering the ‘extra cost of providing further lighterage facilities’, 8s per ton would be charged at Takoradi and 10s at surf ports for all casual vessels. At surf ports, there would be no discrimination in the distribution of services between regular and casual shipping, except that mail boats would receive priority attention in lighterage.⁴⁹

The UAC too made the same proposals in its submission to the Colonial Office. ‘We are pleased’, it stated, ‘to see that the Colonial Office recognise the justifiability of the principle whereby the companies make a higher charge for services rendered to casual shipping than for those afforded to the regular lines’.⁵⁰

However, appreciating the dangers of international friction inherent in the existing arrangement, the firm expressed willingness to fix uniform rates for all casuals. Hence, while charging the same rates as the other lighterage company, the UAC explained that a fixed charge of one third on the rates charged to the regulars had been imposed on the casuals for the ‘extra cost’ of rendering lighterage services to them. This was how the rates of 8s at Takoradi and 10s at surf ports were arrived at. A similar surcharge was to be added in respect of commodities other than cocoa.

This was the climax of the lighterage rates controversy in pre-World-War-II British West Africa. The American firm accepted these terms and no further complaints were made.⁵¹ This suggests that the arrangement held good till the outbreak of the war which gave way to the post-war era of decolonisation and port development, which obviated the previous heavy reliance on lighterage at Gold Coast ports.

Conclusion

The West African lighterage services controversy of the 1930s permits an analysis of and insights into dimensions of port-working and the cartelization of the shipping trade of the region. The isolated challenge by the American firm not only reveals the overwhelming odds faced by tramp shipping, already constrained by the nature of West African ports and the seasonality of the export trade, but also demonstrates the possible positive impact of tramp shipping competition on a market in the firm grip of the shipping cartel.

The discriminatory practices of the lighterage companies were meant to forestall potential competition from casual shipping on the US/West Africa route faced by their parent companies. The cartel, by cleverly tying

its interests with those of the United Kingdom and mobilising support in the Colonial Office and the Board of Trade, proved too entrenched to be dislodged.

The debate among leading officials in the Colonial Office, while revealing the cleavage between the protectionists and free traders, sheds light on the ramifications of business/government, metropolitan/colonial relations,⁵² and on the leverage of shipping in the imperial economic system. The supposed neutrality of the Colonial Office yielded to the imperatives of British national economic interest. The paramountcy of British over foreign, and of metropolitan over colonial, interests informed the final decision on the contentious issue.⁵³

At the end of the day, the American firm secured lower charges but the shipping cartel had its way in retaining the principle of discriminatory tariffs, which helped it to stave off the threat of competition by non-regulars. The Colonial Office was apparently helpless to impose its will on the cartel, even if it wished, for it was hamstrung by considerations of British economic interest and the cost of providing alternatives to the lighterage companies. In the event, acquiescence was the line of least resistance and, consequently, outsiders, such as Rockwoods, stood no chance against the entrenched cartel. Monopoly of lighterage services thus served as another device to sustain the tight grip of the Conference lines on British West African shipping during the colonial period.

Notes

1. Material for this paper was collected while the author was a British Academy Visiting Research Fellow at the Institute of Commonwealth Studies (ICS), University of London, in 1999. He thanks Professors Pat Caplan (the then Director, ICS), Richard Rathbone (SOAS) and Murray Last (University College, London), and Mrs. Dorcas Olorunda for their hospitality and sundry assistance.
2. See D. Hilling and B.S. Hoyle (1970); Olukoju (1992: 59-78; 1996: 105-131), for studies of these ports.
3. See Lebuscher (1963) and Olukoju (1992: 159, n.12). There is no reference to it in P.N. Davies (1973), but there are photographs of surf boats and their crews between pages 224 and 225.
4. Great Britain, Public Record Office, London, CO 554/104/10 'West African Harbours-Lighterage, Freight Rates and Chartering', minute by G.L.M. Clauson, 3 April 1936.
5. Details in Lebuscher (1977: 3-17); Olukoju (1992: 255-271; 1994: 141-159; 1999: 30-45). A study of Elder Dempster's wide-ranging shipping and allied interests, and their impact on West Africa is Marika Sherwood (1997: 253-276). There is, however, no reference to the firm's lighterage services in this

- illuminating piece. A study of the terminal voyage of an American tramp ship during the earlier period is Ayodeji Olukoju (2001: 114-126).
6. CO 554/104/10 enc. in Niger Company to W.C. Bottomley, 11 February 1936. The discussion in the following paragraph is based on this source.
 7. CO 554/99/8 «West African Harbours: Lighterage, Freight Rates and Chartering,» Maybin to Secretary of State, 21 November 1935.
 8. CO 554/104/10, enc. in Mellor to Under-Secretary of State, 11 February 1936.
 9. Ibid.
 10. Ibid.
 11. This paragraph is based on the memorandum enclosed in CO 554/104/10, Mellor to Under-Secretary of State, 11 February 1936.
 12. CO 554/99/8, Singer to Clauson, 17 September 1935. The following paragraphs are based on this source.
 13. Ibid.
 14. CO 554/99/8 Minute by Fiddian, 26 September 1935.
 15. Ibid, Clauson to Singer, 10 October 1935.
 16. CO 554/99/8, MacDonald to West African Governors, 5 October, 1935.
 17. Ibid, Clauson to Singer, 10 October 1935.
 18. Ibid, Minutes of the meeting held on 1 November 1935, enclosed in CO 554/99/8, form the basis of the discussion and analysis in the following paragraphs.
 19. Ibid.
 20. CO 554/99/8 Acting Governor London (Accra) to Secretary of State, 8 November 1935.
 21. CO 554/99/8 Clauson to Singer, 20 November 1935.
 22. CO 554/99/8 Maybin to Secretary of State, 21 November 1935.
 23. CO 554/99/8 Memo by R.L. Wilkner (Harbour Master), enc. 1 in Governor's Deputy (Freetown) to MacDonald, 26 November 1935.
 24. CO 554/99/8 Minute by Downie, 8 November, 1935.
 25. Ibid. Italics added for emphasis.
 26. CO 554/99/8 Minute by Clauson, 18 November 1935.
 27. Ibid. Italics added.
 28. CO 554/99/8 Minute by Sir. John Campbell, 11 November, 1935.
 29. CO 554/99/8 Minute by Clauson, 27 November, 1935.
 30. Minutes of the meeting held on 30 December 1935, enclosed in CO 554/99/8. The discussion in the following paragraphs is based on this source.
 31. CO 554/104/10 Singer to Clauson, 27 January 1936.
 32. Ibid.
 33. The colonial government evolved schemes of quality control to enhance the marketability of West African exports. See, for Nigeria, O. N. Njoku (1979: 43-57); A.G. Adebayo (1992: 273-300); and Ayodeji Olukoju (1998: 99-118).
 34. CO 554/104/10 Clauson to Singer, 3 February 1936.
 35. CO 554/104/10 enc. in Mellor to Under-Secretary of State, 11 February 1936. The quotes and discussion in the following paragraphs derive from

this source.

36. Studied in Ayodeji Olukoju (1999: 30-45).
37. CO 554/104/10 enc. in Mellor to Under-Secretary of State, 11 February 1936.
38. The deferred rebates system is examined in Leubuscher (1963: 20-26, 35-37); and Davies (1977: 107-182).
39. CO 554/104/10 enc. in West African Lighterage and Transport Company Limited, Liverpool to Sir Cecil Bottomley, 11 February 1936.
40. Ibid.
41. CO 554/104/10 Minute by Clauson, 3 April 1936. The quotes in the following paragraphs derive from this source.
42. CO 554/104/10 Minute by Sir. John Campbell, 6 April 1936.
43. CO 554/104/10 Minute by Sir. Cecil Bottomley, 8 April 1936.
44. CO 554/104/10 Minute by G. Creasy, 14 May 1936.
45. CO 554/104/10 Sir John Campbell's view as stated in Creasy's minute of 14 May 1936.
46. CO 554/104/10 Notes by G. Creasy, 18 May 1936. Quotes in the following paragraph derive from this source.
47. CO 554/104/10 Minute by W.C. Bottomley, 19 May 1936.
48. CO 554/104/10 Creasy to UAC and West African Lighterage and Transport Company Limited, 23 May 1936.
49. CO 554/104/10 Picton Jones, Director, West African Lighterage and Transport Company Limited to Creasy, 15 June 1936.
50. CO 554/104/10 UAC to Under-Secretary of State, 16 June 1936.
51. CO 554/104/10 Creasy to Lighterage Companies, 24 June 1936.
52. Nigerian case-studies include Ayodeji Olukoju (1995: 23-50; 1997: 277-298; 1999: 13-28; 1998: 99-118).
53. A Nigerian case-study is Ayodeji Olukoju (2002: 363-384).

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