

The maintenance of British slaving forts in Africa: the activities of joint-stock companies and the Royal Navy¹

Helen Julia Paul²

University of Southampton

Abstract

The Royal African Company used fortified locations along the African coast as part of its slave trading activities. These forts have occupied a peripheral role in the business history of the company and the economic history of its trading routes. Traditionally, the forts have been seen as a burden upon the company, if a necessary one. Beyond that, it has been noted that they were not usually impregnable fortresses, but often rather small affairs. This paper aims to use the history of the forts to illustrate wider issues about the fiscal-military state. At first glance, the forts were tangible expressions of the power of European states. However, they were built upon land rented from African kingdoms. The forts did not lead directly to European colonisation. Paradoxically, it was the ability of European states to compete with each other, which undermined European ambitions. Certain African kingdoms were able to capitalise upon this competition at times. Each European state concerned felt obliged to maintain forts. In the case of the English (later British), there were various solutions proposed.³ The period considered here is the end of the seventeenth century and the beginning of the eighteenth. During these decades, the government experimented with different ways of maintaining the trade and the forts. It also clearly treated the forts as an extension of English interests in the region and not as purely private buildings. It used the Royal Navy to protect the forts but also to survey their condition. These activities provide evidence of the contemporary attitude of mixing trade and warfare. The forts themselves were usually insufficient to withstand a long siege. They were part of a mixed strategy of defence, diplomacy, trade and war-mongering which was necessary to maintain Europeans' access to slaves.

Keywords: Slave trade, Hotelling model, Fiscal-military state, Africa, Royal African Company.

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² Economics Division, University of Southampton, Southampton, SO17 1BJ. Email: hjp@soton.ac.uk.

³ Although after the Union of 1707, the forts and company were British not English, the distinction was not always made. The term 'English' continued to be used in Africa. Therefore, the same convention is adopted here.

Figure 1. Important locations in West African slaving history



INTRODUCTION

Forts for the Atlantic Afro-European trade existed before the era of the financial revolution, and they were still being built after it. A number of European nations held forts at one time or another. The first fort was built by the Portuguese at Elmina in

1484. The Danes built one at Teshi in 1787, before banning the slave trade in 1802 (Rodney, 1975:320). Sometimes forts changed hands between European nations. In addition, there were changes in the overlordship of the forts as one African kingdom overthrew another. This paper will focus on the forts operated by the English (later British) slaving company, the Royal African Company. It will concentrate on the late 17th and early 18th century. This is the period of financial innovation and the fiscal-military state. It is also the period in which there were a number of institutional changes regarding the company and its forts.

The paper will argue that this period cannot be adequately described as an interlude between monopoly and free trade as Adam Smith would have it (quoted in Davies, 1970:153). Likewise, the forts were not simply a cost to be borne. They provided a range of private and public functions. Without the forts, and their officials, the English trade might have been less able to compete with other slavers. Ultimately, the Europeans' desire for slaves changed the nature of coastal African politics and development and locked West Africa into a particular role in the triangular trade. African slave trading elites came to dominate the region. In their dealings with Europeans, they could hold the upper hand. This was often true despite the financial and military innovations which had occurred in Europe. African slavers benefited from the competition between Europeans. Such competition could bring better prices and a better choice of goods at the coast. However, in a wider sense, European commitments to war and overseas colonies limited the resources available for European intervention in African affairs.

The irony is that fiscal-military states developed in Europe because of intra-European competition. Economic and military successes were supposed to be two sides to the same coin. Victory in war brought colonies and trading concessions. Economic protectionism increased the likelihood that wars would break out. A viable fiscal-military state would have to be prepared to fight in order to trade, and to trade in order to be able to pay the costs of fighting. Joint-stock companies, like the Royal African Company, were part of the national strategy. Using a quasi-public company to run the forts was an attempt to avoid a principal-agent problem and military expansionism. The former difficulty might occur with bureaucrats running the operation. The latter evil might attend the use of military or naval governors. This paper will argue that the proliferation of English forts was due to an economic war of attrition, rather than irrational overexpansion. If the English had not had forts, then it is likely they would have been pushed out of the trade. They were involved in a Prisoner's Dilemma game with other European nations, which led to a suboptimal equilibrium where all the main players invested heavily in fortifications.

EXISTING WORK

There are a number of different approaches to the 'African trade'. They include histories of European migration; business histories of slaving ventures; histories of the African slaving kingdoms; the triangular trade as part of Atlantic history, and the social and architectural histories of the forts themselves. There are, of course, areas of overlap. The complexity of the trade lends itself to a variety of historical approaches.

This paper uses insights from several to consider the forts themselves and their place in a fiscal-military (or fiscal-naval) state.⁴

The history of European migration and ‘discovery’ along the African coast begins in the 15th century with the Portuguese. They gained a first-mover advantage and claimed monopoly rights along the coast (Blake, 1942:18). Portuguese pretensions to sovereignty were never credible, due to the strength of local African kingdoms. However, the Portuguese were able to attack rival European traders at sea. Their monopoly was challenged by the Dutch in 1630s, with the English appearing in 1640s and the French in 1670s (Law, 2004:29). When any company was granted a monopoly of trade, it was really in relation to its own countrymen. A company was a national representative in an international trade. At the African coasts, Europeans could trade directly from their ships. They also set up ‘factories’ which were trading posts. Or, they could fortify their properties. Usually, European companies had both factories and forts.

The forts have their own architectural history. For example, A. W. Lawrence’s work considered a number of forts and their plans. He noted that skilled workmen and certain materials, such as building stone, often had to be imported from Europe. The cost of building a stone fort was high. Local materials were cheaper but less durable. The Dutch and the Brandenburgers spent the most per fort. The English spent less on each fort, but had a large number of them (Lawrence, 1963:42-51). Forts could be built to order or they could be taken over from other European companies. This might be achieved by force. However, the Royal African Company bought one fort from the Danes and rented another one (Davies, 1970:246-9). European involvement tended to centre on the forts and very rarely did Europeans venture into the hinterland.

Africanists have developed a large body of research concerning the West African region. Often they consider the history of particular groups or peoples, such as the Akan. Another common approach is to consider a particular location or sub-region. For example, Law wrote about the entrepôt of Ouidah in modern-day Benin.⁵ Barry considered the region of Senegambia (Barry, 1998). African kingdoms always retained the rights to the land on which forts were built. European companies were required to pay a ground rent and get permission for fortification by treaty. There were several African kingdoms involved in the coastal stage of the slave trade at any time. Kelly noted that different African groups had different practices. The Hueda chose to bring several European nations to their trading centres. On the Gold Coast, local elites allowed one European group per trading town (Kelly, 1997:357). Local wars changed the size of territorial units and also the overlordship of the forts. Sometimes Europeans intervened on one side or the other. However, if their own slave trade was not affected, they were less interested in the outcome (Rodney, 1975:301). This was particularly the case for regions further away from the coast.

The horrors of the slave trade naturally predominate in our understanding of the Euro-African trade. However, slaves were not the only important component, especially in

⁴ Patrick O’Brien has coined the term fiscal-naval state for England (later Britain) for its reliance on naval power.

⁵ Confusingly Ouidah takes its name from the Hueda (the tribal group), but was known locally as Glehue. Both Ouidah and Glehue have many variant spellings, e.g. Whydah, Widah etc. See Law, 2004:17-19. Here, Ouidah refers to the town and Hueda to the people.

the early years. Europeans bought goods such as ivory, gold and Malagueta pepper from Africans.⁶ In turn, Africans wanted a variety of different products from the Europeans. Examples included cowrie shells, iron bars, guns and gunpowder, cloth and even manufactured goods from Asia.⁷ In the English Parliamentary debates, the trade is called the African trade and not just the slave trade. As contemporary politicians saw it, Africa was an export market for English woollens.⁸ The colonial plantations needed fresh imports of slaves. Slave labour in the Americas produced various key products like sugar, which were then shipped back to Europe. Trade between Africans and Europeans had gradually become part of a larger trading system: the Atlantic triangular trade. The winds and currents meant that it was difficult to sail directly from Africa to Europe. The trans-Atlantic trading pattern followed the routes which are easier to sail (Rodger, 2006:lviii-lix). So even when Africans wished to change their role as slave exporters, the pull of the triangular trade was too great. Africans could make their own high quality products, such as cloth. However, imported goods were important status symbols and Veblen goods (Thornton, 1992:49-50). The slave trade could disrupt economic activities such as gold production or agriculture (Rodney, 1975:319-20).

The European traders left behind volumes of diaries and account books which have become the major primary sources for the trade. Documents written by Africans are rarer. The main European companies are the main source of material. Using the English records, K. G. Davies wrote the classic business history of the Royal African Company. The company's charter to trade to Africa was given in 1672. It had to deal with other English traders trying to break its monopoly. Wars had restricted its activities and it was in financial difficulties by the end of the seventeenth century. Its opponents were able to provoke Parliament into debating the African trade. Davies noted that opposition came from three main quarters: rival slave traders, the manufacturers of export goods and colonial plantation economies. Other slave traders obviously wanted access to the African coast. The export sector believed that free trade could increase the volume of exports to Africa. The plantations representatives thought that they would get more slaves and at a lower price if the monopoly was ended. Like Adam Smith, Davies saw the company's travails as being an 'interlude' between monopoly and free trade and 'between large-scale commercial organization and the small partnership or private merchant' (Davies, 1970:120). The company sold licences to trade to boost its finances, and this further undermined its case for monopoly. Effectively, its attempts to stop interlopers came to a halt. An Act of Parliament of 1698 opened up the trade to the Gold and Slave Coasts and required traders to pay a charge of ten per cent to the company. This was for the maintenance of its forts. The Act expired in 1714 and the forts were meant to be paid for by the Royal African Company. This situation changed in 1730, when the government decided to pay a subsidy to the company. The subsidy was £10,000 per annum until 1743. In 1744, £20,000 was paid, and then the next year the subsidy was reduced to its original amount. This was the last time it was paid. The company was liquidated in 1750, to be replaced by a regulated company (Davies, 1970:97-157 and 365).

⁶ Malagueta pepper has many names including Grains of Paradise or Guinea pepper.

⁷ The archaeological dig at Savi (modern-day Benin) found examples of Chinese pottery. Savi was abandoned in 1727. (Kelly, 1997:351-369).

⁸ See for example, *Journal of the House of Commons*, 11, 6 Wm and Mary.

Carlos and various collaborators have looked at the Royal African Company's place in financial history. Her work with Kruse concerned the monopoly rights of the company (Carlos and Kruse, 1996:291-313). Carlos and Kruse challenged Davies' idea of an 'interlude' and considered the company as a dominant firm competing with a 'fringe' of interlopers. The ability of the company to increase the costs to interlopers and protect its charter rights was therefore tied to government policy. Carlos and Kruse wondered whether this was more to do with 'the historical accident of the House of Orange' than any obvious efficiency gain from small private firms.

The fiscal-military state approach considers how states used financial developments to fund military activities, which in turn were used to further economic goals. Brewer's famous argument was that financial resources were 'the sinews of power' (Brewer, 1994). Joint-stock companies fulfilled a variety of public and private roles. The distinction between state enterprise and private concern was not clear cut. For example, there were strong links between the Royal Navy and the Royal African Company. The Navy offered the company convoy protection and access to its dockyards and stores. The company carried goods and instructions for the Navy; its officials were nominated to try pirates caught by the Navy, and Cape Coast Castle dungeon was used at least once to hold a captured pirate crew (Paul, 2007:277-294). The trading activities of the company were combined with a variety of tasks undertaken for the state. Therefore, the company was really a quasi-public venture not merely a private concern. This paper concentrates on the fiscal-military state approach, but adds caveats to it. In the long run, financial and military developments in Europe gave Europeans power over African kingdoms. The short run lasted many decades. African slave traders could capitalise on the European dependency on slave labour.

CONTEMPORARY ENGLISH VIEWS OF THE AFRICAN TRADE

The African trade was essential to the triangular trade. However, there were contemporary debates about whether the African trade was best served by existing arrangements: a series of forts maintained by a joint-stock company. There were three main issues. Firstly, were forts really necessary? Secondly, if they were, how should they be maintained? Thirdly, if they must be maintained by a joint-stock company, should it be the Royal African Company? Davies noted that Parliament had always considered the forts to be necessary (Davies, 1970:262). Their stated aim was to protect the African trade from the 'natives'. It was often mentioned that all the other European nations involved had forts. The Royal African Company claimed that the only way to maintain forts was by a joint-stock company.⁹ Parliament held several investigations into the trade and even commissioned a survey of the forts after the Royal African Company's charter had ended. This survey was undertaken by the Royal Navy.¹⁰

One Parliamentary investigation occurred in March 1694.¹¹ One of the witnesses for the company was Henry Greenhill, a Commissioner of their Majesties' Navy and former Agent-General for the Royal African Company on the coast. (This is another

⁹ For example, *Journal of the House of Commons*, 2 mar, 6 W and M.

¹⁰ *Report on money and forts* (1758) Public Record Office, PRO T70.176.

This is another example of the Royal Navy's role in promoting the nation's trading interests.

¹¹ *Journal of the House of Commons*, 11, 1693-1697. 6 Mar. 1694, 6 Wm and Mary.

example of close linkages between trading companies and the Royal Navy.) Greenhill and three other witnesses insisted that the forts were essential. The reasons given were that the Africans were a potential threat and that other European nations held forts. Examples were cited of the Dutch stirring up Africans against the English and the Dutch taking over Portuguese forts. Again, the claim was made that the only way to maintain the forts was through a joint-stock company. Parliament also heard from other traders to Africa and representatives from the plantations. Richard Holder, a trader to Guinea for 12 years, argued that men-of-war were sufficient to protect the trade. He thought that the forts only served to protect the Royal African Company's own goods. Captain Robert Portin claimed to have traded safely in places where there were no forts. He argued that the forts might be maintained by simply levelling a tax on all traders. Therefore, the Royal African Company need not be involved (or subsidised in any way). Captain Jeddah Barker also claimed to have traded safely to places without forts. He agreed with Holder that men-of-war were sufficient.

The majority opinion in Parliament was that the forts were essential to the African trade. So, forts were the Royal African Company's trump card. Cape Coast Castle was the strongest English fort, but there were several others. Some were in a poor condition. One contemporary pamphlet claimed that the Royal African Company had 'nothing but Walls, and are always in want of Ammunition or Men'.¹² The difficulties of getting good building materials and skilled labour were compounded by problems of sickness and high mortality amongst Europeans. However, there was an incentive to overstate problems. When the company wanted government support, it brought up the issue of the forts. At one point, it even requested the right to dispose of the forts to a suitable candidate.¹³ This thinly-veiled threat worked. When the issue of subsidies was raised, then again it was in the company's interest to overstate the difficulties concerned.

It was possible to make the forts a direct concern of the government. For instance, the Portuguese fort at Ouidah was under the immediate authority of the viceroy of Brazil (Law, 2004:33). So clearly, joint-stock companies were not the only way to maintain forts, even if they were the most common way of doing so.

LATER VIEWS OF THE FORT TRADE

Davies compared the relative merits of the 'ship trade' and the 'fort trade'.¹⁴ He argued that if goods were unsold, the ships could return them to England. However, he believed that unsold stock was at risk if left in a fort. Goods might deteriorate or be lost to fires, war plunder and embezzlement. Davies argued that forts were also affected by frequent local wars, whilst ships could simply go on to a new location. He felt that owning forts drew companies into the 'expensive complexities' of African politics, and required the payment of ground-rents, presents, bribes and loans. He argued that interlopers managed well enough without owning forts. As well, the forts' ability to impress or influence local Africans was 'open to conjecture'. Forts had frequently fallen to attack. With the exception of the Headquarters at Elmina (Dutch)

¹² *The African Company's Property to the Forts and Settlements in Guinea, Consider'd; and the Necessity of establishing the Trade in a Regulated Company, Demonstrated* (1709, London).

¹³ *Journal of House of Commons*, 11 Mar. 1696.

¹⁴ These terms referred to whether the trading vessels simply landed on the coast to pick up slaves, or whether the slaves were collected in a fort prison first.

and Cape Coast Castle (English), Davies believed that the successful survival of the other forts owed more to diplomacy than fortification. On the whole, he argued that forts were merely an insurance against small-scale raids, and preserved English interest in the trade in a 'broad sense' but without great economic value (Davies, 1970:261-3).

There was an intermediate step between the ship and fort trades. Factories were unfortified bases where a small group of company officials was housed. Davies noted that factories 'were settled and abandoned over and over again'. Factories were abandoned for a variety of reasons: unprofitability, hostility from Africans, hostility from other Europeans, and a shortage of personnel (Davies, 1970:246-9). If factories were less costly to maintain than forts, they were clearly more vulnerable to any sort of predation. However, it was the fort trade which immediately concerned Parliament because of the expense and the supposed need for fortifications.

Davies' argument regarding unsold cargoes is not sufficiently convincing. Unsold stock might well be useless when returned to England. It might deteriorate after a long sea voyage.¹⁵ Also, certain items, such as cowries or iron bars, were not in demand in England or in the Caribbean. They were brought purely for the African trade. This was also the case with some woollen and linen goods. The mix of goods desired by Africans altered very quickly. Daaku argued that this gave an advantage to companies with fortified warehouses, over ship traders. The requirements of local groups was highly specific. For example, the Asante wanted red cloth, whilst the Akyem wanted cloth coloured a yellowish-green (Daaku, 1970:38-9).

Lawrence also compared the ship and the fort trade. He argued that ship traders had low overheads and could undercut their rivals. However, they had little storage for goods. The forts and their protected harbours could be used to repair damaged ships and replace lost gear. Forts could victual slave-ships, sometimes with produce from the fort's own garden. They could provide essentials such as citrus juice to guard against scurvy (Lawrence, 1963:26). These advantages were not unimportant given the length of time that ships took to cross the Middle Passage and the cramped conditions on board. Daaku argued that the high mortality rate for European personnel was also a factor in fort-building. He wrote that 'the erection of the fortified houses and lodges somehow ensured a continuity of purpose for the companies' (Daaku, 1970:73).

THE POLITICAL SITUATION AT THE COAST

Treaties were signed between European companies and African kingdoms. The terms included the payment to the Africans of various fees and presents (dashees). Daaku argued that any default by the Europeans cost them dearly in terms of prestige and profit (Daaku, 1970:40). This may have been a rational response to the importance of reputation in repeated transactions.¹⁶ An end game might lead to a switch in strategy.

¹⁵ Recall that the ships would be following the triangular trade and not returning directly to England.

¹⁶ In a one shot Prisoner's Dilemma game, both agents have an incentive to cheat one another leading to a suboptimal Nash equilibrium. In repeated games, they may co-operate knowing that the gains over time outweigh the gain from cheating once. In infinite games, Axelrod advocated a tit-for-tat strategy which meant that if an agent should copy the moves of the other. If Agent A cheats, the Agent B refuses to co-operate in the next round. If Agent A starts to co-operate, then Agent B should forgive

For instance, when the King of Eguato could not pay what he owed to the English, he went over to the Dutch (Daaku, 1970:43). Amongst the slave-trading kingdoms themselves, there were changes in regime. However, it seems as if successive African kingdoms were very aware of the gains from cooperation. They frequently seem to have operated a system of forgiveness, as would be predicted by Axelrod's tit for tat strategy. When the Akwamu were overthrown in 1730, the new overlords of Christiansborg (the Danish fort) were the Akyem. The Akyem accepted good relations with the Danes, despite the Danish alliance with the Akwamu (Justesen, 2005:xviii). The king of Dahomey forgave the French for sheltered some of his defeated Hueda enemies (Law, 2004:52-3). The importance of the local overlord was clear. For example, the king of Fetu directly intervened in the choice of the new governor of a Danish fort, after a rebellion. The kingdom of Fetu also helped a Dane capture the main Swedish fort of Carolusburg (at Cape Coast) (Justesen, 2005:xvii-xviii). The king of Denkyira intervened in European affairs and his messages accompanied the English to the king of Akwamu to ask if they could settle at Allampo (Daaku, 1970:69).

One of the main slave-trading centres was at Ouidah, in the kingdom of Hueda. 'The *Hueda* pursued a unique trading strategy, allowing Europeans from all the principal trading nations to establish permanent posts in order to secure access to a constant supply of slaves' (Kelly, 1997:355). Initially, the Europeans were not allowed forts and they were not based near the coast. They were given unfortified lodges inland at the Hueda capital of Savi. This situation continued until 1727 when the Kingdom of Dahomey overthrew the Hueda. (By then the Europeans already had their forts at Ouidah.) The lodges at Savi were next to the king's palace, giving the king an overview of the Europeans' activities. The Hueda built the lodges to local designs (Kelly, 1997:358). It was clear that Europeans would have to live as the Hueda decided. Kelly argued that the Hueda were ensuring that no single European nation would be able to gain ascendancy over them. This attitude was also behind the decision to allow several European forts to be built at Ouidah. Daaku argued that European traders did not 'come together to present a united front', but competed to the ultimate advantage of African traders (Daaku, 1970:37). Europeans agreed in 1704 that Ouidah should be a free port. Ships could not be attacked in the vicinity even when Europeans were at war. However, the European slavers did intervene to put their nominee on the Hueda throne in 1708. The new king had to grapple with the local African trading elite (Rodney, 1975:244).

The French factory at Ouidah had been destroyed in a local war in 1692. The French requested its re-establishment. Initially, the King of Hueda was only willing allow them a lodge at Savi. He then changed his mind, and allowed a lodge at Ouidah. He then permitted its fortification, and supplied over 400 men and women to help in its construction (Law, 2004:31). This is an interesting circumstance, which showed investment in fortifications by the Africans themselves. When Europeans were restricted to their lodges at Savi, they were next to the royal compound. Kelly argued that this enabled the king to keep an eye on the Europeans and impress them with his power (Kelly, 1997). However, the close proximity would also have allowed the Hueda and Europeans to get to know one another. The king's granting of concessions

and co-operate in the next round. In finite games, there is an end game where there is an incentive to cheat (Axelrod, 1984).

and then his active support in building fortifications implies that he saw the slave trade as a joint-project. In the building of the French fort, at least, the costs were shared.

Law argued that the larger Gold Coast forts at Elmina and Cape Coast Castle were strong enough to challenge local power. He claimed that the Hueda king had deliberately avoided a similar situation at Ouidah. The Ouidah forts were much weaker militarily than the Gold Coast ones. The English, French and Portuguese forts at Ouidah were built within c. 500 metres of one another. Ouidah itself is not directly on the coast, but inland. A lagoon lies between it and the sea. No forts were permitted at the seaside. There was no sheltered harbour, but heavy surf which made it impossible for large vessels to approach. Loading and unloading of cargo had to be done by canoe (Law, 2004:11-36). The Ouidah forts were not able to protect landing-places and ensure their supply route in case of a siege. This was an unpromising location from a purely European perspective, yet it was a major slave market. This is because it suited the Africans, and they were able to dictate to Europeans where they could do business.

Davies argued that forts brought Europeans into African affairs, and that this was detrimental to European interests by using up their time and resources.¹⁷ In certain places, such as Elmina and Axim, European governors were given the right to preside over judicial proceedings. They were seen as independent arbiters (Daaku, 1970:59). Europeans might also help their allies with military support. The French helped African allies who had been displaced by the Berbers. (The Berbers had been trying to stop the Atlantic slave trade) (Barry, 1998:50-4). However, these alliances (and their costs) were entered into because African overlords helped their European tenants. Various examples have already been mentioned, including the Dutch using African support to attack the English or the Hueda building the French fort.

As European nations combined military activities with trading ventures, they were locked in Prisoner's Dilemma games. Instead of the gains from free trade and peace, European states were unable to resist trying to grab opportunities by force. Unchecked competition between Europeans could be destructive. For example, the English built Fort James on an island in the River Gambia. The French repeatedly captured the fort, but lacked the manpower to hold it. So, they devastated it and left (Lawrence, 1963:41). In turn, the English were able to attack French trading posts. These attacks (sometimes with the backing of naval ships) were an extension of the power struggles originating in Europe. There are instances of European companies voluntarily putting the needs of their trade ahead of warmongering. During the First Anglo-Dutch war, there was an agreement between the English and Dutch companies. In the absence of direct orders from home, they would not attack one another. If orders came, they would give each other ten days notice before commencing hostilities (Daaku, 1970:16). However, it was more common that the companies would follow national policy and help their allies. For instance, when Portuguese ships were being harassed by the Dutch, they put themselves under the protection of an English man-of-war (Justesen, 2005:376).

¹⁷ See above.

The Hueda forbade the Europeans to fight each other (Law, 2004:36). This is because they would needlessly disrupt the trade. The Hueda did not gain from warfare on their territory, but they did benefit from European rivalry elsewhere. This ensured that no European nation was powerful enough to push its rivals off the coast. Otherwise, Hueda dependence on European sea power would have been dangerous. Kelly wrote, 'If the Europeans were driven to leave, the resources and trade *Hueda* power was built upon would collapse' (Kelly, 1997:362). Indeed this is true for all the African kingdoms involved in the Atlantic slave trade. None of them had the power to ship slaves across the Middle Passage for themselves. However, the problem would only arise if the Europeans left *en masse* and were not replaced by some other seafaring group, say North Africans. The loss of one European competitor did not matter.

FORTS AS PUBLIC GOODS OR PRIVATE WAREHOUSE?

Some potential uses of forts have already been discussed. As warehouses, they were only useful to the Royal African Company. Forts also had some of the features of a public good.¹⁸ The forts protected the harbour (and harbour fees could be charged). The availability of a safe harbour for the Royal Navy was part of anti-piracy measures. In addition, fort officials gathered information about pirates and judged piracy trials (Paul, 2007). Anti-piracy measures benefited all traders in those waters, whether they docked at a particular harbour and paid their fees or not. Another type of public good is the provision of diplomatic services. Company officials had built up relationships with the local elites. They could then provide information regarding their customers' tastes, but they could also intervene if their fellow countrymen were in difficulties. The market may not supply the socially optimal amount of public goods.¹⁹ Therefore, governments can intervene to provide them. This is a good economic reason why government subsidies or monopoly rights might be used to support the forts.

Parliament could have listened to the opinions of ship traders who argued that forts were superfluous. However, there is a selection bias issue. Parliament was only told about successful voyages and not about the independent traders who failed. In order to trade where there were no forts at all, ships must have gone longer distances. Even if ships did not use protected harbours themselves, they still benefited from the joint efforts of the Royal Navy and the Royal African Company to deal with pirates and hostile European rivals. Forts were part of the national strategy to defend private traders whether they acknowledged it or not.

The forts were of differing levels of fortification and size. Some were glorified factories, which acted as trading stations. Therefore, as a fortified warehouse for goods, they kept out thieves. Only the larger forts had pretensions to being able to resist long sieges. Not all forts were the same, and they can only be discussed as being fit for purpose, if their purpose(s) are known. Parliament was told that the forts were a defence against 'natives'. The term 'natives' could conceivably refer to anything from

¹⁸ A pure public good is non-excludable and non-rival. In other words, no one can be blocked from using it and the amount that one person consumes does not reduce the quantity available for anyone else. The classic example is a lighthouse.

¹⁹ The optimal level of provision is when marginal social cost equates to marginal social benefit. However, as individuals can use the public good without being required to pay for it (free-riding) then it is likely that too little of the good is produced. For example, society might need five lighthouses, but public subscription only raises enough money for three.

the local army to petty thieves. However, it is clear that the main stated role of the forts was defensive. Parliament did not mention them as symbols of power (such as Edward I's Welsh castles) or bases for further expansion (such as Crusader fortifications). Therefore, with no clear idea of the level of African attack envisaged, it is difficult to judge whether resources were allocated efficiently.

Some answers can be found in the actual structures themselves. Lawrence noted that the forts' defences were strongest to seaward. He stated that trouble from the landside was more frequent, but not as dangerous as naval cannon (Lawrence, 1963:77). This seems to imply that in relation to Africans, the trouble was expected to come from small raids rather than the assault of the local army. From the land-side, the forts appear to be more fortified warehouse than stronghold. This makes sense when it is clear that without the co-operation of local elites, the African trade could not continue.

AFRICAN KINGDOMS' ATTITUDES TO THE FORTS

African kingdoms had to give permission for forts to be built. The Hueda had initially refused but then changed their minds. African kings must have felt that they gained something from an alliance with a European company (and by extension its home country). Firstly, fort officials may have been more responsive to changing African demands for goods. Independent ship traders could undercut the fort trade, but might not have been so able to tailor their cargoes to suit all local requirements. Secondly, as has already been noted, European nations did give help to their allies. Thirdly, Davies believed that forts might have the advantage of being certain, known markets (Davies, 1970:127).

There would be a co-ordination problem to get buyers and sellers to the same location. However, this could be solved by having a set market-place rather than a fort. It was clear that Africans would accept certain items as money (e.g. cowrie shells) but they particularly wanted a mix of imported goods. A barter system always has the problem of co-ordinating the wants of the buyers and sellers. A money economy makes it easier for agents to buy from one trader and sell to another. So, ideally, the African traders would have sold their slaves in return for money. Then, used money to buy the goods they required from a separate set of importers. However, it was not feasible for a separate class of importers to emerge. It was not easy to sail from Africa directly to Europe. Therefore, all the ships at the coast were likely to be in the triangular trade. Due to piracy and other attacks, ships were heavily armed. The huge capital investments favoured a smaller fleet of large ships. Therefore, it was the slaving ships themselves which brought the imported goods the Africans required. As slavers' priority was gaining a cargo of slaves, they were not going to sell their precious trade goods for money. Africans knew that they were dependent upon the slave ships themselves for the mix of imports required.

It would have been in European interests if Africans accepted standardised goods. It was in African interests to have a choice. The fact that the Africans were able to insist on a mix of goods, and not simply one or two items, again shows the strength of their bargaining position. Europeans were usually obliged to trade with more than one kingdom and had to tailor their goods for export accordingly. This was a costly and wasteful process. Danish records show the trade was so complicated that it took two

years to master it (Justesen, 2005:xxvii). If no Europeans were based on the coast, then ship trade alone might not be as responsive to African demands. The lack of warehousing might restrict the range of goods available.

If the trade had only been conducted from ships, then much of the activity would happen at sea. Land-based kingdoms would have had no leverage. In addition, the depredations of pirates undermined the slave trade. Without local European bases, some of the information and support for naval activities would no longer be available. This might lead to a greater problem with piracy, which the Africans themselves could do little about. The number of forts and their locations might also have benefited Africans. More forts meant more warehousing for goods; increased competition between forts, and shorter travel distances to a known market.

THE OPTIMAL NUMBER OF FORTS

A well-built and maintained fort was costly. Spreading resources too thinly could be disastrous. For example, when the Danish fort of Christiansborg got into a poor state, the company slaves all ran away (Justesen, 2005:405). At some point, the cost of building another fort (marginal cost) begins to outweigh the extra benefits generated by that fort (marginal benefit). One fort could provide a secure warehouse and room for personnel. Building extra forts required that they brought in some sort of extra benefit. As forts provided public functions, they were partly a public good. They were maintained (partially) with state support. The optimal number of forts for the Company's private trade might not be the same as the number needed to support the trade in general. The company might have private incentives to build extraneous forts, and those resources could have been used elsewhere. Building a small number of forts would have reduced the costs borne by the Company and also by the public. The case for subsidising principal forts is that they served a purpose beyond private trade. Fort personnel and protected harbours were part of the campaign against piracy. Forts and their officials could also with changing local tastes and store excess goods securely. However, the proliferation of subsidiary forts is a different issue. They were the 'walls' criticised by the pamphleteer quoted above.

In effect, the Company's opponents were positing that there was a principal-agent problem. The principal (in this case, the state) entrusted the trade to its agent (the Royal African Company). The agent may over-expand due to misaligned incentives.²⁰ The company might benefit from building extra forts which boosted its own trade slightly, but which were paid for out of public money or from the benefits of monopoly. However, these forts might not have made much difference to the Royal Navy's anti-piracy measures for instance. This is the type of situation which the pamphlet was criticising. This is an issue which is remarkably difficult to examine as the public functions of the forts were often the provision of services. These services are hard to quantify now.

²⁰ The agent equates its own marginal costs to its own marginal benefits to find the optimal number of forts, from its perspective. This might not mean that marginal social costs are equated to marginal social benefits. In other words, there might be an under or over supply. In the case of the forts, opponents argued that the agent (the Company) was using state support to pay for extraneous forts and that the benefits to society did not justify the extra cost.

The state's choice of a joint-stock company might itself have been an attempt to avoid another principal-agent problem. A classic difficulty encountered by bureaucracies is that managers 'empire-build'. If the forts had been run by state bureaucrats, buildings might have been maintained after their trading life had ended due, to bureaucratic inertia. If the forts had been maintained by the military or navy, it is likely that they would have been used as primarily military installations rather than trading locations. The military might have concentrated too many resources on fortifications and spend its time attacking other European forts or upsetting the Africans. As company officials had to live in the forts, then they had a personal incentive to maintain them to a reasonable degree. However, as traders, they had to devote some resources to the needs of the trade. Bureaucrats and military officials had less incentive to do that, and more incentive to divert resources towards fortifying their home.

Although, the optimal number of forts is debatable, one was clearly insufficient. Europeans preferred to have several trading locations along the African coast. Lawrence listed the principal forts and their ownership. In 1700, England had thirteen forts of various sizes. Four of these he judged to be 'less important'. In the same year, the Brandenburgers had five; the French five with one marked 'less important'; the Portuguese and Danes both had one each, and the Dutch had twelve with one marked 'less important' (Lawrence, 1963:15). Forts were built and also changed hands after this point. However, in 1700, the Dutch, French and English were really the main players. They had a headquarters and various subsidiary forts. The mortality rates on the Caribbean and American plantations and mines required huge numbers of new arrivals to fill the ranks. On the African coast, there might be local shortages of adult slaves for sale. Sometimes a slave ship had to make several stops in order to get a complete cargo.

This variance in supply might explain why Europeans did not target a specific area of coastline. If they had done, then they could have then forged links with a smaller number of African kingdoms. Information and co-ordination costs would have been lower. Resources could have been put into building and maintaining an uninterrupted line of their own forts. This would mean that fewer forts would have been within sight of a rival fort's guns. National naval support could have targeted a particular area of coast. As each nation could not rely on getting a sufficient number of slaves from any one African region, then each nation was required to travel larger distances. This meant that several forts and protected harbours were useful. However, this does not explain why forts were built so close together.

Initially, only the Portuguese had a fort at Elmina. Then the Dutch built one 12 miles away. Lawrence argued that the Dutch competition started to undercut the Portuguese (Lawrence, 1963:25-6). All along the Gold Coast, the Europeans had forts quite close to one another. If ship traders were absent, or their goods were not suitable, then African traders would have to choose between forts for their trade. If two forts are close to one another, then they will have to compete fiercely for the available slaves. If they were further away from one another, then it is likely that Africans would go to the nearest one. This would mean, *ceteris paribus*, that fort traders would have more bargaining power the further away they were from another fort.²¹ So, by deliberately siting a fort near to a competitor, the fort builders were anticipating increased

²¹ This is a locational advantage.

competition. In the Hotelling model, competitors choose to base themselves next to their competitors precisely to remove the competitors' locational advantage.²² By reducing the likelihood that African traders would choose forts purely by location, fort officials were relying on being able to compete in other ways. For example, an English fort might rely on its ability to provide cloth in certain colours. This indicates that, again, Europeans were locked into a Prisoner's Dilemma game where they decided to be highly competitive, rather than collude to fix prices. Ultimately, it was their African customers who would benefit.

If one European nation (say the Dutch) had managed to get a line of forts, then this might affect African traders' choices. A trader would have to pass a number of Dutch forts to reach a non-Dutch fort. This might increase the chances that a trader would choose to visit a Dutch fort. In addition, the number of landing places away from a fort's guns would be reduced. This might affect ship traders as they could be forced to pay harbour fees. In 1700, there were patterns of three forts in a row for the Brandenburgers and English (see Figure 2.). The Dutch even managed to get six forts in a row. The English fort at Anomabu was flanked by two minor English forts. In 1700, between Cape Coast Castle and Winneba, there were six intermediate forts. They were owned either by the English or the Dutch. Cape Coast and Winneba are only ninety miles apart. The intermediate forts are not evenly spread along the coastline, but lumped together. From 1701 to 1750 further forts were built all along the coast (See Figure 3.). The Portuguese only built one, and it was adjacent to an existing Portuguese fort. The Dutch and English built several and also took over existing forts. The Dutch managed to get a further three in a line round Axim. The English refounded their Sekondi fort which broke up a line of Dutch forts. Each nation added a fort apiece near Accra where they both had forts already. So in some cases, additional forts were creating an unbroken line. Yet they were too close together to be provide any extra benefit in terms of Afro-European trading relations or information gathering about pirates.

The pattern of fort building shows that companies were not focusing on new territory. They were carving up the existing coastline. They were deliberately increasing the severity of competition between Europeans. Although this used up a lot of resources, it is not clear that there was any other way. The ship trade might not survive without forts. The more forts there were, the more difficult it might be for ship traders to find an unclaimed harbour. Although they could dock in fort harbours and pay fees, it was always possible that they might be refused. Each nation was wary of selling off its forts, and did so only in extremis. It was unlikely that one nation could gain monopoly rights at the coast as the Africans themselves did not permit it. However, it seems as if the stronger companies were attempting to gain ascendancy piecemeal, fort by fort. Forts might be taken by force. Or, there might be voluntarily relinquished as their owners' struggled to keep them supplied. Eventually, the minor players in the trade reduced their holdings. For example, of the three Brandenberger forts, two went to the Dutch (Lawrence, 1963:15). Then, although the ship trade might continue, the fort trade was concentrating into fewer and fewer hands. The aim was to push out European rivals and therefore alter the relative bargaining positions of Europeans and Africans.

²² Although the Hotelling model concerns identical firms in a monopolistic competition, the argument that location is a differentiating factor can be applied here (Hotelling, 1929:41-57).

MAP OF FORTS ON GOLD COAST IN 1700

GOLD COAST
(Modern day GHANA)

GULF OF GUINEA

Source of information: A.W. Lawrence,
Trade Castles and Forts of West Africa

KEY

Nationality

- Brandenburger fort
- Danish fort
- Dutch fort
- English fort

Size of fort

- Very small fort
- Medium to large fort
- HQ Headquarters

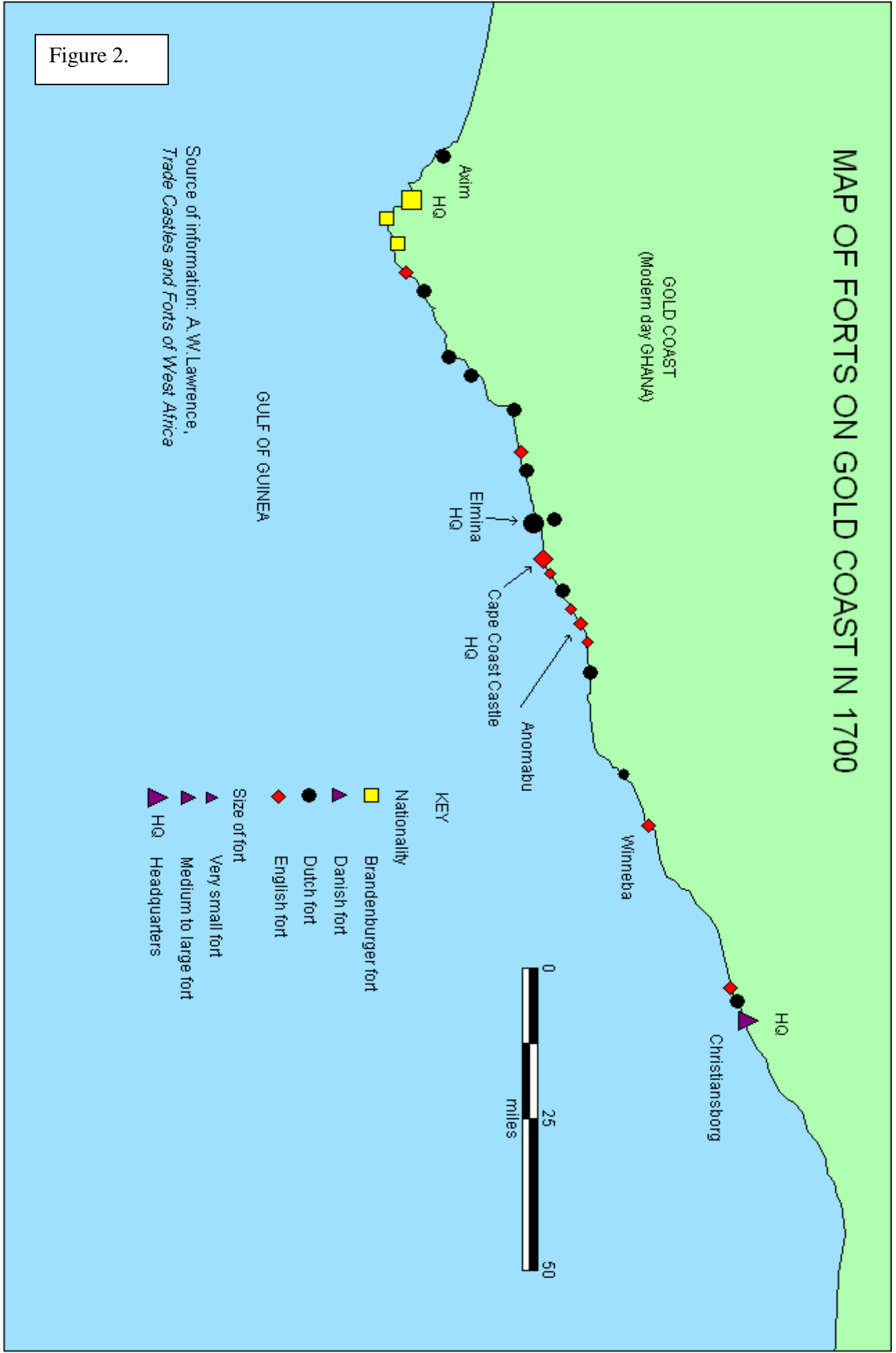


Figure 2.

MAP OF FORTS ON GOLD COAST IN 1700 WITH CHANGES MADE IN 1701-1750

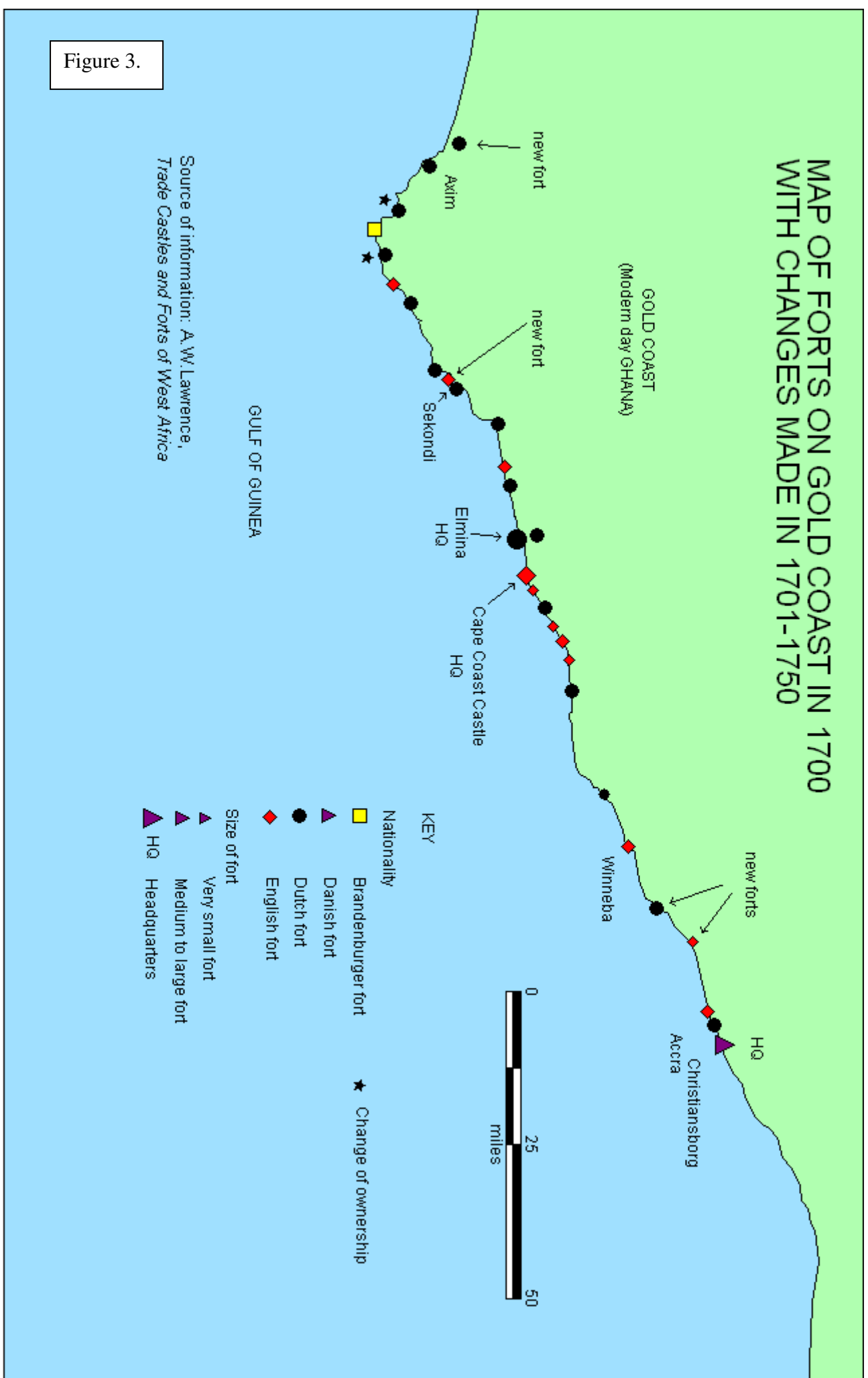


Figure 3.

Source of information: A.W. Lawrence,
Trade Castles and Forts of West Africa

CONCLUSION

European fiscal-military states may well have been more developed than African kingdoms. This did not mean that Europeans always had a stronger bargaining position than Africans did. Firstly, there was the military strength of the Africans. Secondly, African traders were necessary to bring slaves from the interior to the coasts. Thirdly, despite the importance of financial innovation in the long run, European state finances were stretched. European states were locked in a competition with each other played out in both commerce and warfare. The Europeans had a more sophisticated financial system and, overall, greater military strength than the African kingdoms. This did not translate into greater power on the African coast. They did not have the resources to invade and then hold African soil (given their commitments elsewhere). African kingdoms had fewer resources overall, but these resources were concentrated into one region.

The forts which were built by Europeans were only permitted through negotiation with the local African elites. Forts were meant to facilitate the slave trade by holding slaves; providing a secure storehouse for goods; giving some protection from attack but also being living quarters for company officials. The investment in the trade was often an investment in these officials and the ongoing relationships with African kingdoms. The forts were never meant to stand alone, but were complemented by the direct support of the Royal Navy and the supply of goods from or via Europe. Without the combination of these elements, (the forts, naval backing and trade goods) the company would lose out to other nations. The forts acted as a guarantee that there was somewhere on the coast where ships could refit and supply themselves with fresh goods. Fort officials were also a source of local information, and spent much time engaged in diplomacy with the Africans. African support could be extremely important in dealing with a variety of issues including the proxy wars fought between companies.

Each fort was costly, and yet there were large numbers of them, often sited near one another. If a fort merely provided secure warehousing for goods, then a central depot might have sufficed. A fort also provided a secure harbour and a location where employees could live in relative comfort. Again, these purposes might have been served by one or two large forts. There would have been fewer fixed locations to provide targets for attack. The proliferation of forts, and their proximity to one another, implies that Europeans were involved in a competition akin to an arms race. Each nation invested heavily in forts in the hope that it would eventually dominate a stretch of the coast. As it was unlikely that any European nation could overthrow the African slaving kingdoms, this would be achieved by pushing out European rivals. One method was by attrition. Extra forts might not have brought in extra profits directly, but they blocked out rival attempts to create a line of forts. At some places, it was almost like a game of noughts and crosses. Forts had some of the functions of public goods, and they were also of strategic interest. Therefore, they are better described as being part of the world of fiscal-military states, and not merely an interlude on the way to free trade.

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