



European Trading Companies and Economic Development in the Cross River Basin of Eastern Nigeria, 1888 – 1960

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ABSTRACT

European trading companies and economic development in the Cross River Basin 1888 to 1960 is a historical topic that should attract the attention of current economic historians. The paper focuses on the gradual planting of European colonial presence in the interior of the Basin through the agency of their trading companies and the activities of the African middlemen. With time, the result was the establishment of pioneer oil mills and a gradual but peaceful interaction with the rural dwellers of the Basin. The interaction with the rural people resulted into the flow of trade into the interior, a boost in the trading activities between the companies and the Africans, and consequently to the opening up of the interior markets, and a gradual economic development of the Cross River Basin and the entrenchment of colonial rule in the area. This paper also views trade as a factor in colonizing the peoples of Africa. In the case of the Cross River Basin, the planting of commercial companies from Calabar on the coast to the interior following the Cross River simply showed the subtle manner in which Europeans acquired lands and territories in the African continent, and how after the pacification, other agencies of colonialism such as the planting of Christian missions, churches, schools, hospitals, courts of equity and transportation aided colonial rule and the entrenchment of western civilization in the region. The sources and methodology adopted for this paper are based on archival, secondary, and oral sources.

INTRODUCTION

The first three paragraphs of this paper highlights the presence of the European trading companies in Calabar, their unwillingness to penetrate the interior of the Basin arising from some frivolous tales told about the uninhabitable nature of the interior, coupled with government unpreparedness

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to invest in the trade of the interior because according to them, it would be a wasteful venture. The role of the African middlemen is also noted.

The paper further examines the establishment and the impact of these foreign trading companies on the rural communities of the Basin, and the articles with which they traded with the people. The establishment of pioneer oil mills are examined in this paper. The paper finally observes that the coming of the European trading companies and the oil mills, as well as the trading acumen of the people would contribute to the economic development of the Cross River Basin within the period of this study.

The Companies and Attempts to Open the Interior for Trade

European trading companies are known to have played immense roles, not only in the economic development of most parts of the African continent, but also in perpetrating colonialism. Some of these companies were granted royal charters by their home governments during the colonial epoch to enhance the commercial exploitation of their respective colonies and to strengthening their hold on their newly acquired territories. In 1886 for example, a charter was granted the Royal Niger Company for the purposes of trading and administering the Niger Delta district in the name of the British Crown (Uzoigwe, 1974: 41).

In 1888 also, while the acting consul Harry Johnston was busy entering into protectorate treaties with the Iko and the Adun of the Cross River Basin to open up the Cross River highway for free trade, Lord Salisbury confidently granted royal charter to the imperial British East African company, and yet another charter to the North Borneo company (Talbot, 1921: 22). These companies paved the way for British imperial rule and administration, while exploiting the labour and raw material resources of this region.

Up to 1903, it was clear that European firms operating then in Calabar were not prepared to invest funds in the development of trade with the interior of the Basin. This was because there was the growing and unpopular knowledge that the country between Calabar and the Cross River was sparsely populated, mountainous and neglected, thus, any planned project or investment in this area would be expensive, if not a failure. So far, this was the white man's perspective about the interior of the Cross River Basin which were mere speculations.

However, there were other issues militating against European investment in the interior of the Basin, for instance, there was government's inability to guarantee that an increase in trade would follow from large capital outlay in the interior trade establishment. Moreover, the big companies feared competition from others after the execution of the projects (which they have not even considered or started), otherwise, they preferred to remain at Calabar and maneuver the trade coming down from the interior through the agency of their respective African middlemen (Uzoigwe, 1974: 41).

It could be argued at this point that it was the African middlemen who were the European agents. It was these African agents who actually controlled the interior trade while the European merchants remained on the coast. There had also been the argument that occasionally, when foreign traders tried to explore the interior, they met with hostile middlemen and chiefs who had vested interest in the coastal trade. The middle men were reluctant to encourage foreign traders as it could result in the loss of their incomes (Ekundare, 1973). The African middlemen still maintained their hegemony over the coastal trade, for in 1902, for instance, these agents charged the basis on which the purity of palm kernel was determined in the trade. No kernel containing 2% extraneous materials would be purchased, but England allowed 5% (Effiom, 1984: 126).

Thus, while the colonial government and the representatives of the firms at home gave public expression to their willingness and desire to see the interior opened up, and to assist in the task of developing and expanding the interior trade, local firms who were most probably enjoying the monopoly of the interior trade and operating in Calabar and its environs entered into agreement binding on all of them not to take any active part in opening up the Cross River and its hinterland markets for effective commence and economic development, particularly the opening up of its inland trading stations. Even the German firms established at Calabar with Messrs Miller Brothers and African Association, were all drawn into this unwholesome scheme of thwarting all efforts aimed at developing trade in the interior of the Cross River Basin (Effiom, 1984: 26).

However, this apathetic attitude among British commercial agents started changing when Sir Ralph Moor, the British consul warned that German firms were planning to extend links to the interior from the Cameroons, and that consequently, British trade in the area would not only be threatened, but would suffer (Nair, 1972: 256). This warning had the desired effect, for British agents started to move from the Cross River coast into the interior to establish trading stations there, but transport programmes were not embarked upon. In 1902, Messrs McFarlan and G. B. Neil were sent to investigate the trade position in this area, and, in 1903, Messrs Fynn and Conan went up the cross river to inquire further into the prospects of trade in the interior area of the Basin (Nair, 1972: 256).

Following the result of their findings, the African Association and Arthur Miller Brothers decided to commence on a joint enterprise as proposed by Sir Ralph Moor, provided, they argued, there was commensurate inducement such as the guarantee of protective trade. However, the enterprise soon ran into controversial constraints when the chamber of commerce in Manchester and Liverpool argued that the river would be closed to outsiders and made a monopoly. But, the colonial office in London refuted these arguments on the grounds that the association's firms were not given a monopoly, that it would be against the principles of good trade (Nair, 1972: 263-265).

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Thus, the debate between the mercantile firms and government further confirmed the fears of the companies and killed any initial enthusiasm of opening up the interior for trade since they (the mercantile firms) were already making profit at the coast. It should be noted however, that as the years passed, European firms already operating on the Cross River coast gradually penetrated the interior and started the planting of trading stations and posts in strategic areas of the hinterland areas of the Basin.

Establishment, Operations and Impact on the Interior Communities of the Basin

The history of European trading companies in Yakurr and in other hinterland communities of the Basin, according to an informant, was dated as far back as 1914 (Ubana, 1983). It was during this period that trade on cloth was opened between the Yakurr and the European trading firm at Adun – an Mbembe community situated at the bank of the Cross River in Obubra.

In the nineteenth century, many of the European trading companies, foreign firms and enterprises had started to impact on the economic lives of the people of this area. The most affected communities were often the riverine towns and villages of the Basin such as Adun, Ediba, Ekor, Obubra, Afrekpe, Ofunatam, Ikom, Ogoja, Itu, Ikot Okpora, Umon, Ikot Ofiong, and Okurike in Biase, Creek town (Obioko), and Calabar and its environs. It would be important to point out here that all the coastal villages through which the Cross River flows are, and had been veritable trade centres in the Cross River Basin during the colonial and post colonial epoch (Iloeje and Jones, 1963, Effiom, 2006: 136). These firms or trading companies greatly influenced the local trading activities of the rural dwellers and communities of the Basin.

Significant among the European trading companies operating in the interior of the Basin by 1929 were the United African Company (UAC) owned by the Millers Brothers stationed at Ofonatum (Ob. 6/1/22:NAE), Messrs John Holt at Ediba, and at Adun in Obubra was the United African Company Association and Eastern Trade Corporation (UACAETC). At Ekor beach was the United African Company (UAC) Maclever (Macmillan, 1968: 119).

It should be noted that the United African Company (UAC) Miller Brothers at Ofonatum was a small factory and was operated by an African clerk. The company was on a crown land and a rent of twenty five pounds (25) was paid annually to government (Ob. 6/1/22 128, NAE). Messrs John Holt and Company limited which operated at Ediba had a European officer in charge. The land on which the firm was built was crown land, and a rent of thirty pounds (30) was paid annually to government in the first day of January of every year. This factory was licensed to sell liquor and petrol by retail (Ob. 6/1/22, p. 29, NAE).

The United African Company Association and Eastern Trade Corporation (UACAETC) at Adun was a factory built on the Cross river ten

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miles to Obubra divisional headquarters. A European was in charge, but was soon changed to an African. The company was on crown land, and a rent of (25) was payable to the Obubra divisional treasury. The factory was licensed to sell spirits, and had a petroleum license (Ob. 6/1/22, p. 30, NAE).

The (UAC) Maclever at Ekori was the only company situated directly in Yakurr land. The factory was about twenty five miles away from Obubra. The land on which the company situates was leased from the local people of Ekpentí –Ekori people to whom an annual rent of thirty pounds (30) was paid (Macmillan 1968: 119).

Among these commercial enterprises, the largest and the longest established along the Cross river was the Arthur Miller Liverpool limited. This company had other establishments which were about two miles distant from each other, and were named Cobham Milerio respectively. The Milerio in association with the Millers Brothers had the responsibility of transporting goods and services to and from the Cross River. They also had two steamers at their service – the Ethiope which tows the firm's fleet of six lighters each up about fifty tons carrying capacity, and the "Munshi" of about 200 tons, besides which the firm had rowing lighters of 12 tons each. These steamers go in the rainy season up river about 200 miles as far as Bansara, and in the dry season about sixty miles to Itu. These steamers and lighters also came up to Ofonatom where Messrs Miller Brothers based in Calabar had a branch. The supervising agent for the district was Mr E. S. Robinon (Macmillan, 1968: 119, Effiom, 1984: 130). The Yakurr with other neighbouring communities did their business of selling their palm oil and kernel at the company factory at Ofonatom, Appiapum, Ekori, and at Ediba.

Among the numerous European companies operating in the Basin particularly in Yakurr, Obubra and Calabar were the John Holt Company Limited General Merchants whose extensive operations along the Cross River coast contributed much to West African trade (Olaniyan, 1971: 65).

Like their contemporaries, Messrs John Holt and company are large importers of merchandize of all kinds, such as spirits, cloths, zinc, kerosene, tobacco, petrol, soaps and detergents of all kinds, cigarettes, iron rods, brass and copper rods, scents, wines, perfumes, trinkets, shoes, leather and rubber wares, iron beds, matterases and pillows, knives, swords, pots and utensils, drums, musical equipments, books, etc, and exporters of produce of every description, such as palm oil, kernel, rubber, camwood, timber, forest products and resources of commercial value. They established themselves at Calabar by taking in 1916 the business which had been carried on first by Messrs Thomas Walsh and company and later by Messrs John Holt Brothers; they had branches at Ikom, Bansara, Akpoha, and Ediba (Macmillan, 1968: 121).

The African and Eastern Trade Corporation Limited was yet another company which transacted the largest business in Calabar doing about one third of the local trade and owning many factories (1968: 121). At Mattilda factory was a section for European trade where fashion and utility were exemplified in clothing of all kinds – suits for men and women, jackets, linen

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clothing, shirts, cotton and wollen clothing, blazers, skirts, pullovers, gowns, brazers, pants and ties, and assorted under wears. For their extensive operations, the corporation had steamers – the “Ido” which was of 350 tons capacity, “Ibeno” 250 capacity, and “Alice.” Alice sailed up the Cross River in the rainy season to Ikom, a distance of about two hundred miles. The company also had a fleet of about ten lighters each capable of carrying 24 tons which were towed by motor launchers. Branches were established at Itu, Oron and Eket, and one at Adun which served the people satisfactorily (Mcmillan, 1968: 119).

It is pertinent to mention the role of Elder Dempster and company limited formed in 1906 for its role in the economic development of the Basin as a European trading company. This company took up the name of Calabar Labour Bureau. It served the various steam ships plying the Cross River and the Calabar coastal areas. By 1911, the firm ran a service of steamers from Calabar up the Cross River to Eron and Ikpai (1968:, 119). Products such as palm oil, kernel, rubber, cocoa, mahagony and iroko wood, and other forest resources were handled in large quantities at the company’s various factories operating at Ediba, Adun, Ofonatom, Ekor and Appiapum.

Coleman posit that the successful organization of trade by these factories and other European commercial companies operating in the Basin, was a result of long study and experience coupled with the application of methods best suited to the idiosyncrasies of local trade (Colemen, NAE).

Generally speaking, the companies did good trade with the local people of the Basin. Olaniyan (1971:65) pointed out that even in other areas of the country where these companies operated, they brought benefits to the people, one of which was the encouragement given to the West Africans to produce valuable commodities for export trade. In 1816 for instance, some of the trade companies such as the Royal Niger Company encouraged the mining of mineral deposits such as iron ore, coal, copper, lead and tin, though these were largely for the benefit of the metropole. Apart from this, there were exchange of goods and services following the introduction of currency. Also, European civilization and influence started gaining grounds gradually having advantageous effects on the lives of the people.

Some historians have however argued that the colonial government failed in regulating the activities of the expatriate commercial companies and their Lebano - Syrian adjuncts, devoted minimal amount to research into and improvement of agriculture, even though this was the basis of the economies of the West African people. They posit that under colonial rule, any economic benefit that may have accrued to the African resulted from accident, not design, and was the by-product of the primitive economic system the colonial powers instituted to carry from Africa its raw materials for processing in the factories of Europe, in exchange for a strictly limited range of European manufactures (Crowder, 1973: 274-275).

Whatever the impression of some writers on this subject might be, information available shows that generally, the companies performed well by doing good trade with the local people of the Basin. In fact, there was

exchange of goods and services following the introduction of currency into the economy. The companies sold goods such as cast iron wares, negro pots, and African rice. Other items sold included pans, basins, iron mongery, spoons, forks, plates, shoes, cloth, detergents and soaps, spirits, corrugated iron sheets which at this time were limited by import duties and licenses, steel rods and bicycles. The local people supplied the European firms with a wide range of African products such as palm oil, palm kernel, timber, camwood, rubber, cocoa, and a variety of other forest resources such as honey, vegetables and animal skins.

The companies reported that the conflagration at the Far East during the period caused a scare in the textile markets and that all cottons were going to increase considerably in price. It was observed that before the Korean war, trade was beginning to settle down more to pre-war conditions (Coleman, NAE). But in all, the indigenous communities purchased only bare necessities of life and small luxuries like salt, soap and spirits and relied more on their own production of palm oil and kernel, and on food stuff, and less on exotic and imported provisions (Coleman, NAE).

Establishment of Pioneer Oil Mills

How were these European firms and companies going to be fed with the needed raw materials of palm oil and kernel which were the major raw materials they needed now that they have planted their trading stations all along the interior of the Cross River Basin? Crowder had argued that the colonial powers “devoted a minimal amount to research into and improvement of the agriculture of West Africa.” (Crowder, 1973: 175). But it could be argued that even if their research into agriculture was minimal, they saw the need without being told, of improving on agriculture, particularly the production of palm oil and kernel, although the aim behind this development was to feed their industrial estates in the metropole. It should therefore be noted, that apart from the fact that palm produce was collected from palm trees that grew wild and scattered in the Basin’s forest, the colonial government in 1952, saw the urgency of establishing two new palm nurseries at Ugep in Yakurr, and at Nko, the same nurseries might also have been established in the palm oil belt areas of Obubra, Ikom, Ogoja and Obudu areas of the Cross River Basin (Effiom, 1984: 132).

The result of these nurseries was that palm seedlings were distributed to farmers throughout the Basin to encourage the growth and the production capacity of palm and oil products for future markets. The colonial government by this gesture felt that the first step towards the economic development of the Basin was to boost agriculture, particularly in the oil palm and kernel sectors. So, the colonial government sensitized the rural farmers to pick and develop interest in this new area of farming – palm cultivation, processing, and the distribution of its products for marketing and for local consumption.

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In examining the economic relevance of the oil palm to human economy, O. T. Faulkner and RJ Mackie (1933: 93), observed that, although it grew wild, the plant had always been associated with dense population. But this is an observation which had to be tested and approved with modern research.

The colonial government as already stated took the lead in initiating the incentive of boosting palm oil and kernel production in the Basin by insisting, not only on the establishment of palm nurseries, but more importantly on the introduction of pioneer oil mills. The mills were to be established not only within the Basin, but in all the Eastern provinces, particularly in those areas identified as areas where high yield of oil palm and kernel was feasible; and which would eventually facilitate quicker palm oil production and better quality grades of these products for the local market and for export.

In June 1949, a resident's conference was held in Enugu, then the capital city of Eastern Nigeria. The meeting was held specifically on the 14th and 15th of June, and the aim was to discuss policies, and adopt definite strategies and programmes that would lead to the expansion of palm produce and oil mills in the region. This meeting resulted in the ordering of oil mill machineries from abroad. For the whole of Ogoja province, 24 mills were ordered, but by the time the consignments arrived, the number fell below the twenty four. Each of the mills ordered had a maximum of two hundred tons working shifts, and costing 5,500 each including installation cost (Effiom, 1984: 133). Apart from Ogoja province, eighteen of the mills were allotted to other eastern provinces to be installed and operated by the Department of commerce and industries, but with the aim of handing them over to private Nigerian entrepreneurs in future (Calprof 7/1/113: 268, NAE).

In April, 30th 1952, H. P. Wetherel, chairman of the Eastern Regional Production Development Board (ERPDB) wrote to the resident of Ogoja province asking to know whether the establishment of pioneer oil mills in the province would be welcomed by the people, and if so, the areas more suitable for the establishment of the mills. Witherel's question was unreasonable, because at this point he ought to have known that Ogoja province was a veritable palm belt area where the mills were needed.

It could be argued at this point that the attitude of the colonial government towards the rapid economic development of the Basin as far as the establishment of oil mills were concerned was doubtful. It was observed that even after the oil mills arrived, they were never equitably distributed to the areas of need on time. In fact, at times it took years for the mills to be installed. This attitude had slowed down the oil and palm kernel production in the Basin.

From government point of view, the intentions of establishing oil mills was to fill the gaps in the pattern within the oil palm belt, and at the same time to establish a number of mills in the so called marginal areas, having understood there were large areas containing high density of palm which would benefit by the establishment of pioneer oil mills.

Wetherel later argued that the regional economy depended entirely on palm oil and kernel, and so advocated for the establishment of village oil

palm plantations containing the best available stock owned and maintained by village communities. Furthermore, suggestions were made that contract should be entered into with Messrs Coastain to start erecting forty oil mills towards the end of 1952, (Calprof 7/1/113: 402, NAE).

It was however, Sir James Pyke Nott, the Lientenant governor of the eastern region of Nigeria who this time around came out with his own basic aims and objectives of setting up pioneer oil mills in the region. According to him, the establishments of the mills will improve the quality and quantity of oil palm products. The oil mills, he emphasized will produce positive linkages by introducing new cash crops into the economy, and this will go a long way to increase the quality and the quantity of food stuff produced in the area (NAE, 403).

It should be noted that the pioneer oil mills were designed to meet the difficulties and bring solutions to problems whereby at that time – oil palm trees grew wild over largely thickly populated areas and were only owned by intensely individualist farmers. In other words, in the past, rich and powerful farmers who had the capacity to disvirgin and clear larger areas of lands, could claim ownership of all the palm trees on the farm lands cleared, thereby depriving the poor and weak farmer from owning any. The purpose of establishing the oil mills was also to provide the means whereby the quality of oil palm products will command respect and acceptability in the world markets and obtain ready sales (NAE: 406).

Thus, in September, 1952, the manager, pioneer oil mills at Aba visited the Cross River area of Obubra to inspect sites at Ugep, Nko, Mkpani, Ekori and Ekpenti in Yakurr area of the Basin. Building operations were to start off in 1954. To facilitate close and quicker supervision, a field overseer was stationed at Ugep. There are no records to show that the mills functioned in that year as planned by government. It could be argued that it was at Nigeria's independence in 1960 that pioneer oil mills installation took effect, and operations started in some areas of the Basin.

The introduction of pioneer oil mills did not only boost the production of palm oil and kernel in the Basin, it positively affected the life of the rural dwellers. School leavers, artisans, clerks, accountants, managers, cleaners, security, drivers and mechanics, messengers, were all employed in the communities where the mills were established. Farmers who were inclined to oil palm plantation economy became rich with time. With finances from the sale of palm oil and kernel, farmers were able to diversify the economy by cultivating other food stuffs such as yams, rice, coca, banana and plantain. The farmers were also able to build houses and give their children the required education. The department of seedling assistance was formed, and this increased the cultivation of oil palm trees in the Basin, and the distribution of palm seedlings to farmers. It could be argued that until in the 1970's when emphasis was shifted to crude oil production in the country, palm oil and kernel were almost the main stay of the economy of Eastern Nigeria.

CONCLUSION

An attempt has been made in this paper to examine the activities of the European trading companies and economic development in the Cross River Basin from 1888 to 1960. It should be noted that the activities of these companies gave rise to the development of trade from the coastal areas to the hinterland areas of the Basin. This development also gave rise to the formation of oil mills, the purpose of which was to produce palm oil and kernel for the European companies operating at the Basin at that period, and to indirectly entrench colonial rule in the area.

The pioneer oil mills did not only boost the production of palm oil and kernel, the trade on these items positively affected the general economic lives of the rural dwellers by providing employment opportunities for the interior inhabitants, particularly to the young school leavers, thereby limiting urban migration.

It is the view of this paper that government should once again rehabilitate the pioneer oil mills, particularly those ones that had been abandoned and allowed to rot away as result of the oil boom of the 70s'. Government should also encourage oil palm farmers with the supply of high yielding varieties of palm seedlings, soft and collateral free bank loans, and the necessary agricultural facilities for better production of palm oil and kernel. Government in collaboration with other international trade agencies should source for better markets abroad for palm oil and kernel. Government should also set up factories in the Basin where palm oil and kernel could be processed into finished products for export.

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