

Confronting the Combines: Producers' and Traders' Militancy in Western Nigeria, 1934-1939*

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INTRODUCTION

The Great Depression and the emergence of the Unilever Combine were the dominant events of Nigerian economic history during the 1930s (Ekundare 1973; Shenton 1986). A number of studies have examined these events and reactions to them but none has focussed on the militant action of Nigerian producers and traders ironically at a time that the worst effects of the Depression seemed to have abated (Hopkins 1966; Duffield 1969; Harneit-Sievers 1996). Though reference has been made to the cocoa 'pool' crisis of 1937/38 in several studies (Olorunfemi 1979; Harneit-Sievers 1996: 32-35) the episode has not been studied on its own merit or taken with similar ones to illustrate the theme of this essay. Of the latter, the effective, though sporadic, produce hold-ups by Urhobo oil palm producers in the Warri, Ondo and Ijebu Provinces of Western Nigeria, hitherto neglected in the literature, merits special attention especially given its links with the cocoa 'pool' crisis.

As a background to this study, we shall outline the foreign trade sector of the Nigerian colonial economy in which the contest between expatriate and indigenous interests took place. By the end of the First World War, exports consisted of tin and forest products, such as palm oil and kernels, cocoa and groundnuts, while imports comprised miscellaneous European merchandise. As regards the key actors in the external trade sector, these were the British colonial government, expatriate and indigenous firms of various sizes, and Nigerian producers. Ordinarily, the government was supposed to be a neutral referee - "the Great White Umpire" (Hopkins 1975: 189) that operated a laissez-faire economic policy - but its policies often favoured the expatriate firms (with which it shared common interests) at the expense of indigenous firms and producers.

The trading community was made up of firms of different nationalities organized in a pyramidal structure (Harneit-Sievers 1996: 25-26). At the apex were a few expatriates, mainly British, firms which later formed combines. Below those were the smaller expatriate firms and the Levantines-Syrians, Lebanese and Greek. The

broad base of the pyramid was constituted by a large number of African traders who were the middlemen between African producers and the expatriate firms.

The African share of the trade steadily declined from the 1880s and by the 1920s, expatriate firms were in an unassailable commanding position in the colonial economy. The adverse trade trends from this period to the depression of the 1930s made these firms to resort to amalgamations, 'pooling' and market-sharing which culminated in the cartelisation of Nigerian trade in expatriate hands (Ofonagoro 1979: 307-71). By 1929, a series of amalgamations had produced the United Africa Company (UAC) as the dominant firm in Nigeria's external trade and further amalgamations gave the resultant Unilever combine control of 80 per cent of total Nigerian trade.

This state of affairs compounded the woes of African producers and traders who were offered prices dictated by the combines. The latter had justified their generally low prices on the grounds of falling world market prices, overhead costs, including warehousing and local establishment costs, transport freights and government tariffs (Olukoju 1995). African middlemen traders and producers rejected this explanation arguing that low produce prices were unremunerative and constituted a disincentive to production. They also accused the expatriate firms of being more concerned with protecting their profit margins. This was the context in which militant indigenous traders and producers rejected what increasingly appeared to be an "unequal exchange" (Njoku 1987).

Useful insights can be drawn from parallel contemporary developments in the Gold Coast (Hill 1963; Milburn 1970; Miles 1983; Austin 1988 and Alence 1990-91). As in Nigeria, Gold Coast producers and middlemen traders organised hold-ups of produce, particularly in the 1930s, which influenced developments in Nigeria. However, as this study explains, the Nigerian hold-ups were less successful. This essay, therefore, examines the militant response of Western Nigerian producers and traders to the economic crisis of the 1930s. Contrary to received wisdom, farmers on their own and in collaboration with the much vilified middlemen confronted the United Africa Company and other expatriate firms, which had cornered the trade of the colony and were held responsible for low produce prices. The organization and course of the produce hold-ups and consumer boycott, and the response of the expatriate firms and the colonial state are the key issues in focus.

1. THE URHOBO PRODUCERS' HOLD-UPS, 1934-1939

It is well known that the Urhobo were the producers of the oil palm produce exported mainly through Warri and the other Western Niger Delta ports since the nineteenth century (Ikime 1968). Less known is the story of their migrations to and settlement in the coastal areas of Yorubaland where, by the 1930s, they had become

pivotal to the production of palm oil and kernels in the Okitipupa Division and the Waterside district of Ondo and Ijebu Provinces respectively.¹ Although they were settler or tenant farmers, the Urhobo dominated the production process - harvesting and processing of palm fruits - to the point that they could and did cripple the palm produce trade when they stopped production or held up produce. This was the setting in which the oil palm producers' strike took place in 1934-35 and 1938-39.

The occasion for the hold-up of produce was the steady fall in produce prices as the Great Depression deepened. In July 1934, the Resident of Ondo Province reported that the 'Sobo' (as the Urhobo were called by their Yoruba hosts) labourers of Okitipupa Division had refused to sell palm oil and kernels. Their action, euphemistically called 'bush closed', was a rejection of the low prices - 30s per ton of palm oil and 50s for kernels - offered by the expatriate firms². By August, the Urhobo of Warri Province (their homeland) had also declared a hold-up which was to be coupled with the boycott of imports. The hold-up/boycott reportedly spread eastward from west of the Province. It was, however, opposed by middlemen traders who rendered it ineffective in Warri. The Resident of the Province was relieved that it was "not a political movement."³

Nevertheless, the produce hold-up persisted for several months. The UAC Agent in Ondo Province confirmed that though there were considerable stocks for sale, no produce was being sold to the expatriate firms. The producers insisted on a price of between £4 and £10 per ton of their produce. The Agent's report also contained insightful information on the organization and effectiveness of the hold-up.⁴ First, the middlemen traders co-operated with the producers though it was claimed that they did so out of fear. For, if they broke ranks with the producers during the hold-up, they could be blacklisted when trade resumed. In any case, they were likely to lose their cash advances to the producers if they aided the breakup of the hold-up. Either way, the middlemen traders feared that they would "lose their livelihood". Second, even among the Urhobo producers, stiff sanctions ensured compliance. A strict ban was placed on harvesting of palm fruits for export and on the sale of palm produce. When one apparently hard-up 'Sobo' attempted to sell three tins of palm oil, he was fined 15s though he was pardoned after much pleadings. Such methods contributed substantially to the effectiveness of the hold-up while it lasted.

¹ This is a subject that deserves in-depth research by scholars.

² National Archives, Ibadan (NAI). IBMINAGRIC 10574 Vol. I: Produce Boycott - Ondo, Warri and Benin Provinces, 1934-35. Telegram from Resident. Akure, 25th July 1934.

³ Ibid. Paraphrase of Cypher telegram from Resident, Warri, 17th August 1934.

⁴ Ibid. Acting Resident Ondo Province, Akure to Secretary, Southern Provinces (SSP), Enugu, 23rd September 1934.

The producers' strike hurt the respective interests of the export firms and the colonial state by crippling the export business and hindering tax collection. Regarding the latter, Ikale chiefs in Okitipupa Division stated that "they were anxious to pay (tax) but ... the failure of the Sobos to trade and to pay their dues was rendering it extremely difficult ... to obtain money". The Abodi, the paramount chief, explained that he could not prosecute the "numerous Sobos" for defaulting because the Native Administration "would be faced with the expense of maintaining them in prison!"⁵

Hence, though the Resident acknowledged that the persistence of the strike would make it "very difficult to collect tax", official intervention to break it was impracticable. It was conceded that it could even be counter-productive: the Agents of the UAC and John Holt as well as the District Officer, Okitipupa concluded that official action would "only tend to exaggerate the importance of the boycott and encourage the perpetrators to persevere." The alternative of persuasion was to be explored. Ikale chiefs were asked to persuade their Urhobo tenants to resume trading while producers were to be enlightened that "by refusing to sell, they cannot affect the market and can eventually do nothing but sustain losses by leakage and deterioration."⁶

Consequently, throughout the strike, colonial officials did not intervene overtly. The Acting Secretary, Southern Provinces, declared that it was "not the duty of Administrative Officers to bring pressure to bear on the people to induce them to trade with European firms." But it was necessary to "carefully" explain to the producers that their actions had no influence on world prices and that they were "merely losing money to no purpose". At the same time, officials were to guarantee freedom to trade to those who wished to do so. They were to prohibit the imposition of "illegal levies" on those unwilling to participate in the hold-up.⁷

But despite all entreaties and even a slight improvement in prices, the Urhobo producers maintained the hold-up. Indeed, they were encouraged to persist by the conviction that the rise in price had been induced by their strike. They, therefore, resolved to maintain the hold-up until a minimum price of £7:10 per ton was offered for their produce.⁸ It may be noted in passing, however, that the rise in produce prices was occasioned by the natural drop in the volume of trade as a result

⁵ Ibid. Resident, Ondo Province to SSP, 26th September 1934.

⁶ Ibid. Acting Resident, Ondo Province to SSP, 23rd September 1934, and Resident, Ondo Province to SSP, 26th September 1934.

⁷ Ibid. Acting SSP to Resident, Ondo Province, 12th October 1934.

⁸ Ibid. Resident Warri Province to SSP, 26th September 1934.

of the hold-up, which drove up prices, and the reduction in export duties by the government.⁹

The hold-up eventually began to collapse from October 1934. In that month, it was noted that middlemen from Ondo and Warri were "secretly restarting to bring in produce to sell to (European) factories in Benin" though the Urhobo producers still remained adamant. In the Uromi area of Benin Province which was outside the hold-up range, the produce market was "experiencing a very busy time."¹⁰ By November 1934, the hold-up was collapsing in Okitipupa Division. "In four places the ban on the reaping of palm produce has been withdrawn", the D.O. observed, "and oil is now being sold to the firms."¹¹ He acknowledged, however, that only the stocks held by the middlemen, rather than fresh produce, were being sold. A measure of the collapse of the producers' strike was the fact that the Urhobo themselves had begun to pay their tax.

Available sources are silent on the circumstances surrounding the break-up of the hold-up. What is clear, however, is that it was not because the producers secured the price level (£7:10 per ton) that they had demanded. The figure was probably fixed for the sake of bargaining. For, by December 1934, when the hold-up was already over, the price of palm oil was in the region of £5:15 and that of palm kernels in the range of £4 to £4 5s.¹² The observation made in November that "the trade appears to be developing ... oil is moving freely {and} ... kernels are still sluggish" remained valid for the rest of the year.¹³

There were, however, fears that this was merely a truce. "Rumours persist", noted an official, "that the resumption of trading is only temporary and has been arranged in order to produce sufficient money for ... tax payment." But most officials and community leaders were convinced that the hold-up had crumbled for good and would not "again become effective in the near future."¹⁴ This was indeed vindicated by subsequent reports portraying a complete restoration of normality. By January 1935, prices had risen to £6:10 per ton for hard oil; £8 for soft oil though kernel prices were stable at £4:5. Prices continued to rise in the following months.

⁹ On export duties and their impact, see Olukoju (1995).

¹⁰ NAI IBMINAGRIC 10574 Vol. I. *Cypher telegram from Resident*. Benin Province, 8th October 1934.

¹¹ *Ibid.* Resident, Ondo Province to SSP, 23rd November 1934.

¹² *Ibid.* Acting Resident, Warri Province to SSP, 8th December 1934.

¹³ *Ibid.* Resident, Warri Province to SSP, 23rd November 1934; Acting Resident, Warri Province to SSP, 18th December 1934.

¹⁴ *Ibid.* Acting Resident, Warri Province to SSP, 1st December 1934.

In February, they were £9, £7:5 and £5 per ton respectively for soft oil, hard oil and kernels.¹⁵ In March, it was reported that "the bush is now open almost throughout the Okitipupa Division," signalling the full resumption of the palm produce production and sale. Prices then rose in April to an average of £9:10:9 for palm oil and £5:9:11 per ton of palm kernels.¹⁶ Thus ended the seven-month strike but this was not the last such action by Urhobo producers. For, in May 1938, they embarked upon another round of produce hold-up that coincided with the more celebrated cocoa 'pool' crisis, which would be examined later in this piece.

The Urhobo producers' strike of 1938 began in May and was reportedly "fairly solid" within a fortnight. As in 1934, it was organized to reject the prices offered by the export firms which the producers contended did not even cover the cost of production. The hold-up was declared formally, producers and middlemen who had stocks having been forewarned to dispose of them before the second week of May. In the subsequent weeks, the figures of graded produce declined, indicating the effectiveness of the strike. In Okitipupa Division, the tonnage of palm kernels graded for export was 42, 39 and 1 in the first three weeks of the strike. The respective figures for palm oil were 56, 41, and 6.¹⁷ "The boycott (sic)," it was noted, "was organised by the Sobos who are the Chief Producers. The Yoruba Traders are still selling but their trade represents the only sales taking place."¹⁸ As the hold-up had a precedent, colonial officials were relieved that it was not instigated by "political agitators," a reference to the activities of the Nigerian Produce Traders Union (N.P.T.U.).

Significantly, the expatriate firms conceded that though the strike was "unfortunate", it was inevitable. For, "the prices given for produce do not give the producers any profit". As the representative of the United Africa Company (UAC) in the area noted, it took an Urhobo farmer and his family (an average of two wives and three children) five to six days to produce a tin of palm oil which attracted a 'Beach' price of only eleven pence!¹⁹ Hence, as another agent of the firm admitted, producers were not likely to resume trading if the metropolitan markets did not

¹⁵ Ibid. Resident, Ondo Province to SSP (n.d.), January 1935; Acting Resident, Ondo Province to SSP, 22nd February 1935. The rise in local prices reflected improvements in world market demand and prices.

¹⁶ Ibid. Acting Resident, Ondo Province to SSP, 9th March and 30th April 1935.

¹⁷ NAI IBMINAGRIC 10574, Vol. II. Produce Boycott ... Telegram, Resident, Ondo Province to SSP, 3rd and 13th June 1938.

¹⁸ Ibid. Acting Resident, Ondo Province to SSP, 3rd June 1938. We should note that the producers' action was, properly speaking, a hold-up rather than a boycott.

¹⁹ Ibid. Cited in Resident, Ondo Province to SSP, 16th June 1938.

improve as it was bound to reflect on local prices. Both the expatriate firms and the Nigerian producers and traders were thus agreed that current prices were not a sufficient inducement to production and trade. The latter did not show any "ill-feeling or animosity whatsoever (towards the expatriate firms), and in fact are pleased to discuss the position reasonably but they are emphatic ... that the present prices do not allow them a sufficient margin of profit after their cost of labour has been taken into account."²⁰

The colonial state intervened at this stage by holding consultations with the Urhobo producers. The Acting Resident, Warri Province met members of the Okpe Urhobo Welfare Union (formed by an Urhobo group to protect the interests of its members), who considered the prices offered by the firms too low to justify production. They seemed to have hinged their demand for a higher price on the report carried by the leading nationalist newspaper, **West African Pilot**, on 1st June 1938 that the UAC was making huge profits while offering low prices for produce! The fact that some members of the Union brought copies of the newspaper to the meeting showed their level of awareness, conviction and determination.²¹

Nothing came of this parley and the government could not yield to pressure by the UAC to "take some action" (Ibid.). The firm, therefore, resorted to propaganda to "educate" the producers on the "true" state of affairs. A leaflet entitled "Palm Oil and Palm Kernels Prices", prepared by F.H. Samuel, General Manager of the UAC, significantly drew copiously on the Governor's Address to the Legislative Council on 7 March 1938.²² The governor had attributed the collapse of world market prices for groundnuts, palm oil and kernels to the following factors.

First, a record American crop had produced an enormous supply of cotton seed which saturated the market. Second, American bumper harvest of maize had boosted pig production which resulted in an increase in the supply of lard. Third, the refusal of Japan and Germany to endorse an agreement restricting whaling operations was expected to increase the world's supply of whale oil. The UAC then added a fourth factor: competition from the superior products of Indonesian oil palm plantations which placed Nigerian produce at a disadvantage. The essence of the propaganda was to show that low produce prices were the product of adverse global developments which would not yield to local solutions, including a produce hold-up.

²⁰ Ibid. Enc. in Resident, Ondo Province to SSP, 4th July 1938. B. Selzer, Manager, Gbekebo branch of the U.A.C. Ltd. to D.O. Okitipupa, n.d.

²¹ Ibid. Acting Resident, Warri Province to SSP, 23rd July 1938.

²² Ibid. Acting Resident, Warri Province to SSP, 22nd August 1938. There is no further information on propaganda by the firms in the literature. The relationship between the colonial state and the business community is analyzed in Olukoju (1995).

Such arguments neither impressed nor deterred the striking Urhobo producers who were soon joined by their compatriots in the adjoining Provinces. Urhobo producers in Ijebu Waterside area of Ijebu Province went on strike in August 1938 in sympathy with their kinsmen in Okitipupa Division of Ondo Province. But their Ijebu and Ikale hosts did not join the action though their participation, as non-producers, would not have made any difference. Instead, produce dealers at Ijebu-Ode resorted to boycotting the UAC and John Holt because they were considered to be 'the principal supporters of the 'pool' system'.²³ In contrast, non-'pool' firms such as the Co-operative Wholesale Society and G.L. Gaiser and Co. were "buying palm produce freely."

Meanwhile, as producers had refused to sell their crop to the export firms, they were compelled to seek alternatives to the export market or, in any case, to earn a living by other means.²⁴ "It is a bit puzzling," the Resident noted at the peak of the hold-up, "to say how the Sobos are living". He had noted that though the Ikale usually accused their Urhobo guests of theft, "there is no evidence yet that stealing by the Sobos is more common than usual".²⁵ But on further investigation, it was revealed that the striking Urhobo were making a living from fishing, hunting, canoe pulling and basket making. Others were employed by the firm handling the construction of the Ondo-Agbabu road. Middlemen traders on their part reacted to falling prices by taking palm oil to Ilorin and other places in Northern Nigeria where a tin fetched 5s to 5s 6d compared to 3s at Ijebu-Ode.²⁶

The hold-up continued into the next year and by March 1939 the position remained "unchanged and the hold-up ... {was} still ... solid". By this time also, the Urhobo had started migrating from Okitipupa to Ondo Division and even to Warri "in search of work." At the latter place, they were engaged by a timber company. All the while, there was "no sign of political unrest" and they paid their tax when pressed to do so.²⁷ They, however, remained adamant to price increases and their persistence compelled the UAC to close its Gbekebo station and to centralize all

²³ Ibid. Acting Resident, Ijebu Province to SSP, 26th August 1938. While only producers were best placed to 'hold-up' produce, middlemen traders like other consumers, could boycott merchandise sold by the expatriate 'pool' firms.

²⁴ The alternatives to the overseas export market have been highlighted in Olukoju (1992: 124-128).

²⁵ NAI IBMINAGRIC 10574, Vol. III: Produce Boycott. Resident, Ondo Province to SSP, 4th November 1938. We may note that such dangerous stereotypes persist to the detriment of harmonious inter-group relations.

²⁶ Ibid. Resident, Ijebu Province to SSP, 29th November 1938.

²⁷ Ibid. Acting Resident, Ondo Province to SSP, 2nd March 1939.

activities at Okitipupa. But as the Second World War approached, the hold-up simply petered out. By July 1939, it was reported that it had "ceased in the Ijebu, Benin and Warri Provinces."²⁸ Indeed, increased trade figures had begun to reveal a resumption of trade.

As in 1934-35, the produce hold-up of 1938-39 seemed to have collapsed without any apparent reason. For, the prices offered still remained low and unremunerative. By February 1939, export firms were offering 2s 3d per tin, equivalent to £6:5 per ton, of palm oil at Epe, while the tonnage price there was in the range of £5:17:6. "Any oil produced," it was noted, "is therefore bought for local consumption or for transport to the Northern Provinces."²⁹ Consequently, the hold-up could have been called off for any of the following reasons. First, the economic hardship of the times and the apparent futility of further resistance could have weakened the strike. Second, the resolution of the cocoa 'pool' crisis could have taken the wind out of the sails of the hold-up.

Whatever was responsible for the collapse of the Urhobo produce hold-up in 1934-35 and 1938-39, the event had demonstrated the resilience and potential of producers' militancy. It is significant that producers of palm oil and kernels were able to hold-up produce for a reasonable length of time despite the overwhelming odds that confronted them. Probably because it was limited to producers outside the major commercial centres, the hold-up has not until now received any mention in the literature. Available sources do not yield information on the personalities involved in and the organization of the strike. Nevertheless, it was as notable an event as the more celebrated cocoa pool crisis of 1937-38 to which we now turn.

2. THE COCOA POOL CRISIS, 1937-38

As in the palm produce trade, falling prices characterized the cocoa business in the mid-1930s. Although the 1936-37 cocoa season had witnessed a rise in prices, there was the fear that a fall with disastrous consequences was imminent. It was in a bid to pre-empt the anticipated disaster that some expatriate firms concluded an agreement to fix prices.³⁰ As is well known, this 'buying agreement' generated the pool crisis in Nigeria and the Gold Coast in 1937-38.³¹

²⁸ Ibid. Secretary, Western Provinces to Chief Secretary to Government (C.S.G.), 19th July 1939.

²⁹ Ibid. Acting Resident, Ijebu Province to SSP, 28th February 1939.

³⁰ Details in Harneit-Sievers (1996).

³¹ The Gold Coast crisis has been studied by Milburn (1970), Miles (1983), Austin (1988), and Alence (1990-91), among others.

The crisis was ignited by a memorandum forwarded in September 1937 by J. Cadbury, Director of Cadbury Brothers Limited, and F. Samuel, Director of the UAC, to Sir Cecil Bottomley of the Colonial Office. In it, the merchants complained that "intensive competition" had over the years raised local cocoa prices above world market levels after merchants had deducted marketing expenses. To these "excessive prices" were added "constantly increasing abuses" such as the practice whereby brokers and middlemen received commissions and allowances "far in excess of the value of the services rendered by them". Purporting to defend the interests of the producers, the merchants added that they had been denied fair prices by the over-remuneration of the middlemen. It was, therefore, resolved that "such overpayments to intermediaries [be] ... suppressed as soon as possible, thereby ensuring that out of the fair price paid for cocoa, the full and proper proportion reaches the pockets of the actual producer."³²

The cartel proposed by the merchants was limited to cocoa, each firm being free to dispose of its produce afterwards.³³ Quotas allocated to buying firms were to be determined by previous purchases. Firms which exceeded their quotas would re-sell to others which had failed to meet up theirs at the average price fixed by the London Committee of the exporting firms. Out-of-pocket allowances and profit margin were fixed at 22s 6d per ton. The firms requested the Secretary of State to send an observer to represent official interests on the London Committee which would administer the scheme.

The proposed scheme was thus presented as beneficial to the producer as well as the exporter. Its aim was to eliminate the middlemen, who were regarded as parasites preying on the profit margins of the producers and export firms, and to achieve "better regulation of marketing."³⁴ The maintenance of local prices "in line with world values," it was argued, "should benefit the purchaser enabling him to avoid heavy losses ... while the industry as a whole should, subject to world conditions, be subject to less violent price fluctuations than has been the case in the past."³⁵ We shall see in due course that the producers were not taken in by the 'altruism' of the firms.

³² NAI IBMINAGRIC 14682 Vol. I: New Agreement Among Merchants for the Buying of West African Cocoa. Cadbury and Samuel to Bottomley, 27th September 1937.

³³ The 'Agreement firms' were the Cocoa Manufacturers Ltd.; C.F.A.O.; G.L. Gaiser; John Holt Co. (Liverpool) Ltd.; G.B. Ollivant Ltd.; P.Z. & Co. Ltd.; S.C.O.A.; U.A.C.; U.T.C.; and Witt & Bush.

³⁴ Official and Big Business resentment of 'pettifogging traders' has been noted in Ehrlich (1973) and Olukaju (1987).

³⁵ NAI IBMINAGRIC 14682, Vol. I. Cadbury and Samuel to Bottomley, 27th September 1937.

Meanwhile, the Secretary of State had sought advice from Governor Bourdillon of Nigeria, being a 'man-on-the-spot,' particularly on the merchants' request for official representation on the London Committee. But he admitted that the request had placed him in a difficult position. On the one hand, acceptance of the offer to be represented on the Committee would imply that the government supported the merchants' scheme. Government would, therefore, be criticised for complicity if the scheme became controversial and its "impartiality ... might be called in question." On the other hand, official involvement conferred the advantage of placing the government in "a better position to bring pressure to bear upon those responsible for the scheme in the event of difficulty than if they had no representation on the Committee".³⁶

The latter position eventually prevailed as officials held a meeting with the merchants in London. This enabled the latter to convince the officials that "the new arrangement was probably on a long view beneficial to West Africa in that it would help to clean up the market and rid it of undesirable elements".³⁷ This was in keeping with the official attitude towards 'parasitic middlemen', an aversion shared with the merchants.

In Nigeria, colonial officials overwhelmingly supported the scheme. One of them declared that the middlemen "will be hit the worst; in fact the scheme is directed against the abuses arising from his dealings." The official fully endorsed official involvement in the scheme "even if it leads to misconstruction by the masses." He argued that it was difficult in any case to convince them that the government was not responsible for the fluctuation in prices.³⁸

Further justification of and official support for the merchants' scheme came from Dr. G. Bryce, the Acting Director of Agriculture, who wrote a detailed memorandum on the subject. He endorsed 'any practicable and just scheme which will eliminate the 'advances system' whereby middlemen make cash advances to farmers for the purchase of their crop.' Citing the Director of Co-operatives, who had dubbed the practice as the 'middlemen-plus-advances' system, Bryce argued that it had engendered the deterioration of the quality of produce because the farmer was under pressure to market his cocoa raw or even while still unharvested!³⁹ It did not encourage farmers to produce high quality cocoa since they could sell it raw.⁴⁰

³⁶ Ibid. W.G.A. Ormsby-Gore to Bourdillon, n.d.

³⁷ Ibid. Notes on a meeting compiled by C.G. Eastwood, 24th September 1937.

³⁸ Ibid. Minutes to S.S.P., 5th November 1937.

³⁹ Ibid. Bryce to C.S.G., 5th November 1937.

⁴⁰ On produce adulteration and quality control, see Njoku (1987) and Olukoju (1998).

In view of this, Bryce envisaged that the proposed Buying Agreement would be supported by the 'enlightened' farmers and co-operators if it curtailed the activities of the middlemen. On the other hand, he anticipated opposition from middlemen, especially young school leavers who had drifted into the "already overcrowded occupation" of produce buying. The Agreement would, therefore, be "a step in the right direction" if it could make the career of produce buying unattractive for "educated boys".

Nevertheless, Bryce acknowledged that elimination of the middlemen without appropriate safeguards would place the producer at the mercy of the "buying ring." A key safeguard, he suggested, would be provided by official representation on the London Committee. He argued that since producers lacked the kind of organization that the export merchants had, "the only way in which their views can be made known and their real interests ... represented is through the Government officers concerned with them".⁴¹ This was a classical demonstration of colonial paternalism (Olukoju 1991; 1996) which was characteristic of overall policy towards Africans during the colonial period.

Governor Bourdillon endorsed these views, persuaded that the scheme would, in the long run, "probably be beneficial to the grower by eliminating undesirable trade expedients and introducing more healthy and orderly methods of marketing." He acknowledged that the scheme at the start might lead to reduced prices to the grower but this should not deter its implementation.⁴²

While these debates were being conducted, both the Nigerian producers and traders were kept in the dark though the Agreement was supposedly in the interests of the producers. However, its chief targets, the middlemen, soon got wind of it and vehemently opposed it.⁴³ Through their organization, the N.P.T.U., the 'middlemen' went on the offensive, mobilizing public opinion against the Agreement. The Union organized protest meetings to register African opposition to it and, after a meeting at Abeokuta, passed a resolution threatening a produce hold-up and "if it comes to the push the remaining crops should (sic) be burnt" (**Nigerian Daily Times**, 6th January 1938). The resolution was then sent to the other branches of the Union for endorsement.

The moving spirit behind the N.P.T.U. offensive was its organizing secretary, Samuel Akinsanya. Acknowledging the effectiveness of his activities, the colonial government took steps to discredit the resolution to forestall a political upheaval in

⁴¹ NAI IBMINAGRIC 14682, Vol. I. Bryce to C.S.G., 5th November 1937.

⁴² NAI IBMINAGRIC 14682, Vol. I. Bourdillon to Ormsby-Gore, Confidential Air Mail, 25th November 1937.

⁴³ Business pressure group tactics are analyzed in Olukoju (1995). An illuminating application of a model derived from theories of bargaining impasse to the pool crisis is Alence, 1990-91.

the cocoa belt. Residents were, therefore, directed to monitor developments in the various provinces. This was a timely interventionist move by the colonial state.

Predictably, the Resident of Abeokuta Province, in whose domain the resolution had been passed, dismissed it as the handiwork of "a few" members of the local chapter of the N.P.T.U. who merely adopted "the so-called resolution" and sent it for publication in the Press. He claimed that neither the President nor "other prominent members" of the Abeokuta branch were informed. Hence, the resolution "cannot be said to represent local opinion in the matter". What Akinsanya sought to achieve, the Resident asserted, was to obtain 'snap resolutions' such as that passed at Abeokuta all over the cocoa belt to strengthen the hands of the central union in Lagos and at the same time absolving it of responsibility for whatever ensued.⁴⁴

The colonial government took no chances as it apparently instigated the Alake of Abeokuta, a patron of the local branch of the N.P.T.U., to call a meeting of its representatives from Abeokuta and Ijebu-Ode, including Akinsanya, to disclaim the resolution. Appearing to be neutral, the Resident claimed to be "anxious that the Alake should not become involved in this matter ... Otherwise he will undoubtedly lose prestige and with it authority ... I have therefore advised him to watch events carefully." This betrays the subterranean pressure exerted on him to toe the official line. The Resident admitted, however, that there was discontent in Abeokuta owing to the fall in produce prices. As people had invested their earnings from the previous two cocoa seasons in real estate, they were now short of money at a time that cocoa prices were falling (Ibid.).

Consequently, they were in the mood to listen to the anti-Pool agitators. The Agreement was reportedly "a subject of general conversation amongst both cocoa producers and traders" in the area. There was an "undoubted feeling that the African is not getting a fair deal and that the pool will operate in restraint of competitive trading", which the African considered "the fundamental basis of all commerce". While producers and traders awaited further developments, there was a rise in cocoa prices early in January 1938 and this allegedly "offset the activities of Mr. Akinsanya."⁴⁵ There was, therefore, no cocoa hold-up in Abeokuta as well as in Ondo and Oyo Provinces.

Compared to the Gold Coast, the produce hold-up was a non-event. But there was tension across the cocoa belt. As late as January 1938 when it seemed that the threat of a hold-up had gone with the wind, colonial officialdom still dreaded the possibility of trouble. An official opined that the firms were "inclined to underrate the capabilities of Mr. Akinsanya who has just returned from the Gold Coast and

⁴⁴ NAI IBMINAGRIC 14682, Vol. I. Resident, Abeokuta Province to SSP, 10th January 1938.

⁴⁵ Ibid. Resident, Abeokuta Province to SSP, 20th January 1938.

will doubtless endeavour in his position as a political agitator to bring about a condition of affairs similar to that on the Gold Coast".⁴⁶

In the final analysis, the threat was never made good. Officials explained the state of affairs largely in terms of the divergence of interests between the producer and the middlemen. The Resident of Ondo Province asserted that the "discontent is amongst the middlemen and not the Producers" (Ibid.). His counterpart in Oyo noted that "while the produce buyers are very bitter against the cocoa buying agreement, the farmers have displayed very little interest ... there is no sign of any intention on their part to take any action in the matter". As for the N.P.T.U. resolution, this was "a mere bluff. The Union does not possess enough funds to buy and burn the crop; and to persuade the farmers to do it would require far more propaganda than can be carried out this year."⁴⁷

There is a general tendency to portray the pool crisis as a traders' war. This was partly due to the prominence of traders in the struggle.⁴⁸ T.A. Odutola, the foremost Ijebu merchant of the times, explained that the hold-up in the Province did not register the Gold-Coast-type impact because no local branch of the N.P.T.U. was empowered to declare a hold-up and instructions were still being expected from the Central Executive Committee. Meanwhile, the people continued to trade under sufferance out of deference to the Awujale's appeal for restraint. Nevertheless, the "feeling of the people ... {was} very high on the question."⁴⁹

Contrary to the impression that the agitation was limited to middlemen traders, farmers' groups too raised their voices against it. Representatives of Ondo District Farmers deplored the unremunerative prices offered up to December 1937 which did not permit them to pay their labour and caused "troubles all over our District between we (sic) the producers and the labourers".⁵⁰ They denied that the pooling agreement was in their interest, otherwise they would have been consulted before it was made! The Traders and Farmers' Unions in Ibadan viewed the pool "with the greatest alarm, because it does not content itself with merely impoverishing us, it goes down to gnaw our very social fabric by exhibiting the native middlemen as

⁴⁶ Ibid. Resident, Ondo Province to SSP, 21st January 1938.

⁴⁷ Ibid. Acting Resident, Oyo Province to SSP, 24th January 1938.

⁴⁸ Many produce traders were themselves small-scale farmers. See: Ibid., Bryce to C.S.G., 5th November 1937.

⁴⁹ NAI IBMINAGRIC 14682, Vol. I. Odutola to Resident, Ijebu Province, 21st January 1938.

⁵⁰ Ibid. Chief Oyegunwa Akinwale (Chairman) and R.A. Ayodeji (Secretary) and others, Ondo District Farmers to Chief Commissioner, 30th December 1937.

inimical to the interests of the farmers. Our middlemen of today will become the African merchants of tomorrow; no nation can do without its own merchants."⁵¹

Though the cocoa pool crisis in Nigeria did not attain the extent of that on the Gold Coast and though it appeared that the N.P.T.U. had failed to organize a successful hold-up, the Union was in a position to call for a roundtable conference attended by representatives of the government, expatriate firms within and outside the pool, the N.P.T.U., unofficial members of the Legislative Council and the Press.

It was a measure of the strength of the N.P.T.U. that it succeeded in forcing a showdown which necessitated this roundtable. However, it would appear that it believed in the neutrality of the governor whom it perceived as the "Great White Umpire" (Hopkins 1975: 189) in the contest between indigenous and expatriate interests. The governor himself buttressed such assumptions by declaring at the meeting that he was neither an arbiter nor a supporter of any side to the conflict. He had rather come to listen, expecting to be able to do something to "ease the situation".⁵² That said, he proceeded to clear up what he regarded as sheer misconceptions in the Nigerian and Gold Coast newspapers.

First, neither the Colonial Office nor the colonial governments had approved the agreement. Government had merely been informed of the agreement after the firms had formulated it. It was not privy to its creation. Second, the agreement had nothing to do with the fall in prices for cocoa prices were determined primarily by the New York market and, only to a lesser extent, the European. Hence, the 'pool' could only affect the world price to a trifling extent, if at all. He thereby attributed low produce prices to global developments, including competition from substitutes such as sugar, nuts and other fillings used in chocolate manufacture instead of cocoa.

Speaking on behalf of the N.P.T.U., Akinsanya contended that the fact that the Agreement firms had invited the Colonial Office to send a representative to attend its meetings, and the governor's recommendation of official representation betrayed government's sympathy and support for the 'pool'. Reacting to the assertion that the 'pool' was capable of affecting produce prices only to a "trifling extent," he declared that extent was all-important in the local market. As the local market had influenced the home market in the past, it was still capable of doing so in the future. Akinsanya contested the claim that the Agreement was necessary to check trade malpractices. That problem, he argued, should be left to the law to handle. He then challenged the firms to produce the agreement so that everyone could form an objective opinion on its contents.

⁵¹ Ibid. Traders' and Farmers' Unions, Ibadan to Resident, 19th January 1938.

⁵² NAI IBMINAGRIC 14682, Vol. II. Agreement Among Merchants for the Buying of Cocoa. Notes on meeting between Governor Bourdillon, representatives of European and African exporters, etc., n.d. The following paragraphs dealing with the meeting are based on this source.

R.M. Williams, who spoke on behalf of the firms, flatly denied that there was a 'pool'. All that the firms had done, he stated, was to come together to correct abuses in the trade, a step that could be harmful only to the dishonest buyer. He denied that the firms had sought to depress prices artificially; this was impossible in practice and, even if possible, counterproductive since low produce prices invariably had a negative impact on the firms' import trade. Williams refused to tender a copy of the Agreement since it was a 'private document' which belonged to the firms! N.D. Oyerinde, Legislative Council member for Oyo Division, demanded to know what good the Agreement was going to do for Nigeria. He pointed out that it appeared that it was meant to kill competition which should be in any trade. Williams countered that though competition was valuable, it could become insane if it drove competitors to bankruptcy.

The meeting thus ended on an inconclusive note. No consensus was reached and tension mounted rather than abate, especially following the hold-up of cocoa on the Gold Coast. The effectiveness of the Gold Coast hold-up compelled the Colonial Office to convene a Commission to report on the general problem of the marketing of West African cocoa. The Nigerian Youth Movement, the political platform of the N.P.T.U., accordingly toured Southern Nigeria to mobilize farmers on the cocoa question. An official however remarked, with evident antipathy that the tour "appears more likely to spread middlemen's propaganda than to result in any benefit to farmers."⁵³

The Commission of Inquiry which was later better known as the Nowell Commission (named after its Chairman) took evidence from a cross section of interest groups. The Agreement firms decided to suspend the operation of the scheme from 2 April to 1 October 1938 to facilitate the work of the Commission. Its report denounced the Agreement but castigated the 'middlemen' system that it sought to overthrow. The major recommendation of the Commission was the development of co-operative marketing and this set the stage for the operation of the marketing board system (Olorunfemi 1979).

This was the climax of the militant action of producers and traders against the combines in the inter-war period. It was noted that Africans expressed "satisfaction at the proposed withdrawal of the firms' buying agreement, tempered with misgivings lest it should be revived in some other form."⁵⁴ African middlemen resented criticism of their practices and pointed out at a 'mass meeting' at Ijebu-Ode that their expatriate counterparts were themselves middlemen between Nigerians and the manufacturers in Europe (**Nigerian Daily Times**, 15th November 1938). The producers, on their part, were disappointed that there was no rise in

⁵³ Ibid. Haig to C.S.G., 9th March 1938.

⁵⁴ NAI CSO 1/34/44 Confidential "B", Woolley to MacDonald, 28th December 1938.

prices after the submission of the Commission's report. Most of them, it was observed, did not share the Commission's view of the 'middlemen' upon whom they depended for advances on their crops.⁵⁵

Nigeria's Director of Co-operatives provided an illuminating overview of the entire saga. He lauded the Commission's "undoubted impartiality of judgement" and its "remarkably sympathetic understanding of African mentality and the African view point." But he contended that this was a mere smokescreen. The Commission's denunciation of the Agreement was simply a "soothing syrup for the rather excited African elements of the cocoa trade. It appears likely that if the existing written agreements are withdrawn their place will be taken by unwritten agreements which will have much the same effect."⁵⁶ Such a scheme, he noted, would last as long as the buying firms were able to overcome their natural divisions and mutual distrust. This painted a forlorn but true picture of the position of the African producer and trader in the colonial economy despite their militant action of the late 1930s.

3. CONCLUSION

This essay has examined the militant reaction of Nigerian farmers and traders to the twin adversities of the 1930s - falling prices occasioned by the Great Depression, and the throttling policies of the expatriate combines. Neither the Urhobo oil palm producers nor the Yoruba middlemen cocoa traders and farmers could turn the tide against these forces despite their respective strikes. For, these militant acts could not enforce a rise in prices to the level demanded by the Nigerian producers and traders. It has been suggested that the Nigerian cocoa hold-up of 1937-38 failed because "it started too late in the season, [and] ... the organisers seem to have had neither direct access to the producers (through the chiefs) nor to those among the smaller traders who sold directly to European firms". (Harneit-Sievers 1996: 35). The point that organizational deficiencies contributed largely to the failure of the produce hold-ups of the 1930s is amplified and buttressed by a comparison with the Gold Coast.

As is well known, the Gold Coast cocoa hold-up was far more effective than Nigeria's. The critical factor in this, as a Nigerian colonial official noted, was that the bulk of the Gold Coast cocoa was produced by wealthy farmers on a plantation scale. Such farmers therefore possessed the means to hold up their own crops and to buy up the output of the small scale producers who could not afford not to sell. In

⁵⁵ NAI IBMINAGRIC 14682, Vol. II. Acting Resident, Ijebu Province to SSP, 16th November 1938.

⁵⁶ Ibid. Registrar of Co-operative Societies to C.S.G., 15th November 1938.

contrast, the Nigerian cocoa industry was dominated by small scale farmers who did not have the means of holding up their own annual crops much less buying up those of others to completely hold-up produce.⁵⁷ This was also the case with the Urhobo oil palm hold-up. Nigerian producers and traders were, therefore, lacking in the resources and structural organization, compared both to the expatriate firms and their Gold Coast counterparts, crucial to success in the 'trade wars' of the 1930s.

On the whole, the militancy of Nigerian oil palm and cocoa producers and traders during this period changed little or nothing; it was at best a gesture of defiance. Producers and middlemen traders faced overwhelming odds in the adverse global economic trends, the superior organization and enormous resources of the expatriate combines or 'pools', and the thinly veiled antipathy of the colonial state. Consequently, they failed to alter the prevailing commercial order to their own advantage, and the dominance of the expatriate firms remained unassailable.

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⁵⁷ NAI IBMINAGRIC 14682, Vol. I. Acting Resident, Oyo Province to SSP, 24th January 1938.

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