

The Port of Liverpool and the Shipowners, c1910-38

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Cet article examine l'évolution de la relation entre le Mersey Docks & Harbour Board et ses principaux clients; il fait voir qu'avant la Grande Guerre, ces derniers pouvaient forcer le Conseil à faire d'importants investissements aux rendements douteux. Après la Guerre, le Conseil modifia ses politiques au profit de clients plus modestes, depuis longtemps démunis. Il chercha de plus à faire d'importantes économies ainsi qu'à mettre en œuvre certaines mesures de modernisation à travers le port. Les causes proposées de ce virage résident dans un changement d'image, de statut et de vigueur du marché de l'industrie du transport, particulièrement face aux propriétaires des navires les plus prestigieux, dont provenaient les plus coûteuses demandes relatives aux infrastructures.

This paper sets out to investigate the rights and wrongs of the poor relationship which existed between major (and some minor) shipping companies and the Mersey Docks & Harbour Board. Since the Board had been established by statute in 1857 to allow the port to be run by representatives of the port users for the general benefit of those users, something had clearly gone badly wrong by about 1900 to produce the situation recounted in an earlier paper.¹ Major shipping lines were fomenting wasteful competition between port authorities resulting in enormous and uneconomic investment in port facilities over the industry as a whole. In Liverpool (as elsewhere) this was particularly harmful in that investment decisions were made not on the basis of the needs of port users at large but according to the political "clout" of particular companies or interests within that wider body when complaining of inadequate facilities and the unwillingness of the Board to take remedial action.²

By the end of the period considered here the situation was much improved, the Dock Board having broadly succeeded in providing, so far as the troubled economic situation permitted, better facilities for previously neglected users, particularly the coastwise trades.

¹ A. Jarvis, "The Port of Liverpool and the Shipowners in the late Nineteenth Century", *The Great Circle*, 16 (1994), 1-22.

² Because such a high proportion of older works of maritime history were based on the archives of shipping companies it was not until Gordon Jackson's *History and Archaeology of Ports*, Tadworth, 1983, that the necessity for, and the wisdom of, such investment was questioned (Chapter 5).

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The underlying question this paper seeks to answer is, therefore, what had changed.

It is fairly generally agreed that the Great War forms a hinge-point for almost anything we may wish to write about, and while this may sometimes be an excuse for failing to find continuities, it seems fair to suggest that the war marks a change, or perhaps only the recognition of an already-existing change, in the demands made on port authorities by their customers.

The pre-war period was marked in all the major British ports by intense pressure for larger facilities and particularly for deeper entrances. Many and various were the predictions made as to the likely size of ships in the future, but all were agreed that the answer was "bigger" and differences occurred only as to how much bigger.³ An extreme result of such pressure, considered in more detail below, is the hybrid dry/wet dock completed in Liverpool as the first phase of the Gladstone Dock system, which was, in effect purpose-built to accommodate the *Aquitania*. It is interesting to note that if one extrapolates a graph of the growth of ship sizes which the Mersey Docks & Harbour Board produced in support of its 1906 Dock Bill to 1914, the size of *Aquitania* is almost exactly forecast.⁴ The most important and expensive decision to be faced was still, as it had been for at least forty years, the depth of entrances and passages. Depth did not just govern the maximum depth of ship which could be accommodated: it also governed the length of time an entrance could be used at each high tide, and thus the ship-handling capacity of the group of docks it served.⁵ What appears largely to have been lost sight of by historians is the fact that as the typical cargo ship got bigger, its "cargo density" rose rapidly. Thus an increase of length from 410ft to 570ft, with its width and depth increased in proportion, increased the cargo density from 17.94 tons/ft length to 32.21 tons/ft.⁶ The cargo capacity, instead of increasing by a little over a third, nearly doubled, thus requiring a proportionately greater area of quayside or shed floor per foot of ship to allow efficient discharge.

This problem had been addressed before the war by the construction at Sandon Dock of the first block of three-storey ferro-concrete transit sheds, which obviously had a larger density per foot of quay than did single or double-storey sheds, and they were sufficiently successful that the design proliferated.⁷ But that was in peacetime, when trade was being run

³ eg. in Sir William Mathew's "Presidential Address", *Minutes of the Proceedings of the Institution of Civil Engineers*, CLXXI (1907-08) 5th18. One of the most useful, which assesses the accuracy of previous attempts, is unfortunately unpublished: E. L. Corthell, *Dimensions of Dock and Harbour Entrances in Reference to Future Increases in the Size of Ships*, ICE Original Communications No. 4011 (1912).

⁴ Mersey Docks & Harbour Board (MD&HB) collection, Maritime Archives and Library, Merseyside Maritime Museum. Unless otherwise stated, all archive material cited is to be found there.

⁵ Though, curiously, this was only rarely mentioned at the time.

⁶ *Engineering*, 1 July 1921, 31. The express passenger liners, whose demands were so influential on dock design had, of course, very low cargo densities, some as low as 5 tons/ft.

⁷ An earlier (1894) design of traditionally-constructed 3-storey shed at Cunard's berths at Huskisson apparently worked satisfactorily, but it was the Sandon design which proved to be the way ahead.

by traders, not directed by government. The difference was that under government requisition, vessels which were needed for carrying import cargoes were not allowed to hang about looking for an outward cargo: they had to sail immediately, even if in ballast, so that an import berth was needed again much sooner than normal. Individual consignments were much larger, so that discharging was less slowed by the need to sort goods, and paperwork was simplified, again resulting in an acceleration of discharge. The end result was that sheds and roadways became cluttered with imported goods: the engineering improvements to allow more and bigger ships in and out had succeeded only too well and had snapped the next link in the chain. It is also only fair to remark that the Board and the customers alike indulged in very poor "housekeeping," resulting in clutter on the quaysides.⁸

Liverpool's capacity was already being stretched by diversion of trade from East Coast ports when Germany announced its unrestricted U-boat campaign, and the resulting adoption of the convoy system as a means of protection made the situation on the quays much worse. The business of a port has always been to handle goods rather than the ships which carry them, but the problems raised by the ships had, in the past, tended to divert attention from that simple truth. Now there was no doubt about it: it was not that more and bigger docks were needed but that the existing docks needed to be able to handle more tonnage per yard of quay. One of the essentials appeared to be the widespread application of electricity, both for craneage and for improved lighting to extend the working day. Both Liverpool and London had huge new docks under construction which would meet the changed requirements,⁹ but equally they had extensive areas of older docks on which large sums might well need to be spent.

The world into which the Mersey Docks & Harbour Board emerged from the war was one in which much had, from their viewpoint, changed for the worse. Labour was still both scarce and relatively expensive, Gladstone Dock needed more millions spent to complete it and bring some return on those already spent and the Board issued new bonds in financial year 1920-21 to the extent of £3.1 million at interest rates between 6% and 6½%: the last new bonds issued before the war had been at 4%.¹⁰ This resulted in the amount of interest on the Board's debt rising from £917,769 in 1914 to £1,175,519. Perhaps surprisingly, dock engineers seem not to have thought that such indicators as these were just the aftermath of war and would soon pass: those who took part in the discussions at the Institution of Civil Engineers' Engineering Conference exhibited a good deal of pessimism, and not merely in the

⁸ I have calculated that approximately 0.5% of the total land area of the Liverpool Dock Estate was occupied by rubbish - around 9 acres! A. Jarvis, "The Effective Size of Port Facilities: a Liverpool Case Study," unpublished paper given at the Australian Association for Maritime History Conference, Fremantle, 2001. Total non-trading occupation of quayage was in the region of 14%.

⁹ Namely the Gladstone system and the Royal Albert Dock Extension (London), of respectively 57 and 64 acres.

¹⁰ These and all similar figures quoted hereafter are, unless otherwise specified, derived from the Board's published *Annual Accounts*.

short term.¹¹ They were to be proved right.

The customers might be forgiven for thinking the Port Authorities were having an easy time, for although their costs had risen precipitately, they had been able to make increases in port dues which enabled them to stay solvent. Shipowners had been faced with massive cost increases which were beyond what their customers would bear. Sir Thomas Fisher, for example, pointed out that two similar ships built for Canadian Pacific, one just before and one just after the war had cost respectively £550,000 and £1,700,000, which, with other increased costs, raised the basic operating cost of a return trip across the Atlantic by over £60,000.¹² For those companies which had lost ships - and most had - the surge in building costs during and immediately after the war meant that war indemnity often amounted only to about 80% of replacement cost. Worst of all, many of these costly replacement ships were delivered just in time for the recession of 1921, causing an over-supply of tonnage and plummeting mean freight rates - inevitably followed by a collapse in the price of ships.

There seems therefore to be sufficient difference between the situation before and after the war to justify treating the imagined "Indian Summer," which was nothing of the kind and was characterised by a great deal of doubt, separately from the war and post-war period which for many were characterised by downright pessimism. Shipowners of the 1920s seem to have spent much of their time comparing the current state of trade with that of 1913, so perhaps we may believe that there was a genuine hinge-point.

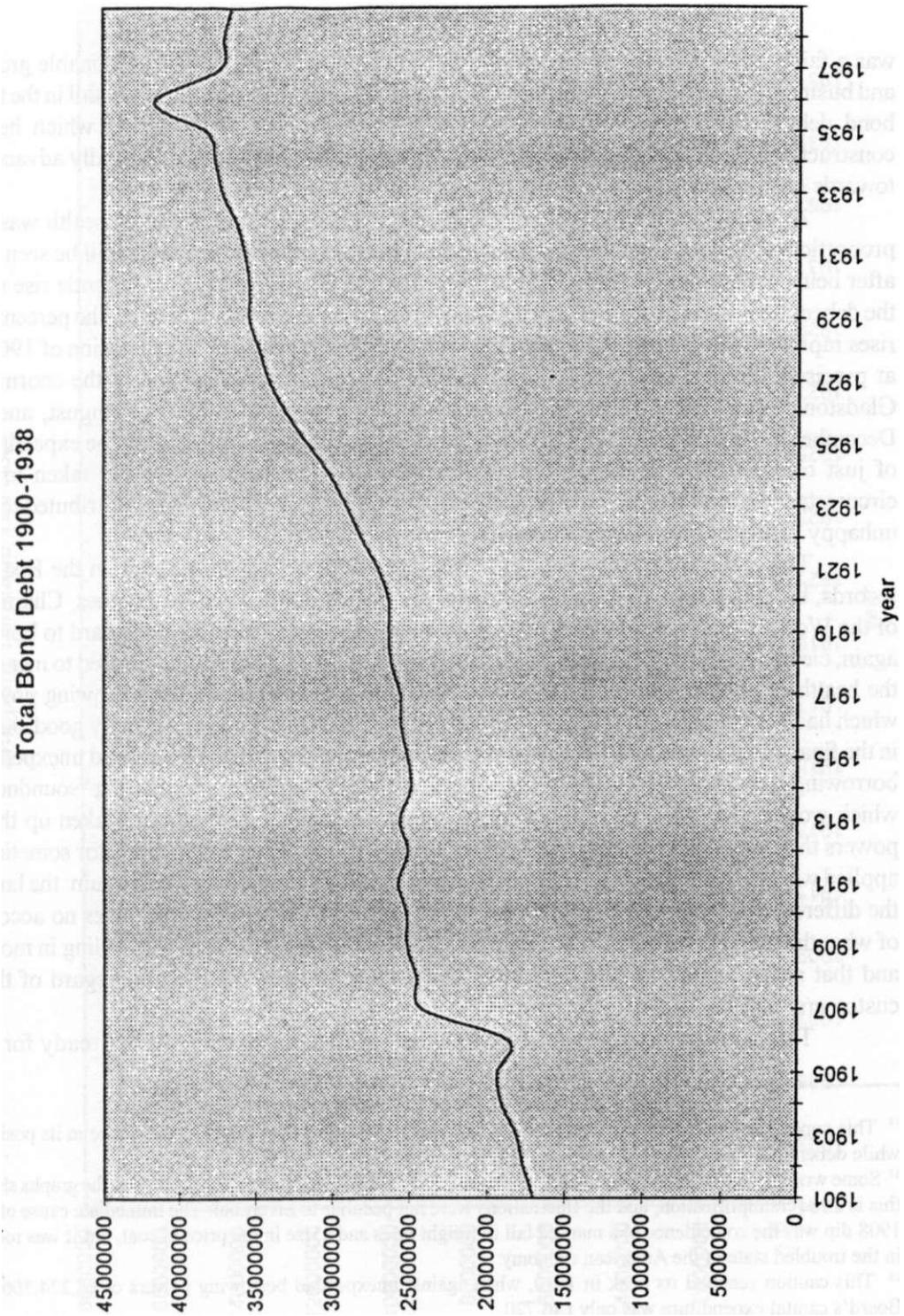
In my earlier paper, I argued that shipowners had, by virtue of the highly mobile and relatively liquid nature of their assets, an unfair competitive advantage over port authorities whose main assets were scarcely liquid and totally immobile. That paper chiefly concerned itself with the situation down to and including the report of the Royal Commission on the Port of London¹³ and the purpose of this section is to investigate whether anything had changed significantly by 1914.

The starting point is the Board's debt. It was this inescapable underlying cost, which shipowners constantly pretended to ignore, which governed how much work could be undertaken to meet their needs or desires and which rendered possible or impossible any cut in port dues. The graph opposite on page 27 shows the Board's total Bond Debt, which can be seen rising almost inexorably. This, it should be explained is not the Board's *total* debt, which also included relatively small amounts of annuities and, from 1905 rather larger amounts of debenture stock, but these have been excluded because, being a cheaper way of borrowing, they are a less effective measure of the Board's position. Bonds, which represented a much larger sum anyway, were an expensive, but highly flexible and convenient, way of raising money, so a rise in the bond debt is a more telling indicator of the true state of the Board's affairs - can it or can it not afford the luxury of convenient bond debt? Thus 1905

¹¹ Reported in *Engineering*, 8 July 1921, 38-39.

¹² In a speech at the launch of *Empress of Canada*, *Engineering* 20 August 1920, 241.

¹³ British Parliamentary Papers, 1902 (1151) XX1JJ, 222.



was a fairly good year: reference to the graphs on pages 29 and 30 show reasonable growth and business was good enough to allow the issue of debenture stocks, hence the fall in the total bond debt.¹⁴ 1907 and 1908 were, however, relatively poor years during which heavy construction works in the south docks were, as engineers used to put it, "rapidly advancing towards completion".

Arguably a truer measure of the Board's general state of financial health was the proportion of its dues income which disappeared in interest payments, and it will be seen that after being comparatively affordable in 1900, rises in interest rates cause a gentle rise until the debenture issue is made, but shortly afterwards, with the extra bond issues, the percentage rises rapidly to levels last encountered in the early 1880s. Then came the recession of 1908,¹⁵ at precisely the time the Board was attempting to begin the construction of the enormous Gladstone Dock. The Engineer's men took up their shovels in earnest in August, and by December the Board's courage had run out, and the works were stopped after the expenditure of just over £10,000 including fencing the site! This decision was wisely taken in the circumstances, even if some unwise decisions - or rather indecisions - had contributed to the unhappy nature of those circumstances.

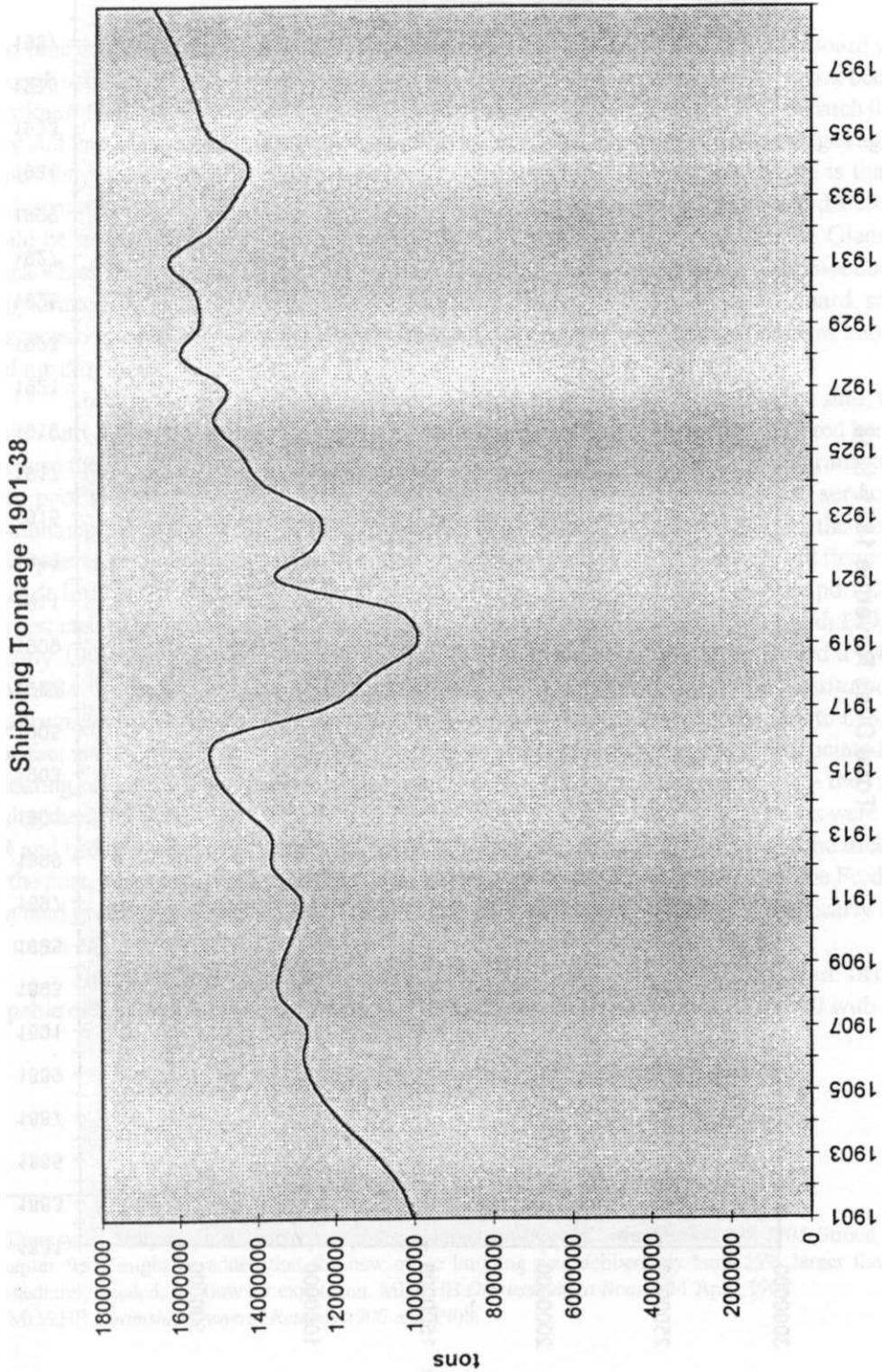
This indicator of the "interest percentage" does not appear directly in the Board's records, but it is clear that it was in the members' minds, for in 1910 Mr Hughes, Chairman of the Works Committee, announced that it would soon be possible for the Board to borrow again, clearly implying that it had not been before. A more common indicator used to measure the health of public trusts at the time was the amount of their statutory borrowing powers which had not yet been taken up, and by that criterion the Board was in perfectly good shape: in the financial year in which the works at Gladstone were stopped, the Board had unexpended borrowing powers of £6,634,364. This was a most unfortunate way of measuring "soundness" which would never have been applied to a limited company: had the Board taken up those powers they would have been on the brink of insolvency. An even worse indicator sometimes applied was the difference between actual port charges and the statutory maximum: the larger the difference, it was said, the better the state of the port. This, of course, takes no account of what the market will bear. Yet to outsiders it appeared that the Board was rolling in money and that any hesitation in spending large sums must be attributed to a disregard of their customers' needs.¹⁶

This impression was exacerbated by their need to look credit-worthy ready for the

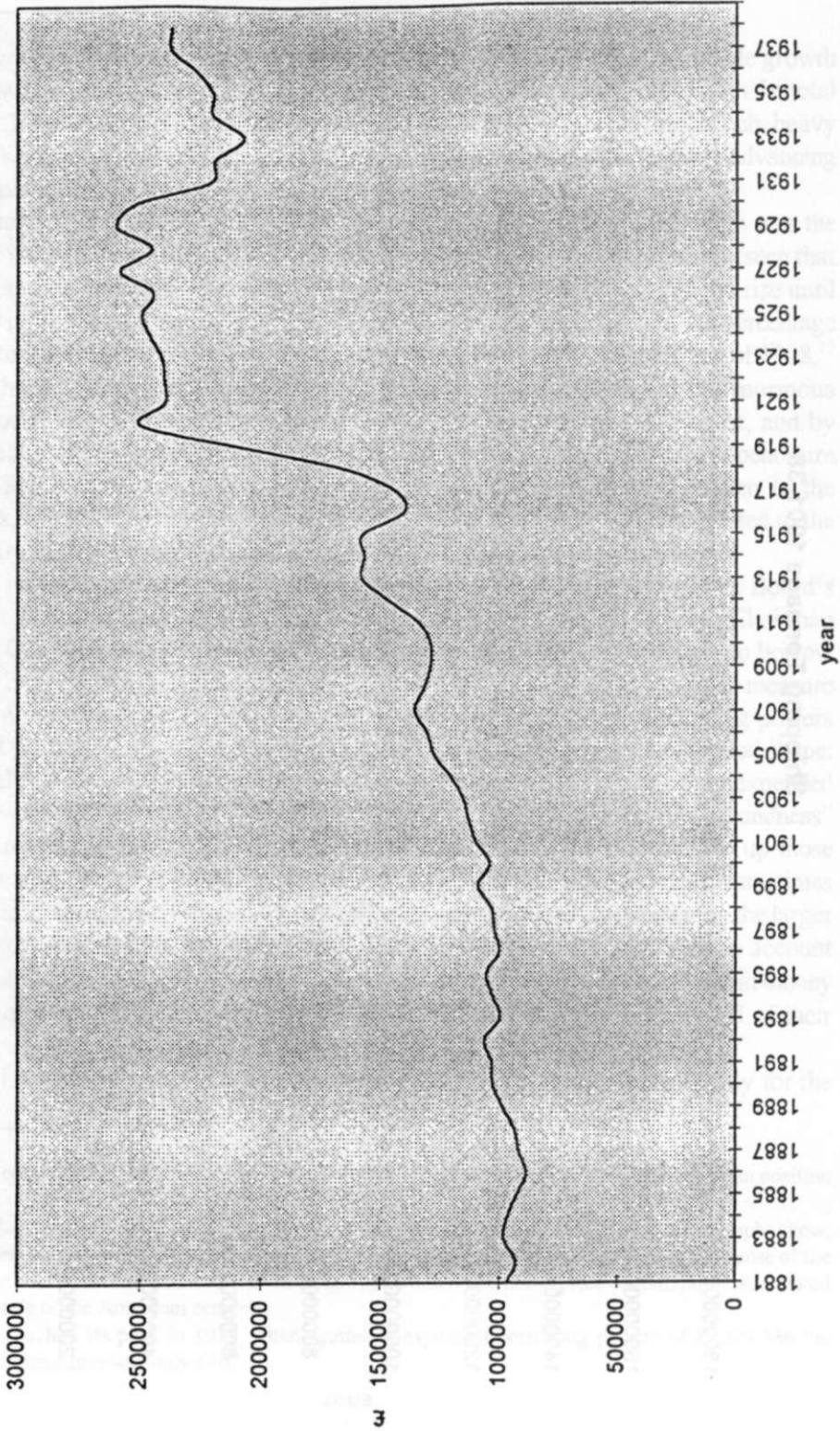
¹⁴ This appears contradictory: the distinction is that bond debt reflects the Board's confidence in its position while debenture issues reflect the confidence of outsiders.

¹⁵ Some writers have characterised the whole period 1900-1910 as one of recession: in fact, as the graphs show, this is an oversimplification, and the fluctuations were not peculiar to Liverpool. The immediate cause of the 1908 dip was the coincidence of a marked fall in freight rates and a rise in the price of coal, but it was rooted in the troubled state of the American economy.

¹⁶ This caution reached its peak in 1910, when against unexpended borrowing powers of £5,224,366 the Board's capital expenditure was only £46,720.



Total Dues Revenue 1881-1938



next time they could afford the interest and borrow money. They had built a new Board yacht (though officially it was modestly described as a "tender") and a palatial office block because they knew these were sensible long-term investments. By spending large sums on such things they laid themselves wide open to charges of fiddling while Liverpool burned, charges against which they could not defend themselves by telling the truth.¹⁷ The strange thing is that the representative nature of the Board's constitution should have ensured that such differences could be ironed out within Board meetings: when Cunard were pressing for the Gladstone Dock which might, as mentioned above, have made the port insolvent, they were not doing it in ignorance. Sir Aubrey Brocklebank and Sir Percy Bates, both Directors of Cunard, served in succession as Members of the Board throughout the agonising. The pressure was knowing and unscrupulous.

The issue is usually considered only in relation to the very largest size of ship, those which only Gladstone would be able to accommodate, but this is something of a red herring, because there were so few of them. In 1907, the White Star line had shown its gratitude for Liverpool's huge expenditure on dredging the bar by transferring its express services to Southampton, a move which has sometimes been seen as a severe blow to the port of Liverpool. Certainly it was a blow to its self-esteem and perhaps to its prestige, but financially it made little difference. In the year ended July 1906 Ismay, Imrie & Co was the port's third biggest customer, spending a total of £93,635, ahead of Cunard in fourth place with £79,455. In July 1908 they were still third, still ahead of Cunard and had paid the Board a total of £101,084.¹⁸ Cunard, still fourth, had in the meantime successfully introduced *Lusitania* and *Mauretania* on the New York service, and their payments to the Board had *fallen* to £78,652. The fact is that, even within the two companies whose names are most closely associated with "floating palaces," it was the bread and butter traffic which counted. It was this - the risk of losing the *whole* traffic of Cunard - which so worried the Board. The express liners were good PR and brought plenty of business to local laundries, but they clearly were not the lifeblood of the port, and it is arguable the port would have been better off without them. The Frederick Leyland group of companies, operating moderate-sized vessels, paid the Board nearly twice as much as did Cunard.

The results were remarkable. Liverpool had already provided a "sub-system" of docks capable of handling 30,000+ ton vessels with relatively little difficulty and 20,000 with some

¹⁷ There were plenty who made such charges: see A. Jarvis, *Liverpool Central Docks 1799-1905*, Stroud, 1991, Chapter 9. It might be added that the new office building was deliberately built 25% larger than was immediately needed, to allow for expansion. MD&HB *Discussions at Board*, 11 April 1907.

¹⁸ MD&HB *Steamship Owners' Returns* 1906 and 1908.

ease.¹⁹ If we refer to *Lloyd's Register* for 1913-14,²⁰ we find that there were just six ships of over 30,000 tons in the world, to which, at the time the Board was making its decisions, one could notionally add *Titanic* and *Britannic*, which, like *Olympic*, were under construction. Of these, *Imperator* and *Vaterland* were scarcely likely to become valued customers and the "return" of the White star vessels was scarcely more likely: certainly it was not put forward in the Board's discussions as an argument in favour of going ahead at Gladstone.²¹ That reduced the market to three ships: *Lusitania*, *Mauretania* and *Aquitania*, of which the first two were already working from the berths at Canada/Huskisson and both had successfully used the Canada graving dock.

The Gladstone Dock plans suffered from severe indecision on the part of the Board over many years. There is no need here to enumerate the changes in plan, which included changes in the fundamental brief to the engineer. What it is necessary to emphasise is that the plan which was taken up in 1911 when work "resumed" bore no resemblance whatever to anything that had gone before, which had ended up as a "vestibule and branches" layout, representing a larger and deeper version of the Canada/Huskisson system. The new plan was for a detached dual-purpose "wet-and-dry" dock to be built to the north of, and in advance of, the main Gladstone Dock, with the eventual intention of incorporating it. The interim scheme needed its own river entrance and a dredged channel approaching it: of the expenditure on these works approximately £180,000 would be written off when the main project went ahead. It is quite clear that this interim design was purely a response to pressure from Cunard, and Hyde's suggestion from Cunard sources that the interim plan was rushed ahead in order to have it ready for the *Aquitania* when she came into service is confirmed by MD & HB sources which make it clear that the engineer was authorised to throw extra money at the job in order to secure earlier completion. Here was a dock whose design and construction were determined not by a single trade, nor by a single major operator, but by a single ship. In the event, that single ship - and the mail service - would follow the *Olympic* to Southampton in 1919, but, as in the case of White Star, Cunard would continue to operate their lesser vessels from Liverpool. In 1913 Cunard was ranked fifth largest user of the port, ahead of Ocean Steam, and in 1920 the position was unchanged.²²

Seen another way, however, the loss of Cunard's express service was a serious blow: in 1913 the interim Gladstone Dock earned a total revenue of £18,119 and its best year was 1919 when it earned £30,483. During the war years its income never reached £10,000 and at

¹⁹ Tonnages are gross register tonnages. The deep berths were achieved by massive re-building at Sandon, Canada and Huskisson Docks at a cost of some £1,600,000. Such was the complexity of the work that, despite its modest extent, it took ten years from Bill to completion and cost a hefty £20,000 per water acre - almost the cost of an entirely new dock.

²⁰ In order to include ships on order and under construction at the time work resumed at Gladstone in 1911.

²¹ By the time *Imperator* might have arrived in Liverpool in her new persona as *Berengaria*, Cunard had moved the express mail liners to Southampton. She did, however, visit once while under requisition.

²² MD & HB *Steamship Owners' Returns*, 1913 and 1920.

the time of Cunard's departure its life-long income still fell well short of the cost of the temporary works undertaken to have it ready for *Aquitania*. So far as the author is aware, in its dry dock role it has never accommodated a vessel in merchant service²³ which could not have fitted into Canada, though its depth was occasionally fully exploited by a visiting battleship. Large enough (just about) to accommodate either of the Cunard "Queens," it had no centre gates to save on pumping costs when used by lesser craft or to allow it to be used by two vessels as was the practice in most of the Board's graving docks.²⁴ Wasting money on a facility like that was exactly what the Board did not need when it had so recently peered into the abyss of insolvency.

The Board had a fairly general policy of not investing in special-purpose berths. The few major exceptions, such as the corn warehouses at Waterloo and the Great Float had not been happy ventures.²⁵ The only exception which was successful was the provision of the initial petroleum storage facilities at Herculeum and Parkhill in order to reduce the "entry investment" for those beginning in the petroleum trade.²⁶ Usually, the Board protected itself against the fickleness of trade by requiring the user to provide their own cold storage or whatever it might be, and would risk upsetting important customers like the Nelson brothers by maintaining that position. Why, then, were they willing to build a dock for a single ship? The usually informative *Discussions at Board* seem to provide a sound basis for the Mountfield interpretation that this was just another clash between the interests of different groups of shipowner, but as we have seen this is not the case because Cunard (and White Star) were running relatively large numbers of ships of moderate size. In particular, we tend to forget Cunard's Mediterranean services, which always occupied more than half the fleet by number. There was, therefore, something else in the background which the Board did not wish to talk about on the record and that "something else" is moderately likely to be the factor which tipped the balance.

The reason Cunard had succeeded in separating the government from a considerable subsidy both for the building and the running of *Lusitania* and *Mauretania* was that it was felt essential to retain at least one major express mail and passenger service on the North Atlantic which was entirely British-owned. The subsidies tied Cunard in so that they could not repeat the perceived perfidy of Ismay in selling out to C. A. Griscom and J. P. Morgan.²⁷ But

²³ Though it was used by *Aquitania*, *Imperator* and *Olympic* while they were in Admiralty service.

²⁴ Because, of course, a battleship's armour makes its "light" draught a much larger proportion of its "fully laden" draught than is the case with merchant vessels, causing it, size for size, to need a deeper dock. The capacity of the dock with no vessel in it was about 42,000,000 gallons, and the pumping installation, which was of 5,000 horsepower, took roughly four tons of diesel fuel to empty the dock when there was no ship in it.

²⁵ For the story of the Waterloo Corn Warehouses, see Jarvis, *Central Docks*, Chapter 7.

²⁶ For details see A. Jarvis, "Early Petroleum Importing in the Port of Liverpool" (forthcoming).

²⁷ Obviously it was more complex than that: for further detail see G. H. Boyce, *Information, mediation and institutional development: the rise of large-scale enterprise in British shipping, 1870-1919*, Manchester, 1995, 99-104. What matters here, however, was the outside view which was of Ellerman and Lord Inverclyde as

if a patriotic desire to save the honour of the British shipping industry was a consideration, this could scarcely be minuted in a Board which still numbered Ismay, Imrie among its biggest customers and whose membership from time to time included representatives of that and other IMM companies.²⁸ It was impossible to advocate a major, and almost certainly unprofitable, breach of long term policy without making ungentlemanly remarks about one of the richest and most powerful men in British shipping. Quite possibly such remarks were made, but only after the shorthand writer was safely on the tram home.

If Cunard were able to exert pressure amounting almost to blackmail on the Dock Board, the immediate temptation is to assume that they did so gratuitously, their pockets the while bulging with government money. It has frequently been observed that shipping lines are given to as much secrecy as they can possibly achieve, and the same complaint made by historians was made by journalists at the time.²⁹ One manifestation of this was the obscuring, so far as possible, of transfers to and from the necessarily large reserves held by successful companies, so that share prices and dividends provide only the roughest of guides to their real financial condition.³⁰ From its dividend performance, Cunard looks shaky, paying 5% in the "particularly good year"³¹ 1907-08 and nothing at all in the following three years. They transferred considerable sums to reserves however, as well they might, with the need to pay for *Aquitania* looming. 1908-09 was, as for many others, a particularly bad year: the *Lusitania* and *Mauretania's* first full year in service was marked by a serious reduction in east-bound passengers and freight and a tonnage surplus on the route. By contrast, although the IMM group did badly as a whole, White Star paid 10% in 1907-08, 20% in 1908-09 and 30% in 1909-10, figures scarcely suggestive of recession. Cunard were also spending in the take-over market, acquiring the Thomson Line in 1911 and Anchor Line in 1912.

It has often been remarked that shipowners resemble farmers in that they will always complain in the bad years but never smile in the good ones. Rubinstein gives the lie to their glum faces, showing that shipowning was the third most likely way of becoming a non-landowner millionaire and for his cohort dying between 1920-39 it was by far the most likely source of half-millionaire status.³² His terms of reference excluded a number of others who were not exactly poor, such as Sir Percy Bates, who left £486,085 or Henry Warren who left £412,780.³³ Furthermore, as Rubinstein points out, none of the routes to great wealth offered

heroes and Ismay, Pirrie and Leyland as consorters with the enemy.

²⁸ eg Harold Sanderson, Deputy Chairman of Oceanic S. N. Co, 1906-08.

²⁹ See for example, S. G. Sturmeay, *British Shipping and World Competition*, London, 1962,3; *The Economist*, 21 February 1914.

³⁰ While this may at times seem almost obsessive, perusal of Boyce *op cit*. Chapter 6 will reveal that much of the secrecy was indeed necessary.

³¹ *The Economist*, 15 June 1907.

³² W. D. Rubinstein, *Men of Property*, London, 1981, Tables 3.3 and 3.4.

³³ The *Antecedents* sequence of the MD&HB collection is a very convenient source for brief obituary and probate information for deceased members.

such opportunities for climbing from "rags to riches" as did shipowning.

But the ability of a business to provide very large rewards to its owners is no indication of its overall prosperity. Shipping was a risky business by virtue of its extremely cyclical nature, needing good commercial information and a very cool head. Particularly difficult was the problem of deciding at what stage in the trade cycle to order new tonnage: too soon and the new vessel(s) is/are available in recession, with low freight rates offered and surplus tonnage looking for work. Too late and the price of shipping tonnage has risen in response to higher freights and plenty of work, quite possibly with the boom past its peak by the time the new tonnage arrives. The latter would almost certainly have been the case with *Aquitania* had the war not broken out: the boom peaked in 1913, when there were 2,000,000 tons of new shipping building. Some shipping shares brought good rewards, but in the period under consideration the ordinary shareholder could do at least as well in other sectors. In short, if shipowners felt that they could not afford either to lose the efficiency gains of larger vessels or to pay port authorities a fair price for the provision of enhanced facilities they may have been over-cautious with regard to their own position, but they were probably not being totally unreasonable.

Or so it might seem. But was there not also an element of commercial *machismo*? The Board's customers would argue about the price of anything, however inconsequential the amount might be in relation to the size of transaction or organisation involved. Over a long period of time, claims for damage were made for such small amounts that it seems most unlikely that even if successfully recovered they would justify the time and overheads involved. Here are a few examples, culled from *Worked-up Paper 9/2*, referring to claims upon the Board. In 1896, Messrs Kamm & Schrenpft were left holding the bill for some extra cartage made necessary by delay at Waterloo Corn Warehouses. They wrote to the Board on 20 March, 2 April and 9 April. Reports were written and considered by the Warehouse Committee, and it was decided that the complaint was valid. The sum involved was 2s 6d. On 23 May 1899, the Docks & Quays Committee considered an application for a rebate of unspecified size for charges for the use of the 100-ton crane at Langton Branch Dock. The firm quibbling over this unknown, but undoubtedly single-figure, sum was not a penniless coastwise tramping company, but Cunard.

In 1901, it was the turn of T & J Harrison to claim £ 1 8s for alleged damage suffered by *Astronomer* while bunkering, while in 1910 Bahr, Behrend claimed £ 1 15s 4d for loss of weight from a hogshead of tobacco, only for it to be discovered that the tobacco was extremely dry and had suffered natural weight loss by evaporation.

The golden days of disputes about the rate of dues on broom handles as against square sawn timber cut to length ready to be made into broom handles³¹ were mostly past, but only mostly. The White Star Line wrote to the Board on 22 August 1914 asking that the

³¹ MD&HB *UWUP* D123.

charge made for their workmen's use of the steam crane at Gladstone be reduced because it was not working during the lunch break. The Board really could not be bothered to argue, and reduced the bill from £16 to £14 14s.³⁵

These repeated petty claims and complaints are heavily at variance with the old view of shipowners as enterprising and gentlemanly, a view partly created by the elevation of a number of well-known shipping baronets and peers.³⁶ The significant minority of members of the Board who were shipowners³⁷ carried this attitude over with them, sometimes making the conduct of the Board's business aggressive and petty-minded as well. It was one cause of the ponderous bureaucracy which characterised the Board's proceedings, about which both the members and outsiders repeatedly complained.³⁸ Particularly ironic was the complaint of the Liverpool Steam Ship Owners' Association (LSSOA) that the "General Charges" shown in the Board's *Annual Accounts* were rising as a proportion of total expenditure.³⁹ This was a long-running trend identifiable by at latest 1870: expressed as a percentage of dues income, "General Charges" had stood at 4% in 1870, 6.9% in 1900 and a worrying 16% in 1930. Expressed another way, they corresponded to 71% of the capital works budget for 1930 or 45% of the maintenance costs of the fabric of the entire dock estate. It is impossible to isolate the components which could with certainty be categorised as bureaucratic waste - and in fairness by far the largest single item was superannuation payments, which had more than quadrupled in twenty years. But over the same period of time the running costs of the General Manager and Secretary's Department had trebled, and that was the department which chiefly dealt with all the bits of nonsense like those described above.

The LSSOA Report gives an initial impression that attitudes had not changed since pre-war days. There is the familiar catalogue of woe, relating how 659 British ships are laid up through lack of work, freight rates for those that can find cargoes are 22% down on pre-war figures while operating costs are 60% up. The average tonnage of cargo per 100 NRT of shipping employed has fallen from 107.3 in 1921 to 88.2 in 1930, and the revenue per passenger carried is smaller, as is also the number of passengers. All of this makes it essential that the port should reduce its charges, which are 72.7% higher than in 1913, and there are [mostly unidentified] areas of expenditure where economies could be made. The one specific suggestion for cuts is in investment.

Now it is arguable that some of the capital schemes the Board had in mind, notably

³⁵ MD&HB WUP 12/2.

³⁶ It also rather cuts across Boyce's view of the "Edwardian Plutocracy" in *op. cit.*, Chapter 13.

³⁷ Typically the Board membership (which changed relatively little from year to year) was made up of roughly equal numbers of shipowners and merchants, with a handful of "neutrals" such as bankers or manufacturers.

³⁸ For an examination of the growth of bureaucracy in the Engineer's department, see A. Jarvis, "Attempts at reducing the expenditure of the port of Liverpool, 1836-1913" in P. C. van Royen *et al.*, *Frutta di Mare: Evolution and Revolution in the Maritime World in the 19th and 20th Centuries*, Amsterdam, 1998.

³⁹ In their *Report on Liverpool Port Dues on Shipping*, Liverpool, 1931.

the building of Bidston Dock, were of questionable value in the extremely difficult economic climate of the day.⁴⁰ But much of what the Board wanted to spend money on was the upgrading of what it already had, in line with "expert advice" and long-standing badgering from the customers. In 1924, a verbosely-titled report⁴¹ on the port facilities of Great Britain appeared, which should in some ways be very welcome, since government had never seen fit to compile any such document despite wartime experience of the loss of shipping capacity caused by port congestion. Much of what it said about Liverpool was complimentary and some of its suggestions for improvements were valuable.

Others, however, were fairly foolish, such as that the Board should build its own electric power station to serve the better quayside lights and cranes which were also advocated. This, the dawn of the age of the new giant turbine-powered generating stations (the "third generation" plants) was precisely the time to *not* build small power stations which would rapidly become uneconomic in the face of monsters like the one Liverpool Corporation would shortly build at Clarence Dock. Unless the Board were to electrify everything, including all the hydraulic pumping stations, graving dock pumps and impounding pumps,⁴² which would have been far beyond its resources, the total demand would not fully employ a power station of the size of the Corporation's obsolescent one at Pumpfields, let alone a modern and viable one.

The key point, however, is that the Board had been there before the complainants. In 1917 they appointed a Special Committee to look into the question of mechanical appliances and the supply of power to them.⁴³ Before the end of the war, they had introduced sack-filling machines, sack and case lifters and gravity runways, and a number of portable electric cranes, and these were, interestingly, installed at the appropriated berths, with the intention of causing the tenants of the appropriated berths (ie the larger shipping companies) to invest along similar lines. Yet when they offered to install electrical supplies on an "at cost" basis just two of the tenants expressed interest.

The Board paid the fees of a specialist electrical engineer and instructed their Engineer to liaise with him to produce a report on the complete electrification of the Liverpool

⁴⁰ An alternative interpretation suggests that Bidston Dock, designed with a view to possible rental for industrial use rather than trading was an innovative investment. This cannot readily be tested because the space became available when depression prevented industrial use.

⁴¹ *Port Facilities of Great Britain: the Report of the Port Facilities Committee appointed by the Chamber of Shipping, by the Association of British Chambers of Commerce and by the Federation of British Industries*, London, 1924.

⁴² A start was made on electrifying the graving dock pumping stations, which would result in a considerable saving of labour: the old steam engine from the Canning Graving Docks was given to the University's Engineering Museum. (Long since dispersed, alas) But because of the low state of the Board's finances work proceeded piecemeal and was charged not to capital but to either the "Renewals and Depreciation Account" or the "Unappropriated Receipts Account," both of which were running accounts often used to pay for what were in effect minor capital works, but funded from revenue. See below.

⁴³ The minutes and reports survive in MD&HB MP/27/2.

Docks. When the answer came with an estimated cost of £123,900 he was told that "no time should be lost in putting the work in hand."⁴⁴ The estimate, in the usual way of such things, proved optimistic, and the Board paid £134,035 in 1920 "on account" and expenditure continued at the rate of a few thousand a year thereafter. The state of trade meant that the money ran out before everything could be electrified, but the Board certainly tried. If there was a failure to embrace new methods it was the shipping lines, not the Board, that failed. This, of course, did not stop them complaining about the costs they incurred by ships being delayed when the quaysides were congested. The charge levelled by Sturmeay, that shipowners always sought to blame their misfortunes on others, seems justified in this case.

Another "improvement" proposed by the 1924 report was the provision of bigger and better coal hoists for bunkering, with a tipping height of 70-75 feet. Some money was spent in this way, but the Board was again ahead of its intending modernisers, investing instead in oil bunkering facilities. The sheds at Gladstone were said to need electric transporter cranes. The Board had tried transporter cranes at King's Dock in 1905 and in the main they, and the users, preferred luffing roof cranes or portable cranes which were more flexible in use: when they did upgrade the cranage at Gladstone they installed travelling level-luffing portal cranes of a design good enough to see out the era of breakbulk handling.

It was very rarely possible to discharge general cargo directly from ship to shed floor or motor lorry in a single lift, if only because packages needed to be weighed, counted and in some cases assayed by Customs, and in those circumstances the machine of the future was not the comparatively inflexible electric traveller but the new generation of small electric and motor driven mobile cranes and diesel or electric "trolleys" and tractors. Investment was indeed made in these. Furthermore, the Board foresaw that motor lorries would become ever more important and made a contribution to the cost of building the East Lancashire Road. The members also had long memories, and the bitter experience of being badly misinformed (as they saw it) by the "consultative process" in 1872, resulting in the severe inadequacy of the expensive works under the 1873 Dock Act, still rankled.

Of course, by no means all of the Report's recommendations were stupid or out-dated. There was indeed a need for more railway sidings, better quay lighting for night work and the reconstruction of some old entrances and passages which still had "cambered sills" or "haunches" as they were usually known in Liverpool.⁴⁵ Where sheds were being re-built, they should have wider quay margins. In the late 1920s, all of these things were being done as and when funds permitted. In 1925, for example, £112,687 was spent on the modernisation of Alfred Entrance and a total of over £12,000 on various works to coal hoists. 1926 saw another £94,273 spent at Alfred, £23,122 on grain handling equipment at Birkenhead Grain

⁴⁴ This did not include a power station: that issue was postponed for consideration after the end of the war.

⁴⁵ Meaning that the passage had invert arches, causing them to narrow considerably at sill level: the passages at Nelson, for example had a surface width of 60 ft, but a bottom width of only 48ft 6in. Some, like that between Toxteth and Herculaneum, were modernised while others, including Nelson, were not.

Warehouses and the purchase of three new dredgers, one of which replaced the *Tantulus*, dating from 1900 and another the *Brancher* of 1893, while in 1927 money was spent on partially converting Wallasey and Huskisson impounding stations to oil firing,⁴⁶ the works at Alfred continued, and various railway improvements were effected, including expenditure of £53,506 in the year before the report was written. In a typical year, the Board spent as much on these "revenue capital" accounts as it did on capital account proper.

In 1929 the Board sold the site of the obsolete Clarence Dock to Liverpool Corporation for a new "Electric Super Power Station," and from the £339,000 they received they were able, among other things, to widen the quay margin and lay some extra railway lines at Princes Dock. Above all, this period saw the Board at last honour a promise dating back to 1892,⁴⁷ which was to provide improved accommodation for the coastwise and short sea trades. A large programme of work extending from 1930-33 transformed those parts of the Clarence site which remained in the Board's hands, together with Victoria, Trafalgar and West Waterloo into a "spine and branch" system with a river entrance at either end, some impressive new sheds and its own en suite (modernised) graving docks. The movable bridges, several of which had been hand-operated double leaf swing bridges dating back to Jesse Hartley's time, were reduced in number and replaced with modern Scherzer-type rolling bascules. It was intended that the next phase would follow almost immediately with the construction of a river lock at West Waterloo which would allow vessels of 17ft or less draught to leave or enter at any normal state of tide. The Board, with some help from the Unemployment Grants Committee, was doing as the old body of Dock Trustees had done in the 1840s, spending in a slump, secure in the knowledge that the good times would return. Their strategy and their tactics were both, in the main, correct.

But there would be some anxious times first. The Waterloo entrance, after encountering technical problems, had to be set aside and was not in fact completed until 1949. It was by no means the only victim of the twin problems of shortage of funds down to 1937 and then - in the re-armament boom which followed - shortage of key materials, especially structural steel.

The reason that the promise of 1892 had been repeatedly broken was the pressure exerted on the Board by a small number of owners of very large ships, and that pressure was no longer effectively exerted. The reasons for this work in both directions. Once the short-lived post-war boom had collapsed, the facilities of the port were amply sufficient for all the larger vessels wanting to use them, and the two loudest agitators had removed their largest

⁴⁶ Though these were experimental installations, undertaken more to avoid potential further coal supply problems than to reduce labour costs.

⁴⁷ To the effect that the Board would not seek further powers to effect improvements for the benefit of large vessels until it had modernised the coastwise berths. Their "Various Powers" Act of the following year enabled this, but by no means all the powers were exercised and the large vessels continued to absorb the lion's share of capital until the completion of the Gladstone system in 1927.

vessels to Southampton anyway. But there seems a change in tone as well: the claims and complaints against the Board become not only less numerous, but less shrill. Even the Annual Report of the LSSOA is quite moderate in its demands, apart from the perennial call for dues reductions. Quite simply, the Board was now carrying out considerable remedial works many of which should and would have been completed long before had the shipowners been willing to leave port management to the port authority, in the formation of whose policy they already had significant participation.

Did the shipowners belatedly repent of the harm they had done in the Edwardian years, or was it simply that they no longer had the clout to continue it? We may begin with the issue of moral authority. Is there any case for thinking that shipowners were becoming less effective as a unified lobby as the result of a relative growth of power of trade associations? If so, there are several possible reasons having little directly to do with port politics why this might be so.

The first of these is pure commercial snobbery. The further shipping amalgamations went, into bigger and bigger groups, the fewer people could properly be styled "shipowners" in the old sense of the term. There was a marked transition from their being entrepreneurs to simply being shareholders. This may seem a trifling point, but its substance is perhaps made clear by the fact that employees of whatever status were not allowed on the electoral register for the Dock Board. Orchard, biographer of Liverpool's trading elite, declined to include representatives of joint stock ventures "for the shareholders are not known."⁴⁸ "Not known" was, of course a peculiarly damning criticism, the late Victorian equivalent of being refused a credit card. In reality this was a line which was already weakened in a wave of re-structurings and mergers before 1914, but the old names long remained prominent on the Board in what Boyce styles "family alliances."⁴⁹ The symbolic break may perhaps be seen with the 1917 election of Colonel Henry Concanon, who was a very important man in the shipping world and one whose spare-time activities still exhibited the old idea of "a man in public life," but did not have a name like Holt, Brocklebank or Harrison. He was, in fact, joint manager of White Star and, as such, a "hired hand."⁵⁰

Well before this, White Star had made two potentially decisive contributions to the image of the shipowners within, and beyond, the small "public" which was Liverpool's commercial class. The first was the IMM sell-out mentioned above. The second was Bruce Ismay's failure to get drowned when the *Titanic* sank. To a nation reared on classic stories like the loss of the *Birkenhead* - and of the band playing on aboard the *Titanic* - getting

⁴⁸ B. G. Orchard, *Liverpool's Legion of Honour*, Birkenhead, 1893, Vol I, 78.

⁴⁹ Boyce *op cit*: see particularly Table 12.1, 282.

⁵⁰ Concanon was also the first to cross the social divide between "official" and Board Member: he had started as an MD & HB Boy Messenger at the grain stores in 1877, then was apprenticed as a clerk. He resigned to go and work for Thomas Ismay on 7 March 1889, by which time he was a clerk on £130pa. MD & HB SW/1/10; *Antecedents* 222.

rescued was probably more culpable than any of the failings subsequently alleged during the enquiry into the loss of the ship. The question here is not whether shipowners had changed, but whether they retained the respect in which they were formerly held.

During the immediate pre-war shipping boom the 5 -year average dividend on ordinary stocks in liner and cargo liner firms was 6.83% while during the war years it was 11.26% after payment of Excess Profits Tax.⁵¹ Stories broke in the press about Bonar Law's accidental profits in the shape of dividends yielding him £7,471 on an investment of £8,110 in just two years, or of the Cairn Line, which in 1916 paid a dividend of 10% and a bonus of 30%. There is a marked change of tone in the reporting of shipping results in *The Economist*, which begins the war defending the shipowners, but by the time of the "Bonar Law story" has scarcely a good word to say for them.⁵² When the German submarine campaign began to sink significant tonnage it did not pass unnoticed that while the dividends flowed ashore, the pay of survivors of a sinking ended at the moment the ship went down. It also became known that in some instances very large sums of compensation had been paid for lost vessels.⁵³

These large windfall profits, coupled with the merger wave which left the liner trades in the virtually complete control of the eight largest firms, ought to have placed the shipowners in a far stronger position for exerting pressure on the MD & HB than had been possible before. Yet, as remarked above, this did not happen. If the respect in which they were held was diminished, their financial strength was also under serious question.

After the war came panic-buying of new tonnage at wildly inflated prices, followed by a rapid decline in trade volumes and freight rates, and the inevitable tonnage surplus which went with them.⁵⁴ These were intensely difficult times, but they would have been easier had the lines refrained from paying lavish dividends during the war in favour of making more prudent provision for depreciation. The air of entrepreneurial sagacity displayed by shipowners of the previous generation when, for example, giving evidence before parliamentary enquiries, was much more difficult to maintain. There was worse to come, for two men who appeared to be doing well in these difficult times, Lords Inchcape and Kysant, were found to be massaging their annual accounts to a degree which verged on the criminal.⁵⁵ Perhaps the psychological lowest ebb came with Cunard's decision to halt work on No 534, the future *Queen Mary*. Of course, by no means all was doom and gloom, for some firms were

⁵¹ Figures from *Fairplay's Annual Summary of Shipping and Finance*, London, 1928.

⁵² *The Economist*, 7 July 1917.

⁵³ For some examples see S. Jones, "The P & O in War and Slump: The Chairmanship of Lord Inchcape" in S. Fisher (ed), *Innovation in Shipping and Trade*, Exeter, 1989.

⁵⁴ Increased, of course, by the former enemy tonnage which came onto the market.

⁵⁵ Though, of course, Lord Kysant's imprisonment was for issuing a false prospectus: he was found not guilty on charges of issuing misleading accounts. See P. N. Davies & A. M. Bourne, "Lord Kysant and the Royal Mail", *Business History*, XTV, (1972), 103-23 and P. N. Davies, "Group Enterprise: Strengths and Hazards" in S. Marriner (Ed), *Business and Businessmen*, Liverpool, 1978. The latter particularly points out that it is easy to look good and wise in a rising market and bad and foolish in a falling one.

doing well, but these were major blows to confidence in the industry. While it is not suggested that such factors as these made a major or sudden alteration in the balance of power between shipowners and traders within the Board, they were probably one factor tending towards an observable change and they certainly tipped the balance of market power in favour of traders.⁵⁶ Shipping services were a buyer's market.

The Board made cuts in its dues in 1922 and 1930, and responded to its diminished income with a large number of reversible economy measures allowing it to cut expenditure, mainly on wages and salaries, which also had the result of reducing capacity.⁵⁷ The Board's "Tender" *Galatea* was "placed out of commission," saving an estimated £5,000 per year and a number of minor economies, such as having the pocket *Yearbook* bound in cloth instead of leather at a saving of £172 pa, were implemented. Some arrears of maintenance were allowed to accumulate, perhaps most threateningly as a result of *Leviathan* (the Board's giant suction dredger) being placed out of commission, saving £40,447 pa. The 1931 "cuts package" saved some £170,000 in revenue and over £200,000 in capital and over the next few years there were several sums of a few thousand pounds from the sale of small plots of land which were no longer required. There was, in short, no reasonable step to reduce expenditure that the Board could not point to having employed, or at least considered in depth and rejected, reducing its critics to unsupported generalities. 1931 was the worst year, and even then, relatively bold decisions were being made, such as spending £ 18,000 on electric pumps at the Birkenhead graving docks in order to save labour.

Although the statement above about a diminution of complaints is broadly true, it should not be thought that all whingeing ceased. At the Special Committee's meeting of 30 September 1931, a communication from Cunard was read out remarking on the fact that they had recently paid the following total port costs on three of their ships: *Laconia* at Liverpool £2,032; *Alaunia* at London £ 1,053; *Mauretania* at Southampton £961. If the committee even discussed it, they did not minute the discussion. The comparison is meaningless, partly because the apparently widely disparate charges to some extent reflect the *register* tonnages on which dock dues were charged and the widely differing cargo densities. (*Mauretania* had a particularly low cargo density) More particularly, no mention is made of what the ships were carrying and how much of it, which determined the amount per cargo ton of most of the other port charges. One may question whether Cunard themselves believed what they wrote, and if not, just how stupid they thought the Members of the MD & HB were.

⁵⁶ One possible factor might seem to be the interest of the Chairman, who held considerable executive power, but this is not the case: Sir Helenus Robertson, Chairman 1911-19, had interests in cotton and banking, while his successor, Thomas Rome, was a shipowner.

⁵⁷ A Special Committee was appointed to "enquire into the General Expenditure and method of carrying out the Work of the Board." Its recommendations included the closure of Langton river entrance and several entire blocks of transit sheds, along with the "placing out of commission" of some of the floating plant. It was re-convened in 1934, when the situation was already much improved, but was unable to suggest any significant further savings. Its proceedings may be followed in MD&HB Special Committees Book, **MP/27**.

The Mersey Docks & Harbour Board rode out the difficulties of the twenties and the catastrophe of the early thirties comparatively well. While reducing their expenditure, they nevertheless completed the Gladstone system, Bidston Dock and the extensive modernisation of the Central docks. At Dingle Oil Jetty they completed what was probably the most lucrative new development in the port to that time. Even in the worst times they were able to carry on with a little work on the detail upgrading of their facilities, albeit sometimes at the cost of accumulating arrears of maintenance. One reason for this success relative to the pre-war situation is that they were much less battered by unreasonable demands from sectional interests of their customers and another is that when they were, they had often forestalled them. At other times they had the good sense largely to ignore them. All of these factors helped the Board get on with what it was really there to be doing, and helped slow the inevitable growth in administrative work - to the extent that "General Charges" actually fell slightly between 1930 and 1938 when one takes into account the transfer of superannuation payments to a separate section of the accounts. When trade revived (and 1937 and 1938 each saw a new all-time record tonnage) the port was in surprisingly good shape to handle it. Clearly there were many causes for this, but the shift in the balance of power as between merchants and shipowners seems a significant one and that was probably, paradoxically, in part brought about by the departure of the North Atlantic express liners to Southampton. There is some evidence to suggest it was a case of good riddance.