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Thinking Outside 'The Box': Decolonization and Containerization

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The Box, Levinson's influential maritime history bestseller, demonstrates that the shift from break-bulk to container shipping offered huge cost savings. Gathering pace from the mid-1960s, the intermodal transport of freight in boxes—highly automated and by ship, rail and truck—eliminated up to a dozen separate handlings of cargo and simultaneously reduced the risks of pilferage and damage. Capital was substituted for labour in an era when dockworkers were prone to strikes which resulted in escalating wage costs and frequent delays in port. Lines that failed to take up the new technology faced extinction. The prospects of the principal innovators, US companies (Malcom Maclean's Sea-Land Service, Inc. especially), capturing the lion's share of Pacific and Atlantic trade pushed European shipping lines into phasing out their conventional

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vessels.[1] Broeze's earlier, posthumously published study came to similar conclusions, emphasizing 'indispensable' computerization (for documentation) and the reduction of insurance premiums (through reduced cargo loss).[2] According to the recollections of a leading British naval architect, involved in the design and procurement of the first container ships for the Overseas Containers Ltd (OCL) consortium, the technology shift arrived 'none too soon'. At 'about half the ship's year', the 'time a ship spent in port loading and discharging was becoming ridiculous'. Break-bulk liners were more like 'floating warehouse[s] than efficient transportation vehicles'.[3] For OCL's Australian service after 1968, a BBC journalist discovered that 'nine ships will replace the forty which used to exist and the speed with which ships can be unloaded and loaded (forty-eight hours instead of two or three weeks) means that each ship can make five round trips a year…instead of two-and-a-half'.[4]

These standard interpretations of containerization's origins focus on the Anglo-world. Technological change is blamed on the obstructiveness of British, American and Australian dockworkers (as well as the forcing ground provided by US logistical demands in Vietnam). This, however, neglects the wider-world situation; the process of decolonization of which the Vietnam conflict was symptomatic. As Hopkins argues: 'Instead of fitting decolonisation into the Cold War…the Cold War needs to be fitted into decolonisation…[T]he effective decolonisation of China…fuelled the Cold War in Asia, drew the superpowers into the region and…pulled the rug from under the colonial order'.[5]

Influenced by Hopkins, this chapter regards decolonization as much more than a constitutional act. Decolonization was part of a bigger process that preceded and exceeded the lowering and raising of flags at independence ceremonies. Decolonization, for Hopkins, went hand-in-hand with the 'changing character and accelerating pace of globalization after the Second World War' in which 'horizontal' concepts of racial equality

[1] Levinson (2006, 8, 10–11, 92, 103, 161). Levinson's influence can be seen in Bott (2009, 21), D'Eramo (2015, 90–92), and Bernhofen et al. (2016, 38–40).

[2] Broeze (2002, 11–12, 23, 25, 28, 35, 42).

[3] Meek (2003, 104).

[4] Turner (1971, 315).

[5] Hopkins (2017, 736–737).

and universal democracy, as well as the breakdown of complementarities between industrial metropoles and primary-producing peripheries, undermined vertical, hierarchic imperial systems.[6] In this shift from colonial to post-colonial globalization, the study of decolonization can be extended from formal dependencies in Africa, Asia and the Caribbean to include those territories 'that retained their formal independence but were clearly [previously] subordinated to an external power' (notably China but also the 'White' Dominions of Australia, Canada, New Zealand and South Africa).[7] The Dominions achieved political independence in the interwar years, but disengagement (economic, cultural and geo-strategic) from Britain was delayed until the 1960s. As Lindblad demonstrates for Indonesia, meanwhile, the process of economic decolonization, through the indigenization of business in the 1950s and 1960s, had a longer trajectory than the achievement of political independence from the Netherlands in 1949.[8] Lindblad pays little attention to international shipping, but the expansion of Indonesia's national line, Djakarta Lloyd (DL), during the 1950s and 1960s (often through links to Japan and the Soviet bloc) was part of this wider devolution beyond the transfer of political power.[9]

An overarching argument of this chapter, therefore, is that post-colonial globalization, in tandem with economic decolonization, created a multi-centred maritime system no longer automatically dominated by European conglomerates (a phenomenon identified in the rise of Asian shipping and shipbuilding in Tenold's chapter in this volume). Non-Europeans (wittingly and unwittingly) played significant roles in the remaking of shipping forms by the 1970s. The focus is on British shipping lines and how the challenges of decolonization affected their take-up of containerization after 1965. This is justified on two levels. Firstly, the 'thalassocracy' which was the British Empire meant that UK steamship companies were leading beneficiaries of the European-topped economic, political and social hierarchies of colonial globalization.[10] For example, Britain's largest shipping group, the Peninsular and Oriental Steam Navigation Company

[6]Hopkins (2008, 241–242).

[7]Hopkins (2017, 736).

[8]Lindblad (2008).

[9]Jamieson (1995, 138–139, 143–144).

[10]Jackson (2006, 28).

(P&O), has been called the 'bloodstream of the British Raj'.[11] Hence, the levelling and multi-centring tendencies of post-colonialism threatened the pre-eminence of UK ocean shipping. Secondly, although British lines were not the original innovators, they were at the forefront of developing containerization on a global scale, 'devising and promoting a vast array of changes to all its aspects'.[12] The post-colonial context, moreover, was central to this redeployment. Kerry St. Johnston, joint managing director and one of the 'founding pioneers' of OCL, recalled in 1971 that 'the seeds of political and economic change sown as a result of the war were soon to have a profound impact'.[13]

St. Johnston was also a managing director of the Ocean Steam Ship Company (OSSCo; otherwise known as the Blue Funnel Line or Alfred Holt & Co and renamed Ocean Transport & Trading Ltd [OTT] in 1973). The Ocean Group archive at the Merseyside Maritime Museum supplies the primary-source base for this analysis. This is appropriate because OSSCo, the leading British line in East and Southeast Asia, with an offshoot to Australia, was embroiled in the end-of-empire experience 'east of Suez'. Blue Funnel, from 1936, was also the major shareholder in Elder Dempster, the dominant UK shipping interest in West Africa. Additionally, the Ocean Group encompassed a Dutch subsidiary in the Indonesia trade. As late as the 1970s, Malaysia/Singapore constituted the Ocean Group's 'biggest revenue area' with eastern Asia as a whole contributing 63% and western Africa 32% of operating profits.[14] Moreover, as St. Johnston's career trajectory emphasizes, Ocean was a key driver of containerization after 1965 as one of the four founder companies of OCL. Blue Funnel's management persuaded P&O, the other lead partner in the first British ocean-going container consortium, to take the plunge.[15]

The first section of this chapter does find evidence to support the existing literature's focus on developed-world competition and costs pushing British containerization. But, the bulk of the discussion focuses on the

[11] Bott (2009, 31).

[12] Bott (2009, 23).

[13] Bott (2009, 15); 'Shipping—The Six Year Revolution', reprinted from *Ocean: The Journal of the OSSCo* (December 1971), 16–21, OA/832.

[14] *Annual Report and Accounts* (hereafter *AR&A/Cs*) *1970*, 5–8, OA/4031/1.

[15] Bott (2009, 13, 27–30).

wider decolonization picture. The second part shows the pressures (both real and perceived) which arose from the emergence of national shipping lines throughout the decolonizing world, critiques of the conference system, and the potential for decolonized states to exploit the shipping services of newcomers from outside the established European rings. Moreover, the third section shows how shipping costs were also rising in the developing world through sovereign risks associated with decolonization; not only in terms of labour, but also through port congestion, pilferage and the declining position of European agency houses. The OCL strategy allowed British companies to exploit the lower risks of Australasian trade. Yet, as the final part argues, the agency of the ex-Dominions and Asian Commonwealth states needs to be incorporated into the containerization story.

The OCL Solution

In line with the established explanation, OCL's birth did partly reflect competitive threats in international shipping unrelated to political change. Lindsay Alexander, a managing director of OSSCo from 1955 recalled the situation when he became chairman in 1971. By 1965, it was clear that Sea-Land, due to start trans-Atlantic operations in 1966, was designing larger and faster container ships which had the carrying capacity to cover the entire trade. '[S]evere over-tonnaging' on the Atlantic was a 'grave likelihood'. Sea-Land's anticipated response was entry into the Pacific with its excess vessels. Pushing west, Sea-Land had an existing network of trucks and depots in the US, as well as Pacific Coast terminals and experience in pivot transhipment. Sea-Land could offer shippers in both Europe and East Asia through-transport door-to-door across both the Atlantic and the Pacific. Sea-Land's low rates would also attract cargo, and OSSCo would be 'under severe attack'.[16] In this counter-containerization, St. Johnston likewise highlighted the 'unmistakable signs' that American coastal container operators were 'going international'. There 'is no greater spur to rapid economic assessments leading to investment decisions than the threat of

[16]'Liner Shipping at the Crossroads. Part V—OCL and All That', c. 1971, OA/750.

having your business flinched from under your nose', OCL's CEO wryly observed.[17]

Competition dovetailed with cost-cutting. Blue Funnel's managers reported in 1951 that '[i]n Australia the ships are held up on idleness for long periods through lack of labour and port facilities, and by strikes'. Blue Funnel ships to Australia covered about 50,000 miles a year against 75,000 miles for vessels in the UK–Japan trade. Moreover, the 'home ports' experienced labour indiscipline: 'Strikes, and bans on overtime, by both dockers and ship repairers…caused much delay and rising costs in sea carriage'.[18] Blue Funnel executives were still besmirching Australian labour two decades later. In the Australia–Malaysia service, the May 1970 pay-award on the waterfront entailed a 20% increase in cargo costs, absorbing over half Blue Funnel's revenue and leaving 'barely sufficient to break even'.[19]

Meanwhile, the huge capital costs of containerization led to combinations and consortia.[20] As Alexander explained, if containers were 'the proper answer', OSSCo was 'not large enough to be able to go it alone'. Single-handed, Blue Funnel would be reduced to 'no more than a sailing a fortnight' to reap 'economies of scale'. That was insufficient to remain competitive: joint-sailing agreements would beef up frequency. It was decided to link with P&O since the Australian and Far Eastern activities of the two groups were 'perfectly complementary'. P&O was dominant in Australasia, where OSSCo was 'relatively weak', and vice versa in eastern Asia.[21] Sir John Nicholson, Blue Funnel's chairman in 1965, recalled similar in 1977: 'our established Australian and Far Eastern trade shares were too small to sustain the frequency of container service…needed to attract shippers'; the 'overhead costs could only be met if spread over several trades'.[22]

But, technological diversification was also a strategy to reduce sovereign risk in the post-colonial world, a phenomenon often overlooked in the existing literature. British shipowners believed that, under pressures from

[17] 'Six Year Revolution'.

[18] Annual Meeting, 6 June 1951, 'Report for 1950', OA/4003/8.

[19] *AR&ACs 1970*, 5–8, OA/4031/1.

[20] Levinson (2006, 215) and Broeze (2002, 42).

[21] 'Liner Shipping', OA/750.

[22] Note in Nicholson to Alexander, 21 October 1977, OA/1582.

national shipping lines and the holding down of freight rates by independent states, the returns on capital from conventional liners were limited.[23]

Decolonization and Competitive Pressures

A consequence of political decolonization, and the accompanying drive for economic liberation, was the encouragement given to indigenous shipping companies (often government-subsidized and -protected through cargo reservation). National carriers were embraced for a variety of reasons: as status symbols and strategic necessities, to save hard currency, to help employment generation, trade expansion and technology transfer and to control freight rates.[24] This was part-and-parcel of rectifying imbalances in global trading regimes deemed to favour Europe. Denial of an indigenous merchant marine was described by an Indian shipowner in 1944 as a 'grave act of tyranny of England over India'. Citing Gandhi's adage that 'Indian shipping had to perish so that British shipping might flourish', political independence would allow India to operate its own merchant marine as a key element in economic development, halting the 'drain' of invisible earnings to the UK and lowering rates to boost 'industries at home' and 'markets for national products abroad'.[25]

By the 1960s, British companies were sharing the Indian and Pakistani trades with the national lines with the former demoted to 'the rank of junior vice-admiral'.[26] Throughout Asia, 'political independence' proved a 'prerequisite for systematic fleet development and expansion'.[27] The claustrophobia of post-colonial shipping markets was epitomized by developments in the wake of the separation of Singapore from Malaysia in 1965 and the emergence after 1968 of the Malaysian International Shipping Corporation (MISC) and Singapore's Neptune Orient Line (NOL). The

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[23] Note by Sir Donald Anderson, Chairman P&O, 29 September 1971, OA/JLA/22/3.

[24] Turner (1971, 313), Dharmasena (1989, 86–88), and Evans (2012).

[25] Hirachand (1944, 193–199).

[26] Turner (1971, 307).

[27] Broeze (1987, 90).

plan put up in 1962 by British shipowners to form their own Malayan-registered subsidiary was scuppered. The UK lines ended up with their nightmare scenario: 'two Lines extra instead of only one'.[28]

National lines were usually contained within existing conferences which regulated sailings and apportioned freights. Nonetheless, they were difficult partners. In Ghana, an obvious advantage for the Black Star Line (BSL) was the marketing of cocoa, the country's major export, by a state-owned enterprise. In securing cocoa parcels to the Baltic, BSL was said to be 'overcarrying' by 1964 in the northbound trade in an arrangement that did not represent 'true sharing'. A similar situation existed southbound, particularly with cargo for the Volta River development project 'specifying BS[L]'.[29] By the end of 1964, a change in Ghana Cocoa Marketing Company policy, making arrangements with individual lines rather than the conference pool, likewise tended to favour BSL. Simultaneously, the German Woermann Line appeared to be getting extra cargo by appointing BSL as its Ghana agents.[30] In April 1965, Elder Dempster's chairman regarded these arrangements in favour of BSL as 'having a very dampening effect on present earnings'.[31] In Southeast Asia, meanwhile, MISC was considered by Blue Funnel 'likely [to] fiddle conference rules'.[32]

For St. Johnston, an inordinately 'unproductive' time in the post-war era was spent by the 'best brains' defending conferences.[33] In the 'ideological-political revolution' post-1945, conferences were in danger of being bypassed.[34] They were suspect as 'neo-colonial' price-fixing cartels, allegedly inflating freight rates and preventing newcomers (both national lines and cross traders) from entering routes. By 1962, the leading UK shipowners reported to their Minister of Transport about 'considerable

[28]Thomson, Ben Line to Nicholson, 18 August 1965, OA/2116.

[29]Cotton to Lucas, 27 September 1962, OA/2078/1.

[30]Muirhead to Tilby, Palm Line, 19 November 1964; Muirhead to Quarshie, BSL, 13 November 1964; Muirhead to Lagos, 5 October 1964; Lane to Gorick, Chamber of Shipping, 20 May 1965, OA/2273.

[31]Lane to Lucas, Joyce and Ogley, 23 April 1965, OA/2273.

[32]Blue Funnel Line (BFL) Minutes, 28 April 1972, OA/1773.

[33]'Six Year Revolution'.

[34]Broeze (2002, 70–72).

misunderstanding and criticism' of conferences from governments, shippers and international bodies.[35] In Indonesia, OSSCo was incensed by the UN's appointment of an 'anti-Conference' Australian as shipping adviser to the Jakarta government in 1961. He sympathized with the Indonesian commonplace that 'the word "Conference" suggests…a foreign body with a complete hold on shipping'. The adviser's subsequent report was 'a scarcely veiled attack on the [Europe-Indonesia] Conference on the grounds that it keeps the rates up to support chronic over-tonnaging'.[36] In Confrontation with British-backed Malaysia after 1963, the increasingly radical tone of Indonesian economic nationalism was epitomized by the Minister of Sea Communications, Major-General Ali Sadikin, in singling out the Europe-Indonesia Conference as the 'tool of imperialist domination in the field of international shipping'. Indonesia remained in the conference, but through developing a 'strong fleet' of its own would 'have the power … to transform the … imperialist "tool" into a tool for our nationalist stride'.[37]

World-wide there were alarming pressures (as UK shipowners saw it) from developing countries and the Eastern bloc, culminating in an enquiry into conferences and rates by the UN Conference on Trade and Development (UNCTAD).[38] To break the cartels, meanwhile, decolonized states could also turn to the Soviet bloc whose 'substantial national fleets of merchant-cum-military sealift ships … were under no obligation to show a profit and could therefore undercut the freight-rates [offered by the conferences]'. Espousing 'the creed of brotherly love', and with 'no connections with the old imperial powers', the Comecon lines 'found customers in the newly independent states, particularly in Africa'.[39]

[35] Shipping Advisory Panel (SAP) Minutes, 12 December 1962, OA/1870.

[36] 'Djakarta, June–Dec', Holt to Day, 21 June 1961; '1962. Private Djakarta, April to July', Graham to Holt, 25 June 1962, OA/1961; 'Ministry of Transport Correspondence', Holt to Hosegood, 24 August 1963, OA/1869/2.

[37] 'Indonesia: Dutch Disputes', confidential translation, 13 November 1964, OA/1696.

[38] SAP Minutes, 3 June 1964, OA/1870.

[39] Woodman (2010, 339). In 1965, Elders highlighted Polish competition in Northern Europe and an oilseeds contract with the Nigerian Produce Marketing Company at an 'uneconomic' rate. Lane to Gorick, 20 May 1965, OA/2273.

Furthermore, the intrusion of newcomers as partners to the new national lines was unwelcome to the established expatriates. To the chagrin of Elder Dempster, as Ghana became independent, the Nkrumah government chose the Israeli Zim Line to establish BSL as a joint venture in 1957.[40] Zim also assisted Burma in establishing a national line which entered the Burma shipping conference at the end of 1959 while Sudan turned to Yugoslavia.[41] Additionally, developing-world producers could exploit non-conference interlopers. By mid-1968, Blue Funnel faced stiff competition in the Malaysian palm oil trade from Stolt-Nielsen, the Norwegian parcel-tanker outfit, offering rates lower than the conference.[42] In a buyer's market, Malaysian palm-oil shippers, as well as Singapore rubber dealers, used their muscle to reduce conference rates in the early 1970s.[43]

To paraphrase Robinson, political independence allowed Third World states to effectively pick and choose which Big Brother (or combination of Big Brothers) exploited them in future as what Kleiman called the 'enforced bilateralism' of colonialism broke down.[44] On top of the massive subsidized growth of the US merchant marine during World War II, what disappointed European shipping lines was the encouragement given to regulation in Washington. Blue Funnel's chairman informed shareholders in 1966 that: 'American policy is still dictated by Congressional determination to impose on international shipping a pattern of control solely derived from the singularities of national beliefs and commercial habits'.[45] Drawing upon anti-trust ideology and encouraged by the Department of Justice, the Federal Maritime Commission during the 1960s was particularly concerned, for the benefit of US consumers, exporters and importers, that America's external trade 'was open to all nations on fair and equitable terms'. In particular, that entailed the scrutiny of common carrier agreements to ward off 'cosy cartel[s]'.[46] St. Johnston recalled in 1971

[40] White (2011, 197–198).

[41] Memorandum on Burma Trade, 31 December 1962, OA/2610; Jamieson (1995, 139).

[42] BFL Minutes, 21 June 1968, OA/1772/2.

[43] Levinson (2006, 255–256).

[44] Robinson (1984) and Kleiman (1976, 462, 471).

[45] *AR&A/Cs 1965*, 15, OA/4031/1.

[46] Cafruny (1987, 151) and Turner (1971, 309).

that for much of the decade after 1955, the 'overwhelming preoccupation' of European shipowners was 'attempting to restrain the monstrous worm of American regulatory zeal'. A 'new aura' of rate-making, 'at best of increased consultation and formalism, at worst of blatant political muscle' emerged.[47] Reflecting the growth of US global power, Latin American countries were also part of the process of using 'restrictive practices to establish and develop national merchant shipping fleets'.[48] By the late 1960s, South American regimes added 'thirty per cent to customs duties for goods carried in foreign ships'.[49]

Developing-world shipping proved ineffectual. From 1974, UNCTAD's Liner Code included the sharing of cargoes between shipping companies of importing and exporting countries, and cross traders, in a 40:40:20 ratio. But the code was only operative from 1983, and its universality was undermined by US non-ratification plus European governments, following Britain's lead, only applying the code in shipping with developing countries.[50] By the early 1990s, national shipping lines throughout West and Central Africa were in a dreadful state. None were capable of carrying even 40% of their national export trades.[51] MISC, though commanding a fleet of 44 vessels in excess of 1.3 million dwt in 1982, still carried 'but a small share of Malaysia's overseas trade'.[52] Given the poor performance of national lines, Ocean faced a far greater challenge from the outsiders of the industrialized world. Japan's Mitsui-OSK or Norway's Hoegh, for example, were greater menaces because they undercut conference rates.[53] Despite the presence of BSL and the Nigerian National Shipping Line (NNSL), Elder Dempster was still capable of making spectacular returns in the late 1970s given the Nigerian oil boom.[54]

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47 'Six Year Revolution'.

48 Iheduru (1992, 297).

49 Turner (1971, 309).

50 Broeze (2002, 70–71), Sturmey (1986, 185, 197–198), and Cafruny (1987, 224–226).

51 Iheduru (1992, 308–11).

52 Broeze (1987, 88).

53 I am grateful to Nicholas Barber, a key strategist at OSSCo/OTT in the 1970s (and later chairman of the group) for this insight. Email communication, 18 February 2013. See also White and Evans (2015, 232); note on ICI, undated (c. 3 September 1965) and telex, 7 September 1965, OA/2273.

54 Email communication from Nicholas Barber, 18 February 2013; Davies (2000, 382).

But the weaknesses of the national lines proved a liability for the expatriate companies. By July 1965, the profitability 'actual' of BSL was doubtful and Elder Dempster was already aware that the Ghanaian line had 'difficulty in paying its debts'. In May 1967, a BSL cheque was 'returned unpaid', prompting discussion of Black Star's 'overall indebtedness'.[55] After 1968, Elders was increasingly hostage to the inefficiencies of BSL and NNSL in the joint service it was obliged to run with the national line in the UK West Africa Lines conference (UKWAL), making Elders vulnerable to takeover by the 1980s.[56]

Moreover, fear of the possible rather than the actual after 1945 drove decision-making in international shipping. Highly apprehensive about the prospect of maritime nationalism in their traditional domains, the adoption of containerization by European shipping companies was part of a wider picture of increased cooperation and combination. As Poulsen argues, the trend towards consolidation in Scandinavian shipping during the 1960s and 1970s was not primarily a response to the costs of technological change but was designed instead to counter discriminatory practices (not just in developing countries but in the US and Australia too). Fear 'had a very real impact at the time' and in corporate strategy the 'issue of protectionism' proved 'pivotal'.[57]

This defensive strategy in light of the trend towards post-colonial state intervention in shipping was driven home by F. L. Lane, Elder Dempster's chairman, in his justification of a full merger with OSSCo in August 1965:

> Shipping being an international business, those engaged in it face a wide diversity of competitive arrangements, many of which have the backing of individual Governments in favour of their respective shipping lines …
>
> [T]he financial results of shipping … will inevitably depend more and more on specialisation and the use of modern techniques … The greatest

[55] Cotton to Accra, 28 July 1965, OA/2078/2; Management Committee Minutes, 16 May 1967, OA/1587/8.

[56] In 1986, for example, as a consequence of mechanical failures, classification disputes and ship seizures, and the resulting refusal of shippers to use Nigerian vessels, NNSL temporarily withdrew from the conference. In 1989, Elders was taken over by France's Delmas Vieljeux. Davies (2000, 390–392).

[57] Poulsen (2010, 76–83, 84).

> benefits … will accrue to those organisations which are large enough to be able to justify the expenditure of time and money … which the far reaching changes … entail.[58]

Those 'modern techniques' and 'far reaching changes' clearly included containerization which was now being seriously considered by the Ocean Group (including as we'll see below in West Africa). Moreover, the essence of OCL was a combination of four leading British shipping companies searching out new means to defend market shares and reduce political risk. OCL was primarily a partnership between OSSCo and P&O, both agitated by political and economic change in their former domains outside Europe. The first serious moves in British containerization were taken around 1960 by the British India Steam Navigation Company (BI), owned by P&O. BI faced constraints in South Asia, deriving from the partition of India and Pakistan and its expulsion from the coastal trade through pro-indigenous regulations. BI's headquarters transferred from Calcutta to London in 1957, and 1960 was the year that P&O sold its last remaining interests in Bombay and Calcutta, and in which black-majority rule in East Africa became imminent.[59] Through a study of UK-East Africa trade, BI's new technical department in London demonstrated that containerization could pay in regions of low as well as high wages. BI senior manager R. B. Monteath became a 'key figure in the early development of OCL'.[60]

Furness Withy and B&C were the other partners (albeit junior) in OCL. Furness Withy's Royal Mail Lines was increasingly unprofitable through flag discrimination on top of import restrictions, exchange controls and currency manipulations in South America (and in Argentina specifically a desire to reduce dependency on the UK by diverting exports to continental Europe).[61] B&C's Clan and Union-Castle lines were likewise facing the squeeze from national lines in India and east-southern Africa. By 1966, they also had to contend with South African import restrictions,

58 'Acquisition', memorandum for senior staff, 13 August 1965, OA/1696.

59 Howarth & Howarth (1986, 164–165, 173, 174, 176–177).

60 Bott (2009, 23–24).

61 Forrester (2014, 195, 197–198, 207–208, 214–215).

devaluation of the Indian rupee and the 'unresolved problems' of Rhodesia's Unilateral Declaration of Independence, all of which were 'having a serious effect on [B&C's] carryings'.[62] The sense of uncertainty was exacerbated by additional costs and inconveniences associated with changing conditions in the decolonizing Afro-Asian world: labour relations, port security and congestion, and, the general retreat of European merchant firms. 'Safe' colonial investments were being transformed into 'risk capital', the 'crux of the international revolution labelled decolonization' as Fieldhouse argued.[63]

Decolonization, Political Risk and Containerization

Disputes between maritime labour and capital, and rising labour costs, were certainly not unique to post-war Liverpool, New York or Brisbane. Labour militancy in the tropics was often a product of the reformist zeal of late colonialism. In the 'partnership' era after World War II, French and British colonial administrations attempted to stabilize labour through promoting European-style 'responsible' trade unionism in the hope that productivity increases would accrue. This usually spiralled out of control, pushing up labour costs in a wave of strikes for pay increases as well as pension and other benefits, particularly among port and transport workers.[64] Trade unions became 'organs of anti-colonial protest' as nationalist leaders drew upon organized labour for mass mobilization.[65] In 1956, Sir John Hobhouse, OSSCo's chief executive, reported that Asia was 'in various stages of … progress towards self-government' and a general accompaniment was the emergence of trade unions which believed they were 'not up to the best Western standards unless [they] organise[d] frequent stoppages'.[66]

62 Chairman Nicholas Cayzer in B&C *AR&A/Cs 1966* cited in Sinclair (2010, 264).
63 Fieldhouse (1978, 601).
64 Cooper (1987, 1996).
65 Low (1991, 238).
66 'South East Asia in 1956'.

There was also trouble at sea against the backdrop of decolonization, encapsulated in a strike led by Nigerian stewards on the Elder Dempster mail boat *Apapa* while berthed in Liverpool in the summer of 1959. This followed a series of allegations of racial discrimination on the part of African crews and occurred in the midst of attempts to establish an employers' federation in Lagos to deal with the Nigerian Union of Seamen (NUS), believed to be under communist influence. The only way to get the ship away was to promise a full inquiry in Lagos.[67] With Nigeria on the cusp of full independence, and concern on the part of the end-of-empire government in Lagos to avoid further labour unrest, the inquiry ruled in the stewards' favour. The Board conceded that African crews experienced worse conditions than European ones, identifying inequalities in wages, hours of work and leave arrangements. Elders was advised to end the loosely regulated system of work hours, and institute overtime payments.[68] The shift from 'vertical' notions of racial and social hierarchy to 'horizontal' ideas of racial equality and universal democracy, as in Hopkins's post-colonial globalization schema, were clearly making the management of maritime labour more costly (or, at least, time-consuming and formalized).[69]

Ongoing concerns about communist influence in the Nigerian labour movement persisted into the 1960s (as did strikes).[70] Seafarer militancy intersected with that of Nigerian waterfront labour. The NSU's 'considerable truculence', for example, in insisting that a pay award of September 1964 be backdated to the beginning of the year, was encouraged by 'knowing [its] strong position after the success of the Dockworkers in obtaining all their demands through strike action', reported Elder Dempster director Bruce Glasier.[71]

Port labour forces were also caught up in the competing nationalisms which characterized late- and post-colonial politics. Hobhouse noted in

[67] Managers' Meeting Minutes, 15 June 1959, OA/1060/1/1.

[68] Schler (2016, 92–93); Salubi Report summarized in *The Newsletter: The Weekly Journal of the Socialist Labour League*, 'Nigerian Seamen Win Concessions', 5 March 1960, OA/1908/3.

[69] Hopkins (2008, 241–242).

[70] Gale to Glasier, 14 May 1960; Paxton to Holt, 10 August 1962, OA/1908/3.

[71] Managers' Meeting Minutes, 21 September 1964, OA/1060/1/3.

1956 that Ceylon was 'wrestling with internal disputes between the Sinhalese majority and the Tamil minority' which had 'disorganised the labour force at Colombo so that the port is in a constant state of congestion'.[72] Indeed, Ceylon's decolonization dramatically changed port conditions. To independence in 1948, Colombo was largely worked by itinerant 'coast coolies' from South India who were not much bothered about their terms and conditions since they frequently returned home after a year to two. This allowed the development of a casual labour pool which could be drawn upon by the mainly Indian stevedores at times of high demand (and equally discharged in less busy periods). An affirmative action trend in favour of indigenous Sri Lankans began in the 1930s downturn, intensified by the political imperatives of independence. Whereas one-third of labour was Sri Lankan in 1948, it was 80% by 1957.[73] Local dockworkers who replaced the immigrants 'lacked the stamina required for [strenuous] dock work'.[74] Colombo's famed efficiency disappeared as the labour force decasualized and unionized, and industrial disputes became commonplace. As Liverpool's Bibby Line discovered, Colombo became a 'politicians' playground' as the unions wooed the national parties, culminating in the nationalization of the port in 1958.[75] '[S]hipping circles and general trade in all corners of the world can only speak in terms of despair and disgust of the pathetic daily tonnage output' stated a report on Colombo's cargo handling in 1959.[76]

Port congestion intersected with labour unrest. The Liverpool Steam Ship Owners' Association (LSSOA) conducted surveys of its members in the 1950s on the 'wastage of carrying power' arising from slow turnaround. The UK and Australian ports were deemed outmoded but so was maritime infrastructure in South Asia, the Caribbean and East and West Africa, which was unable to keep pace with the upsurge of trade. This also reflected restrictive labour practices, go slows and strikes. A cargo liner company engaged in trade between the UK and India, Pakistan and Ceylon ran

72 'South East Asia in 1956', *Blue Funnel and Glen Lines Staff Bulletin* (July 1956, 171–172), OA/692/2.

73 Dharmasena (1985).

74 Dharmasena (1998, 77–78).

75 Watson (1990, 47) and Dharmasena (1985, 112).

76 Dharmasena (1985, 113).

before the war, on average, three voyages a year for each ship in its fleet. In 1951, 2.25 voyages only were averaged, despite the fact that a large proportion of the fleet had more engine power and improved cargo-handling gear. This figure declined further to 1.9 voyages per annum by 1955. In the UK-West Africa trade, voyages as a whole were taking 25% more time than pre-war. Per annum, that entailed a loss of nearly thirty round voyages. In the Caribbean, it was said to be taking six weeks or more to effect turn round in a number of ports, which pre-war took no more than four weeks (a 50% deterioration).[77] For Southeast Asia in 1956, Hobhouse was sure of 'continued trouble in keeping the ships to anything like fixed dates' given labour unrest, bottlenecks and political instability. Maintaining regular scheduled services, the meat-and-drink of Blue Funnel's competitive advantage, was increasingly costly. The agents and ships' personnel surmounted difficulties 'with ingenuity and cheerfulness' but, as Hobhouse revealingly quipped, 'you should see our cable bill!'[78]

Political upheaval interlinked with port congestion. Blue Funnel experienced 'difficult and disappointing' trade with China at the end of 1968 due to the 'political tensions' of the anti-western Cultural Revolution and the 'impossibility of maintaining liner schedules through chronically congested ports'.[79] Blue Funnel would withdraw from the China trade altogether by 1970. It was not only the British dock strike in July 1970, but also Nigerian delays caused by the civil war which cost OSSCo group about £1.1 million during that year.[80]

Fraught labour–management relations leading to theft was not unique to ports in the Global North either.[81] In the late 1960s, the problems of the Sierra Leone Port Authority were blamed on 'inefficiency and large scale pilferage due to lack of firm top management'. In Freetown, the general secretary of the dockworkers' union was believed to be in cahoots in this criminality with the port authority's personnel officer.[82] Mass pilferage was

[77] *Annual Report for 1950*, 18; *Annual Report for 1951*, 18–24; *Annual Report for 1952*, 12–13; *Annual Report for 1955*, 19–24, LSSOA/D/SS/2/7.

[78] 'South East Asia in 1956'.

[79] *AR&ACs 1968*, 15–18, OA/4031.

[80] *AR&ACs 1970*, 5–8, OA/4031.

[81] Levinson (2006, 26–27).

[82] Notes on visit to West Africa, 15–24 January 1969 by E. Storey, 7 February 1969, OA/1296/2/13.

an Asian phenomenon too. Six months into Indonesian independence in June 1950, the 'main difficulties' for Blue Funnel were 'the complete lack of disciplined control over the men loading and discharging the cargo', involving 'much stealing of cargo and considerable risk of injury to the crew on watch'.[83] In Indonesia's economic meltdown from the end of the 1950s, things only got worse, reflected in an extreme incident of pillage at the port of Balikpapan in Kalimantan in March 1965. Thirty to forty local police and army personnel boarded *Lycaon*, a steamship owned by the Nederlandsche Stoomvaart Maatschappij 'Oceaan' (NSMO), OSSCo's Dutch wing. Along with the dockworkers loading and discharging the vessel, the armed intruders ransacked the cargo (including the personal effects of the passengers valued at £8000; equivalent to about £147,000 at 2017 prices).[84] This was a striking example of the unpredictability, uncertainty and fragility of ex-imperial business in post-colonial states. However far expatriate interests attempted to appease assertive nation-states, there were no guarantees. The pillage at Balikpapan was baffling because Blue Funnel had apparently secured its Indonesian trade by cloaking its UK status. Given Confrontation with British-supported Malaysia, OSSCo withdrew its British-registered tonnage and re-engaged the Dutch-flag NSMO vessels in Indonesian waters as tensions between Jakarta and The Hague eased (following the settlement of the West New Guinea/Irian Jaya dispute).[85]

The Balikpapan incident also underscored how information networks unravelled through economic decolonization. NSMO/OSSCo lost access to vital information flows as Dutch shipping agencies were nationalized in the late 1950s, and British ones were taken over during Confrontation.[86] In military-controlled Balikpapan, Blue Funnel lacked an agent. It was only when *Lycaon* reached Sumatra that the Balikpapan outrage could be reported to Amsterdam and Liverpool.

[83] Annual Meeting, 6 June 1950. Report for 1950, OA/4003/8.

[84] Djakarta File. January, February, March 1965, Boerstra to Amsterdam, 10 March 1965 enclosing 'Visit to the Musi, 4–7 March 1965'; Boerstra to Amsterdam, 12 March 1965; notes on discussion in Amsterdam, 5–6 March 1965, OA/1869/1. Purchasing-power comparators are derived from MeasuringWorth.com.

[85] White (2012, 1306).

[86] White (2012, 1293, 1298–1299).

Miller views intelligence flows, particularly via close links between shipping lines and trading companies/agency houses in the port cities of the colonial and semi-colonial world, as central to the European-dominated maritime system.[87] Expatriate merchant firms, which scouted out and booked cargoes, were prime targets of indigenization measures throughout the developing world. This is illustrated by two examples from the apparently opposite ends of the post-colonial spectrum in eastern Asia: Communist China and the 'highly Americanised' Philippines.[88]

The former's assault upon British merchant firms supports Hopkins's view that China should be incorporated into end-of-empire narratives given its 'effective decolonization' in 1949.[89] In 1954, Butterfield & Swire (B&S) was replaced in Shanghai by the China Ocean Shipping Agency (COSA) as Blue Funnel's agents.[90] Breaking down, therefore, was a British-dominated shipping-cum-trading chain along the Yangtze in which OSSCo's intimate relationship with John Swire & Sons, B&S's parent, provided access to the feeder services of the China Navigation Company (CNC) as well as indigenous comprador networks.[91] COSA was an offshoot of the Ministry of Foreign Trade and, in contrast to B&S, viewed itself 'as the mouth-piece of the shippers rather than the representative of the shipping companies'. COSA's quasi-monopoly cut Blue Funnel off from shippers and receivers. By the late 1950s, OSSCo had no means of 'knowing how we get what cargo we do'. Cargo flows could be 'turned off at will for political reasons'. Meanwhile, the state corporations had 'a well-developed technique of refusing to accept rates which they have not themselves explicitly accepted'.[92] As Manila's leadership sought a greater Asian identity, there would be indigenization legislation by the late 1950s.[93] Blue Funnel's British agents in Manila, Smith, Bell & Co,

[87] Miller (2012, 4, 31–32, 70–71, 171–172).

[88] Sir John Hobhouse, 'British Interests in Eastern Asia', Lecture delivered at the University of Liverpool, 26 May 1952, OA/74.

[89] Hopkins (2017, 737).

[90] Falkus (1990, 304).

[91] Miller (2012, 90–91).

[92] Note by Alexander, 10 October 1958, OA/JLA/22/1.

[93] Jose (2012, 39–40).

fell to Filipino interests in 1959.[94] The transfer of the Smith Bell agency to another local firm in 1970 led to loss of the valuable hemp trade.[95] The retreat of the expatriate merchants in the Philippines coalesced with the emergence of a national line. The Maritime Company of the Philippines was admitted to the Europe-Philippines conference in 1969; combined with import restrictions, this was blamed for a downturn in OSSCo carryings to the islands during 1970.[96]

Investing in containerization and developing OCL, therefore, provided an opportunity for Holts to focus a greater share of its activity upon the lower risk trades of Australasia. Indeed, 'in view of the current political situation in Asia', it was decided in 1965 to redeploy two of OSSCo's eight ships in its general-cargo building programme from Asia to Australia.[97] Chairman Nicholson admitted to shareholders in May 1966 that: 'Given the political uncertainty which pervades so many parts of Asia it is impossible to foretell the course of development of our Eastern trades'. Prospects in Ghana and Nigeria might be improved by regime changes but 'the difficulty of prediction remained'.[98] As Nicholson pointed out after a visit to West Africa in February 1967: 'In these waters there are no dependable sailing directions and any observations must be treated with distrust, remembering that not even the most experienced local pilots foresaw the political "coups" of 1966'.[99]

Moreover, risks in developing countries could be offset by growth potential elsewhere. Containerization provided an opportunity to redeploy resources towards the global growth triangle of North America, Western Europe and East Asia, with an offshoot to Australasia. To the 1980s, at least, containerization proved a driver for growth primarily in North–North not developed–developing world trade.[100] That reflected Hopkins's reconfigured globalization after 1945 which encompassed 'shifts in the world

[94] Carter (2002, 157).

[95] BFL Minutes, 29 June 1970, OA/1772/4.

[96] *AR&A/Cs 1970*, 5–8.

[97] Note by MacTier, 18 January 1965 attached to note for the board by Nicholson, 18 January 1965, OA/JLA/20/1.

[98] *AR&A/Cs 1965*, 13–15.

[99] Note by Nicholson, 27 February 1967, OA/JLA/20/1.

[100] Ditto (2002, 45) and Bernhofen et al. (2016, 46–47).

economy', especially the tendency for increased exchanges between industrialized countries.[101] OCL's first containerized service was UK–Australia followed by Europe–East Asia during 1972 and 1973 where the principal attraction was the high value manufactures of Japan and Hong Kong, not the primary products of Southeast Asia, the hangovers of colonial globalization.[102] Even without unpredictable 'further political upheavals' in West Africa, Nicholson in 1967 saw little prospect for increases in profitability because 'the traffic consists almost entirely of cheap primary products', whose 'naturally low rates' were 'held down by political pressure reinforced by national poverty, dissension within the Conference, and the incursion of numerous outsiders'.[103]

Non-European Agency in Containerization

The lure of Australia, however, also needs to be set within the wider context of the decolonization of the former 'White' Dominions. As Hopkins stresses, during the 1950s and 1960s there was an 'almost unnoticed decolonisation, as the old dominions began to look to themselves rather to the "mother country"'. Exacerbated by Britain's groping towards the EEC after 1961, '[c]ommercial ties with Britain weakened'; these were the material 'symptoms of imperial dissolution' which matched those simultaneously taking place in the Afro-Asian world.[104] Moreover, as St. Johnston noted, the tendency by the early 1960s for rates to lag behind costs was not helped by independent Commonwealth governments, in Australia, New Zealand, South Africa and India, which increasingly oversaw rate-making.[105]

By the mid-1960s, the proverbial 'Sword of Damocles hung over [Blue Funnel's] heads', reflected Alexander, because the Canberra government 'realise[d] that cargo handling costs in Australia were very high' and 'the

101 Hopkins (2017, 730).

102 I am indebted again to Nicholas Barber for this observation. Email communication, 18 February 2013.

103 Note by Nicholson, 27 February 1967, OA/JLA/20/1.

104 Hopkins (2008, 229, 237–239; 2017, 734–736) .

105 'Six Year Revolution'.

consequential rates of freight would…hamper Australian overseas trade'. Through 'moral and legal pressure', and with virtually no deep-seas flag tonnage, the Australians insisted that the Europe–Australia services be rationalized. In no uncertain terms, Canberra also wished to 'cut out the recalcitrant Australian docker' via containerization. If the British lines wouldn't containerize, the Australians 'would try to find somebody else' (Sea-Land being the obvious choice because of Atlantic over-tonnaging, and also Sea-Land was 'poised in the vicinity of Australia' through supplying huge quantities of stores to Vietnam).[106] Nicholson concurred in 1977: 'we decided under the threat of intervention by the Commonwealth Government that the trade between Europe and Australia had to be containerised quickly'.[107] In May 1966, the senior civil servant in Australia's Department of Trade, Sir Alan Westerman, called a conference on containerization in Canberra. Sir Alan emphasized that 'only if there is a rational and evolutionary approach in the question of relationships [between shippers and shipowners] will the kind of stability of service that we need be assured'.[108] Given the annual friction between New Zealand's Meat and Dairy Boards and British shipping during freight-rate negotiations, the containerization of the refrigerated trades after 1969 relied upon strong support from the top government brass in Wellington, including Sir John Marshall (deputy premier with responsibility for commerce and industry).[109]

In this regard, the OCL project need not be seen as a new departure. Containerization was an attempt to prevent further dissipation of established Commonwealth (including South African) trade links, threatened by the assertive and reorienting ex-Dominions. Nicholson regarded Furness Withy and B&C as essential partners in OCL because 'the South African trade [where B&C was particularly strong] should provide important and early throughput for OCL'; the 'South African services might combine conveniently with West Africa and/or Australia'; while Shaw, Savill & Albion, of Furness Withy, had 'a large stake in the Australasian

[106] 'Liner Shipping'.

[107] Note in Nicholson to Alexander, 21 October 1977, OA/1582.

[108] Bott (2009, 43).

[109] Bott (2009, 158–159).

trades'.[110] The containerization of the Europe–West Africa route was eventually rejected by OCL.[111] But West Africa was originally intended as a link in the global containerization chain since Elder Dempster experimented with the use of ten-ton boxes from the end of 1964. This proved unsuccessful. With the amalgamation of OSSCo and Elder Dempster during 1965, however, Elders was strongly encouraged not to abandon containers.[112] Lane's legitimization of the Elders-OSSCo merger, discussed above, was clearly in this context of providing capital and know-how to support the technological shift. This grand, post-imperial vision in intra-Commonwealth trade (which, in Asia, would encompass Singapore and Hong Kong) very likely explains the support of the Labour Government of 1964–1970 for OCL. Minister of Transport Barbara Castle was especially encouraging, making investment grants available not only for vessel construction, but also for the containers they would carry.[113] Notwithstanding Britain's second application to join the EEC in 1967, Harold Wilson's government remained remarkably pro-Commonwealth.[114]

Equally, however, British shipowners wished to secure a slice of burgeoning intra-Pacific exchanges, typical of the decentring of global trade that accompanied decolonization. Since the mid-1960s, 'the engine of growth in [Australasia's] international trade has been driven by links with Japan and the countries in the Association of Southeast Asian Nations…By the mid-1960s trade between Australia and Japan alone already exceeded the value of trade between Australia and Britain'.[115]

OCL partnered with CNC, in which OSSCo enjoyed a half-share, in the containerization of the Australia-Japan trade.[116] This was not merely to reduce labour costs. As in the European trade, there was 'continued pressure' from the Australian authorities, wishing to encourage routes linking

110 Nicholson to Anderson, 13 December 1965, OA/JLA/20/1.

111 Bott (2009, 34).

112 Managers' Meeting Minutes, 14 September 1964; 30 November 1964; 22 August 1966, OA/1060/1/3.

113 Bott (2009, 25–26).

114 Catterall (2018, 838–839).

115 Hopkins (2008, 239).

116 Broeze (2002, 50).

Australia with markets in Japan and North America alongside Europe.[117] Australia-Japan's containerization was also spurred on by the ambitions of the government-controlled Australian National Line (ANL). Subsequently, ANL entered into 'all trades between Australia and South East Asian countries as consortium members within the conferences alongside OCL'.[118] Expelled from mainland China in the 1950s, Swires/CNC was obviously seeking new outlets. But, as Sir Adrian Swire, deputy-chairman of the parent company, recalled: 'an extra dimension…was the strident noises emanating from Canberra and ANL that the time had come for Australian-owned, Australian-flagged and Australian-crewed ships'. The original two Australia Japan Container Line (AJCL) vessels were devoid of Australian equity participation, while being British-flagged and Chinese-crewed. Yet, AJCL did employ Australian officers and the ships were built with 'magnificent crew accommodation' should fuller localization be required.[119] As Nicholson informed his opposite number at P&O in December 1965, it was not only Sea-Land and the Swedish Wallenius Lines, but also ANL which would capture business should the British companies not 'establish an effective organisation'.[120]

That the nature and pace of containerization was often determined by the exigent ex-Dominions is confirmed in the South African experience. There was a growing maritime nationalism on the part of Pretoria through the formation of Safmarine as the national line in 1946, a 'proprietorial interest…in keeping northbound rates of freight as depressed as possible', and a trend towards self-sufficiency with the official adoption of Apartheid in 1948 (and even more so after South Africa's Commonwealth exit in 1961).[121] But containerization was not contemplated until 1975 given plentiful supplies of cheap and quiescent labour plus ample port capacity. The advent of containerization in 1977 was largely determined by the nationalized South African Railways and Harbours. Given Safmarine's dominance of the South African Conference, five of the ten North Europe–South Africa ships and one of the three Mediterranean-South

[117] Bott (2009, 90–91).
[118] Bott (2009, 94).
[119] Bott (2009, 96–97).
[120] Nicholson to Anderson, 13 December 1965, OA/JLA/20/1.
[121] Bott (2009, 166–167).

Africa vessels were provided by the national carrier. The joint service was also forced into adopting a particular specification of insulated container, suspected as a ruse to prevent British consortia entering South Africa with their Australasian ships.[122]

Yet, the initiative of ex-British colonies in the take-up of containers needs to also encompass the non-Dominions. Singapore and Malaysia were the exemplars where container port development was embraced by pragmatic governments. As Levinson recognized, 'no government anywhere was as aggressive in preparing for the container age as Singapore's'.[123] Nor is the link between decolonization and containerization any less obvious: independent through ejection from Malaysia in 1965, and facing a rapid rundown of Britain's defence complex by 1968, Lee Kuan Yew's government built a container port in its strategies for economic survival—to become the commercial hub of Southeast Asia and to foster export-oriented industrialization.[124] Singapore's first container facility opened in June 1972, and OCL's new route to the 'Far East' encompassed Singapore with Hong Kong and Japan.[125] In the subsequent development of intra-Pacific services, it was not only ANL, but also Singapore's government-owned and largest line, NOL, which was 'waiting in the wings to participate'.[126] By 1978, Singapore possessed the second largest merchant fleet in Asia, and in 1982 fifteen of NOL's 33 ships were container vessels.[127] By the 1990s, Singapore was the world's largest container port.[128]

Anxious to be economically independent of the port-city nation, Malaysia followed suit. The government in Kuala Lumpur studied containerization, and Port Klang was decided upon as the main container terminal (Penang's approaches were too shallow and Klang was nearer to

[122] Bott (2009, 167–168).

[123] Levinson (2006, 209).

[124] Levinson (2006, 209–211).

[125] *AR&ACs 1971*, 5–6; Meek (2003 163–167).

[126] Bott (2009, 175). A container service between Australia and Southeast Asia was being seriously considered by the end of 1969. As Blue Funnel directors appreciated, in these cross trades the respective governments would want their own national flags operating and an approach to a Singapore/Malaysian interest as well as ANL was proposed, alongside P&O. Note in Swayne to Alexander, 12 December 1969, OA/JLA/5/1.

[127] Broeze (1987, 85, 88).

[128] Huff (1994, 306).

industrializing 'Greater Kuala Lumpur'). The first phase of Klang's expansion was completed in July 1973. OCL's *Tokyo Bay* was the first container vessel to dock at Klang.[129] British shipping agents in Malaysia found that containerization fit a particular government-led development agenda in the positive discrimination of the New Economic Policy (officially launched in 1971). The handling and inland distribution of containers was a new growth area which could be reserved for enterprises representing the economically disadvantaged Bumiputeras (Malays and other indigenous groups) and so reduce ongoing Malaysian Chinese and foreign (primarily British) domination of the economy.[130] Blue Funnel managers came to realise, too, that MISC spied an opportunity to expand through road haulage from Klang to Kuala Lumpur. Kontena Nasional, the forwarder established in 1973, involved a 25% shareholding by Malaysia's national line.[131] As Alexander of Blue Funnel appreciated in 1968, containerization of intra-Southeast Asian services would be 'popular with both Malaysian and Singapore governments', especially if reductions in rates were likely and part of OSSCo's holding in the Straits Steamship Company could be sold to them.[132]

The agency of post-colonial states is additionally brought out in the case of Sri Lanka. As Dharmasena argued, the economic decolonization inherent in the formation of the Ceylon Shipping Corporation (CSC) in 1969 (and nationalized in 1971) spurred on Colombo's containerization. The American President Lines may have been the innovator at Colombo, but 'as a relative newcomer CSC … had no particular reason to cling to the older technology'. From 1980, in partnership with NOL significantly, CSC commenced a service to Felixstowe, Hamburg, Rotterdam and Bombay. Reversing previous dependence, CSC quickly monopolized tea exports to Britain. Further collaboration followed with Singapore, linking West Germany, the Red Sea, Colombo and Singapore, as well as the European newcomer Maersk on the Colombo–Singapore–US–Canada

129 Port Klang (2011, 64, 69); BFL Minutes, 28 April 1972, OA/1773; Bott (2009, 130–131).

130 Kuala Lumpur to London, 29 September 1970; Annesley to London, 22 August 1974 and attached extract from *Sunday Times* (Malaysia), 4 August 1974, H&C/37600.

131 BFL Minutes, 28 April 1972, OA/1773; 'Changes at the Top in Kontena Nasional', *New Straits Times*, 12 September 1981.

132 Note by Alexander, 28 February 1968, OA/JLA/20/1.

route. Independently, CSC ran East Asian services.[133] By the mid-1980s, CSC's containerized services also encompassed the Middle East and Australia, and a Colombo–Bombay–Mangalore shuttle.[134] Eight of the eleven-strong CSC fleet by 1985 were container ships.[135] Shipping modernization reflected Sri Lanka's shift from an inward-looking development policy towards an export-oriented growth strategy emulating the East and Southeast Asian model.[136] That entailed upgrades in Colombo's infrastructure, with Japanese assistance. By the mid-1980s, Colombo eclipsed its foremost rival, Bombay, in container throughput and emerged as South Asia's top port.[137]

Conclusion: Contextualizing Containerization

On the surface, the adoption of containerization by European shipping companies represented the usual business imperatives of cutting costs and meeting competition. But, as St. Johnston appreciated, the variables had been greatly influenced by the deeper post-war global phenomenon of decolonization:

> New nations, new aspirations, new fleets, new attitudes to trade with a … bias towards bilateralism, bred action and re-action, much of which had to be absorbed by … the conferences, whose memberships were then almost exclusively made up of 'haves' but whose future success and survival was now to depend on … finding a means of accommodating the 'have nots'.[138]

As Furness Withy was being lured into the OCL consortium, its chairman, Sir Errington Keville, made an after-dinner speech in which he stressed that: 'The British shipping industry [had] to rationalise' because 'too many ships [were] chasing too many cargoes, despite the fact that world trade

[133] Dharmasena (1989, 107–108).
[134] Dharmasena (1989, 108).
[135] Dharmasena (1998, 241).
[136] Dharmasena (1998, 136–137).
[137] Dharmasena (1998, 238–239, 255).
[138] 'Six Year Revolution'.

had doubled in the [previous] ten years'.[139] But this wasn't just about the arrival of new national shipping lines. Political and economic instability and uncertainty, labour troubles, port inefficiency and pilferage, which also accompanied decolonization in the developing world and pushed up shipping costs, should be factored into the containerization equation as well.

Seen in this context, for all the talk of a 'container revolution' containerization was not that revolutionary. The strategic lead taken by British shipping companies post-1965 was primarily to save core business. Britain's second box business, Associated Container Transportation, also began its operations in Australia where three of the major partners, Cunard, Blue Star and Ellerman, had significant interests.[140] Redeployment and rationalization through containerization was in large part concerned with preserving Commonwealth links which were threatened by post-colonial globalization (including the UK's move towards Europe and the emergence of the US as a global shipping power). Defending intra-Commonwealth trade worked both ways, however. The decolonized ex-Dominions wanted to use the box to diversify their trade links, but also to reduce costs when the EEC threatened the loss of Commonwealth preference. Long-distance UK trade was still viable in containers suggesting that economic disengagement between Britain and the ex-Dominions during the 1960s was not as complete as Hopkins suggests. The UK took just 19% of New Zealand's exports in 1976 compared to 53% in 1960. Nevertheless, as Sir John Marshall encouraged containerization, he also sought guarantees for New Zealand's exports to Britain as the latter bid to join the EEC, and during the 1970s the UK remained the largest market for New Zealand's dairy products.[141] OCL claimed in 1981 that the oil price hikes of the mid-1970s nullified the freight-rate and speed efficiency savings of container vis-à-vis conventional vessels. But eventualities don't detract from the original perceptions that drove strategy in the 1960s, and 'visibly dramatic improvements' in 'losses from damage or pilferage' were

[139] *Fairplay*, 4 November 1965, cited in Forrester (2014, 215).

[140] Bott (2009, 34–35, 67).

[141] Lodge (1978, 303).

still achieved.[142] Interlocking again with Tenold's chapter, the agency of Asian members of the Commonwealth should not be overlooked either; they containerized as part of their post-colonial development strategies. Decolonization and containerization went hand-in-hand in the mercurial mix of nationalizing and internationalizing tendencies that characterized the transition to post-colonial globalization. As Davies observed for West Africa, the 'prime factor' distinguishing the post-1945 era was 'political and then economic independence', but decolonization was 'closely allied to the greatly accelerated pace of technological progress'.[143]

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[142] Sinclair (2010, 279). Hummels argues that savings in shipping costs were 'trumped in the 1970s by sharp increases in fuel and port costs' (2007, 152). Yet, as Kaukiainen has responded, while 'quality is much more difficult to measure than price', 'shippers gained indirectly from better, more predictable and secure services – a better value for money' (2014, 64, 77).

[143] Davies (2000, 297).

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