COASTAL SHIPPING AND THE EARLY DEVELOPMENT OF THE SOUTHERN CAPE

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During the Dutch East India Company's rule, the economic potential of the region east of the Hottentots-Holland Mountains remained largely untapped. By 1795 there were only two small villages in this vast area: Swellendam and Graaff-Reinet, the latter containing only about a dozen houses. Two factors, in particular, were retarding economic progress: the lack of local markets for agricultural produce and the distance from the market in Cape Town.

ECONOMIC CONDITIONS IN THE SWELLENDAM DISTRICT

Even though Swellendam was closest to the Cape market, most of the inhabitants of the district were, by the beginning of the nineteenth century, still only tenuously linked to the money-economy. Under favourable conditions the journey between Cape Town and the village of Swellendam involved a travelling time by ox-wagon of as little as sixty hours; however, after this journey the wagons would commonly require extensive repairs as they were often "shaken to pieces" by the uneven terrain. The rapid depreciation of the relatively expensive ox-wagon as well as the frequent loss of draught animals were two major factors responsible for high costs of overland transportation, which restricted the marketing of agricultural produce to relatively valuable commodities such as butter, soap and timber. Grain and other bulky, low-priced products could not be marketed at a profit if they were produced beyond a radius of about 100 kilometres from the Cape.

The village of Swellendam was a small commercial centre consisting of 20 to 30 houses, whose residents made a living mainly by trading with the travellers who passed through the town. As it was the only village on the main road between Cape Town and Graaff-Reinet, travellers usually spent a day or two there, particularly as their wagons commonly needed repairs. As a result the village's blacksmiths and wainwrights were among the most prosperous of the residents. Elsewhere in the district some residents were also able to sell bread, grain, wine, brandy and other produce...
to travellers to and from the interior. In general, however, Swellendam was too far from Cape Town to allow its residents to market their products on a regular basis; consequently it could "only serve as an intermediate centre for the administration of the colony and as an abode for those who wished to have little to do with other mortals".

This was even more true in the case of the Graaff-Reinet district whose additional distance from the Cape market meant that opportunities for participating in the market economy were generally even more limited, so that residents were typically even more self-sufficient than they were at Swellendam.

The village of Swellendam in 1793.

The possibility of reducing transport costs by introducing a coasting trade was often raised by visitors from countries where shipping formed an important element of the local transportation system. Thus, in the 1770s Andries Sparrman advocated the establishment of harbours at Mossel Bay and elsewhere along the eastern coast. This possibility had, in fact, been investigated by Governor Jan de la Fontaine and a party of officials when they visited Mossel Bay in 1734, but they had gained a poor impression of its capabilities as a harbour.

THE MOSEL BAY HARBOUR

Towards the end of the eighteenth century farmers in the Swellendam district, in the vicinity of Mossel Bay, had achieved good results with the production of wheat for their own use. Only the cost of overland transportation precluded the marketing of wheat. In an effort to procure more wheat for the local and export markets, the Dutch East India Company decided in 1786 to have a granary erected at Mossel Bay, where wheat would be bought from farmers and stored until it could be shipped by sea from Mossel Bay. The first cargo of wheat was accordingly shipped at this port in 1788, when a Company vessel was laden with wheat bound for Batavia. The colonists were still not permitted to export wheat themselves, but from this time they apparently began to use the Company's vessels to ship other products from Mossel Bay to Cape Town. Thus the opening of Mossel Bay as a harbour served to encourage grain production at Mossel Bay and in 1800 it shipped 3000 muids of wheat and barley (approximately 300 tons) from Mossel Bay to Cape Town. But this was apparently once more an isolated event. When General J.W. Janssens visited the area in 1803, he found that the granary was unused and in a dilapidated state.

PLETTELENBERG BAY

In 1788 the Company also decided to establish a harbour at Plettenberg Bay (which was named after Governor J.A. van Plettenberg, who visited it in 1778). A magazine was erected where timber could be stored prior to shipment, and allotments of land were made to some private woodcutters who undertook to cut and sell the timber to the Company at fixed prices. The first shipment of timber, which was to be used by the Company for building purposes, wagon-making, gun carriages and furniture, left the port in 1788. However, during the Company's rule this coasting trade in timber, which remained in the Company's hands, never assumed significant proportions and nothing else was shipped from Plettenberg Bay. Foreign ships sometimes called at Plettenberg Bay because of the availability of cheap provisions, water, and timber but the Company discouraged this practice as it reduced its earnings from fees and provisions at the Cape. The opening of the port therefore did little to stimulate the economic development of the region. The situation towards the end of the Company's rule was therefore that the coasting trade was limited to occasional shipments of wheat and timber from Mossel Bay and Plett...
tenberg Bay and that this was done in the Company's own vessels as and when it deemed it necessary. Private enterprise was only allowed to enter this field in 1792 as a result of recommendations made by the Commissioners S.C. Nederburgh and S.H. Frykenius. They granted various liberties to the colonists, including the right to establish whale fisheries and restricted rights to engage in the coasting trade and export their produce to Dutch possessions in the East from the ports of Cape Town, Mossel Bay and Plettenberg Bay (provided the ships were built in Holland). A few colonists made use of these new opportunities.

A company formed by O.G. de Wet bought a small vessel from the Company for 15 000 guilders; it was soon lost in a storm. J.J. Vos acquired a ship for the coasting trade and also made voyages to the East, but the ship was subsequently captured by British men-of-war. Three Van Reenens had a small vessel which traded with St Helena and elsewhere. However, these shipping activities were conducted on a very small scale and were, in any event, largely eliminated in 1795 when heavily-armed British cruisers found the Cape vessels an easy prey. Overall, the private coasting trade therefore had little effect on economic development before 1795. Had the concessions been introduced earlier, the economic history of South Africa might have been significantly different.

DEVELOPMENTS AFTER 1795

The abolition of most of the Dutch East India Company's restrictions on internal trade in 1795 provided an atmosphere conducive to growth; but it could not alleviate the physical restraints on trade imposed by the Colony's geography. Some farsighted individuals therefore continued to stress the desirability of introducing a coasting trade between Cape Town and various suitable places along the eastern coastline.

About 1801 Robert Percival made a perceptive analysis of the influence of transport systems on economic development. The Colony possessed many natural advantages, he argued; yet (in his own words) it had remained "unproductive ... feeble and impotent" because people in the interior were "bigoted" in their ways. Percival concluded that "... butter, corn, wine and other articles of husbandry become incalculably dearer in Cape Town by being conveyed in waggons instead of being put on board ... coasting vessels at the different harbours or mouths of rivers ... If the transporting of articles by water were carried into effect, such a market would be opened for the produce of the interior that it is impossible but industry must be stimulated; and these deserted and solitary harbours might be the means of enriching the colony beyond computation. Market towns would soon necessarily be erected in various ports along the coast ... manufactures ... might be established in the neighbourhood of the markets ..."

Such developments had, in fact, already started and others were about to commence along the Cape coast. Through the efforts of a number of enterprising individuals, the Cape south coast was about to become much more closely linked with the Cape market.

THE BREEDE RIVER

Percival's interest in the coasting trade was shared by various governors of this era. In 1800 Sir George Yonge instructed the landdrost of Swellendam to examine the suitability of the Breede River for navigation. He reported that the river was navigable "up to six hours inland, and there are excellent, safe landing-places for small vessels along either bank".

In 1803 Governor Janssens also inspected the river and was given a similar opinion by D.G. van Reenen who accompanied him (and who had a farm near by): "I do not doubt that if this shipping trade were established, a considerable number of inhabitants would prosper by it ... it is only the expense connected with the transport of produce to the Cape that impoverishes the local inhabitants ... [it is] the most difficult problem with which the farmer has to contend, taking into consideration the distance of the farms and the bad state of the roads along which everything has to be carted." It is interesting that Van Reenen himself was not willing to initiate such a venture, even though it was probably well within his means. He, as well as most colonists, appeared to have thought that the government should take the lead. Thus W.B.E. Paravicini di Capelli, who accompanied him, felt that a shipping service would have to be undertaken by the government because the farmers themselves were "too indifferent" to promote it ("...de proefneming tot deeze verbeetering zal door het gouvernement dienen te geschieden, want helaas! de landbewoonder is te onverschillig").

BENJAMIN MOODIE AT PORT BEAUFORT

Nothing more was done, however, until 1816, when Lord Charles Somerset had the river re-examined and it was found that small vessels could enter from the sea in fine weather and that, above the bar, the river was navigable for 50 kilometres by ships drawing less than two metres of water. Convinced that a harbour would come into existence there, Somerset named the east bank of the mouth Port Beaufort (after his father, the Duke of Beaufort). In the very next year (1817) the Scottish colonizer, Benjamin Moodie, in partnership with Cape merchants, started a coasting trade with Cape Town. Moodie, who had settled at Swellendam in view of the commercial opportunities which would be presented if coasters could be induced to call at nearby Port Beaufort, found it difficult to persuade Cape ship-ners to make regular calls at a port which did not have any facilities. However, by 1820 a warehouse had been built on the river bank from where ships departed with cargoes of wheat and other produce, returning with general merchandise which was sold to the local farmers.

28 The following examples are derived from C.F.J. Möller, Vyf honderd jaar Swaaf-Afrikaanse geskiedenis (Pretoria, 1980), pp. 99-100.
29 Ibid., p. 100. See also G.M. Theal (ed.) Records of the Cape Colony I (London, 1897), pp. 408-410.
31 Quoted by E.H. Burrows, Oeverberg outspar. . . (Cape Town, 1952), p. 231.
32 Bloemert and Wild (eds.), op. cit., p. 49.
33 De Kock (ed.), op. cit., p. 21.
37 Port Beaufort was 64 km from Swellendam.
JOHN MURRAY AT MOSSEL BAY

One of the main pioneers of the coasting trade and the founder of Mossel Bay as a commercial centre was John Murray, a Scotsman who settled at the Cape during the first British occupation. At the Cape he soon acquired substantial interests in whaling, trading, and shipping. In 1798 he bought the assets of the whale fishery belonging to Messrs. Fehsen & Co. (which had been established in 1789) and under Murray's management the enterprise flourished in the next few years. During the first British occupation the firm's whaling activities extended as far as Algoa Bay, Plettenberg Bay, and Mossel Bay (with catches of up to 30 whales recorded in a season at Mossel Bay), although no whale fisheries were established on shore at these places. After 1806 he also established a whale fishery on Robben Island which produced whale oil and bone for export to London.

Soon after his arrival Murray became interested in the possibility of shipping timber from the forests of Outeniqua-land to the Cape. He also perceived that the woodcutters and farmers in that region could be induced to supply timber in exchange for merchandise brought from the Cape. This led him to acquire a brig for the coasting trade with Mossel Bay and to establish a trading store a few miles from the Bay at the Geelbek's River. By 1797 he was conducting a lively two-way trade between Cape Town and Mossel Bay. 

In this year and part of 1798 his brig was commanded by another Scottish immigrant, James Callander, who subsequently promoted the use of Knysna as a harbour. Murray's trade was lucrative to himself and beneficial to the residents of the region. His store, run by a resident agent, was well stocked with necessities — including clothing, leather goods, implements, hardware, and ammunition — and was described as a great convenience to farmers who would otherwise have had to obtain their requirements in Cape Town.

When General Janssens visited Mossel Bay in 1803 Murray's small vessel was lying in the Bay and the brig was loaded with beams and planks, which Murray had obtained at his trading station from farmers who came from the Outeniqua forests. The farmers were "not quite satisfied" with the prices paid for their timber, as Murray was the only merchant in the region, and "he did not pay them for their products in proportion to the value he received for his goods." Nevertheless, they traded there because they were better off than they would have been if they had gone to the Cape themselves. Furthermore, Murray's shipping enterprise was subject to high risks of heavy losses, risks which would only be worth taking if the potential profits were commensurate. Indeed, a few years later Murray lost two vessels within a very short time on the Agulhas reef.

In any event such monopoly profits as were to be had at the time soon disappeared owing to increasing competition in the coasting trade, since other Cape merchant-shippers also began to call at Mossel Bay.

BARRY'S BUSINESS EMPIRE

Moodie's business activities were important in that they proved the feasibility of Port Beaufort as a harbour and the potential for two-way trade between Cape Town and the Swellendam district. It was on this foundation that Joseph Barry, who arrived at the Cape in 1817, built when he began his trading activities in Port Beaufort in 1822 — activities which soon surpassed those of Moodie. Barry created a regular cash market in the Overberg by buying up the farmers' produce on the relatively unstable Cape Town market on behalf of and at the risk of the producers. In 1823 Barry opened a store at Port Beaufort and the next year one in Swellendam, which became his headquarters. By this time he owned a brig and had an interest in at least two other coasting vessels, and he was operating all along the coast between Cape Town and Algoa Bay. Thus, in 1823, he shipped large quantities of grain to Algoa Bay and the Kowie; on their return voyages his ships brought "sundry articles of trade" to Port Beaufort or conveyed troops and cargoes of timber and salt to Cape Town. He also traded with St Helena at that time.

By 1825 Moodie's shipping activities had been almost entirely eclipsed by those of Barry since the landdrost of Swellendam stated that "the keeping up of a permanent navigation must be attributed entirely to Mr. Barry whose exertions have been indefatigable, and the capital employed by him very large".

As a result of these developments and particularly of Barry's efforts, the Swellendam region obtained a regular market not only for its grain (it subsequently became one of the major grain-producing regions in South Africa) but also for a variety of other agricultural produce, many of which had previously been virtually unmarketable. Owing largely to Barry's encouragement, the area's wool production also increased rapidly.

The positive response of farmers to the new opportunities for marketing their produce proved "the absurdity of taxing the Dutch farmers with indolence when the principle of self-interest ... had no scope for being brought into action."
Murray may also have shipped grain from Mossel Bay to Cape Town. This was a trade that was initiated by the Company in 1788 but which was conducted so sporadically by subsequent governments that it probably had little influence on the commercialisation of agriculture before 1820. About that year, however, the government resumed purchases of grain at Mossel Bay and shipped it in a small coasting brig. At the time Mossel Bay was still in its infancy as “only two dwelling houses have as yet been built here; that of the governor resident . . . and another occupied by an agent for a mercantile house at the Cape, who has stores of various kinds to sell to the farmers of the neighbourhood.” The town of Mossel Bay was only officially founded in 1848.

DISAPPOINTMENTS AT PLETTENBURG BAY

As in the case of Mossel Bay, the initial development of Knysna and Plettenberg Bay was due to a combination of private and government enterprise. At Plettenberg Bay the Company’s experiment of shipping timber to the Cape was not a success. It involved such heavy expenses that it was discontinued when the Council of Policy concluded “that to continue this method would be most detrimental to their interests.”

In 1803 General Janssens found that the timber magazine had become totally unserviceable and recommended that a new one be constructed. He also gave instructions that samples of stinkwood and other species of timber in the forest be cut and sent to Amsterdam (from Cape Town) to ascertain whether there was a demand for any of the timber. However, these and other efforts to increase the trade in timber from Plettenberg Bay failed to have a material effect on the living conditions of the colonists in the area, so that conditions remained much as Barrow had found them in 1797: “In justice . . . to the farmers of Plettenberg Bay district, it ought to be stated that they are the only class of people, in the whole colony, which deserves the name of being industrious. To fell the large trees . . . and then to drag them out, is a work of labour and toil; and their profits are so trifling, that few of them are enabled to purchase slaves, and of course are reduced to the necessity of working themselves.”

In 1803 a Dutch entrepreneur, G.K. van Hogendorp, formulated a plan to establish an extensive colony of European settlers at Plettenberg Bay. A modern saw-mill was to be constructed to prepare timber for exportation, Spanish sheep were to be introduced for the production of wool and the land was to be cultivated to yield various types of produce for export. However, for different reasons nothing came of this plan.

KNYSNA’S LAGOON HARBOUR

At about that time events occurred which were to lead to the establishment of a harbour at Knysna. In 1798 the government commissioned James Callander to investigate the forestry potential of the coastal regions between Mossel Bay and Algoa Bay. He surveyed and charted the Knysna lagoon, which was greatly impressed by its potential as a harbour, and also reported that timber suitable for shipbuilding could be obtained in the Knysna forests. When Governor Janssens visited the area in 1803, Callander, then living at Knysna as an anchorite, met him and they discussed the possibility of establishing a saw-mill and harbour there. However, the Governor’s party doubted Callander’s statement that ships would be able to enter the lagoon through the entrance between the rocky headlands.

The major supplier of timber after 1804 was George Rex, who settled at the Knysna lagoon that year, after retiring with ample means at his disposal from a lucrative office. He had held during the first British occupation. Rex was personally acquainted with John Murray as well as with James Callander, both of whom probably influenced the direction of Rex’s subsequent economic activities. At first he exported timber through Plettenberg Bay but he soon became a fervent advocate of the use of Knysna as a port. Not only was it time-consuming and expensive to transport timber to Plettenberg Bay but the anchorage itself was not safe because of its exposure to easterly winds. Knysna, on the other hand, offered to be a more secure harbour where the handling of cargo would also be easier.

Rex’s efforts had some success when, in 1808, the government sent a brig to experiment whether a ship could enter the Knysna lagoon from the sea. However, owing to rough seas the vessel abandoned the attempt and instead made for Plettenberg Bay, where it took in some timber.
the next nine years the government continued to obtain the timber it needed at Plettenberg Bay, as did private shippers.

The next attempt, in 1817, also failed when a brig trying to enter the lagoon was driven onto a submerged rock in the entrance. However, a sloop-of-war, the *Podargus*, which was sent to fetch the crew and stores of the brig, successfully entered the lagoon. This proved the feasibility of Knysna as a port. From that time regular shipments of timber were made at Knysna for the dockyard in Simonstown and occasionally also for dockyards in England.

In 1820 the government decided to build a ship at Knysna, but the experiment failed because of damage caused by a fire and costs that were higher than expected. The potential growth of Knysna suffered another setback when the English dockyards found that Knysna timber was less suitable for shipbuilding than the traditional oak. Nevertheless, since the growth of the coasting trade with Cape Town was increasing the government stationed a pilot at Knysna in 1818. Knysna soon also became an intermediate port of call between Cape Town and Algoa Bay. From 1817 to 1839 the port was visited by 162 ships — only four of which came to grief there. These developments at Knysna sounded the death knell for Plettenberg Bay as a port.

**REX’S ACTIVITIES**

At Knysna, Rex was engaged in a variety of economic activities, including agriculture, stock-breeding, trading, shipping, and eventually also ship-building. His agricultural activities included the growing of trial crops of flax, hemp, tobacco, and silk. Surplus butter was exported to Cape Town, Algoa Bay, St Helena, and Mauritius. His experiments in animal husbandry included the breeding of horses, cattle, and sheep, merino sheep being imported from Australia to improve the local strain. But his major source of income was from the exportation of timber, felled on his extensive estates or bought from local woodcutters. For this latter purpose he opened a trading store at Plettenberg Bay where he bought timber and sold general merchandise. As a merchant he had a virtual monopoly of trade within a radius of 40 kilometres. He also owned various ships.

In 1826 Rex decided to have a ship, the *Knysna*, constructed locally. This brig of 140 tons was completed in 1831 and was used for many years to carry timber to Cape Town and to convey general cargo between Cape Town and ports along the east coast of the Colony. In 1836, while under charter to the government, the *Knysna* became the first seagoing ship to use the mouth of the Buffalo River as a landing-place. In 1837 the site was named Port Rex and ten years later Governor Sir Harry Smith changed it to East London.

Rex, the founder of Knysna, must therefore be credited with being a pioneer in many respects. Through his various enterprises he also managed to earn a very good living. Yet, in the region where timber (the main resource) was even exploited, general economic conditions remained depressed during that period. By 1823 woodcutters between George and Knysna were still earning no more than a „meagre subsistence“ by taking wagon-loads of timber to Knysna or to Cape Town. Thompson remarked: „These woodcutters are the poorest class of white people in the Colony; earning a livelihood with severe labour. „ Unlike Barry at Port Beaufort or Murray at Mossel Bay whose activities brought a substantial increase in the welfare of the regions they served, the enterprising Rex appears to have been the main beneficiary of the new harbour, at least during the first years of its existence.

**CONCLUSION**

After 1795 coastal shipping began to stimulate the development of various areas along the Cape south coast by substituting, in particular, commercial agriculture for subsistence farming. Shipping had various advantages. It brought about a significant movement towards greater specialisation, as the farmer need no longer personally to obtain his requirements of merchandise in Cape Town, or market his produce himself; transportation and trade began to come into the hands of specialist middlemen. As shipping was also considerably cheaper than overland transport, it increased the profitability of marketing farm produce, widened the range of goods which could be marketed, and lengthened the distances over which trade could profitably be conducted.

Although local residents were aware of these potential benefits of coastal shipping, they generally remained indifferent, and unwilling to shoulder the costs and risks involved. Instead, the then recent immigrants — Callander, Murray, Moodie, Barry and Rex — became the pioneers who exploited the opportunities for profit, these opportunities arose from linking the inhabitants and resources of the southern Cape coast to the Cape market. There can be no doubt that these pioneers represented an infusion of new entrepreneurial blood which the Colony badly needed.