Modern Inland Transport and the European Trading Firms in Colonial West Africa.
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Recently there has been a renewed interest in the large European trading companies which operated in West Africa during the colonial period. Sir Frederick Pedler (1974) wrote about the United Africa Company and its 'principal predecessor firms', Catherine Coquery-Vidrovitch (1975) about CFAO and SCOA, Colin Newbury (1978) about the Niger Company, and Régis Robin (1976) about Peyrissac. These studies of individual firms are a welcome addition to the work of authors who dealt with the firms in general. Sir Keith Hancock (1942: 154-298) portrayed them as the dynamic element of European expansion in West Africa, John Mars (1948) analysed their cost structure, Jean Dresch (1952) presented them as the chief investors in the two-way trade, and Peter Bauer (1954: 104-144, 202-209) dealt with their market strategy. More recently, Anthony Hopkins (1973: 198-203, 258-259, 276-279) discussed the effect of the business cycle on their investments and operations and assessed (1976: 274-275) their role in European imperialism. In my own study (1975: 19-29, 36-47, 52-64, 99-104) of the Lebanese in Sierra Leone, I discussed the policies of the firms in as far as they affected other traders.

This renewed interest has been prompted by the recognition that the firms were powerful agents in the shaping of the colonial economies of West Africa. The time has come for a comprehensive re-assessment of their role, which should investigate their policies, their co-operation with, and influence on, the colonial authorities, their effect on agriculture, etc. This article, although inspired by the ideal of a comprehensive study, tackles only one aspect of the firms' history, namely their response to new transport technology and infrastructure. I believe that it is possible to isolate this aspect, and this is done in this article.

The modernization of transport has been a powerful factor in economic development in many parts of the world. In West Africa it began towards the end of the 19th century. There is a general consensus that modern transport, by permitting long-haul trade in bulky produce, led to an expansion of production and trade in this region (Hopkins 1973: 197-
These macro-economic effects are, however, not discussed here; they are simply taken for granted. In this article I have a different objective; I want to investigate the direct effects of modern transport on the firms, namely on: (a) their advance into the interior (sections 1-4); (b) their structure and organization (sections 5-7); (c) their withdrawal from the interior in the 1950’s and 1960’s (sections 8 and 9).

1. Modern Transport and the Advance of the Firms

Modern transport was a European introduction into West Africa. The new means of transport were European-designed and constructed, and also, at least in the early decades, European-owned and controlled. There was a conspicuous difference between modern European and existing African transport. (This dichotomy was blurred in the 1920’s when significant numbers of Africans and Lebanese bought lorries and launches. We return to this later.) African transport was partly replaced by European transport but in many areas it continued to play a role. It is therefore useful to distinguish an Outer Trading Zone with African transport and an Inner Trading Zone with European transport and to call the boundary between the two the ‘European’ frontier. During most of the 19th century this frontier was on the coast. Then, with the introduction of modern transport, the European firms advanced inland and the Inner Trading Zone expanded rapidly (Hopkins 1973: 137 sq.).

The term advance reminds us of military operations but there is a curious difference with regard to logistics. While the rate of advance of an army depends on the ability of the quartermasters to send supplies up, the advance of the firms was restricted by the opportunities to send supplies back. Much of the firms’ thinking about this matter was condensed in the term ‘produce evacuation’. In general the firms were unwilling to buy and store produce unless it could be carried to the coast by European transport. Going farther upcountry meant that they would have to rely on African transporters, a possibility which they seem to have rejected out of hand. This attitude determined the location of their produce-buying stations upcountry. Virtually all of them were built along navigable waterways, railways, or motor roads.¹ These buying stations (or trading posts, or factories, or factoreries in French) demarcated the European frontier,² which was a transportation as well as a trading frontier. I may add that it must not be confused with the frontier of the two-way trade, i.e. the far frontier of the Outer Trading Zone.

Many years ago Hancock (1942: 204) pointed out that the European firms made use of three forms of transport: river, rail, and road. This distinction, which is unimportant from the macro-economic point of view,

¹. Sokoto in Northern Nigeria was an exception. G. B. Ollivant opened a buying station there in 1919, which relied on camel transport (Pedler 1974: 97).
². This seems the most accurate interpretation of Hancock’s concept (Hancock 1942: 204).
will be repeatedly used in this article. Its significance was brought home to me by a related distinction which the employees of the firms often used in conversation. When talking about their buying stations they distinguished river stations; line stations (along the railway line); and road or outstations. At first, I thought that this referred merely to location, but later I understood that it derived from the method of produce evacuation. A river station was designed and built to rely on water transport; a line station, often with a separate railway siding, depended on rail transport; and a road station on evacuation by lorry.

It is therefore desirable to distinguish three types of advance of the firms: a river-based, a railway-based and a road-based one. Each of these will be discussed in turn in the next three sections. Since the new means of transport did not become available at the same time we can also recognize three different phases of advance: the river-based advance started around 1880, the railway-based one soon after 1900, and the road-based one in the 1920s. Since conditions in West Africa varied from country to country, the years given here should be seen as a rough indication only.

2. The River-based Advance

In the course of the 19th century inland navigation of the European type was introduced on the West African rivers. European firms and governments began to send vessels to West Africa in order to employ them there permanently. In East Africa, the start of European inland navigation was spectacular because the first European vessels had to be carried in sections overland before they could be launched on the lakes. And the same was true for the Congo in the centre of the continent. Some West African waterways resemble the East African lakes because they are also cut off from the sea; on these, the beginning of European navigation is properly recorded: on the Middle and Upper Niger it began in 1884 (see below) and on the Nyong in South Cameroun in 1906 (Wirz 1972: 259). But most of the West African rivers are connected with the sea, which makes it difficult to discover when inland navigation, as distinct from sea navigation, began.

The literature on this period does not speak about inland navigation as such but it offers some help when one compares the names given to the different types of vessel. The most common name is 'steamer' but, unfortunately this does not help us much because it is used for ocean-going ships as well as large river vessels. Technically, there were three categories of steamer: some were propelled by screws, some by side paddles, and some by paddles (or wheels) at the stern. The vessels of the last category, i.e. stern-wheelers and quarter-wheelers, were not seaworthy. They were good examples of vessels that were permanently stationed in Africa. Other examples were the barges. Unfortunately, none of my sources
indicated when these vessels made their first appearance in West Africa. Presumably the composition of the river fleets gradually changed: the number of ocean-going ships decreased and the number of river vessels, i.e. vessels that were not seaworthy, increased. This trend was fostered by developments in steamship design which favoured the construction of larger ships. As these were too big for the West African rivers, the separation of sea and inland navigation became complete.

Another result of the emergence of river fleets was the development of entrepôt ports at the mouths of the rivers. On most rivers existing ports assumed this new function but on the Niger a new port, Akassa, was established in the late 1870's (Flint 1960: 32). It served as a base for European navigation on the river and contributed to the decline of the island of Fernando Po, which had served as a kind of bridgehead and entrepôt for earlier expeditions on the Niger.

I suggested (in section 1) that the river-based advance of the firms started around 1880. Indeed, European inland navigation on the open rivers of West Africa began at about that time. I shall review five areas for which the evidence points in this direction.

(a) Lower Niger and Benue. For half a century these two rivers were dominated by one company, successively known as the United African Company (1879-1882), the National African Company (1882-1886), the Royal Niger Company (1886-1899), and the Niger Company (1900-1929). It was formed in 1879 as an amalgamation of four British firms which had traded on these rivers for several years. A year later a French company, the Compagnie française de l'Afrique équatoriale (CFAE) began to trade on the Niger and the Benue (Hargreaves 1963: 275). Apparently, it invested a great deal because by the end of 1882 it was equal, if not superior, in strength to the National African Company, as the British firm was then called (Flint 1960: 40). The latter was drastically reorganized in 1882 and was able to double the number of its steamers and buying stations in the following year (ibid.: 326). CFAE and the Senegal Company, which had begun to trade on the Niger in 1882 (Hargreaves 1963: 277), were unable or unwilling to match the NAC's effort and gave up in 1884, selling their assets to the British firm (Flint 1960: 67, 326; Hargreaves 1963: 330). Thus, a commercial monopoly emerged, which has received much critical attention in the literature, too much attention perhaps. A re-examination of the sources is desirable, in

3. Early references to special vessels are to be found in Flint (1960: 121), and Pedler (1974: 150-160).

4. The incursions of ocean-going ships remained a cause of concern for the owners of river fleets on the Lower Niger, the Gambia, and the Senegal. The temptation to invade the rivers was greater when ocean freight rates were low. It was a real concession of Elder Dempster when it promised the Niger Company in 1907 to stay away from the river (Davies 1978: 84).

5. This was the Compagnie du Sénégal et de la côte occidentale de l'Afrique, the predecessor of CFAO.
which more attention should be given to transport technology, logistics, and the actual investments of the British and French businessmen.

(b) Senegal. There has been a long history of European navigation on this river, mainly with ocean-going ships (Curtin 1975) but in 1879 the Senegal acquired a new significance because the French government declared its support for the Senegal-Niger railway. The French envisaged an enormous transportation axis into the heart of West Africa, which entirely relied on 'European' transport: navigation on the Senegal from Saint-Louis to Kayes; a railway from Kayes to the Niger; and inland navigation on the Middle Niger. The French must have been confident about the possibilities for European navigation on this river; otherwise the decision to build a railway made little sense. Construction began in 1881 (Meniaud 1912: 45) but progress was slow. To strengthen their claim on the Middle Niger, the French decided to launch a vessel on the river before the railway was completed. For this purpose they organized an expedition which carried a launch in parts from Kayes to Bamako. In August 1884 this vessel made its maiden voyage on the Niger (ibid.: 110); a second launch was transported in the same way in 1888 (ibid.: 111). Although these were military vessels, they indirectly served a commercial purpose because they confirmed the navigational possibilities of the Niger. The advance to the Niger boosted navigation on the Senegal, which, interestingly enough, remained a mixture of sea and inland navigation. In the short high-water season ocean-going ships ascended the river to Kayes but there was also a proper river fleet which operated from Saint-Louis and belonged to the Compagnie des messageries africaines. It was supplemented on the upper river by two government-owned stern-wheelers (ibid.: 34-37).

(c) Gambia. The modernization of navigation on this river began in 1882, when the leading British firm, the River Gambia Trading Company, bought a river steamer and a steam launch (Pedler 1974: 62). It was this firm which had started buying groundnuts on the upper river three years before, after local wars had kept European traders away for a long time (ibid.: 59). The new steamer was expected to speed up groundnut evacuation, enabling the firm to take the lead over its French rivals (ibid.: 62).

(d) Oil Rivers/Niger Delta. Some British firms established factories in this area in the 1880's. Although none of these factories was farther from the coast than fifty miles, they represented a genuine advance

6. That is two months before the Berlin Conference.
7. I have assumed that Meniaud's data refer to 1910. The stern-wheelers had been put into service in 1899.
8. This was actually the firm of William Goddard and Company, which was incorporated as the River Gambia Trading Company in 1882.
inland. This forward policy was cut short in 1893 by rivalry among the firms themselves. The factories were sold to the local chiefs (Gertzel 1962: 364; Pedler 1974: 144). Further research is needed to discover when this short-lived advance began, and also what kind of vessel the firms used between their factories and the coastal ports.

(e) Lower Volta. This river offered opportunities for inland navigation between Ada on the coast and Akuse upstream. In 1891 there were some launches operating on this part of the river (Szereszewski 1965: 25). According to Pedler (1974: 106), they belonged to the firm of Swanzy.10

When comparing these developments it is instructive to consider also the Berlin Conference of 1884-85. Navigation was one of the points on the agenda, and two rivers, the Niger and the Congo, were mentioned by name; the Senegal was deliberately omitted (Hargreaves 1963: 335-336). Much has been written about the negotiations to establish the freedom of navigation on these rivers—a freedom which was accepted in theory but denied in practice (Flint 1960: 69-70, 82-83). It is significant that much time and effort was spent on this topic. Apparently, many people felt that the prospects of European navigation in Africa were rosy. But why were these prospects so good? Or so much better than ten or twenty years earlier? If the reason had been technical, it would probably have been mentioned in the literature.11 From the absence of such references I conclude that the explanation must be mainly psychological. There was a change of mood among the investors. And presumably the optimism was infectious.

The prospects of European navigation largely determined the shape of colonies such as Nigeria, Gambia, and Senegal (in its pre-1903 boundaries). We might call these territories 'river colonies' because the early commercial and administrative policies of the Europeans were geared to the navigable waterways. The French Soudan (now Mali) was another river colony. Commercial development in this territory was slow until the completion of the Kayes-Niger railway in 1904 (Meniaud 1912: 46).12 The trading firms rapidly invested in river vessels in the following years. By 1910 they owned 700 tons on the Upper Niger and nearly 600 tons on the Middle Niger (ibid.: 70, 89).13 I may point out that this country, which is now considered underprivileged because of its landlocked position, once aroused high expectations among the French colonizers. Until

10. Steam launches remained the backbone of transport in this area until 1926 (Gould 1960: 40, 53).
11. The significance of steam should not be overrated. True, it was easier to handle a steam-powered vessel than a sailing one, as McPhie (1926: 72) remarked but this was not enough to explain the optimism of the 1880’s. It must be remembered that steamboats had been used for more than fifty years in West Africa, on the Senegal as early as 1819 (Curtin 1975: 128) and on the Lower Niger in 1832.
12. This was 23 years after construction began.
13. On the Middle Niger there was also about 500 tons owned by the colonial government. I estimated the figure of 500 from incomplete data (see Meniaud 1912: 74-77).
World War I river-based development seemed a promising strategy. Development in Niger and Chad, two other landlocked colonies, was also largely planned on the basis of river transport; their names still indicate this.

3. The Rail-based Advance

Around the turn of the century twelve new railways were started in West Africa (see Table 1). They were built and financed by Britain, France and Germany as part of their new colonial policy.

<table>
<thead>
<tr>
<th>Year in which Construction Began</th>
<th>Coastal Town</th>
<th>Upcountry Terminus</th>
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<tr>
<td>1896</td>
<td>Freetown</td>
<td>Pendembu</td>
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<td>1896</td>
<td>Lagos</td>
<td>Ibadan</td>
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<tr>
<td>1898</td>
<td>Sekondi</td>
<td>Kumasi</td>
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<td>1900</td>
<td>Conakry</td>
<td>Kouroussa</td>
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<td>1901</td>
<td>Cotonou</td>
<td>Parakou</td>
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<tr>
<td>1904</td>
<td>Abidjan</td>
<td>Bouaké</td>
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<tr>
<td>1904</td>
<td>Lomé</td>
<td>Palimé</td>
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<tr>
<td>1906</td>
<td>Duala</td>
<td>Nkongsamba</td>
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<tr>
<td>1907</td>
<td>Dakar/Thiès</td>
<td>Kayes</td>
</tr>
<tr>
<td>1908</td>
<td>Duala</td>
<td>Edea/Bidjoka</td>
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<tr>
<td>1908</td>
<td>Lomé</td>
<td>Atakpamé</td>
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<tr>
<td>1909</td>
<td>Accra</td>
<td>Kumasi</td>
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* Baltzer 1916. The Kayes-Niger line, which was built to supplement navigable waterways, is omitted. Also omitted are lateral lines to connect a poor harbour with a good one: Saint-Louis-Dakar and Anecho-Lomé.

All these lines went more or less straight into the interior, reason why they have been called ‘lines of penetration’ (Taaffe et al. 1963: 503).14 Railway stations were opened in areas where previously trade had been curtailed by primitive transport dependent on porters, camels or donkeys. When the trade in bulky produce started, prices were very low. It was therefore attractive for the firms to establish trading posts near the new railway stations.

The towns where these railway lines began (column 1 in the Table) had been chosen with great care. The authorities had looked for a site where a port could be built or improved without great costs. There were two reasons for having a well-equipped port as a starting point. In the short run it facilitated the unloading of railway materials and, in the long

14. This term corresponds closely to Lugard’s ‘arterial lines’ (Lugard 1926: 463), and to Suret-Canale’s ‘économie-ligne’ (Suret-Canale 1964: 251).
The railways were a major factor in the process of ‘port concentration’ which took place in West Africa in the period 1900-1925 (Taafe et al. 1963: 506-507; White 1959: 3-4). But there were other factors as well. The new submarine telegraph cables connected only a limited number of coastal towns with Europe, and these towns were chosen as ports of call for the mail steamers because letters and cables were supplementary ways of communication; they were further preferred as places of residence by the colonial governors. All this led to a concentration of activity in a few ports.

These four factors—a modern port, the telegraph cable to Europe, the mailboat, and proximity to the colonial administration—made these towns excellent bridgeheads for the commercial advance into the interior. In most of the nine countries served by the railways of Table 1, the advance of the firms is clearly linked with the new railway. It is, however, interesting to note that the Gold Coast was an exception, at least temporarily. Although Accra was the capital and a landing station for the telegraph cable, the railway began at Sekondi. This was a handicap for the firms and may explain why they were slow to move inland in the Gold Coast (Pedler 1974: 103). In 1909 construction of a second railway began, this time from Accra.

Having sketched the circumstances we should now try to document the actual advance of the firms. Unfortunately, there is very little specific information. There are a few useful regional studies, such as that on Kano, where the advent of the firms is given in detail, including the competition for superior sites close to the railway station (Hogendorn 1978: 59-61). Yet a fairly complete reconstruction of the advance seems possible. First, there are the reports and archives of the big firms. I guess that about half the desired information can be found there, but, of course, data on unincorporated enterprise and firms that failed long ago, will be missed in this way. Secondly, in most countries land rights obtained by foreigners were registered by the colonial administration. From these registers we can learn which firms obtained land in the railway towns. For Sierra Leone such a study has recently appeared (Tubokumetzger & Van der Laan 1981; cf. Richards 1977: 210-215). Thirdly, one can search contemporary periodicals for news, possibly in the form of advertisements. The search can be limited to a few years following the opening of the various railway stations. Finally, one can visit the railway towns to inspect the buildings that are still there. Photographs and the memories of elderly inhabitants may yield information on the buildings that have disappeared.

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15. The first two cables were laid between 1884 and 1886, connecting with Europe a dozen coastal towns from Saint-Louis to Luanda (Bright 1898: 134-135).
16. COQUERY-VIDROVITCH (1975: 602) has two maps showing the buying stations of CFAO and SCOA in 1924, based on company reports.
My own observations in the railway towns of Sierra Leone suggest that all buying stations had been made from imported building materials such as sawn timber, corrugated iron sheets, and cement. Since these materials were carried by rail, construction must have taken place after the railway had been opened to traffic. The construction techniques were sound because many buildings weathered the storms for sixty years. My impression was also that the buildings were rather large. Presumably the firms were optimistic about the volume of trade. Another remarkable feature of these buildings is the height. A high roof enhanced ventilation and helped to dry produce. On the whole the firms took the investment in line stations seriously.

The firms assessed the produce potential of an area before they decided to build a buying station. If it was low, they shied away from the area. It was possible therefore to find railway towns (or even a string of them) without a single buying station. But in some promising towns one could find a dozen firms represented. For the big firms it was a matter of policy to open a station in every promising town. The majority of firms, however, could not afford such a comprehensive network.

4. The Road-based Advance

The lorry, the third significant representative of modern inland transport, made its appearance in West Africa in the first decade of this century. Since the teething troubles of the lorry deterred businessmen, public ownership was the rule at first. The railways in Nigeria for instance established a motor transport service in 1907, which was expected to increase rail traffic (Hay 1971: 97). Some traders seem to have responded to the new transport services by opening road stations but for all practical purposes the pre-1914 advance may be ignored.

A better and lighter type of lorry, developed by the Ford Company in the 1910's, reached West Africa soon after World War I. When the British and French recognized the value of the new lorries, they switched over from rail to road construction, although several pre-war rail projects were still continued. Since roads, complete with bridges and ferries, took time to build, the impact of the lorry was not everywhere felt at once. In the cocoa areas of the Gold Coast (Gould 1960: 66-68; Hill 1963: 17, 234) and in the Sudanic belt the 'lorry age' began around 1920; elsewhere in the mid-1920's.

In general the new motor roads were short stretches of road which originated in a rail or river town. This starting point was important for two reasons. First, it made it easier for the engineers to begin construc-
tion. (The analogy with railway construction is obvious.) Secondly, it was in these towns that a lorry was unloaded from the train (or the steamer) in order to start its operations on the new road. Normally, a lorry would remain on ‘its’ road until it was beyond repair.  

The new roads were conceived as additions to the existing rail (or river) transport system. In keeping with the European preoccupation with produce evacuation, they were called feeder roads because they were expected to feed more produce to the railways (or the river fleets). Many roads were built at right angles to the railway line (or the main course of the river). This was the most promising way to reach areas which until then had not participated in trade.

Information on road construction in the 1920’s may be found in official reports but it is not so easy to get information on the number of lorries that operated on these roads or on the number of trading posts that were built along them. A few things are clear, however. Practically all the new lorries were privately owned, in contrast to the situation before 1914. Moreover, the majority was bought and operated by small traders (see section 8). These traders were also responsible for the establishment of most of the trading posts along the new roads. The road-based advance was therefore primarily the work of small traders and not of the big European firms.

However limited the role of the firms was, some features of their advance should be mentioned here. When a firm decided to establish one or more road stations along a new feeder road, the station manager in the town where the road began was made responsible for the execution of this plan. He also became the boss of the men who were put in charge at the new road stations, which were often seen as satellite stations. This hierarchy--also reflected in produce bulking--led to the use of the term outstation.

5. The Organization of a River Firm

A river firm may be defined as a trading firm which relies on water transport for the evacuation of its produce and which uses its own vessels to effect the evacuation. This definition is useful when applied to a single country. When more countries were involved, problems arose because it could happen that a company operated as a river firm in one country and as a railway firm in another. CFAO for instance was a river firm in the French Soudan but a railway firm (see section 6) in the Gold Coast.

The river firm is not merely a theoretical model, for some firms fitted

20. I heard of lorries which were railed to Freetown on a low-loader to be repaired in the importer’s workshop. After repair they were railed back to their old feeder road.

21. Perhaps Lugard (1926: 475-476) was the first to use this word in the West African context. (Cf. McPhee 1926: 128.) Governors were anxious to increase exports as well as railway revenue; feeder roads served both purposes.
the definition for at least a number of years, for example the Royal Niger Company and the River Gambia Trading Company (see section 2). But, of course, in most situations the real firms deviated from the model to a lesser or greater extent. It is nevertheless instructive to start with a discussion of a model river firm.

A river firm needed a great many assets. First, there were the vessels (steamers, launches, tugboats, barges, etc.). Secondly, there were ancillary facilities such as fuel dumps (with wood, coal, petrol or diesel oil) and repair and maintenance yards. Thirdly, warehouses and loading and unloading equipment had to be installed in the entrepôt ports. Most of these were on the coast (at Saint-Louis, Bathurst, Ada, Akassa and Burutu) but some were in the interior (at Bamako, Koulikoro, Kouroussa, Kankan, etc.). Fourthly, buying stations had to be established along the rivers; some of these had to be equipped with wharves or jetties. These assets required the investment of large sums of money, which were irrevocably committed because most of these assets could not be removed and taken back to Europe. Even the steamers were not so movable as they seemed at first sight. This was especially true if they had been designed to cope with the problems of a particular waterway. Such vessels could not be used elsewhere. An investor had to be quite convinced before he poured his money into a fleet of river vessels somewhere in Africa. On the other hand, having built up a river firm, an investor was extremely reluctant to reduce or abandon it.

The personnel of a river firm consisted of the crews, the men in the buying stations, and those in the entrepôt port. Normally, the headquarters were located in the entrepôt port, thus concentrating many employees in one town. The directors had to take many decisions with regard to their personnel. What kind of people should they recruit for the fleet and the stations? If they wanted Africans, did they take local men or strangers? How many Europeans were needed on each vessel and in each station? Could Africans be put in charge of some vessels and stations? The selection of station managers was a special problem because they had to work independently as they could not readily contact their boss. At the same time a general manager wanted to retain overall control by giving them detailed instructions before they assumed duties. Messages from the general manager to the station manager and vice versa were carried by the firm’s vessels. This assured regularity, while in emergencies vessels could be diverted to carry a message. On some rivers, such as the Benue and the upper Senegal, navigation was impossible for part of the year. The station managers along these rivers were cut off for many months. It was in the interest of the firm to send steady, experienced and loyal employees to these places.

The period without navigation also complicated the evacuation of

22. The largest interior entrepôt ports of Africa were at Kisumu and Leopoldville.
produce. It was particularly unfavourable if the low-water season occurred just after the harvest season because in that case the station manager could not dispatch the quantities he had bought until several months later. He needed a large store and the firm needed additional capital to finance such immobilized stocks. A river firm faced a dilemma in this matter. If it kept its fleet small, it needed a lot of working capital to finance stocks upriver. On the other hand, if it speeded up evacuation in order to save working capital, it needed more vessels. And the optimum solution for this exercise depended on a fluctuating produce price! We must remember that two groups of people were involved in this exercise: the directors in Europe and the general manager in Africa. The latter was more concerned about fixed capital and its deployment, and the former about working capital, bank loans, and liquidity. Frequent contact between the two groups by letter and cable was essential in order to have a consistent policy.

How does this picture of a model river firm compare with the historical evidence? Let us first take the Royal Niger Company, a river firm, about which a fair amount has been published. Flint (1960: 325-328) and Pearson (1971: 80-83) discuss the finances of the RNC but point out that the company operated two accounts, a trading and an administrative one, and they warn that the directors had every reason to debit expenses against the administrative account, which reduces the reliability of the figures. Pedler (1974: 169-170) discusses the personnel policies of the RNC, which employed many Africans in responsible positions, put great emphasis on loyalty and trust and abstained from strict control (ibid.: 184-185). Pedler (ibid.: 158) also discusses the produce evacuation programme but does not mention the absorption of working capital in stocks upriver.

What I found lacking in the published accounts is the matter of internal communication. How were messages sent from London to Akassa before 1886? And were telegrams sent via Lagos or Bonny after submarine cables had been laid to these ports? How were messages sent from Bonny to Akassa and from Bonny to the headquarters at Abutshi? And between Akassa and Abutshi? And how was this widespread organization in the interior kept together, and efficiency maintained?

24. For more detail, see Walker (1959: 50).
25. Newbury (1978: 571) mentions that ‘the increasing amounts of stock “locked up” in Nigeria, because of the seasonality of production and the river transport system’ became a problem before World War I.
26. Presumably by mailboat to Lagos (or Bonny or Fernando Po) and thence by RNC vessels to Akassa.
27. The telegraph did not prevent ‘an important functional (even conceptual) gap’ between London and Africa (Newbury 1978: 554).
28. Newbury (loc. cit.) observes that the organization was ‘tenously linked by the company flotilla and by the inspection tours of the agent-general’.
There is reason to expect a different type of river firm in the French colonies. Some firms in Senegal, as we have seen, used ocean carriers to collect export consignments of produce at Kayes; they did not have to invest in a river fleet and could send their ships to other continents in the ten-months' period in which they could not be used on the Senegal. Other firms, mainly small ones, relied on public carriers for the evacuation of their produce. We have seen that the Compagnie des messageries africaines operated on the Senegal in 1910; in the inter-war period it was replaced by the Société des messageries du Sénégal, also a public carrier. On the Middle Niger in French Soudan the Société des messageries africaines established in about 1910, provided services to the public (Champaud 1961: 269).

6. The Organization of a Railway Firm

A railway firm may be defined as a firm which relies exclusively on rail transport for the evacuation of its produce from a particular territory. A railway firm, unlike a river firm, did not have to invest in means of transport. In general, the railway firms therefore needed less capital for a given volume of produce trade than the river firms. The barriers to entry were therefore lower in the railway period than previously, which means that many ‘new entrants’ could be expected in this period. Some new entrants were completely new to West Africa but we should not overlook another category, i.e. old firms that expanded laterally along the coast. In the railway colonies where they began operations for the first time, they were genuine new entrants.

One feature of the new railway lines is often overlooked. They were equipped with a telegraph system to smooth operations. In nearly all colonies this system was opened to the public. This created ideal circumstances for internal communication in the firms. A general manager could easily send brief messages to his station managers and the latter could reply at once. Changes in buying prices could be passed on without delay. Moreover, with up-to-date knowledge of up-line stocks and purchases a general manager could improve his exportation programme.

Superior communication influenced the recruitment of staff. It was no longer necessary to have experienced men as station managers. Even a newly arrived young man could be put in charge. If he ran into trouble, he could cable his boss for instructions. Or a senior man could

29. Meniaud (1912: 39) mentions the Réarn, Richelieu, Turenne, and Gyptis. One of these, the Richelieu, may have been in use since 1883 (Newbury & Kanya-Forstner 1969: 273, n.; they mention the Richelieu, Tamesi, and Soudan).
30. This company continued till 1971 (Van Chi-Bonnardel 1978: 372).
31. Not all railway stations possessed a public telegraph office. Baltzer (1916: 441) writes that the railway stations in the German colonies had to be designed so as to have rooms for the postal and telegraph services.
be sent up to help him. It must be remembered that the health situation of Europeans improved greatly around 1900. Prior to this, employers preferred men with African experience, not only because of their knowledge but also because they had shown a certain resistance to tropical diseases. After about 1900 the firms’ reluctance to employ a newly arrived European became less. And, of course, more and better candidates were willing to go out. Not only was the overall risk less but an employee of a railway firm had a better chance to get proper medical care. If he fell ill, he could be put on the train and travel in comfort to a hospital. All these changes led to a process of ‘Europeanization’ in the railway firms in the period before 1914.

As the railways operated regardless of the seasons, the managers of the line stations could rail produce to the export harbour regularly and frequently. The general managers did not have to worry about immobilized up-line stocks, unless a big harvest exceeded the capacity of the railway. The railway firms made full use of the opportunities for rapid produce evacuation.32 In this way they had to finance their upcountry purchases for a shorter period, which meant that they could use their working capital several times in succession during a buying season, with favourable effects on annual profits.

How much evidence is there to confirm my suggestions about the model railway firms? For instance did lateral expansion occur in the years before World War I? I found that two firms from Sierra Leone moved to Lagos: Paterson Zochonis in 1898 (Macmillan 1968: 70) and G.B. Ollivant in 1900 (ibid.: 68).33 But there were also ‘Nigerian’ firms which moved westwards: Lever Bros., until then operating in the Lagos area only, entered Sierra Leone in 1912 (Pedler 1974: 180) and the African Association did the same in 1914 (Macmillan 1968: 252). Elsewhere CFAO moved south and east along the coast (Coquery-Vidrovitch 1975: 596).

I have suggested that railway firms were more efficient than river firms and that they required less investment and carried fewer risks. If this is so, did the firms show a marked preference for rail operations? Here again I found some evidence in Sierra Leone. G.B. Ollivant, practically a new firm after the Chadwick family took over in 1902, invested along the railway but kept away from the Sherbro area, although the older firms possessed many river stations in that area; five other new firms did the same (Van der Laan 1978: 12, 31). More interesting than Sierra Leone are Nigeria and Senegal because in these colonies new rail-

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32. Another reason to speed up produce evacuation was the assumption (or illusion?) that a firm was financially less vulnerable if its produce stocks were on board a ship (where they could be sold) rather than somewhere upcountry.
33. But according to Pedler (1974: 93), Ollivant was established in Lagos in 1886. In the eyes of the Chadwick family Nigeria was more important than Sierra Leone because Leonard Chadwick left Freetown in 1902 to take charge of the Lagos branch (ibid.: 96).
34. SCOA spread north and south along the coast (as specified by C. Coquery-Vidrovitch).
ways replaced to a large extent the existing river transport systems. When the line from Dakar reached Kayes in 1923, the produce from the French Soudan was diverted from the Senegal River to the new railway. The diversion saved the firms working capital because the Soudan produce used to arrive in Kayes after October (Meniaud 1912: 54). Before 1923 it had to lie in storage until the following August, when the ocean carriers were able to ascend the Senegal River again. After 1923 it could be railed through to Dakar or Kaolack. The significance of Kayes as an entrepôt town disappeared almost completely, and the capital invested there in warehouses had to be written off by the firms.

In Nigeria rail and river began to compete in 1912, when the line from Lagos to Kano was opened to traffic. In this competition the trade of Northern Nigeria was at stake. Several Lagos firms established buying stations in the north to profit from the unexpected groundnut boom (Hogendorn 1978: 59-60). Fortunately for the Niger Company, until then the unchallenged commercial leader of the north, mainly smaller firms moved up, whereas two big ones, Miller Bros. and the African Association, were prepared to wait because of a pooling agreement with the Niger Company. But as these two firms felt that the Niger Company was not active enough in Northern Nigeria, they broke the pool in 1917 and began to establish their own buying stations in the north (Pedler 1974: 150, 269). I must add that these two firms, although long established in Nigeria, had moved to Lagos only recently, Miller Bros. in 1903 and the African Association in 1907 (Newbury 1978: 559). This move enabled them to become railway firms. In the light of the analysis above it is clear that the Niger Company as a Delta-based river firm was seriously handicapped in its struggle against the Lagos-based railway firms. The directors presumably realized that they could never operate as efficiently as the railway firms. At the same time they could not give up their principal investment, the river fleet. It must have been a great relief for them when a buyer appeared on the scene. The story of the takeover by Lever Bros. in 1920 is well known, as well as the fact that it was a poor bargain for Lever (Pedler 1974: 183-185). After the takeover the headquarters of the Niger Company were moved from Burutu to Lagos (ibid.: 185); the river port gave way to the railway port.

The preference for the railway was strong but it was neither general nor permanent. When produce prices were very low, as they were in the 1930's, the firms turned again to evacuation by water, for instance

35 It was in those countries that the terminology of the river-based advance carried over into the railway phase. In Senegal the railway towns were called escales, and in Nigeria 'beach' was used for many line stations—a curious extension of the meaning of these words.
36 There was a comparable decline of water transport in East Africa; transport on Lake Victoria (and traffic in Kisumu port) fell when the Ugandan railways were linked up with those of Kenya in 1928.
37 For the siphoning off to Kaolack, see Pheffer (1975: 257-258).
38 The fleet had become a liability, see Newbury's conclusion that the river had become a straitjacket (Newbury 1978: 575).
in the Sherbro area in Sierra Leone (Van der Laan 1975: 135). Again, the removal of price risks by the government seems to have revived interest in water transport: UAC re-invested a great deal of money in its Niger fleet in the late 1940's (Walker 1959: 48).

Not much has been published about the recruitment policies of the early railway firms. If the number of European employees increased, as I suggested above, it may not have attracted attention because there was a similar trend in the colonial administrations. A retired employee of UAC told me once that many station managers in Sierra Leone in the 1920's were in fact Europeans (Van der Laan 1975: 39; cf. Newbury 1978: 555).

The immediate effect of the railway and the telegraph on the organization of the railway firms is hard to document. Pedler (1974: 182, 185) tells us about the accounting systems introduced in MacIver between 1910 and 1920 and afterwards applied to the Niger Company. They represented a great improvement and were probably inspired by Lever Bros., the industrial parent company. But MacIver may not have been much ahead of the other railway firms. In fact, there are many hints that paperwork multiplied in the firms in the inter-war period. There was a tendency towards bureaucracy and centralization, which greatly impressed John Mars (1948: 46) when he visited Nigeria in the late 1930's. At that time the general managers in Africa resented the strict control which their directors exercised over them (ibid.). But, of course, there must have been an earlier phase in which the general managers themselves increased their powers over the station managers.

The extent of centralization in the firms is well illustrated by the cocoa buying agreement of 1937. The signatories to the agreement undertook to work with identical price schedules, which could be adjusted from day to day. Decisions on price changes were taken in London (by one man!) and relayed by telegraph to the station managers in the Gold Coast and Nigeria (Nowell Report 1938: 138). I would like to suggest that river firms could never have achieved such centralization. Indeed, the image of the heavily centralized expatriate firm was strongly influenced by the railway firms.

7. The Absence of Substantial Road Firms

A road firm may be defined as a trading firm which employs only lorries for the evacuation of its produce. Such firms could be expected to develop in ports with a road-based hinterland. But these conditions were rare in West Africa because the colonial governments were reluctant.

39. Hancock (1942: 217) notes that general managers had to wait for cabled instructions about prices. Did the general managers complain about this in their conversations with Hancock?

40. Only buying stations close to a telegraph or telephone could be included in the new scheme.
to build new ports in the inter-war period and preferred the existing ports
to remain dependent on rail or river transport.\textsuperscript{41}

In the few countries which lacked rail and river transport, such as
Liberia, road construction created favourable conditions for road firms.
In some other countries, peripheral areas began to develop on their own
because of road construction and the re-opening or revival of a port.\textsuperscript{42}
But, taking West Africa as a whole, opportunities for road firms (as
defined above) were small. None of the older European firms was
attracted by them, and none of the smaller traders who made use of these
opportunities grew out to the size of the older firms. The commercial
scene did not change therefore in the inter-war period: railway and river
firms continued to dominate the export trade.

There were some internal changes, however, in these firms. Many of
them bought some lorries to supplement their operations. Thus, they
ceased being pure rail or river firms and became a kind of hybrid firm.
But it must be remembered that they considered produce evacuation by
lorry a minor operation, which was merely supplementary to evacuation
by rail or river.

8. The Halting Frontier of the European Firms

The advance of the firms could not go on indefinitely. We should
therefore ask: when did it stop? Or, to use the terminology of Hancock,
when did the traders' frontier come to a halt? Hancock himself presum-
ably believed that the frontier was still moving forward when he visited
West Africa in 1938-39 but this was almost certainly incorrect.\textsuperscript{43}
Using a modified frontier concept Hopkins (1976: 280) has suggested that it
came to a halt in the 1920's. My own research (1978: 32-33) points to
the same decade, and data on two French firms appear to confirm this:
taking the number of their buying stations as a yardstick SCOA ceased to
advance in 1924 and CFAO in 1930 (Coquery-Vidrovitch 1975: 601).\textsuperscript{44}

But why did the frontier come to a halt in the 1920's? And who took
the decision? Hopkins (1976: 280-283) looks for an explanation in the
board rooms in Europe. The corporate revolution, the search for
security, and the transition to bureaucratic forms of organization greatly
influenced the business world of the industrial nations in the inter-war
period, and the directors of the firms trading in West Africa did not escape

\textsuperscript{41} They favoured 'road gaps', which prevented the lorries in the interior from
reaching a railway port. For road gaps in the Gold Coast, see Gould (1960: 44, 71).
\textsuperscript{42} This happened in southern Sierra Leone (Van der Laan 1978: 29) and in
the Gold Coast (Gould 1960: 56, 68). The Woermann Line and the Holland West
Afrika Line, the smaller lines in the West African Shipping Conference, contributed
to the revival of some small ports by regularly calling at them.
\textsuperscript{43} Hancock did not distinguish the frontier of the two-way trade, which
continued to move forward, from the European frontier.
\textsuperscript{44} Later, in the 1930's, the number of trading posts of the two firms increased
again (Coquery-Vidrovitch 1975: 608), but I suspect that the additional posts
belonged to 'tied' traders (see below) operating in buildings which were not owned
by the firms.
this new mood. It seems to me, however, that the general managers in West Africa also bore part of the responsibility for the halting frontier, even a considerable part. I note that directors and general managers did not think and operate on the same scale. Put simply, the average director had a map of Africa in his office, whereas a general manager had a map of one country only, namely the country in which he was responsible for the firm's operations. In the remainder of this section the general manager is the central figure, the man who determined the policies which brought the frontier to a halt.

The frontier remains a vague concept unless it is related to activities or investments which can be plotted on a map. This turns our attention to the buying stations, which, more than anything else, demarcated the firms' frontier. What was the attitude of the general managers of the 1920's with regard to these buying stations? It seems to me that they gladly accepted the river and line stations which they inherited from their predecessors but were reluctant to operate road stations and confident that they could do without them. This interpretation occurred to me during my research in Sierra Leone, where only a few road stations had been established by the firms. There are good reasons for accepting this interpretation for the whole of West Africa.

Road stations had several disadvantages for a railway firm. First, they could not be properly run unless the firm also owned lorries. And these assets brought a whole set of complications. How could proper maintenance and repair be provided? There were very few motor mechanics in Africa at the time, while the roads caused a lot of mechanical trouble. And who was to drive the lorries? The British firms seem to have felt that lorry driving was 'below the dignity of the White man' and they never employed British drivers in Sierra Leone.45 I assume that they adopted the same policy elsewhere in West Africa.47 It is interesting that other firms held a different view: I have heard of French and Swiss lorry drivers in Sierra Leone in the inter-war period but I must add that these men were not employed by CFAO or SCAO. If a firm rejected the idea of European drivers, it had to find African drivers, of whom there were very few. The firms were hesitant to employ them, even if they were experienced because a lot of responsibility had to be delegated to them, for instance in case of breakdowns and accidents.48 It was also

45. I counted 14 road stations (against 74 line stations) in Sierra Leone (Van der Laan 1978: 20-24). Of these 14 four were located in mining areas. The firms could have established far more road stations, if they had wanted, because many new roads were built.

46. I heard of one British lorry driver but he was employed by the Methodist Mission. Of course, there were economic considerations as well: European drivers were expensive and their salaries could not be earned back quickly with lorries that carried only one or two tons.

47. Weekes Motor Transport Service in Nigeria (not a trading firm) was an exception (Pedler 1974: 256). This firm believed that European drivers were cheaper than Nigerians (Hay 1971: 109).

48. Lugard (1926: 473) felt that African drivers should be employed but only for short journeys so that the vehicles were back at the depot each night.
found that instructions not to carry passengers put African drivers in an awkward position.49

Poor communication was another problem of the road stations. We have seen that the telegraph was a boon for the railway firms, who found the road stations, which were rarely on the telegraph, a step backwards. Messages had to be sent by lorry or, if these broke down or if the roads were impassable, by runner. This reduced overall control by the general manager; if the buying price had to be changed, he could pass the new price on to the managers of the line stations within 24 hours but it was uncertain when the managers of the outstations would get the message. This was an unwelcome complication for a centralized firm. But the situation for the station manager was not ideal either. He felt isolated 'in the bush'. He had to take many decisions on his own and, if he fell ill, he had to travel in a shaking lorry to get proper medical care. I suspect that European employees disliked the idea of being posted to an outstation. The general manager could, and did, resort to African candidates50 but, as with the drivers, I suspect a certain reluctance to appoint them at this level. All reasons to have as few outstations as possible.

But was it necessary for the firms to open road stations? It seemed possible for the firms to benefit from the new motor roads, even if they possessed no road stations, for, if small traders were prepared to establish trading posts along these roads, the volume of produce was likely to rise and, with the feeder roads being cul-de-sac roads, all of it was bound to be offered for sale at the line stations of the firms. The general managers judged that the emergence of the intermediaries, as I propose to call these small traders, would save them the trouble of advancing along the motor roads; co-operation between the firms and the intermediaries seemed the ideal formula for increased trade. The general managers of the 1920's may have aimed at voluntary co-operation but, at the back of their minds, they knew that they could enforce their will, if necessary, because the geographical dependence of the feeder roads entailed the economic dependence of the intermediaries on the firms.

The considerations which I have attributed to the general managers are not easily verifiable but fortunately one feature of the inter-war produce trade is amply discussed in the literature. The firms supported the intermediaries with capital, not indiscriminately but on a contractual basis. If an intermediary signed a contract with a firm, he became a

49. A former general manager of UAC in Sierra Leone, Mr. J. Minall, told me in 1972 about a gruesome accident with a lorry of his firm which had happened up-country in 1922 or 1923. Many passengers had been killed or wounded. The general manager then decided not to buy any more lorries for the time being. The firm did without them for two or three years. Another problem was the absence of insurance companies and third party policies.

‘tied’ trader (or *sous-traitant* in French). To be tied to a well-known firm was a reason for pride.51 A tied trader promised to sell all his produce to ‘his’ firm and to buy all his merchandise from it. The transport situation narrowed this down to a personal relation between the intermediary and the station manager of ‘his’ firm in the nearest railway town. The intermediary was willing to sign the contract because it helped him to get working capital: advances to buy produce, credit to buy merchandise, and hire purchase terms, if the firm sold lorries (Mars 1948: 102). The firm, on the other hand, was willing to sign the contract because it prevented competition; tying created as many separate markets as there were firms represented in the railway town. Tying promised the firms indirect but effective control over the produce of the feeder roads.

The considerations above appear to provide a complete explanation of the halting traders’ frontier. Further research is necessary to determine which view carried more weight in the firms: the ‘European’ view of the directors (see Hopkins’s interpretation above) or the ‘African’ view of the general managers. But whatever explanation may be found, the halting frontier of the trading firms had significant implications for the organization of the produce trade, as we shall see now.

9. The Intermediaries and the Firms

The intermediaries, who filled the vacuum when the firms did not advance along the new motor roads, were a mixed group. Africans were in the majority in the Gold Coast, Dahomey, and Nigeria. I assume that most of them came from elsewhere, that is, they were ‘stranger traders’ and not local traders—a difference which might easily escape the notice of European observers. Farther west, from Ivory Coast to Senegal, there were many Lebanese and a sprinkling of Europeans.52 This social variety should not blind us to the economic homogeneity of the group. It is also necessary to distinguish the 19th-century ‘middlemen’ from the 20th-century intermediaries. While the former had their base on the coast, the latter operated in the interior. Again, the former used indigenous modes of transport (caravans, canoes, and boats) but the latter used the imported lorry. Finally, the former had traded on equal terms with Europeans for many decades, while the latter developed from a position of dependence on them. Of course, some of the old middlemen or their sons may have

51. I often noticed pride when a Lebanese told me to which firm his father or uncle had been tied. Having been brought up on the virtues of free competition I could not help being surprised.

52. There were a dozen Frenchmen and Swiss in Sierra Leone (Van der Laan 1978: 18). Only a few of the European intermediaries survived the crisis of 1930 and the majority of these turned to non-commercial activities. They were an interesting group but not significant in economic terms. I have treated Lebanese and Africans (as well as self-employed Europeans) as one group. Normally they are treated separately. The tendency to do so derives from sociology, where it makes good sense to distinguish non-Africans from Africans. But in economics one should be cautious with this dichotomy.
become intermediaries but it is nevertheless useful to make this distinction.

The intermediaries were successful, much more so than is generally recognized. If we try to measure their success in absolute terms, the depression of the 1930's tends to distort our findings. It is therefore more appropriate to measure success in relative terms, for instance in relation to the firms. I have come to the conclusion that the intermediaries as a group were more successful than the firms in the inter-war period and that their growing economic strength became a matter of great concern for the firms. I arrived at this conclusion on the basis of my research in Sierra Leone; later I found confirmation for my point of view in developments elsewhere in West Africa, e.g. in the Gold Coast.

Before going into detail I would like to argue that the firms' decision not to advance along the motor roads was a mistake because in this way they created favourable conditions for potential rivals. If the firms had studied their own history, they would have recognized the danger. Why did they themselves decide on a forward policy in the period 1880-1920? Presumably because of the economic advantages! But then it was plausible that the intermediaries would benefit just as well from a forward policy. For, if in the past it had been advantageous to buy produce from hitherto isolated and commercially inexperienced farmers, the intermediaries were now meeting farmers in the same condition. In short, the non-European intermediaries were following the European example. It was probable that this would pay off.

Turning to actual developments we must first mention another aspect of produce evacuation. In the literature the typical pattern of evacuation has been compared with the drainage system of a river (Walker 1959: 6). All water reached the sea at one point and any drop of water had a pre-determined route whereby it reached the sea. The same occurred with produce: any parcel of produce had a pre-determined route along which it reached the export harbour. It was on this that the firms relied when they left the feeder roads to the intermediaries. But it proved a miscalculation, as we shall see now.

The early motor roads were primarily built for produce evacuation but, of course, they could be used by travellers as well. Most of the people who could afford to travel by car at that time were Europeans. They complained about the cul-de-sac roads and asked the government for linking the feeder roads to each other. These were built in due course. This change in road building policy meant that the old one-direction evacuation pattern was mutilated. Henceforth parcels of produce could be carried to the export harbour along more than one route. Apparently, alternative routes with more miles of road were preferred because the share of lorry transport increased. This may be concluded from the fact that several colonial governments became concerned about the falling

53. Suret-Canale (1964: 251) uses the image of a lung.
share of the railway. The officials thought in terms of road-rail competition, which also occurred in Europe in the inter-war period. They began to restrict lorry traffic by taxation, licensing, and road tolls in order to preserve railway revenue.

It is facile, however, to analyse this problem simply in terms of transport competition. It should be seen in the context of the produce trade (Van der Laan 1975: 134-135). The intermediaries discovered that it was profitable to use new evacuation routes. Whereas formerly there had been only one town where they could offer their produce for sale, there were now two or more. Perhaps the buying price schedules for the various line and river stations will be found one day in the archives of the firms. These could show beyond doubt why produce was diverted. For the time being, we simply suppose that there were some margins and that the intermediaries made the most of it. To divert produce was easiest for the men who possessed their own lorry but their success soon inspired others. Thus, the flexibility of the lorry helped the great majority of the intermediaries to escape from the old one-direction evacuation pattern. As a result the economic dependence on the firms disappeared to a large extent.

In the cocoa areas of the Gold Coast the intermediaries found another way of getting the better of the firms. They began to keep an eye on the world market and discovered how to benefit from price changes. They held back cocoa in a rising market and delivered it in a falling market (Nowell Report 1938: 107-108, 139). Since the firms were obliged by their own traditions to accept delivery at the time chosen by the seller they could not avoid losses, at least not if the intermediaries had correctly foreseen the direction in which prices were going (ibid.: 107-108). The losses of the firms became disastrous in the 1930's (ibid.: 101). Being reduced to a defensive position the firms decided to join forces. In 1937 they signed a cocoa-buying agreement with two significant elements. The first element, which is well known but has no direct relevance to this article, was the fixing of common buying prices and the consequent restriction of competition. This aroused a storm of protest in the Gold Coast and led to the downfall of the scheme (ibid.: 56, 63). The second element concerned the link between world prices and buying prices in Africa. The firms felt that changes in the former should be reflected in

54. See Van der Laan (1975: 133-135) for Sierra Leone; Hay (1971: 101) for Nigeria; Gould (1960: 61, 70) for the Gold Coast. In Sierra Leone the combination of lorry and inland water transport was very effective. As we said before the firms were willing to turn to slow but cheap water transport, when produce prices were low. Where the firms were no longer loyal to the railways, the latter were in dire straights.

55. The restrictions in Senegal were probably the most severe (Pheffer 1975: 404-405).

56. Compare the use of dhows on Lake Victoria in the late 1920's (Ford 1955: 38-45).

57. When the seller came, the firm's personnel could not turn him away. Tied traders in particular had to be helped as soon as possible.
the produce areas as soon as possible. A top employee in London was charged with studying the world market and changing the basic price when this seemed necessary. The new price was then cabled to Accra (and Lagos) and relayed to the station managers, who adjusted their buying prices at once (ibid.: 92-93, 138). (We mentioned this earlier as an example of extreme centralization.) It was hoped that speed of communication would give the firms an advantage over the intermediaries when it came to forecasting price trends. In this way 'speculation' by the intermediaries could be prevented. This second element was never properly tested because of the early dissolution of the agreement.

The concept of countervailing power (Galbraith 1957: 110-111) is the most appropriate one to describe the power of the intermediaries vis-à-vis the firms. The mere presence of the firms or rather the continuity to which they were committed by their material assets and goodwill, provided a stepping stone for these newcomers. While the firms formed a solid, stable element in the produce trade, with many long-established rules and practices, the intermediaries could change their policies overnight and often did so. In the eyes of the firms they were opportunistic and disloyal, always trying to drive a better bargain on prices and to shift as many cost items as possible to the firms. They profited from the umbrella provided by the firms but did not contribute to its costs.

The new power of the intermediaries manifested itself in the interior, at the frontier of the Inner Trading Zone. This must be emphasized because contemporary economists looked for their power at the export stage. And, since few intermediaries became exporters in the inter-war period, let alone large exporters, the position of the European firms seemed unchallenged. The concept of countervailing power enables us to adopt a new perspective and to arrive at different conclusions.

In spite of the growing strength of the intermediaries the firms managed to maintain the frontier of the Inner Trading Zone, the high-water mark of their advance, for some twenty-five years. Only then, i.e. around 1950, did they begin to withdraw from upcountry. The buying stations, in which they had operated for several decades, were sold or let. Trading was confined to the ports and a few central towns.

58. The firms were contrasted with intermediaries who were 'operating [ . . .] out of reach of telephones or telegrams' (Nowell Report 1938: 106).
59. The new power of the intermediaries may be attributed to a slow process of commercial emancipation. A similar process may have improved the position of the farmers.
60. See Hancock's analysis (1942) for instance. Bauer's approach (1954) is more balanced; I note that he made his enquiries in West Africa before Galbraith's book was published.
61. The frontier was maintained but a great deal of the work was done by different people: many European station managers were replaced by Africans in the early 1930's. This also weakened the firms.
62. Most firms felt themselves under a moral obligation to establish former employees in these buying stations (Bauer 1954: 128). But some intermediaries also succeeded in buying a station (Mars 1948: 95 sq., 121) on the implications of a 'back to the ports' policy.
upcountry. As their turnover did not fall, the firms saw nothing dramatic in their withdrawal. In historical perspective, however, it was a major change. The advance of the period 1880-1920 was followed by a retreat in the 1950's and 1960's. The withdrawal has often been explained by the emergence of the marketing boards but I am sure that the firms would also have withdrawn, if these organizations had never been established. It must be remembered that the firms were no longer in direct contact with the farmers; this contact had been an important reason for the advance into the interior. Again, a network of stations meant that a firm had to meet a large number of shrewd and experienced intermediaries at many points. Was it not better to shorten the lines and meet them at only a few points?

The withdrawal of the firms should finally be related to a change in transport. The number of lorries in West Africa increased quickly in the 1950's when war shortages had come to an end. Moreover, the carrying capacity grew; in Sierra Leone, in 1949, the lorries were mainly three-tonners, but in 1955 they were five-tonners (Van der Laan 1975: 345, 139). But more important was the change in road-building policy. Many governments embarked on the construction of trunk roads, which led to the capital city (Taafe et al. 1963: 505). If this also happened to be the export harbour, produce could be lorried straight to the docks. As lorries became more competitive, their share in the transport market increased at the expense of the railways and the river fleets.

The firms' withdrawal during the 1950's and 1960's can be discussed in terms of the analysis of section 1. Non-European transport (the new lorries were mainly owned by Africans and Lebanese) grew at the expense of European transport (the railways and the river fleets). In most countries these modes of transport, once the 'modern' transport of West Africa, could not survive unless they were subsidized by the government. At the same time, the old pattern of produce evacuation broke down. Produce bought by the firms at their line and river stations was increasingly evacuated by lorry—these buying stations became road stations in terms of our definition. It could be said that the Outer Trading Zone swallowed up the Inner Trading Zone, leaving the intermediaries as the great beneficiaries of the change. In these circumstances the firms saw

63. UAC Statistical and Economic Review 23 (1959): 45. In the French colonies, where a kind of Marketing Board was established in the mid-1950's only, the firms began to withdraw before that time, at least in Senegal (Van Chi-Bonnardel 1978: 770-771).

64. The desire for political integration of the country was an important motive behind the construction of trunk roads.

65. In West Nigeria this happened already in 1937 (Hay 1971: 102).

66. Inland navigation in Sierra Leone experienced a serious decline. The launches I saw in 1970 were all old and dilapidated.

67. In some cases this required permission from the Marketing Boards. The Sierra Leone Produce Marketing Board began to favour road transport in the mid-1950's (Van der Laan 1975: 55).
Concentrating on technical and economic questions, I have examined the literature on West Africa in order to find material relating to modern transport and the firms. As was to be expected, the results are uneven: some topics received attention from many authors while other topics were practically overlooked. This paper may help to redress the balance. More important, however, is the fact that some of my findings deviate from the views expressed or implied in the literature. I would like to review these briefly.

First, from the perspective adopted in this paper it appears that the firms reached their zenith in the 1920's, that is about half-way the colonial period. By that time the retreat and decline of the firms could have been forecast because they allowed a vacuum to arise, which acted as an incubator for the intermediaries. Although other perspectives may be adopted leading to different date for the zenith,68 the present perspective is an important one in a comprehensive history of the firms.

Secondly, I have grouped a number of topics under the heading 'river-based advance'. Some of these topics have appealed to general historians because they occurred when the European powers were not yet fully committed to a policy of territorial expansion in Africa. I have argued that also for economic historians the river-based advance is the most interesting one because, proportionately, it demanded more capital than either the railway- or the road-based advance. Further research is necessary to determine the composition and growth of the river fleets. This will improve our understanding of the aspirations and fears of the investing firms and provide a better background for their attempts to persuade their home governments to occupy the interior.

Thirdly, I have shown that the firms may be divided into railway and river firms. The distinction is particularly useful in countries such as Senegal, Sierra Leone, and Nigeria, where firms of either type have operated. But broader hypotheses may be considered as well: it is likely that the greater efficiency of the railway firms was an advantage for the countries in which they operated. This may also have benefited the average produce farmer.

Fourthly, it is instructive to distinguish a separate group of intermediaries and to define them in economic terms, namely as produce traders who depended on lorries for transport. This enables us to distinguish them from the older 'middlemen'. It is then possible to recognize a decline of the middlemen during the first two phases of the

68. Coquery-Vidrovitch (1975: 610-611) puts the zenith of CFAO and SCOA in the period 1947-1951. The Korea boom boosted profits at the end of this period, in particular in the French colonies, where there were no Marketing Boards yet.
advance of the firms as well as the ascent of the intermediaries during the third phase. In my analysis the early downward and the later upward trend do not present a paradox any more.69

Fifthly, I have argued that the intermediaries became a serious threat to the firms in the 1930's. (This contrasts with the general view that low prices and the crisis of 1930 were the principal problem of the firms—one which they successfully overcame by reorganization, amalgamation, and co-operation among themselves.) This interpretation throws new light on government intervention in the inter-war period. I suspect that the firms wanted the government to assume the role of umpire in the produce trade to protect them against the intermediaries. I would therefore plead for a systematic study of government intervention in this period. This is no mean task but it is essential to supplement our picture of the trading firms and of trade in general during the colonial period.

69. This paradox was noted by Hopkins (1973: 205).

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