Résumé
E. Reynolds — Progrès et déclin d'une classe commerçante en Gold Coast, 1830-1874. Les commerçants africains de Gold Coast ont connu deux périodes de prospérité entre 1830 et 1850 puis entre 1870 et 1890, suivies d'un déclin définitif. En dehors des facteurs directement économiques, ces fluctuations paraissent liées à l'évolution politique générale de la colonie. La puissance économique des traiteurs africains se développe au détriment de celle des chefs esclavagistes à partir de 1831, jusqu'à concurrencer celle des commerçants européens, en dépit des discriminations en matière de prix. Un premier déclin se produit après 1860 (guerre ashanti, création de la confédération fanti, cession des comptoirs danois). La période de prospérité qui suit l'annexion (1874) ne dure pas, les oligopoles européens arrivant à éliminer pratiquement les commerçants africains à partir de 1890.

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It has been assumed that indigenous merchants on the Gold Coast enjoyed a period of prosperity from the 1850’s to the 1890’s. The reasons for this affluency were related to: the expansion of the export trade, the provision of steamship services, and the supply of finance from European manufacturers. While it is generally true that West African traders achieved economic success between the 1850’s and 1890’s, a detailed study of indigenous Gold Coast merchants reveals that although they had thrived between 1830 and 1850 their prosperity declined in the 1860’s; rose again briefly between 1870 and 1890, only to fall in the 1890’s. These vicissitudes coincide with periods of intense political activities in the country like those of the Fanti Confederation and the Gold Coast Aborigines’ Rights Protection Society. The present article seeks to examine the rise and fall of the Gold Coast African merchant class and possible relationships with the political activism in the country in the late 1860’s.

The abolition of the slave trade early in the nineteenth century brought about a strong need to find substitutes for the slave trade and to encourage the export of old staples like gold and ivory as well as the production of agricultural goods for the overseas trade. Despite efforts to foster the exports of natural produce of the country, the disruption caused by local wars; the lack of enthusiastic response from local people; the half-hearted efforts of Europeans on the coast to establish and to cultivate plantations, and the duties imposed on African produce made economic change difficult. Nevertheless, in spite of these impediments, after 1830 progress was being made towards an economy based not on the sale of slaves but one based on the export of natural produce.

A new era of trade and economic change, in which indigenous African merchants were destined to play an important role, began in 1830 under

1. The term Gold Coast used in this article corresponds to the area of present day Southern Ghana.
the administration of the British Governor, George Maclean. The peace treaty that the Governor concluded with the Asante kingdom (which had invaded her southern neighbors four times) and justice he dispensed, ushered in an era of peace and tranquility conducive to trade. The Maclean period (1830-1843) marked a key period of economic development and was undoubtedly the most prosperous period of trade in the country up to 1874.

Much of the trade on the Gold Coast before the 1830's had been conducted mainly by European representatives of trading companies and individuals trading on behalf of individual firms like Forster and Smith Company, F. and A. Swanzy Company and Hutton and Company on a commission basis. In addition to this mode of trade, there was the American trade and commerce carried on by supercargoes which called at the coastal towns and the European settlements when they were not proscribed; but in the main, the number of Africans who dealt directly with mercantile houses in Europe and imported their goods directly from abroad was small. This is not to say that there had been no African merchants of note before the 1830's. There had been Gold Coast merchant princes like John Kabes and John Konny in the seventeenth and eighteenth centuries, but these men were rulers and since much of the trade during this time was state oriented the position of these men was hardly surprising. By the beginning of the nineteenth century an appreciable quantity of trade was in the hands of a few indigenous people among whom some of the prominent traders were Jan Nieser of Elmina, J. Hanson, and James Bannerman from Accra. But one of the most significant developments in African participation in the import and export trade took place in the 1830's under Governor Maclean.

During the 1830's there emerged a number of African merchants who occupied the same position in commercial affairs as the European traders on the coast. According to Andrew Swanzy, a British trader during Maclean's time, a number of Africans were 'admitted to the same advantages as the resident English traders, and received their supplies direct from the London firms.' Among the Africans who were to be given the opportunity to receive goods directly from London firms on credit in the course of the Maclean period were George Blankson Sr., F. C. Grant, Thomas Hughes, James Robert Thompson, and R. J. Gartery — to name but a few. George Blankson Sr. (1809-1898), except for a brief interruption to serve the Methodist Church in the 1840's traded on his own account mostly in Asante. In addition to his trading activities

he served the government on missions to Asante under Maclean in 1834 and under Acting Governor Cruickshank in 1853, and was a member of the Gold Coast Legislature from 1862 to 1873. F. C. Grant (1823-1894) became a leading Cape Coast merchant who was reported to be 'a native gentleman, who is certainly not the inferior of any European on the Gold Coast in character, ability, or mercantile position'. Extremely enterprising he became interested in gold mining and was involved in the Gold Coast Native Concession Purchasing Company, the first mining concession syndicate owned entirely by Africans. He served the local government first as a member of the Cape Coast Municipal Council and then as a member of the Gold Coast Legislative Council. Thomas Hughes was a pioneer in the modern mining industry. He imported some heavy machinery to start mining activities in Wass, but after striking a rich vein in 1861, the chief forbade him to exploit it and destroyed his equipment. Hughes also manufactured perfumes at Cape Coast. James Robert Thompson (1810-1886) became a leading Cape Coast merchant. In addition to his commercial activities he was elected a local chief in 1853. R. J. Ghartey (1820-1897) established a business as a merchant at Anomabo after working at cooery with a European firm. He was a pioneer in the Gold Coast timber industry, a promoter of gold mining and later, a moving personality in the Fanti Confederation. These African merchants received goods on credit from London firms and exchanged them for the produce of the country.

Besides these prominent African merchants there had emerged on the Gold Coast, by the middle of the nineteenth century, a group often referred to as 'educated Africans'. Often poorly educated these 'educated Africans' were the products of the government and mission schools of the period. As such, some graduates secured positions as agents for missionaries or as government clerks but in the increasingly differentiated occupational structure of the time they frequently sought employment connected with European trade. These so-called educated natives, among whom were included the bulk of the African merchants, concentrated mainly in the urban centres of Cape Coast and Accra and were often blamed for reactions and protests against the growth of British administration on the Gold Coast.

The power of the African merchants grew at the expense of that of

12. A. Swanzy: 479.
the Gold Coast chiefs whose power had been diminishing since the abolition of the slave trade. This phenomenon marked very significant changes in the character of the economy. The power of the traditional rulers was in some ways associated with wealth but the riches of the chiefs were acquired through their status from presents, fines, tributes and, in some cases, through trading. They dispersed what they received to others by way of presents, feasts, and other customary activities on a non-economic basis. The merchants, on the other hand, acquired their possessions from trade profits and spent their profits in economic ways, in the sense that they sought value for money. Although rising African merchants had some social obligations of an economic and non-economic nature, it was true that there was a widening of the economic sphere in Gold Coast society which included a measure of individualization, with greater differences of wealth between persons of similar traditional status and a growth of importance of personal achievement in economic activities.

In Gold Coast society in old times, status was either inherited or attained by political skills, rhetorical eloquence, diplomatic ability or military prowess. By the middle of the nineteenth century status was achieved through the creation of wealth by trade and production for market by a group whose commercial and political interests frequently overlapped.

Some of these African merchants like James Bannerman, F. C. Grant and J. E. Richter were of British or Danish descent. Yet, even as Afro-European descendants they had an unquestioned place in African society because of their African mothers. In a way, their position in Gold Coast society was unique because of their dual relationship with European and African society and frequently, as was the case with people like Samuel Brew of Anomabo and James Bannerman of Accra, they were related to traditional authorities by birth or marriage.

In addition to the African merchants, there were wealthy African women who were (or had been) wives or concubines of Europeans on the coast. Prominent among these African women were Mrs. Andrew Swanzy and Mrs. Henry Barns.

The rise of the African merchants was the result of many factors, chief among which were opportunities for entering trade enhanced by London merchant houses like Forster, Smith and Swanzy which sent

15. *Ibid*.
17. At a time when trade was largely based on credit, the individual's standing and position probably played a part in the credit-worthiness of the person concerned. It is probable that persons of pure African descent, like R. J. Ghartey, who adopted European names did so for trade purposes.
quantities of goods to correspondents on the coast to be sold on commission and often available easy credit. Another patently discernable factor that contributed to the prominence of the African merchants was the arrival of steamships. The formation of the African Steamship Company in 1852 for trade in West Africa both regularised and shortened the transportation between England and West Africa from 35 days to 21 days (or less). More important, the steamships took the seasonal problems out of shipping.

While all previous shipping to the coast had belonged to trading firms and goods were carried to their agents and correspondents the Steamship Company was an innovation in the sense that it provided a freight service only for its customers. This resulted in an increase of trade of the variety of products dealt in, and in the tonnage of British shipping to West Africa which, in 1854, had totaled 57,000, by 1874 stood at 504,000. In 1869, another steamship company, the British and African Steam Navigation Company, was formed. Larger vessels, fewer crews and more voyages per year enabled the steamship companies to reduce freight charges. 20

The impact of steamers on the Gold Coast as on West Africa was great with an increasing number of the people encouraged by the smaller firms in Liverpool and London to enter directly into the import and export trade. Such firms and their correspondents on the coast were able to compete effectively against the larger merchant houses which continued to send goods in their own ships on consignment to correspondents on the Gold Coast. So successful were the steamships that their operations elicited the jealousy of large merchant houses; Forster and Smith as well as F. and A. Swanzy became alarmed at the increased direct trade with indigenous merchants and tried to interfere with the operations of the steamships which hit at the trade that had once been their monopoly. 21 The result was clear by 1857, when it was observed with slight exaggeration that ‘the old class of large European merchants who greatly monopolized the trade have passed away and the amount of business done formerly by a few, is now in the hands of numerous small traders, chiefly natives.’ 22 African merchants like James Bannerman were even able to rise to the status of Acting Governor in 1850 and his fellow merchants including European traders thought so highly of him as to recommend that he be appointed Governor.

With augmented trade and social change on the Gold Coast and growing influence of the power of a new class of merchants, this group came to dominate the affairs of the Gold Coast. Frequently in opposition to the British and sometimes vying for power with the traditional rulers,

21. CO/96/40: C. H. Gregory to the Secretary of State for the Colonies, 19 May 1856.
they often used their influence to protect and to foster their own interests. It has been observed that:

‘. . . in a situation of economic growth, leaders are to a considerable extent a self-recruiting or self-generating group. They also develop vested interests. Incentives to leadership may consist partly in substantial material benefits, but usually include, even more significantly status attribution and the command of power.’

As leadership for economic growth depends, among other factors, upon the relationship of economic power and political influence, it is to be expected that the indigenous merchants saw political power as a vital factor of their economic position. Such power was necessary for the promotion of an outlook, and acceptance of new values needed to mobilize the resources of the traditional economy for progress. Thus, there is frequently a change in the structure of power and in economic growth with the old elite often being displaced.

The progress of trade and economic change during the period of 1830-1850 was slow and gradual and any gains made by African merchants were hard-won. However, by the 1850’s the prevailing system of credit and intense competition from European traders began to affect the commercial operations of the African merchants.

The granting of credit had been a feature of Gold Coast trade from at least the seventeenth century with both Africans and Europeans offering credit terms. Africans frequently offered the European trader staple exports on credit when the goods he wanted were not immediately on hand. The European trader likewise offered the African trader goods on credit to be paid for with the produce of the country when it was available. This practice often involved great risk as there were occasions when both sides defaulted on payment. The system of credit after abolition was altered by economic change. Trade conducted by chartered companies and government officially declined, or ceased, following the interdiction of the slave trade. Consequently, much of the trade on the Coast came to depend upon individual and independent traders who largely relied on credit to pursue their commercial activities. These merchants received their trade goods on consignment from merchant houses in Europe, from supercargoes and later from the steamers, on credit. The systems of credit became especially prevalent when the number of merchants participating in the import and export trade increased and the commerce from the Gold Coast and West Africa began to expand.

Matthew Forster, a member of a leading London merchant house, lamented this practice when he testified before a parliamentary committee in 1842:

‘I am sorry to say that the system of credit has been of late years in consequence of the great competition in the trade, introduced at the Gambia, and on the Gold

Coast, and, in fact I believe, on all parts of the coast. It is a most objectionable and unfortunate system, and has been attended with very bad effects; it is one of the causes of the heavy losses that have been lately sustained in carrying on the trade."

Limited currency and the absence of banks no doubt exacerbated the problem of coastal credit, but European opposition to Africans securing credit during this period should be seen in the context of growing inter-group competition. This was confirmed by Andrew Swanzy, a member of another leading merchant house when he wrote that:

"Gradually a number of partially educated natives were admitted to the same advantages as the resident English traders, and received their supplies direct from the London firms. These men, instead of exchanging all their goods for produce, built houses, bought slaves, and surrounded themselves with a large retinue of servants, expended a great deal of the means entrusted to them in extravagance; and many of them were unable to estimate the cost of their goods, drove the European merchants from the trade by ruinous competition."\(^{27}\)

That there was a rivalry between African and European merchants cannot be denied but the fact that African merchants who received goods on credit so early on started investing in slaves, houses and property when the surplus could have been reinvested into business is more a commentary on the trading practices rather than on the character of the Africans involved. Furthermore, it also reflected the social values of the people which were not those of a fully developed capitalistic society.

Trade on the Gold Coast involved great risks in view of wars and conflicts that often interrupted commercial activities and the constant fluctuations in trade. Yet for the African trader ordering goods on his own account there was no insurance for him against possible loss. Consequently, investment in palacial homes and slaves provided a form of security for him. Furthermore, some African traders used their homes not only as a residence but also as a trading and storage place for goods. In view of the difficulty in obtaining reliable and constant paid laborers in those days the slaves they purchased were needed to perform a variety of duties such as canoemen, potters and workers around shops and establishments. Again, given their increasing social and economic importance, African merchants had to maintain a standard of living which was consistent with their status. Andrew Swanzy observed that the emerging African merchant had to 'vie with and even excel, the white man in his personal and household expenditure, in order to assert and maintain his acquired position.'\(^{28}\) As a European trader observed:

'Native traders receiving supplies of goods on credit do occasionally invest a portion of these goods in the purchase of slaves brought from the interior; that the

\(^{26}\) Ibid.; Question 10705, Evidence of M. Forster.
\(^{27}\) A. Swanzy: 479.
\(^{28}\) A. Swanzy, 'Civilization and Progress on the Gold Coast of Africa, as Affected by European Conduct with the Native Inhabitants', Journal of Society of Arts, XXIII, 1875: 415-426.
slaves so purchased are employed as labourers and domestics about their master's establishment; that in case of insolvency while the other property of the native traders is available to his creditors, the portion of his property escapes confiscation."

This statement was very true but the causes of the Africans' insolvency were created by many complex factors including the fact that European trading firms advancing goods on credit to the African charged African traders higher prices than they did European traders.

In order to deal with traders on the Gold Coast who became insolvent a bankruptcy law was passed on the Gold Coast in 1858. Like the similar British bankruptcy act of the period, it not only made the debtor's assets available to his creditors, but also included a short jail sentence. British merchants associated with the Gold Coast trade felt that the act was very lenient and unsuitable for conditions on the Gold Coast. Andrew Swanzy complained:

'Prior to preparing the bankruptcy Act the system worked well enough, but since it has been in operation, fully one half of the native traders (finding they could with its assistance get rid of their liabilities) have passed through the Court, several of them having been convicted of fraudulently concealing the property of their creditors and there is little doubt that the majority of the bankruptcies have been attended with fraud and concealment of property, which from the nature of trade carried on are easy to commit but difficult to detect, for in as much as books or accounts are rarely or very badly kept, it is almost impossible to discover the numerous small debts due to the bankrupt or to trace the goods sent into the interior for sale in his behalf [. . .]. Property on the Gold Coast is generally invested in houses and slaves, and the first thing the trader does in receiving credit is to build or purchase a house and a number of slaves, when bankruptcy ensues the bankrupt's family claim the house as family property and relative after relative is brought forward to prove that is the case and in the slaves the court can not possibly deal with them as available assets, and they remain practically the property of the bankrupt.'

According to Swanzy, 'of the native traders, who before conducted themselves well and paid their accounts, and were held to be respectable, more than two-thirds have since gone through the court, certainly one-half of them.' He felt that as the traders there did not keep any books and their customs were so different from those of Europeans, British bankruptcy laws were not the remedy for insolvent debtors.

The fraudulent practice of debtors to cheat their creditors was proverbially called 'white washing' on the Gold Coast. A Governor commented on this practice:

'This evil is of daily occurrence here. A debtor will tell you go on with your suit; you will not get a farthing. I will declare myself insolvent. You get indig-

29. CO/06/21: 1 December 1847, Statement of Brodie Cruickshank, Francis Swanzy, Thomas Hutton, Henry Smith and Andrew Swanzy, all European merchants concerned with the Gold Coast trade.
30. CO 06/66: 6 November 1864, Swanzy to Secretary of State.
32. Quoted in A. SWANZY, 1874: 480.
After one or two years in which time the insolvent has made away with all his property and fictitious transfers, etc. He files a schedule alleging that he has no books or papers, no property whatever. It is not worth a creditor's while to offer any opposition and in a few weeks you will see him opening a shop full of merchandize, walking about the streets dressed like a gentleman triumphantly in defiance of his defrauded creditors. 33

The chief magistrate of the settlements himself noted the abuse in the credit system and the bankruptcy law:

'Think it probable that adjudication or bankruptcy has frequently been granted abusively; I mean when given to debtors on their own petition without sufficient examination or regard to the circumstances under which the debts have been contracted. This facility may have given rise to an idea amongst some of the natives that they can get rid of liabilities by means of the bankruptcy courts whenever they choose to take the necessary steps.' 34

In spite of these protestations European firms continued to grant Africans credit. Matthew Forster observed that 'It may be said, don't trust them [the African merchants], but that is to say that no business was done.' It would seem that the more unreliable African creditors became, the higher would be the prices charged by European firms. That credit was continued is perhaps an indication of the fact that even with the bankruptcies European merchants houses were still reaping profits from African merchants. While some African creditors might have defrauded their creditors by passing through the bankruptcy courts, there is ample reason to believe that many merchants went bankrupt because of the credit and trading practices as revealed by one of the celebrated credit and bankruptcy cases of the time—Joseph Smith, who went bankrupt in 1861. A comparison of Smith's invoices with those of European traders on the Gold Coast revealed that his invoices were 25% to 75% higher on similar goods. 35 The practice of overcharging Africans was, of course, very old. As early as 1826 it had been reported that trade goods were sold to Europeans on the coast at cost price, to mulattos at a higher price, and to Blacks at a still higher price. 36 Although some African merchants hid the goods of their creditors and purposely declared themselves bankrupt, Joseph Smith's case was an exception. He went bankrupt, as did many others, because he was cheated and because he overextended himself with credit. One Governor of the Gold Coast who knew Smith reported that he had the best reason to believe that he was 'utterly without means before his death'. 37 It was because of the prevailing system of credit and trade, and the plight of the African traders that the African Times, a London paper dedicated

33. CO/96/85: Kennedy to Kimberly, 8 October 1870.
34. CO/96/87: Letter of D. P. Chalmers, 30 December 1870.
35. CO/96/58: Petition of Joseph Smith, 12 April 1862.
37. CO/96/87: Kennedy to Kimberly, 11 January 1871.
to the progress of West Africa, urged the creation of what it called 'Native Capitalists'. The *African Times* felt that:

'It is time that the great body of native traders on the Coast, the indispensable medium of barter for European goods against native produce, should become something more than mere slaves of European capital, working for scanty profit or a mere subsistence, and not unfrequently to be overloaded with fictitious debt; it is time, we say, that this great body of native traders should begin to appropriate to themselves, for themselves and their country, the great profits of that trade, instead of a mere pittance from it.'

Indeed, with all of the bankruptcies and failures in business there was need to complain about trade practices. The constant overcharging which often led to loss or only scanty profits surely made the Gold Coast merchants, in the words of the *African Times*, 'mere slaves of European capital'. By 1874 it was reported that there was only one African (a woman) on the Gold Coast who had enough capital to trade on her own account. Furthermore, by the end of 1862 serious conflicts were about to break out on the Gold Coast which would adversely affect commercial operations for almost a decade. The declining fortunes of the Gold Coast merchants, the disruption of commerce by an Asante invasion in 1863, and the retrenchment of the British commitment to keep peace on the Gold Coast, forced the merchants to organise politically in order to govern and develop the resources of their country.

By the end of the 1860’s European merchant houses like F. and A. Swanzy had established their own stores on the coast instead of sending goods to African agents on credit and the Basel Mission Trading Company had become entrenched in the country. Consequently, the lack of capital on the part of the African merchant to trade on their own accounts, or their elimination from the commercial scene reflected the economic plight of African merchants. Their support of a political organization like the Fante Confederation, one of the earliest Nationalist organizations on the Gold Coast, was no idle political exercise. Admittedly the Fante Confederation came into existence following the exchange of forts between the British and the Dutch in 1868, but it came after nearly two decades of African discontent and conflict with the British local government. Furthermore, the attempts made to place the organization onto a permanent footing in 1872 demonstrated that the Confederation was more than an ad hoc association to protest an action of foreign governments without their consent and to defend themselves against Asante invasions which had often disrupted trade. Although the merchant community on the Gold Coast was in sympathy with the objectives of the Confederation it is significant that most of

39. A. Swanzy, 1874: 479.
41. CO 96/94: Pope Hennessy to Kimberly, 29 October 1872.
the leaders and advisors of the movement were ambitious literate Africans who had failed to make good in trade and other employment.

The founding in Accra of the short-lived organization in 1868 similar to that of the Fante Confederation, can also be linked to economic grievances. The objective of the Accra organization was to ‘bring a speedy termination to the wars and disturbances which have nearly ruined Accra’. Their concern was clear; Accra was ruined because trade was at a standstill due to conflict in the eastern region. It was to deal with the conflict that the association was formed, and the committee chosen by the association was composed of men who had been leading merchants in the Accra region.

The declining fortunes of Accra merchants (and other traders on the Gold Coast) and their loss of grip on trade was illustrated by families with trading traditions leaving trade and seeking other occupations. Admittedly, the widening of occupations was a feature of the developing modern economy but seemingly there were circumstances driving these people out of commerce. In the Accra area, for example, Danish descendants who had inherited considerable wealth from their ancestors and who had been merchants began to lose their mercantile position following the losses that resulted from the prevailing trading practices of the period, the conflicts in the 1860's and the competition from other European concerns. After the 1860's most of the Danish descendants who had formerly been important merchants began to seek employment with the Basel Mission as trading agents, teachers, evangelists and ministers.

African merchants whose economic position was being eroded on the Gold Coast in the 1860's found an outlet for their discontent in organizations dedicated to governing and developing their country. Although the mining activities that followed the formal declaration of the country as a British colony in 1874 and the booming rubber trade in the 1880's and 1890's enabled them to recover from their economic plight, the tendency towards large-scale enterprise, the growth of European commercial oligopolies, and the exclusion of African traders from commerce resulted in further discontent in the 1890's. It was probably no coincidence that the formation of the Gold Coast Aborigines' Rights Protection Society took place in the 1890's when European firms were once more squeezing the African merchants out of large-scale commercial operations, and relegating to them the position of petty traders and agents to European firms.

43. Ibid.
1839 et 1850 puis entre 1870 et 1890, suivies d’un déclin définitif. En dehors des facteurs directement économiques, ces fluctuations paraissent liées à l’évolution politique générale de la colonie. La puissance économique des traitants africains se développe au détriment de celle des chefs esclavagistes à partir de 1831, jusqu’à concurrencer celle des commerçants européens, en dépit des discriminations en matière de prix. Un premier déclin se produit après 1860 (guerre ashanti, création de la confédération fanti, cession des comptoirs danois). La période de prospérité qui suit l’annexion (1874) ne dure pas, les oligopoles européens arrivant à éliminer pratiquement les commerçants africains à partir de 1890.