



ESHCC Master Thesis 2012

Sailing Upstream.

Network and business strategies of the company Vinke & Co., within Dutch Tramp Shipping, 1910-1930.

RWS : Nationalism and European Politics 1848- Present.
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Attached: USB Memory Stick with the ExcelFile CharterPartiesvinke.xls

In Praise of Steam

For ever has the soft and supple timber
Made way for the hard and sturdy steel.
Sailing ships are now but phantoms of an old
And oft-told story that has come to pass.

Steam Monsters plod on all the waters,
Shunned by a black and weathered brig,
The one remaining ship to take us
Sailing to the isle of bliss.

J.J. Slauerhoff (1898 - 1936)
(Translation Max Dendermonde)

'I had made it a rule personally to visit our business connections abroad, once a year I went to Glasgow and Liverpool, while I also, off course not forgetting London, went to Flensburg, Kiel, Rostock, Copenhagen, Helsingborg, and sometimes Stockholm.

Gerrit Warnderink Vinke
(own translation)

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Chapter 1: Introduction.

1.1 Thesis Subject and Approach: Development and Change.

The sea-shipping industry was, and still is, an industry of extremes. It is probably hard to find another industry where conservatism and innovation, and strong business networks and deep conflicts, go hand in hand as they do in shipping. In this thesis the focus will primarily lay on these business relations. After 1910 the transition from sail to steam was basically over within commercial shipping and the shipping industry developed into a complex web of ship owning, broking and freight forwarding.

The complexity of the industry becomes especially apparent within a distinct part of this industry, namely tramp shipping. Tramp shipping, basically meaning sailing wherever there is valuable cargo to be found without a fixed route or schedule, had a rather negative reputation both within the industry itself and within literature dealing with this subject. The main reason for this in particular was that tramp vessels, logically the main exponent of their industry, are and were never the biggest, newest and most well-maintained vessels on the international waters. Their specific business required that they were fit for basically any cargo and therefore a tramp vessel could be described as: 'not entirely top of the bill, but of medium sizes and moderate speeds, with few or no special fittings for particular trades.' However, tramp shipping is also an extremely competitive industry where contracts are often negotiated very last minute, for instance when a vessel was already in, or close to, the loading port or while it was still occupied in another contract. Because of this dynamic character, good and trustworthy business relations are of vital importance for tramp owners as well as for all other parties involved in keeping a ship sailing such as charterers, brokers and agents.

After 1930 this tramp shipping industry changed immensely, most notably because of enormous sacks within the international freight market, and therefore the period discussed in this thesis ends just before these developments. It is the objective of this thesis to show how complex the business of a tramp ship owner was in this period. Because of this complexity, a case study approach is chosen in this thesis as the best way to obtain at least an insight into this difficult matter. In this thesis, various important academic articles on shipping in general and tramp shipping in particular, are compared with information gathered from cargo contracts, or charter parties, of the ship owning and broking firm Vinke & Co who were based in Amsterdam in The Netherlands. The data obtained from the charter parties are compiled in the data file CharterPartiesVinke.xls which can be found on the usb memory stick attached to this thesis.

This thesis takes a top down perspective. In Chapter two a historiographical overview of the academic debate as it stands so far for the subject at hand will be provided. The chapter sketches a clear

picture of the academic debate behind this thesis and the position of this thesis within this debate. In this chapter thus the most important articles, to which the case will be compared, will be introduced. Chapter three will provide an introduction into the specific dynamics of the tramp shipping industry, with a focus on the balance between development and decline that characterizes the discussed period. The period saw various ups and downs in both supply and demand of tonnage which. This fluctuating market will be described according to the relevant literature and the relevant information found in the Vinke & Co. charter party archive. Chapter four focuses on the networks that kept the industry going. For a smooth operation of their businesses shipping companies did not only need trustworthy partners in many countries, but were also dependent on good international relations. It is argued in this chapter that even tramp shipping companies, despite their irregular nature, tried to specialize in certain areas or routes to build up a steady business. The most important event that changed a lot within the international industry, also for neutral Dutch companies, was the First World War. Therefore, the situation in the war will be used to show how shipping companies coped with changing international relations and networks. Furthermore it will be discussed who played a role and in what way in the Vinke network. Vinke based their business especially in the wood import from the Baltic. Chapter five therefore gives an overview on the shipping industry in this particular area. It will become evident that the Baltic was a challenging area to do business in and that the daily business of Vinke was indeed complex. The objective of these chapters will be to answer the main question: How did Vinke & Co. function in the difficult period between 1910 and 1930?

The thesis will thus not provide a grant overview of the whole Dutch tramp shipping industry. Such an attempt is not within the scope of this thesis. Also, not all trading areas in the world will be discussed. As tramp vessels had no fixed route they operated in a worldwide market. In this market, all regions had their own specific custom-, port- and other trading policies as well as specific ways of doing business. It will become evident from the case that Vinke primarily operated vessels within the wider Atlantic region. Therefore three specific tramp trades will be most often referred to. These trades are the grain trade from South- America (mostly Rio de la Plata) to Europe, the bunker coal export from UK Ports to various ports in the Atlantic and especially the wood-trade from the Baltic.

1.2 Vinke & Co.

Vinke & Co. was founded as a shipbroker and agency and maintained these activities throughout the discussed period. Moreover from 1897 onwards the partners of the firm founded two independent shipping companies that fell under the management of Vinke & Co, but were in practice independent companies.¹ Still, the independent companies NV Stoomvaartmaatschappij Oostzee and NV Stoomvaartmaatschappij Hillegersberg were so much interwoven with their managing company and the influence of this company was such that Vinke & Co. can be portrayed as a true tramp- shipping company and was and is also always seen as such. In 1910 the Rotterdam branch office also founded a shipping company, the NV Houtvaart. In this thesis the NV Houtvaart will be minimally discussed as the focus lies with the Amsterdam head office. The Vinke broker department in Amsterdam did sometimes use Houtvaart vessels for certain voyages. The dynamics of the Vinke business will furthermore become apparent in the rest of this thesis.

¹ The companies were all *Naamloze Vennootschappen*: Limited Liability Companies.

Chapter 2: Historiographical Debate.

2.1 Introduction.

This chapter will describe the status of the academic debate concerning the rapid developments that took place within the sea-shipping industry between 1910 and 1930. It has a special focus on contributions dealing with the Baltic Sea as a trading area in general and with tramp shipping in the Baltic in specific, since these three components form the basis of this thesis. It thus serves as an indication of where this thesis will be positioned within the current academic debate and literature.

It should be noted that when dealing with literature on shipping the following classification can be made early on; A large part of the literature could be filed under the header 'romantic', in a sense that it deals more with emotions and the so cold 'seafaring- life' than with analytical approaches to particular problems. It should also be mentioned that, however very interesting and attractive in its own respect, this part of the literature will be minimally discussed as an actual academic debate therein is lacking. Furthermore, these sources do not contain valuable information for the kind of analysis that is pursued in this thesis.

If the debate that is under discussion should be described in one word it would be 'development'. Roughly since the 1870s the various important technological changes such as the transition from sail to steam, the invention of better hulls and winches and developments in communication, among many others, altered the seafaring business from the inside out. At the beginning of the period discussed in this thesis steamships had almost fully replaced sailing on all commercial trade routes. These changes had a huge impact upon the total seafaring industry. One of the main and most clear-cut academic debates in the discussed period for example is concerned with the astonishing decrease in freight rates that partly coincided with the technological developments and continued after 1910. Many important authors have contributed to this debate, dealing with various possibilities how this development came about and how also other developments than technical ones in various branches of the sea- shipping industry had an impact on freight rate developments.

Another important aspect of this chapter is to provide the status of the academic debate on events that not necessarily directly concern shipping but most certainly had a huge influence on the activities of the industry. An example of such a crucial event would obviously be the First World War. Events as the First World War had an impact on almost all aspects of business and everyday life, but it can be argued that this kind of events have extreme implications for trade in general and in this period for shipping in particular. The First World War becomes even more interesting when specifically

discussing the Dutch seafaring industry because of the neutral status of The Netherlands and the specific ways Dutch ship owners and brokers dealt with this status.

Furthermore an idea should be formed about the area which provides the setting for the last chapter of this thesis. The Baltic was, and remains, a very challenging area for both crews and vessels to work in and doing business in and the area therefore requires special seafaring and business skills. Many authors have neglected the Baltic and if attention was given to the area it was often in a negative way. More recent literature however suggests that the Baltic was not the backward area it was often portrayed as, but that it actually developed in the same pace as the other major trading routes and sometimes even went ahead.

2.2 Development and Decline.

Tramp shipping holds a special position within the shipping industry. It is argued by both Faye and Williams that Europe is the biggest player in tramp shipping in the period under investigation.² Still, it will be argued here below that the attention paid to tramp shipping is not so impressive as would be expected seeing the above idea. The reason for this minimal attention can be sought in the fact that the conceptual definition of tramp shipping, compared to other branches of shipping, has proven to be rather difficult.³ Therefore it is important to first determine what is actually meant by the term tramp shipping. Most authors dealing with shipping soon acknowledged that the transport of goods by sea takes place in three ways; liner-shipping, industry-owned shipping and tramp shipping or tramping.⁴ Most attention within shipping literature has traditionally been given to the big liner- companies who operate on a fixed route with often even a more or less fixed schedule. There is extensive literature available from all nations from where these companies operated such as for example the United Kingdom, The Netherlands, Germany and the United States.

For tramp shipping such a limitation of the term is a lot harder. An easy attempt could be: 'Tramp vessels are always engaged in irregular service and are like vagabonds trying to find their luck now here and then there'. A more sophisticated one might suggest: 'A tramp ship may be defined as a vessel, mostly of medium size and usually without any special equipment, not engaged in regular trade but following cargo wherever it is offered at the most favorable conditions, i.e. not adhering a fixed route, she will only touch profitable ports. Since there are no stipulations of traffic as to the equipment of these ships, tramps

² Leslie A Brian, 'A short history of the worlds shipping industry by C.E. Faye, Review', *Journal of Political Economy* 49 (1935) 138.

³ Frank M. Fisser, *Trampschiffahrt: Entwicklung, Bedeutung, Marktelemente* (Bremen 1957) 7.

⁴ J.F. ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart* (Rotterdam 1930) 3.

are often chartered by liner companies, in order to be employed temporarily or entirely in liner trade.⁵ While touching some interesting aspects of tramp shipping the latter description raises more questions than it answers. A problem for example is that liner companies have the possibility to charter tramp ships and herewith encroach upon the terrain of tramp shipping. If a tramp vessel sails under a time charter contract most of the time, one could wonder if such a vessel can still be labeled as a tramp vessel. An explanation of what tramp shipping is thus has to be sought not only in the area, route or contract that is operated but also in the commodities that are carried. According to the rule of thumb generally found in the literature, general cargo is most of the time assigned to liner trade and bulk cargoes are carried by trampers. This does not mean that there is no regularity in bulk trade because for example the carriage of season products such as grain within that season forms one of the most essential cargoes on the world wide tramp market. It appears that formulating a conclusive definition about tramp shipping is rather difficult. When it comes to the case study it is in this thesis the aim to only analyze journeys that were operated independently by Vinke as owners agent, based on a voyage charter contract. It will become apparent that all the above limitations, such as semi- regularity, will return in these analyses.

It was already argued that liner companies often encroached upon the terrain of tramping and this trend is also visible in the literature. An observable trend is for example that many descriptive contributions are somewhat outdated as they were published in the 1930's and 1940's, when tramp shipping was still growing, fashionable and actual. Therefore there is unfortunately not much recent literature on tramp shipping in general in the given period. Frank M. Fisser, *Trampschiffahrt: Entwicklung, Bedeutung, Marktelemente* (Bremen 1957) serves as the main source for definitions and explanations with useful supplements from some Dutch sources which deal with tramping in the period itself.⁶

The tramp ships as were discussed above operated in an interesting period. Just as their colleagues, or competitors in the other branches of the industry, they faced an amazing decline in freight rates among other developments which will be discussed later. Along with the declining freight rates, the significance of tramp shipping within the industry as a whole also declined. This development has been the subject of an interesting scholarly debate that has not yet reached its verdict. I will discuss some contributions which I think can serve as milestones in the debate and which indeed react on or add something to the earlier literature. It should be noted that these contributions do not always perfectly fit within one closed discussion. They all have their own distinct entry point from which it is hopefully

⁵ Frank M. Fisser, *Trampschiffahrt*, 14.

⁶ See for example: P. van den Broeck, *Trampvaart & Lijnvaart* (Antwerpen 1945), H. van den Hoek, *Trampvaart* (Rotterdam 1947) and Cornelis Spoelstra, *De Wilde Vaart* (Utrecht 1928).

possible to distill a conclusion about the workings of the tramp shipping business and its economic dynamics. Before going into freight rates however, it is important to obtain an idea about the general developments that took place on the world trade market. As is also the main focus of this thesis, the academic debate concerning the rise and fall of world trade mainly revolves around two factors, transport costs and commercial policy. Furthermore it is often divided into three periods which all have their significant aspects. In the first phase, from about 1820 to 1870, which predates the period discussed in this thesis, the main focus in the literature lies with the spread of a free-trade ideology. In this period also the first decline of transport cost becomes visible, as will be explained in detail below. After Britain's move to free trade in the 1840s many countries within Europe followed this path and constructed policies and treaties with these ideas in mind. The literature in this respect often speaks of a 'new age' of liberalism in economic policies.⁷ Since tariffs and exchange rates remained more or less stable, world trade was in the following period, from 1870 to 1913, even more dependent on developments in transport costs. O'Rourke and Williamson see transport costs as the explanatory factor for changes in the prices of goods, in domestic factor prices and in the political responses to these particular issues.⁸ After 1913 world trade was hit by an impressive setback which basically had its impact deep into the 1920s and probably up until the new setbacks in the 1930s. World trade after 1913 was very much influenced by a rise in tariffs, quota and other commercial barriers. The debate about the normalization of the world trade market in the (late) 1920s has not yet reached its conclusion. Some authors argue that from 1924 onwards the situation normalized, but others strongly disagree.⁹ These developments naturally had their impact on freight rates in (tramp) shipping.

The first one who conclusively wrote about costs, benefits and freight rates in tramp shipping was J.F. ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart* (Rotterdam 1930).¹⁰ Ten Doesschate argued that an analysis of tramp shipping should be approached per definition in a different way than an analysis of for example liner shipping. The biggest difference is that within tramp shipping one vessel, simply put, carries one load of cargo from one port to another. Because of this it is very well possible to calculate more or less fixed freight rates if characteristics of both the vessel and the cargo are known.¹¹ For a discussion on tramp shipping it is therefore important to understand the way in which such a calculation is made. Ten Doesschate also provides an interesting overview of this, but for sake of

⁷ Antoni Estevadeordal, Brian Frantz and Alan M. Taylor, 'The Rise and Fall of World Trade, 1870-1939', *The Quarterly Journal of Economics* 2 (2003) 368.

⁸ Estevadeordal, 'The Rise and Fall of World Trade', 369.

⁹ Estevadeordal, 'The Rise and Fall of World Trade', 370.

¹⁰ Frank M. Fisser, *Trampschiffart*, 9.

¹¹ J.F. ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart*, 59.

simplicity I will use the following explanation which I find enlightening: 'Ships float by displacing water. Seawater weighs sixty-four pounds per cubic foot or displaces thirty five cubic foot per ton. Since the ship itself has some weight, heavy cargoes, which generally occupy forty cubic feet per ton, simultaneously feel up a ship and exhaust its buoyancy. Light cargoes tend to leave the ship with excessive buoyancy for optimal navigation. Consequently, a ship carrying primarily cotton will be willing to take heavy cargoes at low rates. Alternatively, a heavy cargo such as iron or ore will exhaust a ship's buoyancy while it still has empty space. If this is the primary cargo, then light cargo will be sought to fill available space, and low rates will be offered'.¹² Herewith it should be added that one cubic foot only makes sense in combination with the loading ton of 1016kg. It could then be said that for example: 'One ton of Esparto- grass occupies 35 cubic foot per ton'. Other varieties are also possible. Relevant for this thesis is for example that wood was normally transported according to the St. Petersburg Standard (Stds.) which equals 165 cub or 2,3 loading tons

Ten Doesschate also analyzed the distinctive costs which have an impact on the economic operations of a tramp vessel. Opposed to a liner of which it can be argued that the exploitation costs are the same for many journeys in a row, a tramp ship's costs and benefits have to be calculated for every separate (leg of) a journey. Furthermore, costs vary greatly according to the length of a journey, which ports are called, in which area the journey takes place and which cargo is carried.¹³ Ten Doeschate concludes that based on all these conditions the demand plays a more important role than the supplied tonnage within tramp shipping. It follows that on routes with a relative elastic demand, freight rates have less distinct fluctuations than routes that have an inelastic demand. In a world that, according to various authors from the period, is 'overtonnaged' it is therefore impossible that one route is per definition better for employment than another.¹⁴

Among others firmly based on calculations L. Isserlis made using UK custom bills, Douglas North, 'Ocean Freight Rates and Economic Development 1750-1913', revealed surprisingly that the larger productivity gains within the industry took place before the major technical innovations of the second half of the 19th century.¹⁵ North concluded that especially improvements in management and organization drove the fall off freight rates. C. Knick Harley however challenged this view.¹⁶ Harley

¹² Shaif Mohammed and Jeffrey G. Williamson, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', *National Bureau of Economic Research Working Paper Series Paper 9531* (2003) 6.

¹³ J.F. ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart*, 72.

¹⁴ J.F. ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart*, 91.

¹⁵ Douglas North, 'Ocean Freight Rates and Economic Development 1750-1913', *Journal of Economic History* 18 (1958). The mentioned article is: L. Isserlis, 'Tramp shipping cargoes, and freights', *Journal of the Royal Statistical Society 101:1* (London 1938). North also used:

¹⁶ The mentioned article is: C. Knick Harley, 'Ocean Freight Rates and Productivity, 1740-1913: The Primacy of Mechanical

revised North's index, for example its heavy reliance on cotton, and concluded that the more significant productivity gains only occurred in combination with the steam engine and other technical improvements after 1869.¹⁷ For the time being the most recent contribution to this debate is Shaif Mohammed and Jeffrey G. Williamson, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', *National Bureau of Economic Research Working Paper Series Paper 9531* (2003) who argue that Isserlis' contribution is flawed and furthermore extend the data even to post- WO II. They also add value to the North- Harley debate by showing that: 'While Harley appeared to have settled one debate, he created another by noting that shipping industry was marked by joint- production on different legs of journeys.'¹⁸ Herewith the debate returns to the earlier ideas of Ten Doesschate who already argued that it is very important to calculate productivity and gains based on different legs, as especially in tramp shipping these can vary immensely.

Tramping was however not only influenced by developments within the fleets, but also by other technological developments such as in communication. The following articles I would like to discuss deal specifically with tramping and add important contributions to the debate. Byron Lew and Bruce Carter argue that one important aspect is often missing in the debate about the growing world trade after 1860. Various authors have discussed falling transport costs, technical improvements and monetary agreements. As I show below, for example Fisser argues that all these developments are negative for tramp shipping. These authors therewith however forget or underestimate the fact that tramp shipping benefits a lot from developments in communication. Lew and Carter argue that especially the telegraph had a very significant effect on the expansion of tramping. To be effective, tramp ships needed to respond to changing market conditions and find cargo as it came available. Before developments in communication, tramp vessels had to set out a route in advance, whereas after the introduction of the telegraph they could remain informed of changing opportunities while in foreign ports, thereby improving utilizing the ships capacity.¹⁹ The ability of ships to remain in touch with the ship owner in turn influenced the management and division of power within shipping companies. A significant share of the decision making used to be the ship's captain's responsibility, because once the ship left port, no further instructions could be given by the head office / ship- owner. With the extension of the telegraph, ships could stay in contact with their head office in almost any port and therefore cut

invention Reaffirmed', *The Journal of Economic History* 4 (1988).

¹⁷ Shaif Mohammed and Jeffrey G. Williamson, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', *National Bureau of Economic Research Working Paper Series Paper 9531* (2003).

¹⁸ Mohammed, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', 4-6.

¹⁹ Byron Lew and Bruce Crater, 'The Telegraph, Co- ordination of Tramp Shipping, and Growth in World Trade, 1870-1910', *European Review of Economic History* (2006) 6.

back on two of the main expenses Ten Doesschate already mentioned, port expenses and duration of a voyage, because arrangements with for example customs, stevedores and charterers could be made before arrival, maintained and if necessary altered during the voyage.²⁰

Fisser on the other hand argues that together with the decline in freight rates the significance of tramp shipping within the industry also declined. Until the 1870s tramp shipping prevailed but it suffered from the rapid growth of liner-companies such as Hapag and Nordeutscher Lloyd, among many others. The intensified passenger services and a tendency for smaller shipments on shorter intervals further stimulated this development in international trade. Four developments have, according to Fisser, narrowed down the market for tramping performances: The absolute decline of several cargo movements, the expansion of liner trade, the development of specialized shipping and the introduction of industry owned tonnage. To this must be added the split up, especially after the First World War, of a coherent international market for tramp cargoes into individual national markets, a process caused by various governmental actions for the benefit of their own national tonnage and fleet. This development naturally had a very negative effect upon tramp shipping which benefits very much from good international relations.²¹ Governmental actions furthermore held trampers from encroaching upon the terrain of liner trade because liner trades were protected by various national and international conferences. It has also been argued by many authors that tramp shipping must decline because of organizational reasons and that they are on account of capital equipment unable to follow the technical developments in the industry.

They therewith however forget that as opposed to most liner-companies, tramping firms regularly worked together in acquiring cargo or in financing new firms or new build vessels. G. Boyce argues that the rise of large scale enterprises in British shipping was the result of contracting networks, which avoided the need to build large corporate structures but increased efficiency. The most well know example of this development is Greece, were networks based on kinship and on ethnic and island ties made sure that the Greek shipping industry rose to the top place from the 1900's onwards and remained there ever since.²² Jesus M. Valdaliso basically argues the same for Spain. He states that while social networks are important to trade effectively, they are also very important to acquire capital. Within many shipping firms the capital invested generally came from a small number of well-known investors, who were linked together by friendship, family and business connections. The existence of these informal

²⁰ Lew, 'The Telegraph, Co- ordination of Tramp Shipping, and Growth in World Trade, 1870-1910', 8.

²¹ Frank M. Fisser, *Trampschiffahrt*, 33.

²² Gordon Boyce, *Information, Mediation and Institutional Development. The rise of Large- Scale Enterprises in British Shipping 1870-1919* (Manchester 1995) 24.

capital markets, in which connections were vital to gaining access to capital, ensured that the most prominent members of these business elites frequently had interests in the same concerns, particularly in those requiring a great amount of capital.²³ This interlocking ownership strengthened the trust among the members. Steam operators did not work in an impersonal market but were part of commercial communities built up by interpersonal knowledge and shared the same norms and values and viewed reputation as a crucial business asset.²⁴

2.3 The Baltic.

Besides macro-economic dynamics such as freight rates and technological developments other aspects, such as for example international relations and regulations, play a very important role for the development of tramp shipping. As mentioned earlier, these relations changed a lot in the period under discussion. It was also already mentioned that in this specific industry communication played a huge role. Furthermore the development of facilities in ports is important for the daily business of the industry. Ten Doesschate already pointed to the importance of possible ports for loading and discharging and the material at hand for these operations both in the water and on the shore for costs calculations per journey, but they are also important for the industry in general. In this part of this chapter I would like to argue that there are some gaps in academic literature concerning these specific questions and that there are some sources that are grossly neglected whilst I believe they can provide interesting insights into the questions at hand. In the first part I will therefore discuss these sources, after which I will discuss the academic debate concerning the status and the importance, or lack thereof, of the Baltic as a trading area.

As will be discussed in more detail later, the Baltic area was known as an area which was not entirely top off the bill. However, David Williams points out that it is not always necessary to invest in the newest technologies: ‘The pursuit of the newest, biggest and best may not always be the wisest policy and investment decisions have to be judged in the context of individual ports. Often the most efficient facilities may, because of their higher costs not necessarily have the best profits’.²⁵ I think it can be interesting to investigate such a quote on a more detailed basis, but I could not find any academic contribution which did. I argue that many authors have neglected important practical sources which firms and vessels used everyday such as charts, pilot manuals, atlases, and various handbooks

²³ Jesus M. Valdaliso, ‘The Rise of Specialist Firms in Spanish Shipping and Their Strategies of Growth, 1860 to 1930’, *The Business History Review* 74:2 (2000) 267.

²⁴ Valdaliso, ‘The Rise of Specialist Firms in Spanish Shipping and Their Strategies of Growth, 1860 to 1930’, 289.

²⁵ David Williams, ‘Recent Trends in Maritime and Port History’, in Reginald Loyer and Erik Buys eds., *Struggling for Leadership: Antwerp- Rotterdam Port Competition 1870-2000* (Leuven 2002) 18.

describing ports and port facilities. Lew argued that one of the main advantages of the telegraph was that ships could choose between ports while on route both for loading and discharging and that they could sail further among different ports.²⁶ If it is assumed this is true, then it would be interesting to know what the possibilities were. Various sources are available to obtain such a picture.²⁷ In this chapter I will discuss one of these sources in a bit more detail.

Let us assume that the tramp vessel 'Norma' of the Swedish owner 'Rederi Karman' is ordered by Messrs. Vinke & Co. as charterers agent, to load a cargo of wood in the Gulf of Bothnia. The Philips Mercantile Marine Atlas of 1904 learns that the most important ports in the area are Lulea and Sundsvall in Sweden and Kemi and Vaasa in Finland, based on the fact that British consuls or agents are stationed in these ports. It would then be possible to check with J.F. Myhre, *Handbook of Baltic and White Sea Ports including Denmark* (Copenhagen 1913) what facilities and handling prices were offered in these ports. The *Handbook* lists no less than 500 individual ports in the area including local pilot stations, port authorities, stevedoring companies, port facilities and port regulations.

The *Handbook* describes Lulea as a: 'Well protected harbor. Vessels of any size can load here. Extensive quays, principally constructed for the iron- ore export.' Lulea has four stevedores available. The disbursement account for an average steamer is estimated at Kr. 2444.96.²⁸ The Sundsvall district is also described as a well protected harbor. Vessels of any draught can load and discharge at various quays. Furthermore the harbor lists seven stevedores of which some are experienced with loading wood. It is specified that wood on average is loaded in daily quantities of: 'About 100 standard Deals and Battens and ordinary Boards, 60/70 standards case- boards loose. Wood-pulp generally 150 tons per winch.' The disbursement account for an average steamer is estimated at Kr. 4678.63.²⁹ Kemi in Finland appears to be a specialized wood harbor. However, Kemi harbor is: 'open and exposed to southerly and westerly winds and wood loading is effected on the roads at Valireddi district'. Furthermore the customs of the port are very strict with many responsibilities for the Shipper and the Master such as accepting cargo on strict conditions and full liability in case of accidents. The disbursement account for an average steamer is estimated at Fmk. 3583.95.³⁰ Vaasa is a complicated

²⁶ Lew, 'The Telegraph, Co- ordination of Tramp Shipping, and Growth in World Trade, 1870-1910', 8.

²⁷ For example: Primary Sources: E. van Cleef, 'East Baltic Ports and Boundaries: with special reference to Königsberg', *Geographical Review* 35:2 (1945), L. Wendemuth, *The port of Hamburg; with plans, charts and numerous illustrations issued by the Deputation fur Handel, Schiffart und Gewerbe* (Hamburg 1927), F. Howard, *Twelve charts on the tidal streams of the North Sea and its coasts* (London 1894), Various editions of the Philip's Mercantile Marine Atlas issued since 1904, etc. Secondary Sources: G. Allexandressen, 'Nordic Home Ports for Ships', *GeoJournal* 2:2 (1978) S.H. Beaver, 'The geographical consequences of technological progress',

²⁸ J.F. Myhre, *Handbook of Baltic and White Sea Loading Ports including Denmark* (Copenhagen 1913) 168.

²⁹ J.F. Myhre, *Handbook of Baltic and White Sea Loading Ports*, 134.

³⁰ J.F. Myhre, *Handbook of Baltic and White Sea Loading Ports*, 192.

port which is only accessible via some uncertain canals that are not fully marked since the abolition of the Finnish pilot service in 1912. The export of wood however is organized on the island of Wasklot, 2 miles from Vaasa and connected by rail. Deals, Boards and Battens are loaded with a daily average of about 20/25 Stds. per winch. Extra notice is giving to the fact that the port normally only opens between the beginning of May and the end of November due to ice. Only one stevedore is listed and the disbursement account for an average steamer is estimated at Fmk. 4176,09.³¹ At first sight it can now be argued that when the owners or charterers are expecting good weather, it would be advisable to load at Kemi, otherwise a more sheltered but less wood- orientated port could be a good option.

Just observing the Baltic or the tramping industry as an isolated phenomenon is thus not satisfying because especially the interconnection between technical and communication developments both in fleets and on shore, but also the specific geographical situation of an area form the basis of the daily business of tramp shipping firms. Because of the fact that the cargo that is carried by an average tramp vessel usually represents a significant value, tramp shipping firms have kept close administrations of the whereabouts of their vessels. For this theses the charter- parties that were made by Vinke as a broker and that remain in the archive of the Maritime Museum and City Archive in Amsterdam are therefore used to find this combination.

Given the size of both the area and the period and the focus on Vinke, it is not the aim of this thesis to form a complete picture of all vessels, firms and ports that could be found in this area. For further study there are however various sources available to gain a more comprehensive insight into this complicated picture.³²

Although I have argued that various sources are neglected, this does not mean that tramp shipping in the Baltic region has not been researched at all. As with tramp shipping in general the debate mainly revolves around the question how developed the area was in comparison with other important trades such as the North Atlantic trade passages. When investigating the Baltic in relation to shipping it is impossible to neglect the contributions of Lewis R. Fischer and Helge Nordvik, founders of the *International Journal of Maritime History* (1989), to the field. One of the most relevant contributions to this debate is Lewis R. Fischer and Helge W. Nordvik, 'Myth and Reality in Baltic Shipping: The Wood Trade to Britain, 1863-1908', in which the authors conclude the following: 'Unfortunately, most of what historians interested in Baltic shipping have told us ends in 1860 with the abolition of the

³¹ J.F. Myhre, *Handbook of Baltic and White Sea Loading Ports*, 220.

³² For Example: P. Van Heck, *Catalogus Nederlandse Scheepvaart 1900-2001* (Rotterdam 2001), C. Rilmington, *Merchant Fleets* (London 1944), Knut Berg, *Baltic Shipping: The Merchant Fleets of Estonia, Latvia and Lithuania* (Bergen 1976).

Sound Toll dues. The student who attempts to comprehend Baltic shipping and trade after 1860 is confronted with an endless array of questions but precious few answers.³³ In their paper Fischer and Nordvik nevertheless argue that when some known databases are refined it can be found that Baltic shipping was not so backward as was until then the common idea among maritime historians.³⁴ This idea was indeed very negative. Fischer and Nordvik even go so far as arguing that the general picture of Baltic shipping was that: 'The trade was prosecuted in worn-out, neglected vessels which were normally on the verge of disaster due to old age and bad maintenance. Port facilities were primitive, crews unskilled and profits extremely low. For many historians the Baltic was just about the last place a prudent owner would deploy his floating assets'.³⁵ After reinterpreting some know databases and other primary sources Fischer and Nordvik however conclude that, as early as 1883, when already over 55% of the tonnage operating in the trades consisted of steam, the Baltic ranked third among all major trade routes in percentage of steam, surpassed only by the Mediterranean and the North- Atlantic trade.³⁶ Furthermore, ship-owners did not use the Baltic as a region in which to deploy their oldest vessels. It was never marginal to foreign (British) interests, and indeed the British dominated the trade until renewed competition in the 1890s either forced them to redeploy their assets or at least suggested the possibility of greater returns elsewhere.³⁷ It is especially this competition that deserves special attention because it is an indication that local fleets also started to develop.

Other evidence that points to the fact that the Baltic was not the back-warded area as it was sometimes described becomes apparent when investigating international initiatives in the area. Already very early the trade in the Baltic was organized centrally. Bill Allen explains that cargo and vessels from the 1850s onwards came together at the Baltic Exchange in the heart of London. In 1857 the Baltic Exchange for example bought the South Sea House which had been the headquarters of the *Honorable Society of Merchant Venturers* trading to the South Seas, and adopted its arms. The rate of expansion of overseas trading activities was such that in 1891 the London Shipping Exchange was founded to meet the needs of the shipping industry. This exchange did not only serve British needs, as every respected European ship owner or broker had at least a representative at the exchange.³⁸

³³ Lewis R. Fischer and Helge W. Nordvik, 'Myth and Reality in Baltic Shipping: The Wood Trade to Britain, 1863-1908', *Scandinavian Journal of History* 12:1 (1987) 101.

³⁴ This line of thought can for example be found in: Clement Crowell, *Novascotiama* (Halifax, 1979) and Derek H. Aldcroft, 'British shipping and foreign competition: the Anglo-German rivalry, 1880-1914', in *Studies in British Transport History 1870-1970* (Newton Abbot 1974).

³⁵ Lewis R. Fischer and Helge W. Nordvik, 'Myth and Reality in Baltic Shipping: the Wood Trade to Britain, 1863-1908', *Scandinavian Journal of History* 12:1 (1987) 103.

³⁶ Fischer and Nordvik, 'Myth and Reality in Baltic Shipping: the Wood Trade to Britain, 1863-1908', 105.

³⁷ Fischer, 'Myth and Reality in Baltic Shipping: the Wood Trade to Britain, 1863-1908', 113.

³⁸ Bill Allen, 'The Baltic Exchange; Education + Training', *OBE on Institutions of the City of London* 22:3 (1980) 90.

Furthermore, relatively early firms also started to organize the Baltic trade centrally within The Baltic and White Sea Conference. Unfortunately this organization is minimally covered in academic literature, even though it has been described as: 'One of the largest cartels in the world at that time, embracing 60-70 percent of the Baltic and White Sea tonnage in the period and including German, French, Dutch, English, Spanish, Belgian, Danish, Russian, Norwegian and Finnish shipping firms'.³⁹ Provisionally the only contributions that mention this initiative are from the former Conference manager J.F. Myhre, *Twenty years with the Baltic and White Sea Conference* (Liverpool 1927), Fr. G. Knutzon, *The Baltic and White Sea Conference and its Work* (Copenhagen 1911) and it is also an important aspect of the archive of Mr Ph. Van Ommeren, Member of the Rotterdam chamber of commerce and member of the board of The Baltic and White Sea Conference.⁴⁰ Analyzing the Vinke charter parties suggests that networks within tramp shipping were indeed strong and developed. It was however beyond the scope of this thesis to conclusively write about these cartelization processes within shipping, therefore these interesting processes and initiatives remains open for further research.

2.4 Other developments.

Alongside the macro economic developments within tramping fleets and the development of the Baltic as a modern trading area, developments that concern international politics are also very important, especially for tramp shipping. The Baltic region changed a lot in the period under discussion and these changes logically had their implications on shipping.

Particular events also play a decisive role in the ups and downs of the industry. The First World War was already mentioned and it is probably the most obvious example of an event that causes extreme difficulties for the shipping industry. For huge parts of the First World War shipping to and from the Baltic was almost impossible, however interesting exceptions can be found. Furthermore the First World War saw many laws that hindered free trade especially for the neutral Netherlands.

The First World War has never been a popular subject within Dutch academic circles, most notably because of the fact that the Second World War made such a huge impact on Dutch society as a whole. Therefore the bundle by Mr. Dr. C. Smit, *Tien studien betreffende Nederland in de Eerste wereldoorlog*, and E.P. deMonchy, 'Commerce and Navigation', remain the most influential books on the subject.⁴¹ During the First World War the Dutch ship owners were confronted with various

³⁹ Nikolai Bukharin, *Imperialism and the World Economy* (1929) 41.

⁴⁰ J.F. Myhre, *Twenty years with the Baltic and White Sea Conference* (Liverpool 1927) and Fr. G. Knutzon, *The Baltic and the White Sea Conference and its Work* (Copenhagen 1911).

⁴¹ Mr. Dr. C. Smit, *Tien studien betreffende Nederland in de Eerste Wereldoorlog* (Groningen 1975), E.P. deMonchy,

problems, both with the Entente as with the Central powers. The main problem was that on the one hand the British government wanted to stop German import, also through Dutch ports, while Germany demanded that The Netherlands, as a neutral country, remained exporting to the German hinterland. Because the Dutch government held to the point that it was up to individual ship owners to decide how to deal with these problems, these owners founded the *Nederlandsche Overzee Trustmaatschappij* (NOT). The NOT thus acted on behalf of ship owners in their communication and negotiation with foreign governments of the countries who waged war. The NOT had, especially in the first years of the war, a huge influence on Dutch shipping and therefore it cannot lack in a thesis that concerns shipping in the period 1910-1930. There are many different visions on the NOT within academic literature, which are often connected with broader ideas on the Dutch role in the war in general and its economic organization in particular.⁴² The last conclusive and most complete effort however is Samuel Kruizinga, *Economische politiek: de Nederlandsche Overzee Trustmaatschappij (1914-1919) en de Eerste Wereldoorlog*, which will be the main source for ideas about the NOT in this thesis.⁴³

2.5 Conclusion.

The shipping industry cannot be approached as an isolated phenomenon. From shipping firms ties spread to areas such as politics and international relations. Due to its per definition international character it is also highly influenced by international phenomena as depressions, wars or shifts in borders etc. There are two main distinctions that can be drawn in the literature as discussed in this chapter. The first is that the most clear-cut debate is the debate about freight rates. Mohammed and Williamson have not wrapped up the discussion but did describe it sufficiently so far and hold the last word up till now. Furthermore the distinction between older and recent sources is striking. I have frequently mentioned that tramp shipping until recently tended to be somewhat ignored within maritime history. Due to this lack of attention some aspects of the bigger picture are currently not well covered by existing academic literature. I have specifically named two flaws. First the lack of interest for tramp shipping in recent academic literature in general, and second the neglect of various practical primary sources that are available to form a more coherent picture about the trading areas in which tramp vessels were active such as atlases and charter parties. I have also argued that corporate initiatives such as The Baltic Exchange and especially The

‘Commerce and Navigation’, in Carnegie Endowment for International Peace, Division of Economics and History, *The Netherlands and the world war: studies in the war history of a Neutral* (London 1928).

⁴² Samuel Kruizinga, *Economische politiek: de Nederlandsche Overzee Trustmaatschappij (1914-1919) en de Eerste Wereldoorlog* (Amsterdam 2011) 3.

⁴³ Samuel Kruizinga, *Economische politiek: de Nederlandsche Overzee Trustmaatschappij (1914-1919) en de Eerste Wereldoorlog* (Amsterdam 2011).

Baltic and White Sea Conference are very interesting for further research, just as the various companies and national fleets that sailed the Baltic, as this thesis will focus specifically on Vinke.

Lastly it should be noted that a complete picture about tramp shipping can according to my opinion not be obtained without seeking the combination of technical, communication and geographical developments and that in such a picture the impact of an event as the First World War cannot be underestimated.

Chapter 3: Development and Decline within Tramp Shipping.

3.1 Introduction.

The period discussed in this thesis can best be described in a narrative of a constant contrast between development and decline. This becomes especially apparent when discussing the economic situation in general, and that of tramp owners, and logically the companies managed by Vinke & Co. in particular. Because the bigger picture was already sketched in the previous chapter, there will be minimum space in this chapter for long term observations, because the aim is to obtain a clear picture of especially the Vinke & Co. companies. Therefore the chapter will be constructed in the following way: After a short discussion of shipping costs, the example of two important tramp trades, the grain trade forms the River Plate region and the iron ore import to Rotterdam, will be used to gain an insight in the development of freight rates on the short term. Then, it will be observed what the general idea about the industry was in various newspapers that dealt with shipping in the period such as *Fairplay* (United Kingdom) and *De Telegraaf* (The Netherlands). These sources will also be used to compare the companies 'Oostzee' and 'Hillegersberg' to some other important tramp shipping companies in The Netherlands who competed with the Vinke & Co. companies. In this way, it will hopefully become clear how the Vinke & Co. companies managed themselves in the period. It should be noted that the information as brought forward in this chapter will not always be strictly chronological or complete due to a lack of information in the used sources, although the highest level of completeness is off course the aim. Furthermore it should be noted that the influence of the First World War will be touched, but not completely examined, in this chapter since it will be discussed in more detail in chapter 4.

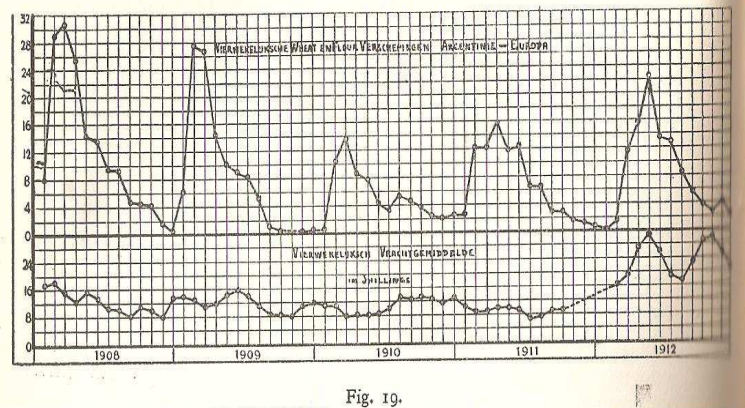
3.2 Tonnage, Freight Rates and Shipping Costs.

I argued that the fall of freight rates was by most authors related to a fall in general shipping costs, so with a focus on the supply side and on the long term. It will be argued in this chapter that especially fluctuations on the demand side had a huge impact on tramp shipping because the tramping business was very short- term oriented. Above all, tramp companies were exceptionally vulnerable in case of sacks in the economy as a whole and in the demand for sea freight in particular. This does not mean that shipping costs were not important. These costs imply both technical and personal costs. The most significant for the case study will be discussed here below. After the commercial introduction of steel in shipping, after 1890 the average hull weight fell with approximately 15%. Allowing for the diffusion of steel in the tramp shipping industry, as well as the slight increase in cargo capacity generated by

improvement in coal consumption, it seems likely that two thirds of this 15% increase in cargo capacity took place between 1890 and the First World War, while the rest took place in the interwar period. Coal consumption did remain dependent on many factors such as ship size and the state of the engine and the screw. Relevant gains could be made by calculating the perfect speeds in comparison with loaded tonnage. However, the general idea is that coal consumption relatively decreased in the whole period, mainly in the case of new build vessels. Other important aspects that cut costs for steamship owners were a decrease in time spent at sea and in port turnaround time. However, days spent at sea per gross ton would have been decreasing over time only if speed was chosen over ship size. In her competition with liner companies, the tramp industry usually aimed at size rather than at speed, because the cargo usually carried were low value bulk cargo's. Port turnaround time did not decrease equally throughout the different trades even decreased, especially in the Baltic area the decrease was slow, which could imply that technologies and investments in ports did not keep pace with developments and investments in the fleets.⁴⁴

When discussing freight rates, so far developments were discussed on the top level without paying attention to individual trades. However, trades behaved very differently within the general decline of freight rates. The Atlantic routes exhibited a wide variety across different regions and commodities. Timber freights on the eastern North America and Baltic routes fell much more slowly than did grain freights on the same routes before the First World War. Timber did not exhaust buoyancy and space, and thus could not take advantage of the increases in ship sizes that were to drive productivity gains before the First World War. On the other hand, freight rates on ore carried from the western Mediterranean, heavier than grain, fell as fast as rates for transatlantic grain cargoes.⁴⁵ The period between 1860 and 1914 saw an almost uninterrupted fall in shipping costs relative to the prices of the commodities carried along almost all routes, the war and interwar years were ones of great instability and little downward trend.

Figure 3.1: Monthly wheat and flour (grain) shipments from Argentina to Europe compared with the average freight rates 1908 - 1912. (Doesschate, 1930)



Source: J.F. ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart* (Rotterdam 1930).

⁴⁴ Mohammed, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', 22-24.

⁴⁵ Mohammed, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', 10. For an explanation on buoyancy see Chapter 2, page 22.

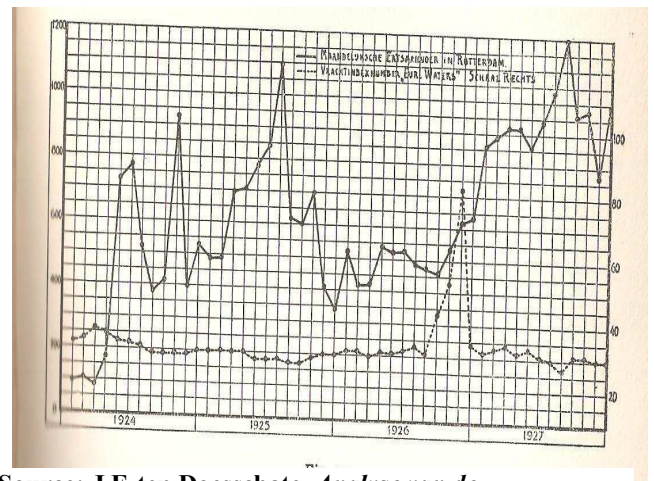
To obtain a general image of the international freight market, the grain freights from South-America to Europe / UK and later on the transport of iron ore to Rotterdam form two excellent indicators, because they belong to the most important trade routes in the world of tramp shipping, as we later on will also see in the Vinke & Co. case.

The most obvious characteristic of the grain freights is that grain is a seasonal product, which naturally reflects in the demand and supply curve. However, peaks are often smoothed because of long term contracts against a fixed price. The demand for tonnage, as the demand for grain in the consuming countries, is therefore highly unpredictable. Off course, the seasonal harvest must be transported at a certain moment, but it is up to the ship owners to determine when they can favorably deploy their vessels in this trade.⁴⁶ It would be logical if the higher demand for tonnage in the grain freights would have a positive effect on freight rates, but because the most important contracts are already made, the freight rates do not correspond with the tonnage curve in figure 3.1. This development ones more points to

the fact that the tramp industry is mostly aiming at constancy, which in this case has a negative effect on their income. Still, the tonnage curve suggests that grain is shipped mostly in a certain period, and it could therefore be that, because tonnage is withdrawn from other freights, the grain freight has an influence on freight rates in these trades. From figure 3.1 we can also conclude that the volume of the grain freight in itself was pretty unstable, because the total volume dropped significantly in 1910 and 1911 compared to earlier years while it recovered after, which off course has everything to do with the fact that grain is a natural product and harvests can always fail.⁴⁷

It was expected above that the grain freights had a significant influence on the rest of the world trades. Assuming that the grain freights behaved the same throughout the discussed period, it should be possible to underpin this with an example from another decade in the period. From the 1890s up Rotterdam started to develop as the main bulk port of Europe, especially due to declining freight rates

Figure 3. 2: Monthly ore- import to Rotterdam compared with all other trades in the area 1924-1927 (Doesschate, 1930).



Source: J.F. ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart* (Rotterdam 1930).

⁴⁶Ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart*, 112.

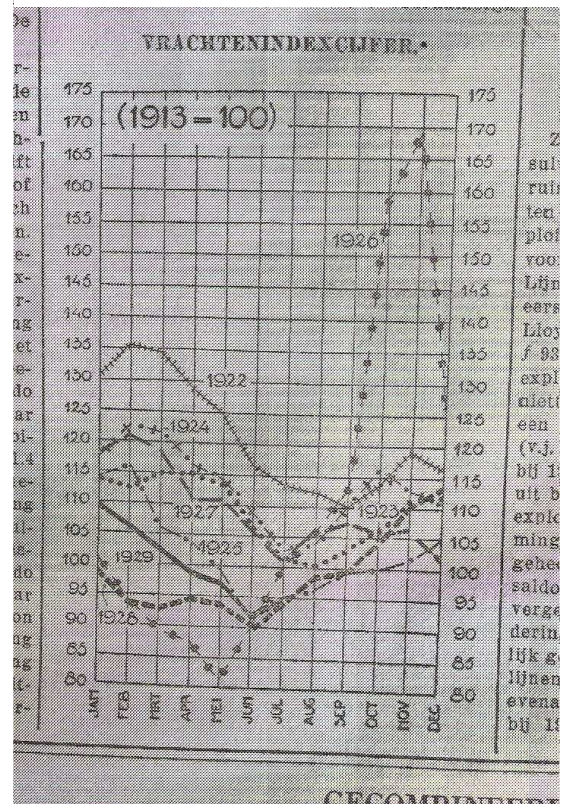
⁴⁷Ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart*, 114.

in the transport to the German hinterland.⁴⁸ Figure 3.2 shows the import of iron ore between 1924 – 1927. Within the curve, four peaks are visible, respectively in the months may – july 1924, october 1924, june – august 1925 and august – october 1927. If one looks at the freight rates in this perspective, it seems that the first peak in freights corresponds with declining rates, the second with low rates in general, the third with another decline and the fourth with an astonishing difference between the different curves. Because of this it can be concluded that in times of high freight rates only relatively small shipments are offered to tramp owners. An explanation for this phenomenon has to be sought in the fact that the seasonal shipments determine the world freight market, while shipments such as ore, coal and nitrates are used by owners and brokers as padding until better and more constant rates can be obtained in other trades.⁴⁹

Above, the general dynamics of the world wide tramp market were discussed from the worldwide level. Before comparing these dynamics with the Vinke & Co. case study it is also necessary to acquire an idea of the actual status of the way the tramp market in the period behaved for Dutch tramp companies. Studying for example newspapers which wrote about economic shipping issues, the trend is that the tramping industry is depicted as a difficult industry. It was already argued that the tramping business is a vulnerable industry, but it remains to be seen if all companies had such difficulties making a profit as is suggested.

Figure 3.3 and figure 3.4 give an indication of the fluctuations that influenced the tramp market. Figure 3 shows a comparison between the freight rate indexes of 1913 and various years in the 1920s. In almost all years the freight rates at one point went below the average of 1913. Especially interesting is the year 1926 that shows an incredible curve that at one points drops to almost 80 while rising to 170 later that year. Apparently it is very important for tramp owners to deploy their vessels at the exact moment when freight rates peak. It therefore remains an interesting debate why they focused so much

Figuur 3.3 : Freight rate indexes combined from all Dutch tramping companies for the years 1922-1929.



Source: De Telegraaf, 29-8-1929.

⁴⁸ Ferry de Goey, *Comparative port history of Rotterdam and Antwerp (1880-2000): competition, cargo and costs* (Amsterdam 2004) 25.

⁴⁹ Ten Doesschate, *Analyse van de vrachtprijsvorming in de wilde vaart*, 134.

on long term contracts and time charters.⁵⁰ That this was not always the most profitable strategy will become apparent when discussing the tramping companies in more detail. While figure 3 indicates that the freight market was still unstable and vulnerable, figure 4 shows a more mixed situation. The fact that the ten largest Dutch tramp- companies managed to more than double their capital between 1913 and 1920 points to the fact that they managed to grow and stabilize their companies. The distribution of profits however is an indicator for the variable success of the business as they double between 1917 and 1918, rise even more in 1919 but then drop to half in 1920.⁵¹

Two other developments that had a huge influence on the variability of the tramp market, in particular in the 1920s were currency fluctuations and, as argued before, the influence of liner companies on certain routes. Due to the difficult situation after the First World War many European currencies fell due to a passive balance of trade, a deficit on the state budget and a continued growth of public debt. For an industry so strongly based on a stable international economy, this was a difficult situation.⁵²

Furthermore, while the industry saw a boom just after the war, it was within 2 or 3 years almost completely overtonnaged. Especially the introduction of the 2500 to 3000 ton steamer made sure that a differentiation occurred within the tramp industry. Because the popular 3000 ton vessels were unsuitable for both the Atlantic trades as well as for the coastal trades, they started dominating the short term bunker trades within Europe. Many owners started operating in these trades, but not with much success. Notwithstanding the fall in the price of bunkers and even the reduction of crew wages in the first years of the 1920s it was

barely possible for owners to cover their operating and general expenses out of freight receipts unless their vessels happened to be completely amortized.⁵³

Figuur 3.4: Analysis of the business results of the ten most important Dutch tramping companies 1913-1920.

1920 VAN 10 SCHEEPVAART-MAATSCHAPPIJEN† (WILDE VAART *)									
(HUIZENDEN GULDENS)									
PASSIVA									
1913	Omschrijving.	1920	1919	1918	1917	1916	1915	1914	1913
12.698	Kapitaal	25.180	24.780	19.840	16.090	11.325	11.055	11.015	10.237
447	Statutaire Reserve	7.300	5.206	4.226	3.353	4.829	2.952	1.124	961
—	Bestemmingsreserven	38.453	41.886	27.261	27.638	12.265	4.170	1.436	1.181
7	Pensioenfonds	1.000	1.000	210	204	200	—	—	—
—	Obligatieleening	2.617	2.954	3.333	3.928	3.302	4.632	5.280	4.988
—	Crediteuren	19.876	11.039	11.206	5.055	12.696	1.794	1.022	251
—	Winstuitkeeringen	6.002	11.306	8.308	3.786	7.585	6.895	1.116	1.644
6.604	Onverdeeld saldo	954	872	903	1.046	1.128	671	428	494
19.756		101.382	98.543	75.287	61.100	53.330	32.169	21.421	19.756

Source: *De Telegraaf*, 21-2-1921.

⁵⁰ 'Onze Scheepvaart; een geleidelijk herstel', *De Telegraaf*, 24th august 1929.

⁵¹ 'Status van de Scheepvaart in 1920', *De Telegraaf*, 6th august 1921.

⁵² 'Franc en Lire; de Daling', *De Telegraaf*, 29th oktober 1929.

⁵³ 'French Shipping News', *Fairplay*, 29th august 1923.

3.3 The Vinke & Co. Companies.

Vinke & Co. was founded as a ship chandler and then developed into a freight agent and broker. Because the second generation, in the person of Gerrit W. Vinke, thought that the competitive position for brokers without own ships for the future was not positive at all, he initiated that Vinke would start to participate with its own vessels in the recently developed tramping industry in the Netherlands. Gerrit W. Vinke especially saw opportunities in the wood trade from the Baltic, because he had a lot of valuable contacts within the important timber industry that was situated near the river Zaan, north of Amsterdam. Although the companies thus were based on this trade they also successfully found employ in all other important tramp trades. The first company, Mij. Oostzee founded in 1897, started very modest with the purchase of two vessels that were deployed under the names Bussum (1650 dwt.⁵⁴) and Leersum (2000 dwt.). The Bussum was an unlucky purchase. The engine was too weak and the vessel stranded within a year. The Leersum however made good profits and formed the basis for a further expansion of the fleet. With the foundation of the Mij. Oostzee and later on Mij. Hillegersberg and N.V. Houtvaart through their Rotterdam branch office, Vinke thus mingled itself within an industry that required specific knowledge and contacts.⁵⁵ Because of relatively good fortune in the beginning years they managed to survive the difficult years 1904-1912 and were able to join in the profits that were brought by the First World War. Vinke & Co. developed into the most important tramp owner of the Netherlands with three tramping companies and twenty-six vessels of a total 77.900 dwt at the end of the discussed period.⁵⁶

3.3.1 Maatschappij Oostzee.

When the Bussum stranded, the company basically had two options, pull back its interests or spread its risks with the purchase of some more vessels. In 1898 the company purchased the Leersum in the UK and the Heelsum in Amsterdam. Furthermore they purchased the Ootmarsum, Loppersum, Farmsum and Ittersum. This daring strategy made sure that the 'Oostzee' possessed eight vessels just before the start of the First World War. During the First World War the freight rates rose extraordinary and the year 1914 proved to be very profitable. After 1914 the freight rates kept on rising and the dividends of the Dutch owners rose to an unprecedented level. The dividends that were paid by Oostzee in the war

⁵⁴ D.W.T: Deadweight tonnage; the weight that a vessel can reasonably carry in combined cargo, bunkers, freshwater, provisions and people.

⁵⁵ Max Dendermonde, *A century in fair and foul weather; The world's wea and woe in a hundred years of sailing with Vinke & Co.* (Amsterdam 1960) 20.

⁵⁶ Henk Dessens, *Vinke & Co. 1860-1985* (Amsterdam 1996) 18 .

years were in 1915, 1916, 1917 and 1918 respectively 66, 60, 30 and 50 percent.⁵⁷ The profits obtained in the war years allowed Oostzee to order six new ships with a total tonnage of 36.665 dwt. The latter ships were almost all made in the Netherlands with the shipyard A. Vuyk & Zonen in Cappelle a/d IJssel. The ships purchased were a lot bigger than the first generation Vinke purchased. While 2000 dwt. was the norm for the first generation, the new vessels all measured at least 6000 dwt. Vinke invested at the right moment, because they owned a modern fleet just before the sack in the tramp market in the early 1920s. In this depression only the newest and biggest vessels were able to sail with a profit while small vessels mostly remained laid up. As was discussed in paragraph 3.2, the 1920s were difficult for the whole industry and Vinke was no exception. In 1922 and 1923 Vinke even had to close the year with a significant loss, but the year 1926 on the other hand proved to be relatively profitable.⁵⁸

The above numbers mainly come from the Vinke archives. Besides this information, it is also important to have a look at how the Vinke business was perceived by others, in this case newspapers which wrote about its operations. In 1917 the positive future as sketched above was most uncertain. The 'Handelsblad' wrote for example: 'Looking at the depreciations we have to consider that 'Oostzee' operates an almost 'antique' fleet. The Hilversum dates from 1883, the Heelsum and Britsum from 1899, Ootmarsum and Loppersum from 1900, Ittersum and Rossum from 1902. Only the Leersum dates from 1917. Furthermore the Oostzee reserved almost none for maintenance, war- taxes and decided to ignore all warnings for the coming years because they decided to pay 65% of the total gross profit as dividend.⁵⁹ The 'Telegraaf' however concluded after the war that the correct choices were made: 'Even though Oostzee made some risky choices in the war years, among others buying the Winsum in the expensive year 1919, they are now able to purchase their vessels fully on their own account.'⁶⁰ That the board of the Oostzee made the correct, but also risky, choices furthermore becomes apparent when observing the numbers in figure 3.5. This then remained the trend during the 1920s: A

Figure 3.5: Company results of 'Oostzee' 1919-1021.

	1921	1920	1919
Kapitaal	f 4.000.000	4.000.000	4.000.000 ¹⁾
Expl.-baten	„ 697.047	1.550.053	3.438.625
Idem p. ton drgv.	„ 12.98	52 90	117.35
Winst ²⁾	„ 292.146	807.844	1.417.270
Boekw. schep. ²⁾	„ (12) 3.066.131	(10) 1.695.288	(8) 242.898
Reserves	„ 3.069.535	5.365.811	7.670.904
Dividend	6 %	15 %	50 %

1) f 2 miljoen nieuwe aand. deelden eerst van 1920 af in de winst mede. 2) Na afschrijving.

Source: *De Telegraaf*, 18-2-1922.

⁵⁷ 'Status van de Scheepvaart in 1920', *De Telegraaf*, 6th august 1921.

⁵⁸ Dessens, *Vinke & Co.* 1860-1985, 21.

⁵⁹ 'Scheepvaart nieuws', *Handelsblad*, 21th august 1921.

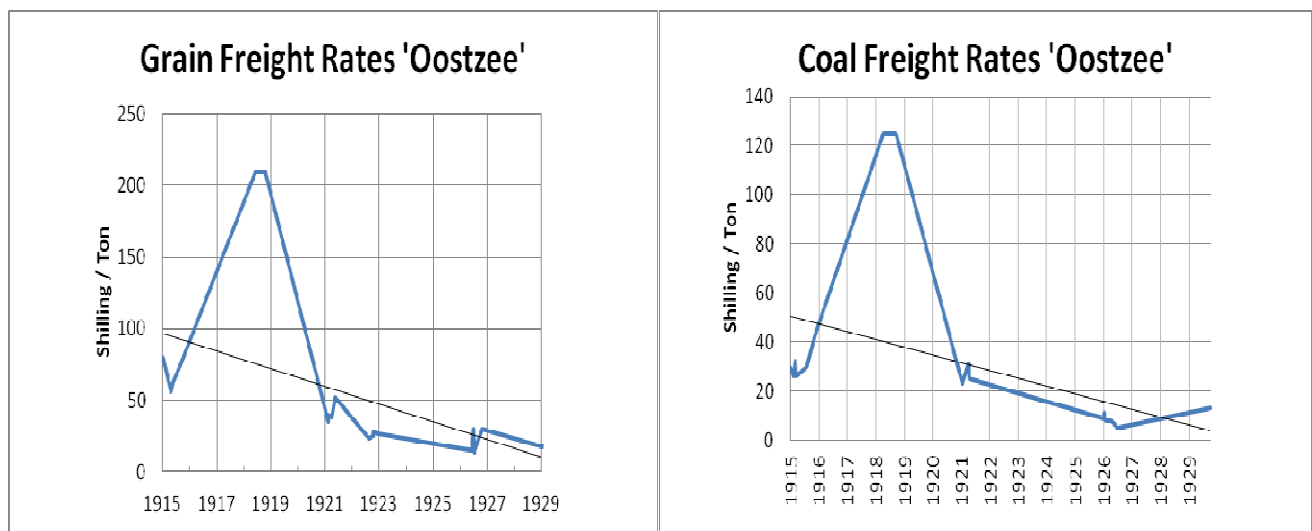
⁶⁰ 'Mij. Oostzee', *Telegraaf*, 11th august 1922.

careful business with a great eye for investing at the right moment. Oostzee never paid the incredible dividends it paid in the war again, but did manage to pay around 5% every year in the 1920s. Especially its investments in its fleet were perceived positively. In 1929 the *Telegraaf* concluded that: 'Because Oostzee now possesses a fleet of modern vessels, she can profit from any revival in the freight market. The board does expect that the freight market will soon improve, and if this will be the case, it should be directly visible in the operating results'.⁶¹

The particular situation of Oostzee will become even more apparent when observing its operations per journey, as found in the charter parties Vinke made for the various Oostzee vessels.⁶² In short, these were that cargo capacity increased and that turnaround time for vessels decreased. Furthermore that the grain freights still fell from the 1915's onwards and that the coal and iron ore import became important tramp trades just as they became important for Rotterdam. Lastly, it was argued that the year 1926 was especially profitable for Dutch trampers, for example compared with the years 1921/ 1922.

The first conclusion that can immediately be drawn is that Oostzee indeed also profited from the extremely high freight rates during and just after the First World War. Freight rates peaked to almost four times its normal level. That it was an extraordinary period unfortunately also shows in the huge decline immediately after the war. Grain rates kept on falling even after this initial decline and did not reach its pre-war levels again. Even though there is a small revival around the years 1926/ 27 rates fell again towards the end of the decade. The data from the file also show that grain contracts were indeed

Figure 3.6: Grain and Coal freights for Oostzee vessels in the period 1915-1929.



Source: Own calculations / ExelFile CharterPartiesVinke.xls

⁶¹ 'Mij. Oostzee', *Telegraaf*, 20th april 1929.

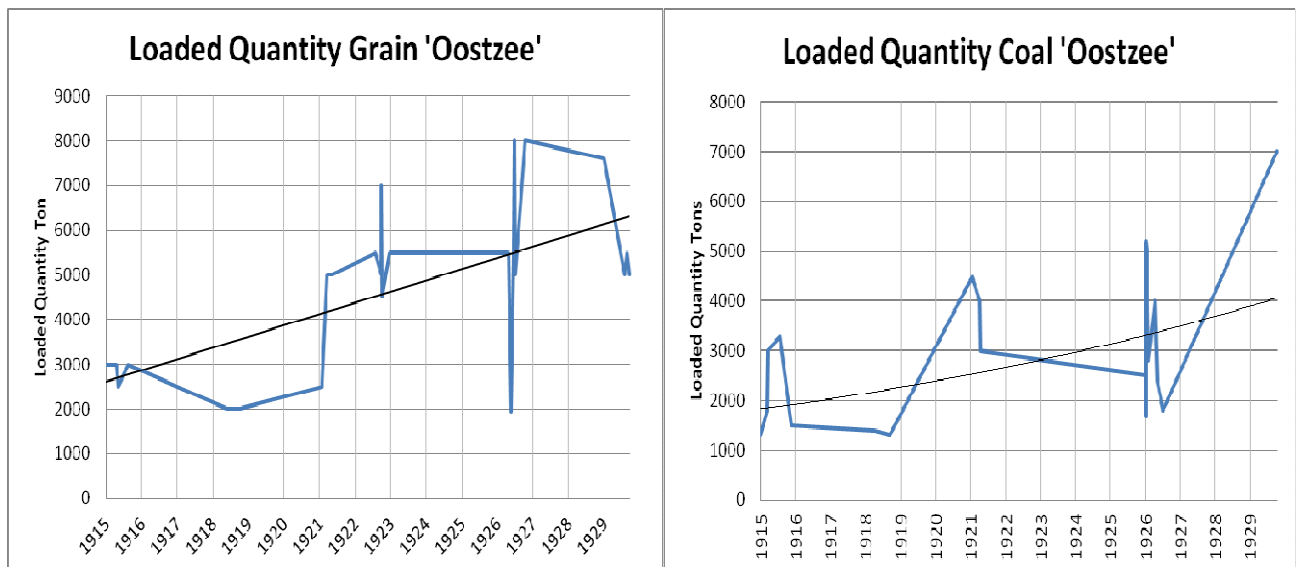
⁶² Excel File CharterPartiesVinke.xls

made throughout the whole year as one can find grain charter parties being made up from January to December. Coal freights more or less follow the same course as grain freights although a revival can be observed towards the end of the period. This is interesting because it was argued that coal (and other outgoing) freights were in general only used as padding. This shows that Vinke could also obtain good freights in these outbound legs which naturally benefitted the profit that was gained on the whole journey.

Unfortunately the same conclusion cannot be drawn from the iron ore freight rates because the data obtained are not sufficient for a comparison with the coal and grain freights. Iron ore was, by Oostzee mostly carried from Narvik in Norway and Bilbao in Spain but Vinke was never very active in this trade. The charter parties that deal with iron ore do state Rotterdam without exception as port of discharging.⁶³

The increase of cargo capacity shows a less obvious process. Even though a steady increase can indeed be concluded from the graphs, the overall picture shows a lot of fluctuations. It could be argued therefore that especially after the war the loaded quantities rose significantly. This is also in accordance with the new vessels ‘Oostzee’ acquired in this period. Still, there are obvious setbacks. It could very well be that while ‘Oostzee’ did have the possibility to transport larger quantities, the freight market did not develop in the same pace because charterers and buyers had no need for larger quantities of both grain and coal to be transported and delivered. Furthermore it was also already argued that the freight market was as a total not developing very well in the 1920s.

Figure 3.7: Loaded quantities for Oostzee vessels in the period 1915-1929.



Source: Own calculations / ExcelFile CharterPartiesVinke.xls

⁶³ Excel File CharterPartiesVinke.xls

Unfortunately the data do not contain enough information to provide relevant conclusions about the comparison between the years 1921/22 and 1926 and about the supposed decrease in port turnaround time. To analyze significant differences between different years and to conclusively say something about port turnaround times travel reports will need journey to journey research. As this falls beyond the scope of this thesis, it will have to be a subject for further research.⁶⁴

3.3.2 Maatschappij Hillegersberg.

Dessens argues that the results of Hillegersberg were in the discussed period not really different from those of Oostzee.⁶⁵ However, since the journeys of Hillegersberg also form an important part of the rest of this thesis, its beginning and its global course during the period will be discussed. Furthermore, a slightly more sophisticated argument can be made about the comparison between Oostzee and Hillegersberg. Hillegersberg entered the war with three vessels, the Trompenberg (1906), Boomborg (1910) and Larenberg (1916). The Trompenberg was sunk by a German submarine in the war. After the war the company ordered a new vessel under this name, which is in the data file labeled as Trompenberg 2 (1919). After the war the company bought the Hardenberg (1922) and Soesterberg (1927).⁶⁶ It is obvious that Hillegersberg in this respect was a lot smaller than Oostzee. Since it was earlier argued that Oostzee managed to get through the difficult years after the war especially because it started the period with a relatively modern fleet, the fact that Hillegersberg did not is an indication that Hillegersberg faced a more difficult future. Oostzee managed to get through this period without laying up its vessels. Hillegersberg however did face this problem. The difficulties Hillegersberg faced become clear when analyzing what the papers who wrote about shipping had to say about the company. In 1922 *Fairplay* wrote: ‘A dividend of 6 percent for last year was approved by the shareholders of the Hillegersberg steamship company. The annual report that was presented over the year 1922 says that the year was not a very brilliant one. The voyage of the steamer Boomborg which was begun in November 1920 resulted in a loss owing to the poor freights from the River Plate. While the Larenberg is still working, the Boomborg and Larenberg had to be laid up. Furthermore, there has been great delay in the building of the steamer Hardenberg and she will not be delivered until April.’⁶⁷ It can be concluded that in difficult periods only the newest and therefore most economical vessels manage to be employed and obtain a profit. In 1923 the *Telegraaf* also wrote on this subject, quoting from the

⁶⁴ Excel File CharterPartiesVinke.xls

⁶⁵ Dessens, *Vinke & Co. 1860-1985*, 26.

⁶⁶ Dessens, *Vinke & Co. 1860-1985*, 25.

⁶⁷ ‘Dutch Shipping News’, *Fairplay*, 23th march 1922.

Hillegersberg annual report of 1922: ‘The past year has been very bad for the tramping industry worldwide. Hillegersberg has not been able to gain any profits with their vessels. The freight rates have been so low all over the world that the costs have not been covered. Only the deployment of the Hardenberg, which proved to be very profitable for the company, gave some relief. Due to the introduction and profits of the Hardenberg and because laying up also implies considerable costs the company decided to redeploy the laid up vessels’.⁶⁸ The future did not look very bright for the company but once again the entrepreneurial spirit of the Vinke’s managed to pull one of their companies through a difficult time. They decided to pay dividends throughout the period anyway at the expense of depreciations of the fleet. This was not appreciated by all experts, because in 1926 the *Telegraaf* wrote: ‘As with the steamship company Oostzee the dividends paid by Hillegersberg in the last years went at the expense of depreciations on the fleet. It should be noted that, since the value of the fleet is much lower than that of Oostzee the implications of this are much lower. However it would be beneficial for the board of Hillegersberg to invest in the strength of the company in the coming years. Especially seeing the relatively old age of the vessel employed, which normally results in bigger expenses for surveys and maintenance. We would like to point to the fact that a conservative policy normally benefits the payments of dividend on the long term, rather than a policy *a la fortune du pot*’.⁶⁹ Despite its difficulties Hillegersberg managed to get some important Baltic wood charters at the end of the period which pulled them into the even more difficult 1930’s. This was mainly due to the important business networks they had built up in the area.

3.4 The Competition.

The Vinke & Co. companies did not operate in a vacuum. They participated in a worldwide industry and therefore faced competition from companies all over the world. The competition of liner companies has already been discussed, so the focus of this paragraph will lay with the competition with other Dutch tramping companies.

Just as industrialization of the Netherlands, the Dutch tramping industry developed relatively late. From the 1890s onwards the industry developed in The Netherlands, mainly due to high freight rates in the wood transport from the Baltic, where Dutch companies had a long trade history of trade relations. Many of these Dutch tramping companies did not last. The steamship companies Bestevaer, Poseidon, Hollandia, Baltic and Amstel all went bankrupt before 1912.⁷⁰ Some other companies

⁶⁸ ‘Mij. Hillegersberg’, *Telegraaf*, 12th may 1923.

⁶⁹ ‘Mij. Hillegersberg’, *Telegraaf*, 17th march 1926.

⁷⁰ Dessens, *Vinke & Co.* 1860-1985, 16.

managed to keep their assets sailing of which the most important will shortly be discussed here below. Please note that the N.V Houtvaart will also be discussed in this respect even though this company also had a close relation with Vinke as it was founded by its Rotterdam branch office. In the data that were obtained in the file CharterPartiesVinke this company however plays a minimum role which points to the fact that this company obtained its charters independently or at least not with Vinke & Co. Amsterdam as a broker.

The 1910s were a period of transition because while Oostzee and Hillegersberg were already fully sailing with steamships, there were other companies which still tried their luck with sailing ships. The Scheepvaart reported in 1917 on the foundation of the Mij. Flevo: ‘In Rotterdam was founded the Mij. Flevo with a capital of 1.000.000 guilders. The company at the moment owns nine sailing ships and a small steamship of 1630 tons. Seeing the high prices for acquiring new vessels, and the limited possibilities in obtaining good freight rates the company will focus on sailing’.⁷¹ It is obvious that these kind of companies were of another league than the Vinke companies. The companies Houtvaart, Zeevaart, Triton and Bothnia did manage to survive into the 1920s with modern steamship fleets. There were also some companies that operated a mixed business and employed their vessels both in liner and tramp trades such as van Nievelt Goudriaan & Co, Müller & Co, and Holland- Gulf. Not all these companies were received with enthusiasm. The Telegraaf reported in 1917 on the acquisition of some new vessels by Houtvaart: ‘Generally speaking one should stand cynical towards the conditions, under which new vessels are acquired nowadays. We have serious doubts if the company will be able to pay good dividends over the newly acquired capital.’⁷²

It was already argued that Oostzee and Hillegersberg had a policy of rather paying dividends than reserving money for depreciations. Observing figure 63.8 shows that this was an important choice for the other tramping companies as well.

Figure 3.8: Paid Dividends by the ten most important Dutch tramping companies 1917-1920.

UITBETAALDE DIVIDENDEN. (GEWONE AANDEELEN).								
Naam	1920	1919	1918	1917	1916	1915	1914	1913
van Nievelt Goudriaan & Co.	30	50	50	50	100	100	16	26
Müller & Co.	10	15	6	6	15	20	8	8
Stoomv. Mij. „Oostzee”	15	50	50	30	60	60	7½	12½
Solleveld, v. d. Meer & Th. v. Hattum	25	75	50	50	100	100	10	20
Mij. „Houtvaart”	9	30	10	50	50	100	7½	20
Mij. „Zeevaart”	20	50	45	30	50	50	10	7
Stoomv. Mij. „Holland-Gulf”	12	50	20	20	40	10	8½	8
Vrachtvaart Mij. „Bothnia”	—	30	—	50	60	30	—	9
Stoomv. Mij. „Hillegersberg”	15	50	50	25	50	140	7½	20
Stoomv. Mij. „Triton”	30	200	75	50	100	40	15	20

*) Namen in dividenden-staat.
 †) Daar de „Bothnia” nog geen verslag publiceerde is zij hierbij voor 1920 niet opgenomen. Uitp. 1919 beslokte zij over 10.302 B^o. tons, kapitaal f 900.000, reserves f 563.000.

Source: *DeTelegraaf*, 21-2-1921.

⁷¹ ‘Mij. Flevo’, *Scheepvaart*, 12th february 1917.

⁷² ‘N.V. Houtvaart’, *Telegraaf*, 24th may 1917.

Some conclusions drawn from these figure are remarkable. In the years 1915 and 1916 Bothnia for example paid higher dividends then both Hillegersberg and Oostzee while the company was declared bankrupt in 1918. What's more is that Triton paid extremely high dividends in comparison with Zeevaart. Assuming that they remained with this policy into the 1920's the following comments in the *Telegraaf* are striking: 'For Triton the year 1925 was devastating. Due to the extremely low freight rates and in particular the extreme influence of government owned vessels it has proven to be impossible to gain a profit with the deployed vessels. Triton furthermore had the ill luck that it signed some time-charters just before the freight market showed a little peak of which it could now not profit.'⁷³ On Zeevaart the *Telegraaf* however reported: 'Zeevaart was able to obtain a relatively good profit over the year 1925. This was mainly due to the deployment of new tonnage but also to a fee paid by the Dutch government over the Calaneo which was claimed by the Dutch government in 1918. Furthermore the company was able to obtain some profit in the liner trade, with their Holland- Ireland Line'.⁷⁴ These examples again show the uncertain nature of the tramping industry. While it was important to invest in time in a company's fleet, the relation with the shareholders was also important to acquire capital for these investments. Furthermore it is remarkable that the *Telegraaf* reported on Triton that they had the ill luck that they had signed some long term contracts while it was argued that Zeevaart made some profits because of their efforts in regular trade.

3.5 Conclusion.

It became evident that freight rates kept on falling even after their initial decline and did not reach its pre-war levels again in the 1920s and 1930s. Even though there was a small revival around the years 1926/ 27, rates fell again towards the end of the discussed period. Coal rates more or less followed the same course as the grain freights. This is interesting because it was argued that coal (and other outgoing) freights were in general only used as padding. This development therefore could point to the fact that Vinke could also obtain good freights in these outbound legs which naturally benefits the profit that is gained on the whole journey.

Comparing the Vinke & Co. case with academic literature that deals with broader perspectives gives an interesting perspective in many other respects as well. Especially that fact that the literature focuses mainly on developments on the long term while tramping companies were very much influenced by short term developments of the freight market. Above all, tramp companies were

⁷³ 'Mij. Triton', *Telegraaf*, 17th november 1926.

⁷⁴ 'Mij. Zeevaart', *Telegraaf*, 24 nov 1926.

exceptionally vulnerable in case of sacks in the economy as a whole and in the demand for sea freight in particular.

Notwithstanding the fall in the price of bunkers and the reduction of crew wages in the first years of the 1920s it was barely possible for owners to cover their operating and general expenses. It is in this respect interesting that the tramp industry was mostly aiming at constancy, which not always had a positive effect on their income. When tramp companies made contracts for their vessels early on they could not profit when the freight market peaked. The example of Triton and Zeevaart showed this uncertain nature. Overall, the Vinke & Co. companies did not sail in time charter very much.

It can also be concluded that in difficult periods only the newest and therefore most economical vessels managed to be employed and obtain a profit. It seems important for tramping companies to constantly modernize their fleets. To acquire capital for these investments a good relation with the company's shareholders is of key importance. In this respect the dividend policy of the Vinke companies appeared effective. They decided to pay dividends as much as possible throughout the period, even at the expense of depreciations of their fleet. This was a risky strategy and was therefore not appreciated by all experts, but did make sure that they could benefit from peaks in the freight markets when they occurred, probably the most important aspect of managing a tramping company.

Lastly it was argued that while Oostzee did have the possibility to transport larger quantities, the freight market did not develop in the same pace because charterers and buyers had no need for larger quantities of both grain and coal to be transported and delivered. This adds to the general idea that the freight market was not developing very well in the 1920's.

The Vinke & Co. companies managed pretty well in a difficult period mainly because they had a good business policy towards their shareholders and were therefore able to invest in their fleet at the right moments. They were in addition not only dependent on one trade but operated, as a true tramping company, in almost all important worldwide tramp trades.

Chapter 4: International Relations, Business Networks and Trade Routes in Tramp Shipping.

4.1 Introduction.

In the earlier chapters it was argued that the tramping industry was particularly vulnerable for short term developments on the freight market. Because of the fact that tramp companies mainly work on basis of the voyage charter, and thus have no steady income based on fixed contracts, they are constantly seeking new freights, and therefore in theory also constantly renew their business networks. This loose nature is even more accentuated by the idea that tramp vessels always sail wherever there is cargo. In this chapter I will argue on the other hand that tramping companies also tried to build a steady network of trustworthy partners with whom business could be done on a regular basis. Also, they were certainly more experienced in certain areas than in others so the idea that tramping companies operated ‘the seven seas’ is not true. I will again use the charter party data base to show this in the Vinke case.

Naturally, many things can have an influence on the development of these networks. Relations between long standing partners can deteriorate because of disagreements or uneasiness with the development of the partner. Furthermore relations can be influenced by developments outside the direct sphere of influence of the companies involved in a business relation. Tramping companies are very much dependent on good international relations because an important part of their business revolves around the cross trade, the trade between two other countries than its country of origin and because of the simple fact that they frequently touch ports in many different countries. Because of this irregular nature Vinke and the networks Vinke maintained benefitted very much from developments in communication.

When discussing networks, business relations and changing international relations in the period 1910-1930, the impact of the First World War cannot be neglected. The First World War had an enormous impact on the industry as a whole. That these developments were, especially for Dutch companies, not always only negative was discussed in chapter 3. It did however had a huge impact on the way the Vinke companies were able to do their business in many other ways because various foreign governments imposed regulations upon trade in general and upon import to The Netherlands in particular. To deal with these changes various influential ship owners founded the *Nederlandsche Overzee Trustmaatschappij* (NOT) to represent them in negotiations with these governments. The First World War and the NOT will be used as the main example to show how international and business relations can change dramatically in a short period. After this it will be discussed how the Vinke companies managed themselves in this international environment by looking at the trade routes they operated and how they organized their networks to employ their vessels successfully.

4.2 Networks in Tramp Shipping.

The possibility for tramping companies to operate in a worldwide market without any discrimination regarding certain cargoes and countries is essential for a profitable performance of its transport functions. Fisser argues that this freedom existed up to the First World War. Since that time many countries however tended to revert to the principles of Cromwell's Navigation Act, which restricted the trade between the UK and its colonies, by granting different privileges to national shipping against the tonnage of other countries, herewith eliminating true international competition and the highest level of economic efficiency.⁷⁵ The Anglo- Russian Trade Agreements, signed in march 1921, form an excellent example for the development of a market in which other reasons than purely economic ones determine under which flag certain cargoes are carried. These kind of treaties were, fortunately for the tramping industry, relatively limited although initiatives remained to be undertaken. Another example is the American 50:50 clause for foreign aid transport, according to which fifty percent of all cargoes to be shipped under the foreign aid program of the US had to be carried in American flag vessels.⁷⁶ These kind of tendencies are especially dangerous for countries such as the Netherlands. Fisser argues that tramping companies from smaller countries based their businesses mainly on cross trades, since the foreign trade volume of for example The Netherlands only covered a small part off the tonnage they transported. That this perhaps depicts a too negative image will become evident when the Vinke companies are discussed.

Changing international trade agreements can also have positive effects for tramping companies. Because of their flexibility, they can easily adapt when trade routes change because of these new agreements. Liner companies will, because of their rigid organization, not be able to immediately cover these new routes and trampers can benefit from these temporal situation. Moreover, the vessels that tramping companies operate are mostly usable for all sorts of cargoes and are therefore very suitable for new trades and routes. Examples of shifting routes are the grain trade from the Danube to the La Plata region, iron ore from the Baltic to the African continent and coal imports from the UK to the USA.

The importance of international relations in specific areas becomes extra important when considering the fact that tramp vessels do not in reality 'ply the Seven Seas'. Even though tramp vessels are in theory available for cargoes and routes worldwide, most companies base their business on certain routes more than on others. The reasons for this are basically twofold. First, the cargo supply of some areas is not sufficient to fill ships of any size while some ports and areas, such as the La Plata and River Parana, have a maximum draught. Second, the management of tramping companies had to deal with issues regarding supply and especially possible repair of their vessels, which they rather would not

⁷⁵ Frank M. Fisser, *Trampschiffart*, 65.

⁷⁶ Frank M. Fisser, *Trampschiffart*, 67.

arrange with unfamiliar partners. Thus, when a route disappears it will take considerable costs and efforts to build up the same status and networks in an entirely different trade area or route.⁷⁷

Besides developments within the international arena, technical developments also had an important influence on the shape of business networks within tramp shipping. Especially the telegraph was of vital importance for the development of modern business networks within tramp shipping. The most important point made in chapter 2 was that with the extension of the intercontinental telegraph network, ships could stay in contact with their head office in almost any port. Because of this many arrangements that were previously made by the ship's captain were from then on made early on in these head offices. The most important aspect of the telegraph was thus its use to increase the efficiency of shipping by allowing ship owners to better allocate their tonnage capacity. Owning a ship resulted in various fixed costs and so the more revenue generated per period the higher the profit. This is why the laying up a vessel is normally postponed to the very point when absolutely no normal freights could be obtained. The telegraph achieved a better efficiency this in two ways. First, the telegraph allowed ship owners to coordinate supply and demand of cargo to update routes in response to changes during the ships voyage.⁷⁸ This would imply that a voyage of a vessel would become longer and more complicated because of this updates. Second, sailing in ballast would be minimized. Third, the fact that for example the arrival of the vessel could be telegraphed before arrival and the fact that contracts between the owner and the stevedore could also be prepared beforehand could reduce the time ships spent in port.⁷⁹

Centralization of command increased even further when wireless technology was introduced from the 1900's onwards. The telegraph however was a costly communication medium and was therefore used frugally. It was used to communicate specific information but not to hold open end communications. The telegraph allowed brokers to communicate either their demands for shipping space or their available capacity from any port with cable access to London, were the epic center of the international tramp market was located. Although the telegraph delivered a process of integration and world-wide communication, the actual negotiations over freight remained to take place at the Baltic Exchange in London where traders could negotiate face to face on the trading floor. The instructions resulting from these negotiations would then be cabled back to the port. The growth of a complex web of ship broking and freight forwarding thus developed out of this communication revolution.⁸⁰ That not all commodity trades went through London though and that this general idea can be presented in a more sophisticated way

⁷⁷ Frank M. Fisser, *Trampschiffart*, 163.

⁷⁸ Lew, 'The Telegraph, Co- ordination of Tramp Shipping, and Growth in World Trade, 1870-1910', 21.

⁷⁹ Lew, 'The Telegraph, Co- ordination of Tramp Shipping, and Growth in World Trade, 1870-1910', 23.

⁸⁰ Lew, 'The Telegraph, Co- ordination of Tramp Shipping, and Growth in World Trade, 1870-1910', 7-8.

will become apparent in the case study.

4.3 International Relation in The First World War: The NOT.

Besides the rise in freight rates, the war had many other implications for the shipping industry. In this paragraph the main purpose will be to show what the effects were for ship owners, especially for the way they could operate their vessels, and how they tried to manage their relations with the belligerent parties. Immediately after the start of the war Britain initiated a blockade for the shipment of certain goods to Germany. The problem for Dutch shipping companies was that the British government, contrary to the declarations of Paris (1856) and London (1909), also involved freight forwarding in their blockade and therewith extended the blockade to shipments to The Netherlands of which it was not completely sure that were destined for use in The Netherlands only.⁸¹

Off course the Netherlands still needed a continuous flow of especially foodstuffs and this situation made for continuous conflicts. Furthermore many Dutch shipping companies based an important part of their businesses on contracts for cargo that was forwarded to Germany through especially Rotterdam. The main problem thus became that The Netherlands were for import of foodstuffs mostly dependent on permission by the Allied governments, but for their export and therefore economy as a whole more dependent on Germany.

From the beginning the Dutch government stated that they wished to remain completely neutral and laid the responsibility for negotiations about the shipment of contraband cargoes in the hands of the shipping companies. Because the Dutch government did not operate any state owned tonnage they were completely right when she responded towards accusations of both German and Allied governments about transports for the others, that all transport was at the owners risk and responsibility.⁸² To better handle these negotiations the shipping companies founded an independent intermediate agency, the *Nederlands Overzee Trust Maatschappij* (Dutch Oversea Trust Fund, NOT). The most negative aspect of the blockade for Dutch shipping companies was the fact that Dutch vessels were retained in foreign ports for long periods of time when it was not certain to whom their cargo was destined.⁸³ Tramp ships were extra vulnerable for these actions since they were per definition free after each charter party ended and thus often sailed for many different charterers. By march 1917 a fleet of Dutch flagged vessels worth 34.744.376 guilders in total, was retained in British and American ports. For the owners of these vessels it

⁸¹ Smit, *Tien studiën betreffende Nederland in de Eerste Wereldoorlog*, 87.

⁸² 'Het charteren van neutrale schepen', *Telegraaf*, 3th october 1918.

⁸³ Smit, *Tien studiën betreffende Nederland in de Eerste Wereldoorlog*, 91.

was highly unsure what the compensation of losses would be.⁸⁴

The Dutch shipping companies thus mainly had to deal with British impositions and therefore the NOT had a very British oriented policy.⁸⁵ During the war more and more cargoes were named NOT-cargoes, which implied that the NOT made sure that these cargoes were not to be forwarded to Germany. In practice, smuggling and the buying up of stocks by Dutch middle-men made sure that huge quantities of NOT-cargoes remained to be forwarded to Germany anyway.⁸⁶

This difficult situation was widely discussed in British, German and Dutch newspapers and these reports give a very interesting insight in the way ship owners were not only dependent on their own networks but also on relations between governments. Analyzing these comments shows how vulnerable the (tramp) shipping industry was to international developments and changes within their networks. Conflicts rose especially when the situation for all involved countries turned urgent in the years 1917 and 1918.

Within England there was a constant public debate going on about the export to the Netherlands. In march 1917 the *Telegraaf* published the following on the subject: 'The Daily Mail has published a series of numbers arguing how extensive the export from The Netherlands to Germany is. While the Dutch should send potatoes, cheese, butter and meat to England they now send this to Germany. Furthermore goods shipped to The Netherlands are immediately forwarded to Germany. The Morning Post added to this that the fact that shipments of foodstuffs and fertilizer to The Netherlands in fact keep the German war machine going. The export of beans and live stock from The Netherlands and Denmark basically equals the death of thousands of British lives'.⁸⁷ Notwithstanding the efforts of the NOT, not all shipments to The Netherlands went unproblematic because frequently products were marked as contraband and stopped while in transit. In august 1917 a large shipment of coffee in transit carried by a neutral Dutch vessel from Brazil to Rotterdam was for example retained in London because the government argued that it was obvious that its destination was Germany. This assumption was not unjustified because the charterer was G. Trinks & Co. Santos, while the headquarters of the firm G. Trinks & Co. were situated in Hamburg.⁸⁸

After Germany declared total submarine warfare in 1917, the United States also become an important player in the war. Due to their strategic position they were able to control the most important trade flows for tramp shipping such as the coal routes from England and the La Plata grain routes. The

⁸⁴ 'De vergoeding voor onze schepen', *Handelsblad*, 23th april 1917.

⁸⁵ Kruizinga, *Economische politiek: de Nederlandsche Overzee Trustmaatschappij (1914-1919)*, 14.

⁸⁶ Smit, *Tien studiën betreffende Nederland in de Eerste Wereldoorlog*, 93.

⁸⁷ 'Nederland en Engeland', *Telegraaf* 20th march 1917.

⁸⁸ 'In beslag genomen koffie', *Handelsblad* 29 august 1917.

American government was very skeptical about the NOT and they were not willing to let ships sail under the NOT- guarantee only.⁸⁹ Dutch vessels that were in that period often loading and discharging in American ports were therefore retained. The Holland- America Line for example had 14 vessels retained in American ports in 1917.

While the NOT managed to retain relations with the British and American governments up to 1917, the relation with the German government deteriorated much faster. According to Germany, it was in theory a violent act if Dutch vessels were chartered or retained by allied governments, and especially if Dutch companies basically helped the Allied governments with their blockade by guaranteeing cargoes NOT- guaranteed. From 1915 onwards the German press considered the NOT not more than a 'Englische Brille auf der Holländische Nase'.⁹⁰ In 1918 the second secretary for foreign affairs Baron Vom dem Bussche even argued: 'When the American government demands that the import of foodstuffs can only be carried out by vessels that are currently in Dutch ports, we have to assume that this tonnage will in theory also become available for the own use of the allied forces. We have always tried to respect the Dutch independence, but when this is so obviously contrary to German interests we have to act against this.'⁹¹

The NOT was thus confronted with many problems and De Telegraaf reported in august 1917 that: 'As a reaction to the rumors that all relations between the English government and the NOT are until further notice stopped immediately, we can reported that this is not entirely true but that there are indeed grave difficulties. Notwithstanding the fact that the NOT lived up to all its responsibilities, no less then seventy vessels, of which forty carrying necessary foodstuffs for The Netherlands, are held in various ports on authority of the Entente governments. In this way the NOT cannot possibly serve the interests of The Netherlands in general and of Dutch ship owners in particular'.⁹²

The role of the Dutch government was also not undisputed: 'When there finally will be a solution for the requisitioning of our vessels in American ports this will not be because of Minister Posthuma and his assistant Mr. Kroller. First they promised the English government a shipment of potatoes with the same quantity that was recently shipped to Germany. They however forgot that there was a grave potato shortage in Rotterdam and Amsterdam as well, so when these stocks were plundered they had nothing to send to England. Furthermore, when the reasonable American government suggested using a part of the requisitioned tonnage for the Relief Committee for Belgium they refused this also.'⁹³

⁸⁹ Smit, *Tien studiën betreffende Nederland in de Eerste Wereldoorlog*, 95.

⁹⁰ Kruizinga, *Economische politiek: de Nederlandsche Overzee Trustmaatschappij (1914-1919)*, 185.

⁹¹ 'Economische besprekingen', *Handelsblad*, 23th march 1917.

⁹² 'Engeland en NOT, ernstige moeilijkheden', *Telegraaf* 10th august 1917.

⁹³ 'Onze schepen in Amerika', *Telegraaf*, 24th november 1917.

After 1917 the role of the NOT was more or less played. The war situation made for a constant pressure on the relationships and the networks the NOT maintained and in the end it proved to be impossible for the NOT to satisfy all parties. The NOT however made sure that for at least the first three years cargo flows kept coming into The Netherlands and that their companies remained profitable.

4.4 The Vinke & Co. Companies.

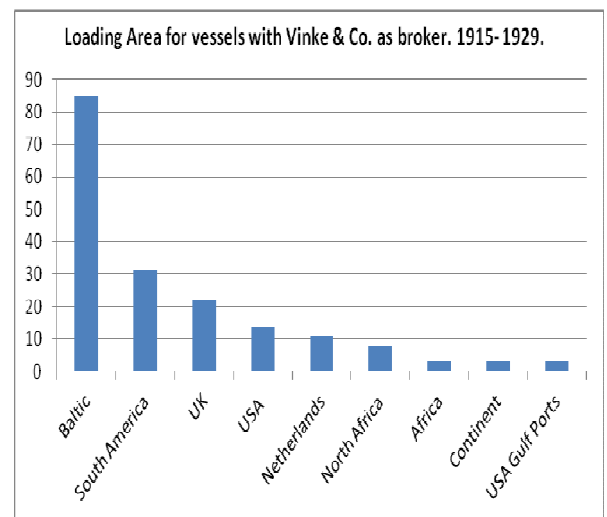
The data file CharterPartiesVinke.xls contains a random selection of charter parties that were made between Vinke & Co. as brokers and various partners during the period 1915-1930. Unfortunately the file also has some limitations. It was for example argued that the individual journeys of tramp vessels became longer with the introduction of the telegraph because of the possibility of updates during the voyage. It is impossible to test this with the file, because while the charter parties sometimes state where a vessel is positioned at the moment when the contract is made up, it says nothing about the route it will follow to the appointed loading port. The charter parties do however contain a lot of information about the trade routes Vinke operated and especially about the partners Vinke worked with during the period.

4.4.1 Trade Routes.

Fisser argued that the most important aspect of tramp shipping was the cross trade, especially for smaller countries such as The Netherlands, because the foreign trade volume of these countries was too small to build a continuous business on. Figure 4.1 and 4.2 do not give a decisive answer in this respect. It is obvious that an important part of the voyages Vinke managed were destined for The Netherlands, as more than half of the voyages observed in the data file discharge in The Netherlands. This however means that the other half is not and that the cross trade was also for Vinke a very important aspect of their business because they frequently discharged foreign cargoes in foreign ports.

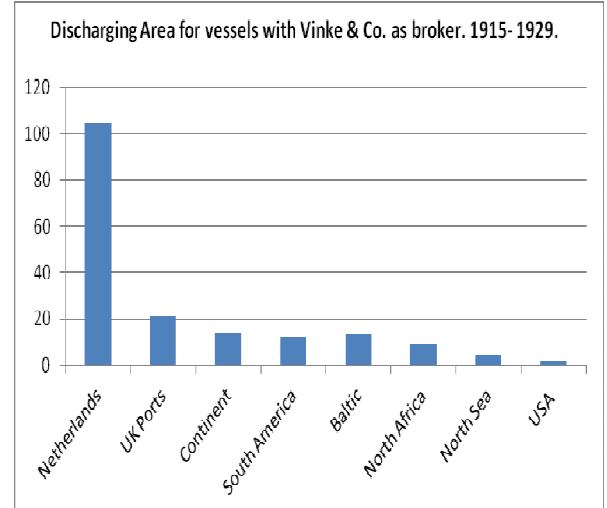
It becomes very clear that the Vinke & Co. business was firmly grounded in the trade from the Baltic, supplemented with the more general tramp trades, grain from the La Plata region to Europe and bunker coals from the UK to bunker stations and other recipients on the Atlantic. This is interesting because Dessens argued that after the First World War vessels of the Vinke & co. shipping companies frequently

Figure 4.1.



Source: Own calculations / ExcelFile CharterPartiesVinke.xls

Figure 4.2.



Source: Own calculations / ExcelFile CharterPartiesVinke.xls

sailed also to the Pacific and Australia.⁹⁴ This would imply that these voyages were not arranged by Vinke & Co. as brokers for their vessels because these destinations do not appear in the charter parties. This points to the fact that tramp owners and brokers in theory operated in a worldwide market but nevertheless had their own specific areas where they had firm business contacts and when their vessels operated in unknown waters they left the responsibility to more specialized middle men.

Special attention was given in the previous paragraph to the problematic situation for ship owners during the First World War. As the Vinke business was based mostly on wood freights from the Baltic, it was in their benefit to keep this trade route alive and their networks operating, also during the war. However, some of their vessels were retained or requisitioned by the allied governments and direct trade with Germany was frowned upon very much. It is in this respect striking that Vinke managed to act as a charterers agent on behalf of Dutch wood traders for voyages from the Baltic to Delfzijl, in the utmost north part of The Netherlands, close to the German border, all with vessels owned by German steamship companies.⁹⁵ The direct evidence is missing to decisively argue that these wood cargoes were destined for Germany, but it is showy that when Vinke managed these trades normally, the destination was Zaandam, where most of the wood traders were situated. This shows that shipping companies were thus indeed very flexible in keeping their networks operational, in this case through broking activities.

4.4.2. Vessel Specifics.

Even more insight into the trade networks of Vinke & Co. can be obtained when investigating them at a voyage or vessel specific level. By analyzing the way these vessels behaved it can be argued whether the Vinke business was in practice flexible or not. Analyzing all named vessels would make this picture vague and unclear and therefore only the two vessels that are most often registered in the file will be used in this respect. These vessels are the 'Boomberg' from the Mij. Hillegersberg, build in 1910 and in service with Vinke from 1910-1932, and the 'Britsum' from the Mij. Oostzee, build in 1899 and in service with Vinke from 1908-1927. Figure 4.3 shows their respective voyages during the period.

From 1915 onwards they carried bulk cargoes such as coal, grain and wood from the expected areas. The 'Boomberg' made two voyages from the Rio de la Plata area to Rotterdam with a grain cargo in 1915. The charter parties are dated January 18 and April 8 respectively which shows that the roundtrip took about three months if the vessel returned in ballast. This voyage returns in 1921 but the voyages in 1922 and 1926 show another pattern. The focus in these years is on carrying coal from the English coal ports such as Barry and Tyne to the Baltic and consequently carrying wood cargoes from these areas to

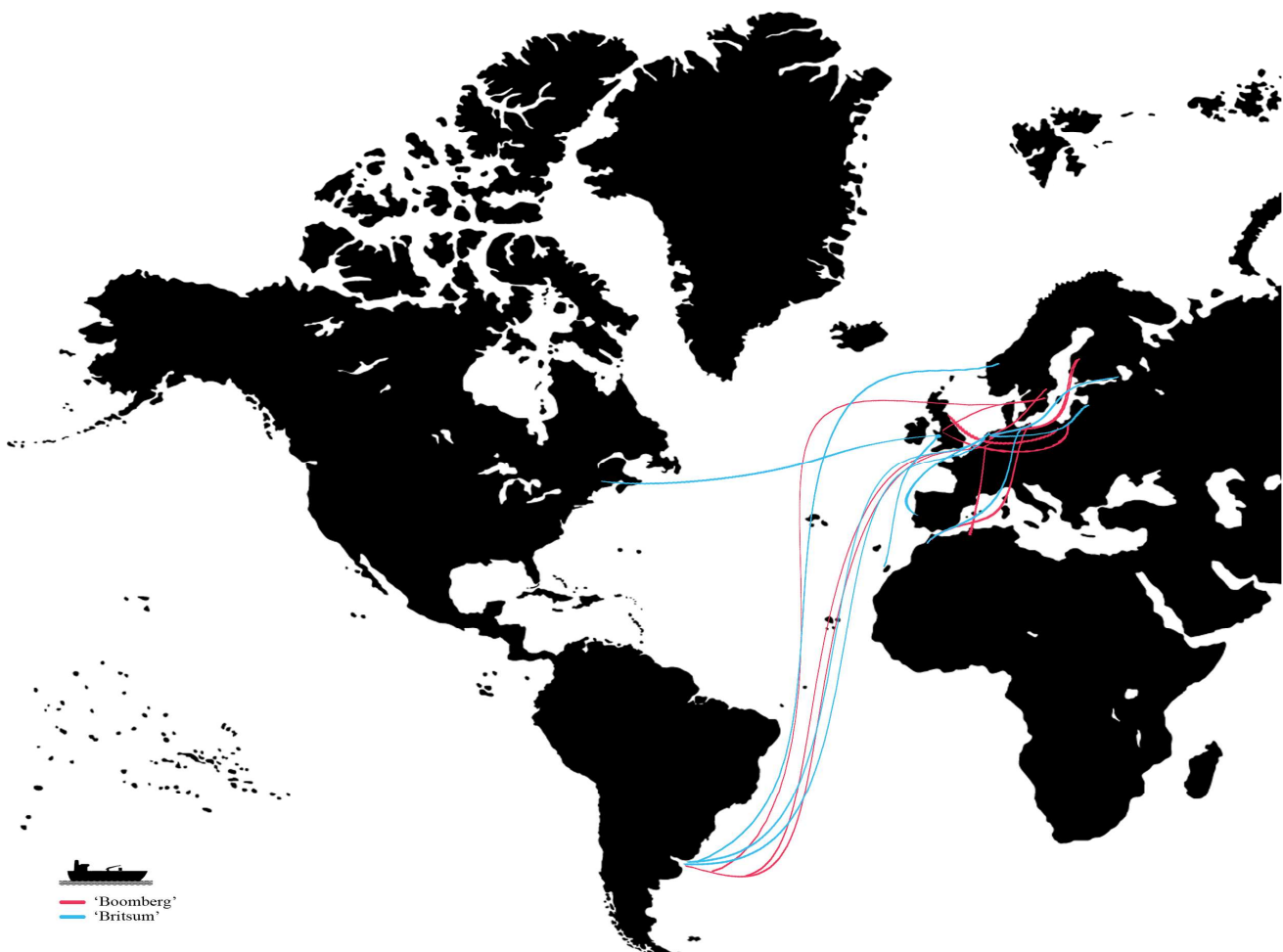
⁹⁴ Dessens, *Vinke & Co. 1860-1985*, 22.

⁹⁵ ExelFile CharterPartiesVinke.xls

the wood traders around Amsterdam. It should be noted that this trade was almost the only option to obtain an outwards freight to the Baltic, and that vessels often had to sail to the Baltic in ballast.

The 'Britsum' shows a somewhat similar pattern with some interesting exceptions. This vessel was also active in the bunker coal distribution from UK ports and the grain trades. Interesting is that she, based on a charter party dated February 9, 1921 also carried a grain cargo directly from Concepcion del Uruguay to Bergen in Norway. Another interesting voyage, dated October 6, 1922, concerns a wood transport from New York to the UK, which points to the fact that the USA and Canada were also developing as an important wood exporting country besides the Baltic. Furthermore it is interesting to see that Rotterdam remained one of the most important distribution ports for coal, as the 'Britsum' made two voyages in 1926 with a coal cargo from Rotterdam to Lisbon and Riga respectively. That the role of the Baltic as a wood exporting area was not completely played becomes apparent because of the fact that the voyages of the 'Britsum' as registered in the data file are concluded with a familiar wood cargo from Wyborg to Rotterdam.

Figure 4.3: Voyages made by the vessels Boomberg and Britsum in the period 1915-1930.



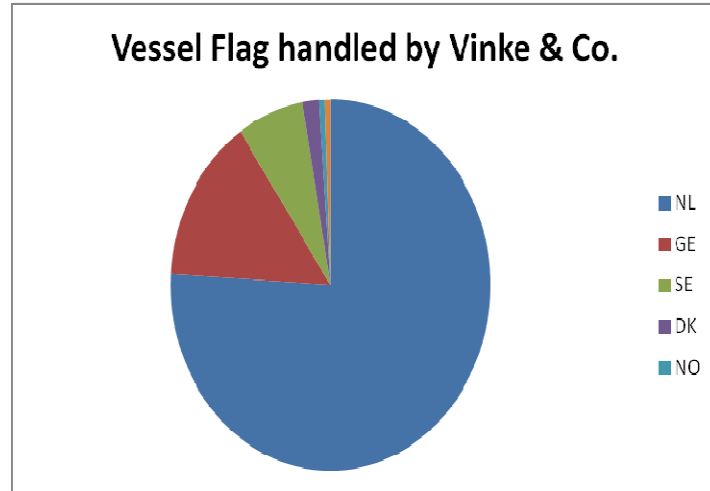
4.4.3 Agency Networks.

It was argued that the relations developed by tramp owners were often complex. The relations developed by Vinke were certainly complex. Many companies were involved in signing a charter party. There are several exceptions, but normally Vinke acted as owners agent for the vessels of their companies Oostzee and Hillegersberg. Naturally, the first concern of Vinke was to obtain cargoes for their own vessels.

When a certain company wanted to charter one of these vessels for the shipment of a certain cargo, they usually contacted another specialized company which could act as charterers agent on their behalf. Often these agencies were situated in London, the epic centre of the tramp market in the period. It could however also happen that a London agency was approached by a charterers agent and then contracted one of the Vinke companies directly and thus acting as owners agent, so that Vinke only acted as managers for these vessels. The specific rights and duties that were connected with these different agencies are too extensive to fully explain in this thesis. The basis is that a charterers agent represents the interests of the charterer and the owners agent those of the owner. In case of Vinke and Co. it was thus often so that the Vinke & Co. broker department acted as owners agent for their Hillegersberg and Oostzee vessels. When observing figures 4.3, 4.4 and 4.5 an interesting dynamic becomes clear. Naturally, most vessels handled by Vinke were their own, Dutch flagged, vessels. During the First World War they also acted as both

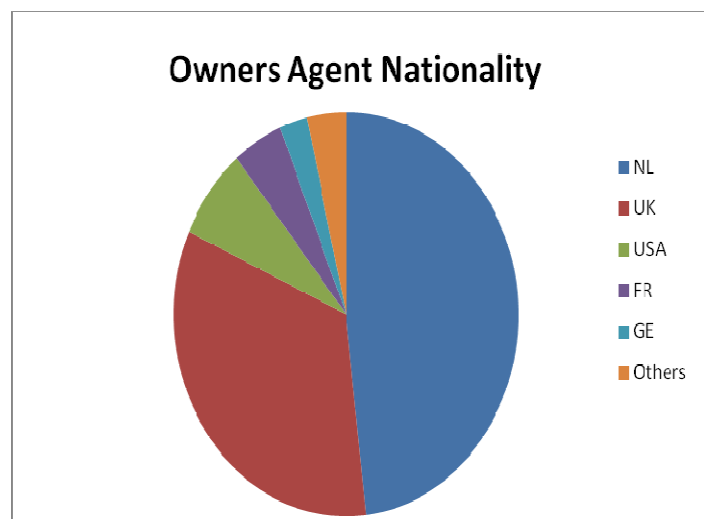
charterers and owners agent on behalf of Dutch wood traders and German ship owners. When the fleets in the Baltic area, so important for the Vinke business, started to develop after the war Vinke also started to arrange wood voyages with these foreign owned vessel, in this way utilizing their networks and still making a profit as a broker. More than the nationalities present in figure 4.4, the nationalities that are absent are important. Vinke apparently never handled for example UK flagged vessels on routes such as the La Plata grain freights while

Figure 4.4.



Source: Own calculations / ExelFile CharterPartiesVinke.xls

Figure 4.5.

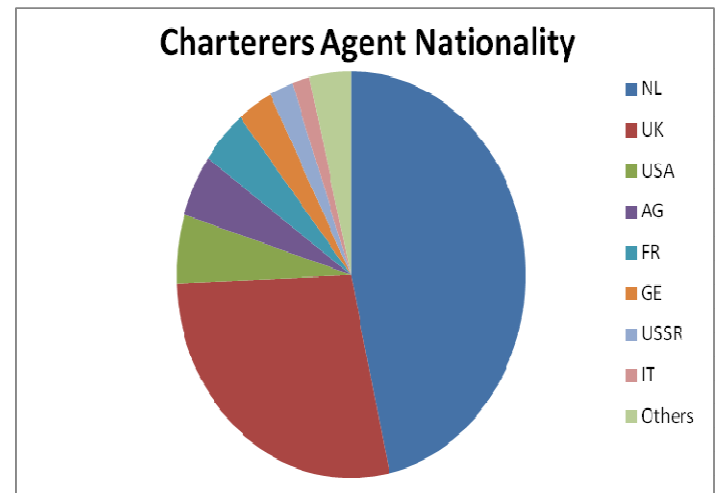


Source: Own calculations / ExelFile CharterPartiesVinke.xls

they were contacted by UK agents for the same trade routes. Figure 4.5 thus shows a greater variety in nationalities than figure 4.4. Still, in almost half of the voyages, Vinke acted as owners agent, but more often foreign agents did this task for them. It becomes apparent from this figure that a great deal of the tramp trades indeed went through the UK. Even more so when stressing the fact that especially American companies who acted as owners agent often did so through UK middle men, which is not included in the data file. These companies had their own business networks in the area and only needed the Vinke tonnage.

Naturally, figure 4.6 shows an even more splintered picture. The Vinke & Co. vessels were contacted, through charterers agents, by companies from all over the world. Logically, they often selected a representative out of their own country because of communication reasons. These companies then contacted Vinke directly or did so through UK middle men.

Figure 4.6.



Source: Own calculations / ExelFile CharterPartiesVinke.xls

4.4.4 Network Specifics.

As the above paragraph shows Vinke acted in a complex web of ship broking and freight forwarding. Even though the variety in charters and agents in the data file is huge, some partners remain so during the whole period. It would be quite uninteresting to list all these in this thesis, as they can be observed in the data file, but some partners do deserve some special attention. One of the main objectives of this thesis was to show that from the shipping industry ties spread to important aspects of, and developments in, sectors such as the economy and international relations. This becomes apparent when highlighting some of the partners and companies Vinke worked for.

There were some companies that developed into trusted agents and became long lasting partners. These companies acted on behalf of Vinke as a charterer or owners agent. The London based firms Charles Johnson, Harper & Co. and Chadwick Weir & Co. stand out since they did business with Vinke throughout the whole period. Furthermore some charterers often used Vinke vessels and were therefore important for the continuity of their business. An example is Liebigs Meat Ltd which was a very

important company active in the export of bunker coal from the UK, with own bunker stations in for example Las Palmas and on Cape Verde. Of course, the NV Houthandel has to be named as a steady partner as they represented most of the Dutch wood traders Vinke had such important contacts with and also got frequent orders from.

The charter parties are more than just a source for the specific business relations Vinke had, but also show that from Vinke there is a connection to general international relations history. In the First World War, Vinke for example frequently received orders to sail for the Committee for Relief in Belgium. This committee tried to help the extreme food shortage that had occurred in Belgium after the German invasion. Of course this was not an easy process, as allied governments were afraid that food that was exported to Belgium to aid its civilians would in reality be confiscated by the German troops. Therefore official CBR officials were appointed to distribute the goods. On the other side, Germany did not like the idea of foreign, although in this sense neutral, people working in their occupied territories. Although there were initiatives to shut the operation down from both sides, the CRB managed to ship 5.7 million ton of food to Belgium during the War.⁹⁶

Another charterer of historical international relations importance is the All- Russian Textile Syndicate. Trade between the Soviet Union and the United States had immense possibilities, particularly in regard to American exports. During the 1920's the export of American products to the Soviet Union boomed. This trade between the Soviet Union and the United States was handled mostly by four New York corporations, representing Soviet industrial and trading organizations. One of these firms was the All-Russian Textile Syndicate, representatives in New York of the Soviet AllUnion Textile Syndicate. They purchased American cotton for shipment to the Soviet Union. The 'Hilversum', 'Bussum' and 'Ootmarsum' all benefited from this trade as they made journeys for this charterer in 1926 and 1929.⁹⁷

Lastly, the importance of the UK in this period as economical and financial capital of the world shows in two charterers the Vinke vessels carried cargo for. British companies invested in all kinds of industrial companies worldwide. Two examples are The Argentine North Eastern Railway Ltd. and The Rio Tinto Company. The ANER was the main railroad company in South America and was of vital importance for the development of Argentina as a whole.⁹⁸ The Rio Tinto Company, also a British cooperation, was founded to reopen ancient copper mines in the Rio Tinto area in the south of Spain, is

⁹⁶ HH Fisher, *Public relations of the Comittee for relief in belgium* (California 1929) 29.

⁹⁷ <http://www.marxists.org/history/ussr/government/1928/sufds/ch13.htm> 25-5-2012.

⁹⁸ See for example: Colin M. Lewis, *British Railways in Argentina 1857-1914: A Case Study of Foreign Investment*, Athlone Press (for the Institute of Latin American Studies, University of London), 1983.

still active today and has become a world leader in the global mining industry.⁹⁹ In total eighty five different charterers can be found in the one hundred ninety five analyzed journeys. This on the one hand implies that charterers often used Vinke vessels more than once but also shows the fact that Vinke vessels were chartered by many different companies.

4.5 Conclusion.

Shipping companies operate in a per definition international industry and from the shipping industry ties spread to important aspects of broader economical and international developments. They benefit very much from good international relations, even though it was argued that tramp owners can also benefit from shifting relations between trading areas. It was argued that this freedom more or less existed up to the First World War. Since that time many countries however tended to revert to the principles of Cromwell's Navigation Act, by granting different privileges to national shipping against the tonnage of other countries. Also, many countries that were not active in the sea shipping industry started to develop their own fleets, often initiated and sponsored by the government.

Privileges to national tonnage, trade- treaties between countries that exclude certain other flagged vessels from their trade and the rise of new competitors were especially dangerous for owners from countries such as the Netherlands because Dutch tramping companies based their businesses for a large part on cross trades between other countries, since the foreign trade volume of The Netherlands only covered a small part off the tonnage they transported. This does not mean that Dutch flagged vessels did not sail to The Netherlands at all, because that also remained a very important part of their business. For the Vinke companies the cross trade / home trade was estimated at about 50/50. Especially when competition became more fierce and in case of international conflicts companies such as Vinke benefitted very much from a strong business network.

The case study created a more sophisticated picture about these developments in the period. It was argued that tramp owners base their businesses, just as most other companies, on a certain specialization, in this case a certain area or trade route and thus did not truly operate worldwide. It is impressive that Vinke also obtained its share in traditional tramp routes and important cross trades but its business was still mainly based on the wood import from the Baltic to The Netherlands. It was in this respect in particular striking that journeys of Oostzee and Hillegersberg vessels to for example the Pacific were not arranged by Vinke & Co. as brokers.

The Vinke network developed proportionally in the period with new charterers and agents added

⁹⁹ <http://www.riotinto.com/aboutus/history.asp> 25-5-2012.

to their network. Still, it has also become clear that there existed a certain core of partners throughout the period. Companies, that survived difficult periods in the industry as Vinke did, and apparently were trustworthy and reliable partners. Within this complex web of ship broking and freight forwarding, Vinke off course tried to build a steady network of trustworthy partners with whom business could be done on a regular basis, in which they apparently succeeded quite successfully. In this web Britain remained the centre throughout the period, although Vinke also made a considerable amount of voyages without the mediation of UK agencies. Especially the possibilities and knowledge that Vinke obtained as both a ship broker and owner made sure that they were flexible both in their networks and ways of doing business. This has become especially evident in the example of the wood trade with German owned vessels during the First World War.

The sea shipping industry benefitted very much from telegraph. The telegraph increased the efficiency of shipping by allowing ship owners to better allocate their tonnage capacity. It was argued that this would imply that a voyage of a vessel would become longer and more complicated because of this updates. Unfortunately, it was impossible to test these hypotheses with the used data. Because of the fact that the charter parties represent a done deal, an often does not name the then current position of a vessel, it is impossible to argue if the route the vessel followed to the appointed loading port was the most efficient one. From the data file it can be suggested, but not firmly concluded, that sailing in ballast remained a necessary part of the tramp shipping business, as it still is today. Unfortunately, import and export flows between certain areas are never completely equal so one direction is always overtonnaged.

Special attention was given to Dutch shipping during the First World War. The main point was to show that shipping companies cannot always operate on a free market. Furthermore it was argued that the war had important implications for the organization of Dutch shipping. The NOT acted on behalf of Dutch shipping companies but was very British orientated. When the British government lost their trust in the NOT they lost influence at the end of the war. The initiatives of the NOT are in contrast with the activities Vinke employed in the war as they frequently worked with German companies.

Chapter 5: The Baltic as a Trading Area for Tramp Shipping.

5.1 Introduction.

This thesis is constructed in a top-down perspective. This chapter therefore takes the form of a 'case study within a case study'. Chapter 3 described broad patterns of development and decline within the tramp shipping industry and chapter 4 added to the picture some understanding about the relative rigidness of the Vinke network. Even though the Baltic area was touched in chapter 4, the chapter's main focus was on broad patterns of the Vinke trade routes and networks in general. It was argued however that the Baltic played a vital role for the maintenance of the Vinke business, as almost half of the ports of loading counted in the data file were located in or close to the Baltic sea. The Baltic area was a very specific area for trading in general and sea-shipping in particular. It will be one of the objectives of this chapter to see if the Baltic is indeed the area in which actual main ports were lacking, port facilities were often depicted as out-dated and stevedoring as laborious.

The chapter will show a somewhat mixed picture in this respect. It will become clear that the Baltic is indeed a very specific area, but also has a lot of similarities with for example the La Plata trades. This chapter will take the same approach as the previous ones in its division between theory and case study. First the theory as put forward in Lewis R. Fischer and Helge W. Nordvik, 'Myth and Reality in Baltic Shipping: The Wood Trade to Britain, 1863-1908', will be discussed in a bit more detail because it is the single most important article on the subject.¹⁰⁰ It should be noted however, that the focus of this article actually lies before the period discussed in this thesis and that extrapolations of conclusions to later decades may be somewhat speculative. It is very well possible and probably certain that considerable developments have taken place within the area after this period, but conclusive literature on this subject is lacking.

After this attention will be paid to the developments in the area in general with special attention for Poland, as its situation was explanatory for changes within the international situation that influenced shipping. In the last part, it will then be shown how the Vinke companies operated in this area, according to the ideas of Henk Dessens and the information collected in the data file, in combination with some practical sources discussed in chapter 2.¹⁰¹

¹⁰⁰ Lewis R. Fischer and Helge W. Nordvik, 'Myth and Reality in Baltic Shipping: The Wood Trade to Britain, 1863-1908', *Scandinavian Journal of History* 12:1 (1987)

¹⁰¹ Henk Dessens, *Vinke & Co. 1860-1985* (Amsterdam 1996).

5.2 The status of the Baltic as a trading area.

Besides their timeframe, the fact that Fischer and Nordvik only look at British vessels is unfortunate for this thesis. Nevertheless, Britain was the main tramping nation and therefore can be seen as a reference point for tramping industries in other countries. Chapter 4 for example showed that Vinke vessels were often chartered by UK merchants or through UK agents and brokers. Vinke thus operated within the British tramping system.

Fischer and Nordvik argue that the Baltic has been unfairly treated as a backward area in academic literature for a long time and that this perspective should be changed. An important characteristic for the status of a particular trade is the condition of the vessels operating in this trade. A few criteria can be applied to test the condition of vessels. Vessels which are not maintained properly and are left to depreciate are exceptionally likely to meet with a maritime disaster. Lewis and Nordvik however show that the maritime disaster rate for British vessel in the Baltic (wood) trade was significantly below the mean for the British fleet. Furthermore, it can be argued that crew members were more likely to desert older and worn down vessels, yet rates of desertion in the Baltic were less than half of the world level.¹⁰²

Another important indication is the age of a vessel. In the previous chapters it was argued that it was, especially in difficult periods, important to operate a modern fleet for tramp owners because only these vessels were then able to operate efficiently and profitably. The standard interpretation of the Baltic is that owners only shifted their assets to this area in later stages of their employ. Fischer and Nordvik however argue that this is categorically incorrect because of the voyages they counted, 18% were made by vessels less than three years old. The fact that it was argued that Vinke based its business firmly on the Baltic trades combined with their particular investment policies also points to this fact, which will be discussed in more detail later. Lastly, the size of vessels and quantities of trades can say something about the status of a trade. Fischer and Nordvik however argue that British vessels in the Baltic trades, and especially in the wood trades were not smaller than average.¹⁰³

This is only partly confirmed by Shaif Mohammed and Jeffrey G. Williamson in their article 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950'. They also compare the Baltic routes with other trades, but use different indicators.¹⁰⁴ They argue that there are important differences in the behavior of tramp freights in different regions when the regional freight rate indexes

¹⁰² Lewis R. Fischer and Helge W. Nordvik, 'Myth and Reality in Baltic Shipping: The Wood Trade to Britain, 1863-1908', *Scandinavian Journal of History* 12:1 (1987) 103.

¹⁰³ Fischer and Nordvik, 'Myth and Reality in Baltic Shipping: The Wood Trade to Britain, 1863-1908', 104-105.

¹⁰⁴ Shaif Mohammed and Jeffrey G. Williamson, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', *National Bureau of Economic Research Working Paper Series Paper 9531* (2003).

are examined. The Atlantic routes exhibit a wide variety across different regions and commodities. Timber freights on the eastern North America and Baltic routes fell much more slowly than did grain freights on the same routes before the First World War. This was especially the case because timber did not fully exhaust both buoyancy and space as did grain and bunker coal. Because of this, tramp vessels operating in this trade could not take advantage of the increases in ship sizes that were the main driving force behind productivity gains before the War.¹⁰⁵

Mohammed and Williamson furthermore point to the fact that gains from improved fuel efficiency also fell before the War. Especially in the shorter Baltic route, coal consumption still managed to fall due to improvements in engines. On longer routes like those to Alexandria and South America however, the tradeoff between coal consumption and ship size favored the latter. The increase of ship size is connected to the available quantities. It was argued that these did not always develop in the same pace in chapter 3. The increase in ship size also has an influence on the facilities on the shore. On the Baltic routes, increased ship sizes led to increases in port turnaround times implying that developments on the shore did not keep up with developments in the fleets. On the other routes, it seems that ports were able to better keep up with the demands placed upon them by larger ships carrying larger quantities.¹⁰⁶

¹⁰⁵ Mohammed, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', 8.
For an explanation on buoyancy see Chapter 2 page 9.

¹⁰⁶ Mohammed, 'Freight Rates and Productivity gains in British Tramp Shipping 1896-1950', 25.

Figure 5.1: The Baltic Sea 1922.



Source: *Philips Mercantile Marine Atlas of the World* (London 1922)

5.3 Other developments in the Baltic.

The above authors mainly base their findings on shipping records. Of course these records say a lot about the trade in a particular area. Mohammed and Williamson for example argued that developments in Baltic ports were lagging behind developments within the fleets that sailed this area. This becomes extra apparent when observing some more practical sources such as maritime atlases. An influential mercantile maritime atlas is the *Philips Mercantile Marine Atlas of the World*. For this thesis the editions of 1904, 1916 and 1922 are used to obtain an idea about the developments that took place in the Baltic in the discussed period. These editions are chosen because they represent important changes in the period, before, during and after the First World War.

Observing the 1904 edition of the Philip's Atlas acknowledges the ideas as put forward by Fischer and Nordvik because it immediately becomes clear that the area was not very developed. There were only seven main overseas mail routes which mostly ran over a relatively short distance such as Goteborg – Copenhagen and Stockholm- Abo. The area was on the other hand already fully laid open for shipping with many acknowledged and save sailing routes. Cities that were very well connected were for example Copenhagen, Stettin (Germany), Danzig, Libau and St Petersburg (Russia). Striking is the fact that the Gulf of Bothnia is totally lacking a main port, both in the northern and southern part and on the Swedish and Finish side.¹⁰⁷

The poor development of the hinterland is also very prominent in this map. Only a few ports have navigable backwaters for larger steamers. These include Stettin (Oder), Danzig (Vistula) and Riga (Drina). The Scandinavian countries are very poorly covered by (navigable) rivers, Stockholm has some hinterland waters but the most impressive is the system of canals between Goteborg and Norrkoping, linking the Gulf of Bothnia with the North Sea. The problematic situation in especially the Finnish hinterland shows in the absence of developed through- and other railways. Logically, the areas which have the best backwaters also operate the best railway systems because here trade had already developed. Especially Germany already operated a very dense railway network in 1904, just as some parts on the lower east coast of Sweden. An important railway for trade was the one connecting St Petersburg with Koningsberg, Danzig and further into Germany. Railways also connected Malmo with Stockholm and Soderhamm, and Copenhagen with Rostock.¹⁰⁸

The main problem of the area is of course the fact that large parts of the area are very marginally populated. The Baltic coast of Germany and Russia seem to be the best populated while both the Bothnian coasts of Sweden and Finland show no larger cities. This is one of the reasons why

¹⁰⁷ *Philips Mercantile Marine Atlas of the World* (London 1904).

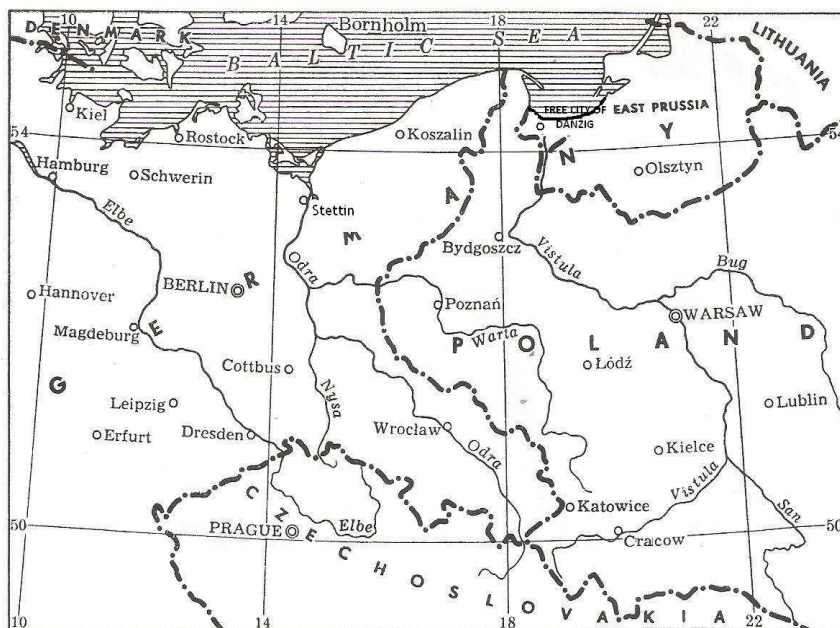
¹⁰⁸ *Philips Mercantile Marine Atlas of the World* (London 1904).

vessels had to sail to this area in ballast because there was simply only a very small market for imports.

This situation only changed in some respect in the later editions of the Atlas. The political situation, especially after the First World War, will be discussed later, but in a technical sense not many developments are visible, particularly in the hinterland. On the sea and on the coast some developments did take place. In the 1916 edition here is for example an increase observable in lighthouses and lightships on the coasts and on the sea which benefited navigation very much and which shows that the countries involved invested in their particular trading areas. Also the number of coaling stations rose. Coaling stations, indispensable for the shipping industry, could be found in Memel, Pillau, Danzig, Kolberg, Stettin, Stralsund and Rostock (Germany), Riga, St Petersburg and Revai (USSR), Helsingfors and Abo (Finland), Sundsvall, Hudsvall, Soderhamm, Gefle, Stockholm, Norrkoping, Oskarshamm, Kalmar, Kalstrona and Malmo (Sweden) in 1916.¹⁰⁹ Unfortunately it has not become clear why Sweden was so over represented and Finland so underrepresented in this aspect compared to the other countries. The 1922 edition especially shows changes in the political sphere. Obviously, the right to have access to the sea was seen by the League of Nations as of vital importance for nation states. Not only did Poland return to the sea after the war, although not in an undisputed way, but Lithuania also obtained a small corridor between the League of Nations territory around Memel and its neighbor Estonia. Estonia

Figure 5.2: The situation of Poland after the First World War.

and Latvia naturally took over the already existing port towns and facilities. Lastly, the 1922 edition surprisingly shows no new mailing routes to the newly established countries.¹¹⁰ This could point to the fact that the new countries needed time to build up their respective shipping networks, which becomes especially apparent in the case of Poland. These kind of developments could be beneficial for tramp shipping companies, because they could operate flexible and fill the new routes that developed due to changes in international relations.



Source: Tadeusz Ocioszynski, *Poland on the Baltic* (Warszaw 1960) / Own alterations.

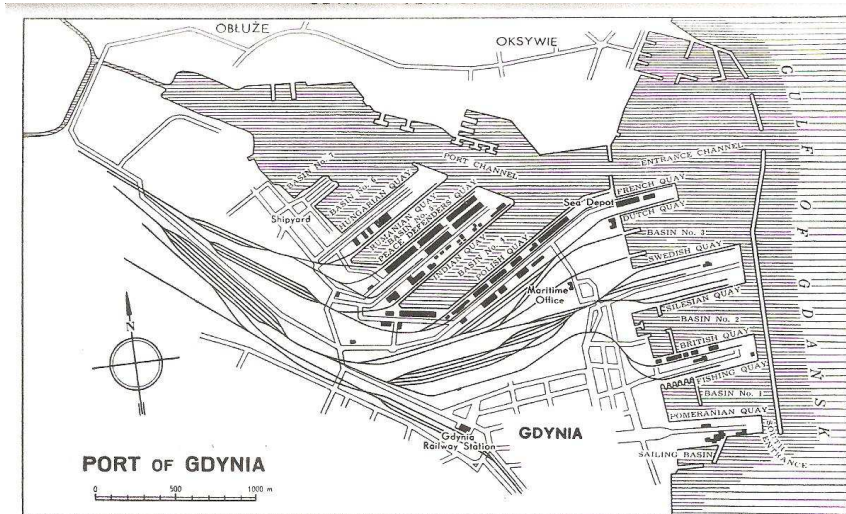
¹⁰⁹ *Philips Mercantile Marine Atlas of the World* (London 1916).

¹¹⁰ *Philips Mercantile Marine Atlas of the World* (London 1922).

One of these changes thus was the new geographical situation in the former east of Germany were the new state of Poland got access to the sea. After the First World War Poland was, according to a large part of its population, not served very justly as their renewed access to the sea remained very minimal.¹¹¹ Poland has a long history of disputes over transport duties and other tariffs with Germany and with the city of Gdansk.

After the War Gdansk became the Free City of Gdansk while East- Prussia took up the rest of the coast closest to Poland. Poland was left with a small corridor. Still, the Polish government made huge efforts to develop the countries maritime industry. The most important developments were the completely new build port of Gdynia and the foundation of five semi- state owned steamship lines. The proportion of Polish shipping was in 1925 still only 0,2 percent of world tonnage, but these kind of developments nonetheless changed Baltic as a trade area dramatically.¹¹²

Figure 5. 3: Plans for the new Polish port in Gdynia.



Source: Tadeusz Ocioszynski, *Poland on the Baltic* (Warszaw 1960).

5.4 Vinke in the Baltic.

It will be impossible to test all the arguments made in the previous paragraphs. It is for example impossible to say something about the atmosphere on board of the Vinke vessels because ship logs have not been used as a source for this thesis. However, it has already become clear that Vinke never sailed with extremely old vessels so in that sense the situation should be livable. Furthermore it is hard to test the arguments made by

Figure 5.4: The ‘Telegraaf’ reports on a record wood cargoe carried by the ‘Oostzee’ vessel Farmsum.



Source: *Telegraaf*, 18th september 1929.

¹¹¹ Tadeusz Ocioszynski, *Poland on the Baltic* (Warszaw 1960) 41.

¹¹² Ocioszynski, *Poland on the Baltic*, 63.

Mohammed and Williamson because they compare different routes and different companies. As it is beyond the scope of this thesis to compare the Vinke companies with other companies in this respect it is impossible to conclude on the fact if the Baltic indeed attracted smaller vessels. The fact that Vinke used almost all its vessels in all its trades however suggests that the Vinke situation does not acknowledge these arguments. Lastly, port turnaround times are problematic to observe with the used sources. As port turnaround times are the main indicator for the level of development of a port it will be difficult to argue for what pace this changed during the period. However, the handbook by Myhre, *Handbook of Baltic and White Sea Loading Ports* (Copenhagen 1916) does give some very interesting insights in the specific Baltic ports in which the Vinke vessels loaded their wood cargoes.¹¹³

In this part of the chapter these sources will be used to obtain an idea about the assets Vinke used specifically in the Baltic. Furthermore the data file contains interesting information about the network Vinke used and sometimes had to use to successfully operate in the Baltic. It will become apparent that the area was indeed complex both for the people on board as the people working in the operations department in the Vinke headquarters.

5.4.1 Geography.

While the Baltic was a specific area for ship owners, the data file nonetheless shows many similarities with other trade areas. The Baltic area and specifically the wood trade freight rates did not behave very differently from for example coal and grain prices during the period. Also the vessels operated in the area were not specifically built for the wood trade. Only the NV Houtvaart (Wood Transport Ltd.), from the Vinke branch office in Rotterdam, operated specially build vessels and employed all their vessels in the wood trade in the season. Oostzee and Hillegersberg however also managed to obtain good profits with their regular tramp vessels. The wood trade followed the other trades in even more respects. It was argued in chapter 3 that grain was seen as a seasonal product but in effect contracts and even voyages were made throughout the year. The same goes for the wood trade, while it should of course be noted that a part of the Baltic was not accessible due to ice in winter time. Still, the operators at the Vinke head office managed to keep their networks alive year- round. The networks in the wood trade were often more complicated than those in other areas. As opposed to the coal export from the UK, centered on the west coast of the UK, and the grain trades, positioned around the Rio de La Plata region, the wood trade and the Baltic area show a far more splintered picture.

Figure 5.4 shows the spread of the ports of loading for wood cargoes as counted in the data file.

¹¹³ J.F. Myhre, *Handbook of Baltic and White Sea Loading Ports* (Copenhagen 1916).

The figure shows some interesting aspects of the way the wood trade in the area was divided. On the one hand it is very well possible to acknowledge the earlier observations from the Philip's Mercantile atlases. The ports where Vinke vessels loaded were very much scattered over the area. On the other hand, particularly the west coast of Sweden shows a concentration of important ports of loading. These are the Soderhamm, Hernosand, Sundsvall and Gafle district. This corresponds with the fact that the Swedish hinterland was far better developed and also more densely populated than the hinterland of the Finnish ports that are counted. Striking is in general the concentration in the Gulf of Bothnia and the minimal count in Norway and the White Sea respectively. Of course the passage to the top north and the White Sea was relatively expensive and when good quality wood could be obtained in the Gulf of Bothnia this was naturally preferred by the charterers and the Vinke operators.

Some of the lesser counted ports include Pernaviken and Burea in the northern part of the Gulf of Bothnia and Blankaholm below Stockholm. The Myhre handbook describes the Sundsvall district as: 'A very well protected port. Vessels of any draught can load here. The average speed for loading wood is about hundred standards a day.'¹¹⁴ Pernaviken on the other hand is described as: 'When the draught at Pernaviken exceeds 19 feet steamers have to shift out to Pasalo. This place is not very well sheltered against all winds.'¹¹⁵ This hopefully gives an impression on the different conditions the Vinke managers, but especially the Vinke crews and vessels had to deal with in the area. The complexity of this specific trade will become extra apparent in the next paragraph.

Figure 5.4: Ports of loading for wood cargoes, Vinke always as agent.



Source: Own calculations / ExcelFile CharterPartiesVinke.xls

¹¹⁴ J.F. Myhre, *Handbook of Baltic and White Sea Loading Ports*, 134.

¹¹⁵ J.F. Myhre, *Handbook of Baltic and White Sea Loading Ports*, 265.

5.4.2 Daily Business and Networks.

The complexity of operating vessels in the Baltic becomes even more clear when the charter- parties are observed individually. In this way all facets of a voyage become apparent. The approach in this paragraph is thus not to conclude on broad patterns or developments but gain insight in the complexity of the daily business of the Vinke companies. Therefore three wood charter parties will be discussed in detail here below. The complexity of the business becomes especially apparent in cases when Vinke acted as charterers agent only and used foreign or vessels from for example their Rotterdam office to transport their cargoes.¹¹⁶

In February 1918, during the First World War, Vinke operated as charterers agent for the important wood importer P. Nielsen. P. Nielsen often arranged transport with Vinke vessels and normally these were discharged at Zaandam. These voyages discussed now were made with the German vessels 'Badenia' and 'Minna Cords' of which the owner is unknown. As owners agent acted the German company Rhein und See GMBH. Surprisingly the cargo was ordered to be discharged at Delfzijl. These cargoes were obviously destined for Germany. According to the charter party Vinke and P. Nielsen were able to obtain a certificate for free passage anyway, because this was included as a fixed clause in the charter party. In a later added supplement both vessels are ordered to load the whole cargo, 500 and 900 St. Petersburg Standards respectively, at Travaruakalukalokek Norkopings Exporthyfleri in Norrkoping, for which the firm N.P. Svensson acts as telegraphic agents. In this process thus six parties were active to make the charter party work. Fortunately the vessel only had to load at one port because this is certainly not always the case. Norrkoping harbor district is described by Myhre as a very well developed port: 'The port of Norrkoping is situated at the Motala river. The port is well sheltered and vessels can at all times lay perfectly safe. Vessels drawing 18 ½ feet can reach the quays, where they load and discharge. On the new south quays even vessels drawing 22 feet can lay. Electric and floating cranes lifting up to 2 ½ tons, and fixed cranes up to 12 ton are available.'¹¹⁷

The above example was not the first voyage with a foreign vessel. In July 1915 Vinke for example acted as charterers agent for the firm Ambagtheer & VD Meulen, wood importers from Amsterdam. The quantity ordered was, even for this period, small and therefore it is extra striking that the loading process was rather complicated. For this transport Vinke chartered the Baltia of the Swedish owners Osterberg & Co. who acted as owners agent for their own vessel as well. The vessel was ordered to load a cargo of in total 311 St. Petersburg standards at the Hernosand district. Hernosand is described by Myhre as a: 'Well protected harbor with sufficient depth for vessels of all sizes. One of

¹¹⁶ For an explanation on owner, charterer and agent relations see paragraph 4.4.3.

¹¹⁷ J.F. Myhre, *Handbook of Baltic and White Sea Loading Ports*, 92.

the best ports in Northern Sweden. The Hernosand district has various loading places along the river and the coast, all with sufficient water.’ Instead of loading at one place, the vessels had to shift multiple times notwithstanding the small size of the total cargo. 70 St. Petersburg Standards were loaded at the Ramviks Sagverts Aktiebolag in the Ramvik port. 75 Stds. were loaded at Ro Sagverts Aktiebolag in the Ro port and an additional 166 Stds. were loaded at Travarku Oringen Aktiebolag in the Stromas port. All these stevedores are listed in the Myhre handbook and all could be reached through their own telegraphic addresses. It was the responsibility of the charterers agent to give a sufficient notice to these companies to not delay the vessel. Furthermore the enormous responsibility of the ship’s captain becomes apparent because he was the one responsible for correctly loading and checking these cargoes.

The last example even puts more emphasis on the complexity of certain cargoes. In March 1918 the firm Otto J. Faber requested a wood cargo from Hudiksvall for various companies in the Netherlands. Vinke was owners agent in this case on behalf of the vessel ‘Noord’ of their Rotterdam branch office and also charterers agent on behalf of Otto J. Faber. The ‘Noord’ was ordered to load a cargo of 972 Stds. which shows a huge difference with voyages such as those of the ‘Baltia’. The cargo was upon arrival to be distributed to five different companies, all with their specific quality and transportation requirements. The first parcel of 95 Stds. was destined for the Leeuwarder Houthandel T.W. Overmeer. The whole parcel for this importer was ordered to be loaded fully in the holds. The second parcel was destined for Mr. G.A. Harff Jr. and contained 45 Stds. to be loaded on deck. The firms Jongeneel Utrecht, H. van Driksun Amsterdam and S. Kamphuys & Zoon Zaandam ordered 177, 430 and 225 Stds. respectively. All these parcels were allowed to be carried on deck. Vinke thus had to take in account the preferences of different charterers, agents and local stevedoring companies, but also the responsibility of loading in different ports and the correct loading of different parcels for different destinations in The Netherlands.

5.5 Conclusion

It was argued that the standard interpretation of the Baltic as a backward trading area and that owners only shifted their assets to this area in later stages of their employ is not completely true. Especially Fischer and Nordvik argued otherwise. Furthermore the fact that it was argued that Vinke based its business firmly on the Baltic trades combined with their particular investment policies also points to the fact that also modern vessels sailed the Baltic. Developments on the sea and on the shore did not always go hand in hand. On the Baltic routes, increased ship sizes led, according to Mohammed and

Williamson, to increases in port turnaround times.

The picture of a scattered and not fully developed area is acknowledged when observing the various editions of the Philip's Mercantile. The main problem of the Baltic ports seems to be the poor development of the hinterland. This becomes especially apparent when observing the absence of navigable backwaters, through and other railways and minimal population levels in large parts of the area. Sweden and Finland were in this period some of the poorest countries in Europe. Not surprisingly, the areas which have the best backwaters also operate the best railway systems.

Still, on many respects the Baltic area and specifically the wood trade freight rates did not behave very different than for example coal and grain prices. The rise in the First World War is very evident, as is the sack after. The main aspects distinguishing the Baltic are thus the scattered division of its ports and furthermore the complicated nature of the networks necessary to work in this area.

This becomes further evident in the examples given in the last paragraph. The ports on the west coast of Sweden were very well developed but ports in other parts of the area show another pattern. Lastly, the examples showed that often many parties were involved in drawing up a charter-party in the Baltic. The last example even showed that cargoes could be destined for multiple charterers which naturally added to the complexity of a voyage. The Baltic was indeed a specific, but not per se backward, area within the tramping industry.

Chapter 6: Conclusion.

One of the most important parts of the analysis in this thesis was to show that the shipping industry cannot be approached as an isolated phenomenon. Because the networks of shipping companies are very internationally orientated, ties spread to areas such as politics and international relations. Due to its international character it is also highly influenced by international phenomena as for example depressions, wars or shifts in borders etc.

I have frequently mentioned that tramp shipping tends to be somewhat ignored within maritime history. Due to this lack of attention some aspects of this complex industry are currently not well covered by existing academic literature. I have specifically named two flaws. First the lack of interest for tramp shipping in recent academic literature in general, and second the neglect of various practical primary sources that are available to form a more coherent picture about the trading areas in which tramp vessels were active such as atlases and charter parties. Especially the charter party research has proven to be satisfying, because from these contracts information was obtained on both long term patterns but also about the particulars of the daily business of a company such as Vinke.

The most clear-cut debate in shipping is the debate about declining freight rates. Mohammed and Williamson have not wrapped up the discussion but did describe it sufficiently so far and hold the last word up till now. It became evident that freight rates kept on falling even after their initial decline and did not reach their pre-war levels again in the 1920s and 1930s. Even though there was a small revival around the years 1926/ 27, rates fell again towards the end of the discussed period. It was showed that the Vinke coal rates more or less followed the same course as the grain freights. This is interesting because it was argued that coal (and other outgoing) freights were in general only used as padding. This development therefore could point to the fact that Vinke could also obtain good freights in these outbound legs which naturally benefits the profit that is gained on the whole journey.

The approach of comparing academic literature with the Vinke case was another important objective of this thesis. It was argued that the academic literature focuses mainly on developments on the long term while tramping companies were very much influenced by short term developments. Above all, tramp companies were exceptionally vulnerable in case of sacks in the economy as a whole and in the demand for sea freight in particular. This was the case because they based their business on short term contracts that most often ended after every voyage. However, companies also tried to obtain long term contracts, for example by signing the time charters or by initiating fixed lines. On the other hand, constancy did not always have a positive effect on the profits of tramp shipping companies,

because when contracts for their vessels were made early on they could not profit when the freight market peaked. This constant balancing of their business was one of the most difficult parts of the tramp shipping business.

Another difficult dynamic for tramp shipping companies was their investment policy. It was shown that in difficult periods only the newest and therefore most economical vessels managed to be employed and obtain a profit. It therefore seems important for tramping companies to constantly modernize their fleets. To acquire capital for these investments a good relation with the company's shareholders was of key importance. In this respect the dividend policy of the Vinke companies appeared effective. They decided to pay dividends as much as possible throughout the period, even at the expense of depreciations of their fleet. This was a risky strategy and was therefore not appreciated by all experts, but did make sure that they could benefit from peaks in the freight markets when they occurred, probably the most important aspect of managing a tramping company.

Vinke had a successful, but risky, business policy towards investments and towards their shareholders by frequently paying dividend and were therefore able to invest in their fleet at the right moments. They were in addition not only dependent on one trade but operated, as a true tramping company, in almost all important worldwide tramp trades.

Shipping companies benefit very much from good international relations, even though it was argued that tramp owners can also benefit from shifting relations between trading areas. It was argued that this freedom more or less existed up to the First World War. Since that time many countries however tended to revert to the principles of Cromwell's Navigation Act.

Privileges to national tonnage, trade- treaties between countries that exclude certain other flagged vessels from their trade and the rise of new competitors were especially dangerous for owners from countries such as the Netherlands because Dutch tramping companies based their businesses for a large part on cross trades between other countries, since the foreign trade volume of The Netherlands only covered a small part off the tonnage they transported. This does not mean that Dutch flagged vessels did not sail to The Netherlands at all, because that also remained a very important part of their business. For the Vinke companies the cross trade / home trade was estimated at about 50/50. Especially when competition became more fierce and in case of international conflicts companies such as Vinke benefitted very much from a strong business network.

The case study created a more sophisticated view on these developments in the period. It was argued that tramp owners base their businesses, just as most other companies, on a certain specialization, in this case a certain area or trade route and thus did not truly operate worldwide. It is impressive that

Vinke also obtained its share in traditional tramp routes and important cross trades but its business was still mainly based on the wood import from the Baltic to The Netherlands. It was in this respect in particular striking that journeys of Oostzee and Hillegersberg vessels to for example the Pacific were not arranged by Vinke & Co. as brokers which shows that they did not have the particular knowledge to operate a vessel in these areas.

The Vinke network developed proportionally in the period with new charterers and agents constantly added to their network. Within this complex web of ship broking and freight forwarding, Vinke nonetheless build a steady network of trustworthy partners with whom business could be done on a regular basis. In this web Britain remained the centre throughout the period, although Vinke also made a considerable amount of voyages without the mediation of UK agencies, especially in the Baltic area. The fact that Vinke was both a ship broker and owner made sure that they were flexible both in their networks and ways of doing business. This has become especially evident in the example of the wood trade with German owned vessels during the First World War.

Special attention was given to the networks of Dutch shipping companies during the First World War. The main point was to show that shipping companies cannot always operate on a free market. Furthermore it was argued that the war had important implications for the organization of Dutch shipping. The NOT acted on behalf of Dutch shipping companies but was very British orientated. When the British government lost their trust in the NOT they lost influence at the end of the war. The initiatives of the NOT are in contrast with the activities Vinke employed in the war as they frequently worked with German companies.

In the last chapter It was argued that the standard interpretation of the Baltic as a backward trading is not completely true. Especially Fischer and Nordvik argued otherwise. Furthermore the fact that it was argued that Vinke based its business firmly on the Baltic trades combined with their particular investment policies also points to the fact that modern vessels sailed the Baltic. Developments on the sea and on the shore did not always go hand in hand. On the Baltic routes, increased ship sizes did led to increases in port turnaround times.

The picture of a scattered and not fully developed area is acknowledged when observing the various editions of the Philip's Mercantile. The main problem of the Baltic ports seems to be the poor development of the hinterland. This becomes particularly clear when observing the absence of navigable backwaters, through and other railways and dense population levels in large parts of the area. Sweden and Finland were in this period some of the poorest countries in Europe. Not surprisingly, the areas which have the best backwaters also operate the best railway systems.

Still, on many respects the Baltic area and specifically the wood trade freight rates did not behave very different than for example coal and grain prices. The rise in the First World War is very evident, as is the sack after. The main aspects distinguishing the Baltic are thus the scattered division of its ports and furthermore the complicated nature of the networks necessary to work in this area.

This becomes further evident in the examples given in the last paragraphs. The ports on the west coast of Sweden were very well developed but ports in other parts of the area were not. The examples also give an indication of the complexity of the Vinke business.

Vinke thus successfully operated their vessels in a difficult period for the industry as a whole. I argued that they were able to do so because they managed to base their business firmly on one particular trade. They had important business contacts with wood traders in The Netherlands and obtained a lot of experience in sailing the Baltic, one of the more difficult trading areas within shipping. Furthermore they were able to employ their vessels in more regular tramp trades, due to relations with trustworthy partners in the complex web of ship broking. These contacts were not only based in the UK, but also in Germany, France and various Scandinavian countries. It has become clear that charter party research has many possibilities, certainly also for further academic research.

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