MAMMON IN PARADISE: ECONOMIC ENTERPRISE IN PACIFIC HISTORIOGRAPHY

Colin Newbury
Oxford University

With a few notable exceptions, Pacific history still lacks a corpus of business studies that apply the techniques of business history elsewhere. The reasons for this gap are explored below, and the early evolution of business enterprise is traced from its origins in the "agency house" system, through partnerships that left few records before the emergence of joint stock companies, as a consequence of the expansion of facilities for bulk transport and the generalized functions of the earliest firms. The historiographical strengths and weaknesses of works covering Pacific agriculture and extractive industries reveal, in general, a failure to pay sufficient attention to the measurement of "profit" and to management, compared with sources of public and private capital investment. Closer attention to these factors would raise studies of the exploitation of Pacific staples and services to the high level reached in labor history and would advance our understanding of the relationship between business and politics in the colonial and postcolonial periods.

THE PURPOSE of this article is to raise questions about the place of business history in Pacific studies. It has its origins in a comparative review of the evolution of colonial firms in Africa, published some years ago, and in my own use of business records for the mining industry in South Africa and for plantations and mining in Papua New Guinea and French Polynesia. It will reflect reactions to a series of books and theses that have appeared over the past twenty years treating various sectors of Pacific economic history. Our debt to those who have wrestled with the source material peculiar to the operations of a firm is in no way diminished by a sense that we have, perhaps, failed to exploit these sources to the full, and, indeed, in some cases

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have shied away from the challenge of accounting for the structure and function of a wide range of business in the Pacific Islands.

This is partly because of the fragmented and often transitory nature of business records. Business history as developed in Europe and North America, and in African and Asian studies is now a highly sophisticated (not to say esoteric) form with its own specialist journals and its own historiographical landmarks. Such model works fix on the big firms, typically those that diversified overseas and developed into multinational enterprises. For the Pacific, Unilever, the Colonial Sugar Refinery in Fiji, perhaps Bums Philp, and some of the Hawaiian "Big Five" stand in the same league, and there are other candidates (Société le Nickel, Maison Ballande, postwar New Guinea mining companies) that await their historians.

There is the further difficulty that "island-centered" history (the desirable goal of regional academic studies) can hardly be divorced from accounts of metropolitan-based enterprises and sources of capital, including the rim countries of the Pacific Basin. I do not think this dependency matters too much for a broad topic whose essential feature is entrepreneurial expansion and interregional financial and human factor flows. But it does mean that some selection within Australian, New Zealand, or American business history of enterprises relevant to the history of Pacific Islanders has to be made; and this imposes an artificial division within the broad discipline of economic history, which is seamless in cyclical themes of growth and decay and only incidentally concerned with parochial island case studies.

There is a third tendency among skilled practitioners of the craft to restrict the definition of what passes for "business history" to meet a stem set of criteria including corporate decision making, profitability measures, technological applications, and backward and forward linkages in local and foreign markets for which there may or may not be records. Judged in this way, even a well-developed historiography of economic enterprise may fail to pass muster according, at least, to one economic historian, who has found New Zealand's business history to be "uncritical, too personalised, focused on trivial details from individual firms and silent on relevant historical and theoretical debates" (Ville 1992:86-102).[1]

This is not the place to debate the merits of company histories for a country whose historians are well able to defend themselves. The more general point worth making is that for the nineteenth-century Pacific few enterprises accumulated archives. Besides the big firms that became limited liability companies subject to law on public reports and disclosure of accounts, there is a larger category of single traders, partnerships, and early joint stock enterprises across the mercantile, plantation, and extractive industries that are topics of generalization, rather than detailed analysis of performance. However imperfect their record, they cannot be ignored; and by and large they will be the focus of the three main categories treated in this survey: (1) mercantile and staple trades, (2) commercial agriculture, and (3) mining. For reasons that will become clear, the service sector will be subsumed under the first category, though in the postcolonial period there is a strong argument for writing about banking, insurance, and tourism quite separately, especially where they have been treated as part of Australian, New Zealand, American, or other metropolitan studies of the clearing banks and other services. Local studies of construction and manufacturing feature in general economic surveys and country studies by the World Bank and academic institutes, and there are some valuable comparisons of more recent government and private enterprise for this sector in Fiji.[2] But for historical reasons, manufacturing as a category of enterprise is better subsumed under agricultural or mining processing in the nineteenth and early twentieth centuries until the appearance of light industries in Pacific Island economies.

There are, too, a host of small-scale entrepreneurial activities--and not all of European origin--to be accounted for. Precolonial and nonimmigrant entrepreneurial ventures pose special problems in explanation--not least because of their rarity outside of highly localized exchange systems. Indian, Chinese, and Japanese family business has been recognized, rather than explored in comparative depth, by a few anthropologists and students of ethnic settlement, while economic historians have failed so far to supply explanations of success or failure in enterprises undertaken by contrasting family structures.[3]

Structures matter in business history where it is not sufficient to describe “the history of economic activities” (Bennett 1979:iv; 1987) disembodied from the institutions that undertake the risks of organizing production and exchange.’ The point is worth making because it is relatively easy to describe the growth of early staple trades in island exchange systems, but it is much more difficult to provide the details of business organization at the metropolitan end of investment and processing, or the staple series needed to measure market growth, or the operational record needed to account for the failure or survival of traders and merchants. Historical series are available for cotton and sugar, as early staples. But they are strangely inadequate for the Pacific’s major export--coconut oil and copra. We now know much more about the market for labor and its recruitment and terms of service in Pacific Islands history than about the market locally and overseas for the staple most commercial smallholdings and plantations employed labor to produce. Pacific historians could still learn something from works on the palm oil and palm kernel trade in Africa and, in particular, from the material now available on the development of vegetable oil brokerages and processing in England, Germany, and France in the nineteenth century.[5]

Finally, much of Pacific enterprise has its origins in the demand side of Europe and America's consumption of raw materials. The account of early business structures in this sector is particularly patchy.

Prospection and Partnerships

This survey begins with alien "big-men" who were the products of American, Asian, and Australian "country trades." This term is chosen deliberately by analogy with the seaboard trade of India in the eastern archipelagoes and the South China Sea. Unfortunately, those who have traveled in the wake of the East India Company have given us precious little information on the structure and performance of chartered Spanish, Portuguese, or French companies in the northern Pacific (Spate 1983:111-113; cf. Chaudhuri 1978). After the end of monopoly ventures the country trades of the eastern seas were open to a wider variety of separate traders and partnerships coupled with the important agency houses, whose structure, services, and example spread well beyond Calcutta and Madras (Jones 1986; Steven 1965:40-41, 100-102, 213, 242; Hainsworth 1968:37, 80, 106, 112-115, 165; Shineberg 1967: chap. 5). The model of the "House of Agency" techniques deployed in early New South Wales trade is quite explicit from 1799; and the reasons for these techniques (warehousing for bulk cargoes and debt collection) continued to obtain throughout the period of weakening East India Company monopoly and the quest for profitable staples to relieve the outflow of sterling bills. These pioneer operations in colonial import-export trades and shipping provide the essential basis for the early "hunter-gatherer" phase of Pacific Islands commerce and the later establishment of shipping networks financed by brokers and wholesalers.

This connection is made (though not always explicitly) in works by Margaret Steven, D. R. Hainsworth, and D. Shineberg, who have explored the operations and effects of staple ventures backed by shippers and wholesalers. Levels of capitalization were not high; operations looked more like mercantile ventures for immediate sale and profit of a staple--shell, hogs, sandalwood--rather than investment in shore stations. We also know that missionary settlers played an important part in the establishment of local market demand in beach communities, rather than as a continuation of established periodic trade routes. In an important sense the Pacific Islands country trade had to establish markets, whereas the East Asia trades used those already existing. Nevertheless, the agency system of the Australian colonies and California was the successor to the eastern system by the mid-nineteenth century.

The important difference between the "hunter-gatherers" and their mercantile successors from the 1850s lay in the invention of the compound steam engine as well as in improvements in raw material processing in Europe and North America. Sailing vessels remained useful for feeder services in the Pacific. But from mid-century the use of steamers on the long-haul routes and the application of a greater scale of capital investment and organization spread throughout the Pacific Basin from mercantile agencies in Queensland, California, New Zealand, and the East Indies. For example, Buckley and Klugman make it clear in their study of the origins of Burns Philp that the partnership took no interest in the Pacific Islands until they had acquired experience in general merchandising and shipping from their bases in Townsville and Sydney. Long after they had exploited the natives of Queensland by domination of the retail trade of the Gulf of Carpentaria, they turned their attention tentatively, and speculatively, to the Gulf of Papua and ventured into pearl diving and a little blackbirding (Buckley and Klugman 1981).

But it is equally clear that the prototypes of Pacific enterprise had other features of Australian, European, American, and Latin American commercial practice. The typical "company" of the first half of the nineteenth century was unincorporated, like its Asian and African counterparts. The partnership form of association by several principals, pooling private and/or borrowed capital, was ubiquitous among British, French, German, and American entrepreneurs in the Pacific and capable of great adaptation. Records are few and precious, before the period of joint stock formation, limited liability, and legal requirements on disclosure from the 1860s. But from the records we have of, say, Bums Philp prior to incorporation, German companies before about 1879, or American firms in Hawai'i, several features can be discerned that have their parallels in other regions.

One that is not frequently emphasized is the specialization of such partnerships in particular commodity trades and their generalized functions at an operational level in island markets. This pattern would seem to be characteristic of firms in the pioneering commercial phase of Queensland's development, prior to railways, as it is for Melanesia and Polynesia. Thus, Bums Philp, as a merchandising firm in the 1870s and early 1880s or J. C. Godeffroy & Sohn, which pioneered merchandising and produce buying by way of Valparaiso from the 1850s concentrated on the most profitable credit lines in hardwares and textiles, in return for cash, wool, timber (in Queensland), and coconut oil and copra from Samoa to New Guinea and Micronesia. Bums Philp also built up a small coastal fleet and ventured into blackbirding; while for Godeffroys' a large trading fleet gave a near monopoly of island agency work and bulking facilities. Like other Hamburg firms --Hennings, Ruge, Hedemann, A. Capelle, Eduard Hernsheim--they participated in the labor trade, as the plantation phase of commercial agriculture developed in the islands from the 1860s. Such firms also undertook services closer to banking, the organization of credit facilities, land sales, and the importation of specie, in the absence of such a sector in Pacific ports. The merchant was a moneylender, and the profitable transport of South American coin into nascent Polynesian markets parallels German importations of cowries into West African markets in the mid-nineteenth century (Buckley and Klugman 1983:118-119, 306, for arguments against credit; Newbury 1980:243-247; Hieke 1949).

The long turnover period between collection, bulking, and final sale of staples accounts for merchant emphasis on high markup on merchandise through credit facilities. But much depended on the ability of island carriers to take advantage of the increased capacity of steamships available by extension of lines from Europe to Singapore and Batavia and the Australian ports. It was not accidental, for example, that Bums Philp took a significant shareholding in the highly subsidized Queensland Shipping Company, which operated Australian and Far Eastern mail contracts in the 1880s, or that the biggest challenge to the Queensland Company came from the combination of Mackinnon, Mackenzie and Company (from their base in Calcutta), and the Australian United Steam Navigation Company. And to these examples one might add the linkage between Claus Spreckels--Californian sugar refiner and creator in 1881 of the Oceanic Steamship Company--and the Hawaiian sugar agencies he took over. In short, the techniques and finance of the Indian and California agencies plus the development of coastal and long-haul lines lay behind the cut-throat war of the second half of the nineteenth century over rates and contracts (assisted in the American case by cross investment from railway companies). Such was the essential background to the second phase of mercantile and agency investment in the south and north Pacific (Jones 1986:139-142; Adler 1966:91, 103; Schmack 1938).

What is suggested here is that Pacific mercantile and plantation development was transport-led from the 1860s and matched the demand for bulk staples. As a further proof one can point to Godeffroys' switch from coconut oil to sun-dried copra, once transshipment by Dutch steamship lines was available in Batavia from 1867, and to the cautious entry from a position of dominance in South Island ports by Union Steamship Company into Suva in 1880 to take advantage of bulk sugar cargoes, followed by rapid investment in vessels specially designed for Pacific conditions (McLean 1990:37-40).

At the beach and plantation end of production and collection, however, the generalized credit function of early partnerships deserves separate and comparative treatment in the history of Pacific business for a number of reasons. Apart from the lien established between merchant and borrower (whether trader, planter, or islander), extensive credit practices introduced rudimentary commercial legal practice through consular courts or occasionally through Australian or California courts. The spread of commercial law is poorly documented in Pacific studies, in favor of a romanticized "frontier" description of trading practices. But examination of more tedious correspondence in consular records--British, French, or American--soon reveals that a search for orderly litigation is one of the outstanding features of the growth of trade and settlement. The political consequences of legal conflict have been better charted than introduced notions of individualized property, mortgage and lease, interest rates, and bankruptcy, which were accepted or contested quite early in Eastern Polynesia, Hawai'i, Samoa, and Tonga (Scarr 1972:104-172; Newbury 1985:225-240; Knapman 1976:167-188). It also needs to be remembered that early Pacific administrations--New Caledonia, Fiji, East Polynesia, from the 1840s to the 1870s--unlike later administrations of the 1880s in territories with banking facilities, were among the indebted clients of merchants who negotiated drafts to meet local wages bills in periods of delayed remittances from Paris, London, or Sydney. A further feature is the restricted level of capitalization available for such ventures and reliance on reinvested profits rather than on further calls on capital or public subscription prior to the 1890s.

This feature requires more extensive documentation than can be given here, and it is fundamental to removing misconceptions prevalent in generalizations about European, Australasian, or American direct investment overseas (Thompson 1971:25-38; Thompson 1980; Rosewarne 1985). In practice (and contrary to received wisdom about the availability of "surplus" capital) it was quite difficult to raise speculative funding for distant ventures except from among those with a specialized knowledge of overseas markets. Consequently, restructuring into larger concerns, which is a mark of mergers and commercial expansion from San Francisco, Sydney, Auckland, Hamburg, or Bordeaux into the Pacific from the late 1870s as more capital was required, simply adapted elements of the partnership into a legally incorporated company with very limited shareholders. For example, when Bums Philp was incorporated in 1883 with a paid-up capital of £150,000, the two main partners and sixteen employees held most of the shares; at the end of the 1880s there were still only seventy shareholders. Ventures were profitable and paid a dividend limited to 10 percent until 1893, based mainly on sales of merchandise (55 percent) and the rest from shipping and financial services. Similarly, when the German company Société Commerciale de l'Océanie was formed out of Godeffroy interests in the late 1870s with a limited capital of £116,000, shares were held by the Godeffroy family, the produce brokerage Scharf & Kaiser, and C. Wilkens of Pape‘ete. Tight control among family and associates remained a feature of both the Australian and the German companies and their cautious entry into plantation management, compared with more secure operations in banking, insurance, and shipping. As a result of such incorporations, the measure of profitability becomes more accessible, rather than being buried in partnership papers. Not many Pacific historians have faced up to the problems of accounting, but the few who have provide enough material for a revision of notions of “monopoly” (Knapman 1987: chap. 6; Buckley and Klugman 1983 [for measures of Bums Philp South Seas profits, but not for the parent company]; McLean 1990; Newbury 1980:242-254; Firth 1972; Firth 1973; Rosewarne 1985: esp. chap. 12 and table 9.5, which is unclear on basics such as net, gross, pretax, and posttax profits).

But, as McLean notes (as author of one of the few Pacific business histories to supply profitability measures), “statistics record success; they never adequately explain it” (1990:200). The issue of profitability measures raises the question of why mercantile firms invested in plantations and what the financial advantage was, if any. It may be self-evident that sugar refiners and vegetable oil combines should do so. But they are relative latecomers to Pacific plantations, where the more usual form of investment was undertaken either directly by merchant houses or as a form of subtenancy by planters who were staked by mercantile firms and merchants.

Commercial Agriculture

From studies of plantation agriculture two basic reasons for investment in this form of production emerge. First, with regular steam communications mercantile firms bought land and financed planters in order to ensure supplies of cotton, copra, and sugar for bulking and processing at regular intervals. This is a particular feature of early German land purchases in Fiji, Samoa, and New Guinea; and it was carried over by Bums Philp, W. R. Carpenter, and others into Australian underwriting of plantations in New Guinea and the northern Solomons. Such investment was also a hedge against future land and plantation values and an aspect of agency work. The latter diversification of services is a special feature of plantation management in Hawai‘i (to be examined later), but it was present earlier in acquisition of plantations and management by the Société Commerciale in Tahiti and the Leeward Islands. The second reason is the more usual movement by refiners and vegetable oil processors vertically to sources of supply in the Solomons and Fiji (from the United Kingdom and Australia) and between California and Hawaiian sugar production as a movement by producers and agencies into refining.

The literature on mercantile and agency investment in plantations is extensive. The most detailed coverage of commercial agriculture is probably in Hawai'i's history from the 1840s in the wake of the Mahele land sales (1849-1851) and the 1876 Reciprocity treaty, which gave favored entry to Hawaiian sugar. Although the politics arising from those events have been well covered, the business history of capitalization and management of plantations by import-export agencies is less well documented.[6] The aspect of concentration and bulking through Honolulu and many of the social linkages implicit in business relationships between planters and merchants are plain enough. But compared with studies of agency houses elsewhere--in Bombay, Calcutta, Madras, and Zanzibar--many of the operational and financial aspects of this partial merger of interests are unclear. Lacking are detailed accounts of the capital structures and levels of profitability of Brewer's, Alexander & Baldwin, and Castle & Cooke in the older works by Sullivan, Dean, Taylor, and others to match Michael Moynagh's study of the Colonial Sugar Refinery in Fiji (Dean 1950; Sullivan 1926; Taylor 1976; Moynagh 1981). The good news is that the Bishop Museum holds the papers of Theo H. Davies, sugar factor, and those of the Dillingham Corporation; and there are new repositories for the records of the Alexander & Baldwin Corporation and the Hawaiian Commercial and Sugar Company. Nevertheless, the history of plantation capital in Hawai'i has serious gaps. It would be interesting to know the details of monopsony agreements, if any, on pricing for raw sugar, on labor recruitment and wages, and possibly on market shares in arrangements with California refiners, in the period before Hawaiian producers and agencies created "C & H Sugar Refining" in 1906. Other features of this concentration follow established patterns: investment in transport and diversification into electricity, banking, Liberty House, and so forth. But so far the detailed history of the mergers and confiscations after 1898 and through the 1930s is lacking and requires a composite study of the Big Five equal to Hawai'i's excellent labor histories.

Moreover, while monocultures attract historians, the diversification that has been a successful feature of Hawai'i's business history has only recently been accounted for in Hawkins's unpublished thesis on the rise of canning and other industries (1986). While this is a valuable corrective, there are still unanswered questions about J. D. Dole's business record or the record of the pineapple cooperative association that only standard analysis of annual returns (if they exist) could answer.

The story, as we have it, of Papua's plantations is even less satisfactory. This is largely because the only attempt to write their history concentrated on a sympathetic portrait of the smallholders and managers, and avoided any analysis of the one complete set of plantation records we have for this area: those of the British New Guinea Development Company, set up in

1910 as a political and commercial speculation with the blessing of Papua's administration by a limited number of Australian and British syndicates, single investors, and a few knighted capitalists (Lewis 1989). Miraculously, it survived (we know not how) until relatively recently. In the case of German New Guinea we are better served, and it is possible to account for the structure of plantation and agency companies during the Australian takeover as a vast rescue operation through the Expropriation Board, with special terms for servicemen-planters set in place by Bums Philp, Carpenter's, and the Commonwealth Bank.[7] By contrast with Hawai'i, what emerges from the business history of commercial agriculture in Papua New Guinea is the failure of copra compared with sugar; the constant introduction of special measures for mortgage relief, mail subsidies, and protected navigation to rescue planters and their mercantile backers as an act of faith or patriotism; and the failure to diversify out of the straitjacket of the Australian tariff system into local manufacturing by processing and exporting through the Far East direct to overseas markets.

The final plantation case study to be looked at briefly here is Moynagh's 1981 work on the Colonial Sugar Refinery, which is in many ways a model business history because of the quality of the sources available.[8] The features that contrast with Hawai'i and Papua, however, reside more in the political influence of the company, its pressure against crop diversification and manipulation of exchange rates, and its strategic withdrawal in 1973 at a favorable moment. Indeed, it has much more in common with other multinationals, as a sugar refinery, using planters in a form of *metayage*, practicing transfer pricing, and expatriating income on a large scale through debatable accounting (Head Office Expenses). Colonial Sugar Refinery, in short, looks more like an extractive industry than an agency for plantations.

The Extractive Industries

Histories of mining in the Pacific range from the romanticism of early alluvial gold in New Guinea to more ephemeral surveys of dramatic development led by some of the biggest conglomerates in the world. We shall have to wait for accounts of the operations of Conzinc Riotinto of Australia (CRA), Broken Hill Proprietary (BHP), Placer, and Ok Tedi Mining Corporation in Bougainville and the Highlands (Nelson 1976; Healy 1967; McGee and Henning 1990; O'Faircheallaigh 1982). So far, the one book we have on Ok Tedi, by W. S. Pintz (1984), hardly takes us beyond the arrangement of contracts. In the meantime we shall have to make do with competent surveys, which have the weakness that they make free with standard measures of company "profits" and "earnings" and the strength that they are good at seeking out political and banking linkages in Papua New Guinea or New Caledonia (Howard 1991). It is likely, however, that without better access to archives the emphasis will be, as in the past, on the labor content of mining costs and the social consequences, state taxation, and sources of revenue for developing economies. With the exception of some of the phosphate mining histories, very little has been written so far to compare with works on major companies in Australia, Africa, or North America. And work on the Pacific Phosphate Company and the British Phosphate Commission has been particularly disappointing. not to say anecdotal, in its lengthy narrative of events and lack of analysis of business performance beyond export tonnages. It can be argued that the Phosphate Commission was not in the business of making "profits," unlike its predecessor. But that argument dodges several important issues: namely, the acquisition at near-zero cost of phosphate-bearing lands on Nauru; the very high level of profitability enjoyed by the Pacific Phosphate Company, which determined its purchase for £3.5 million (Australian Archives, CP 360/8, Hughes to Watt, 7 May 1919); and the need to provide the cheapest source of phosphates possible for Australian and New Zealand farmers compatible with running costs and miserable levels of royalties. The still unanswered question is how far antipodean agricultural production was subsequently subsidized below world phosphate prices. Only a series worked out from the annual public reports of the commissioners could go toward answering this question (see Williams and Macdonald 1985:273-274 and *passim* for pricing arrangements, but no analysis of performance of what was a nationalized industry).

An exception to these strictures, 'Atu Bain's thesis on Fiji gold mining, is both a model of what can be done with difficult source material and a cautionary tale on measures of profitability for the mines of the Emperor group. Rightly, in my view (with a labor theory of value in mind), considerable space is devoted to recruitment by group engagements, conditions of work, resistance and protest, and the paternalism of the Fijian government toward the companies. The difficulty with this emphasis is that technology and the efficiency of the mines against the background of a fixed and then floating gold price are given little place; the usual measures are missing. It is clear enough that the mines were favored to the extent of subsidies by government, though we are not given anywhere an analysis of labor costs as a percentage of total working costs (I suspect they were low). Measuring profits as a percentage of revenue, moreover, is a strange way of evaluating the performance of the group: it would be preferable to calculate profits as percentages of capital employed or of output (Bain 1993).

However, there are other features of great interest to business historians of the Pacific. One is a clear indication of a mining and merchant lobby headed by influential businessmen such as Sir Henry Scott and Sir Maynard Hedstrom, whose activities in Fiji await further study. This oligarchy had great political and economic clout, and Australia's relations with the British colony can hardly be understood without work on their influence during and after the colonial period, especially as capital investment was institutionally rather than publicly subscribed (few shares were offered on the Sydney exchange). The second feature is the very light taxation imposed--much lighter than in South Africa or Ghana, for example. One consequence has been the small contribution of gold mining to the Fijian economy; another is the total absence of a local small-shareholder interest. Clearly the topic has not been exhausted; but, as in West Africa, a study of the expatriate business community as a whole in the colonial and postcolonial periods is now called for.[9] A further possibility with parallels elsewhere is an account of Emperor Gold Mines activities in relation to the Alliance Party in patron-client terms, especially after the joint venture with Western Mining in 1983 gave mining interests a greater stake in the stability of the political economy.

An understanding of businessmen beyond the general stereotypes depends, too, on biography and portraits of the Pacific entrepreneur set in perspective. So far the portrait gallery is richer in rogues from the hunter-gatherer phase of commercial ventures than in revealing studies of decision making at the board level for major companies. Fortunately, hagiography seems to be limited to the Doles of Hawai'i.[10] Governors fare better than businessmen in Pacific history;[11] and there are far fewer examples of biographical adulation than in African business history, where Rhodes, Oppenheimer, Goldie, and Mackinnon have had to be revised downward as records have become available. Anne-Gabrielle Thompson's study of John Higginson (once compared with Rhodes) is a useful demonstration of the limitations of the genre as historical explanation in business history, and a warning against taking such speculative ventures as the Caledonian Company of the New Hebrides or the London Globe Mining Corporation (two of Higginson's inventions) at face value. In fact it turns out that he had very little to do with the centerpiece of New Caledonia's economic history--Société le Nickel--as is sometimes supposed. Higginson, like Steinberger in Samoa, was more important for the people he duped than for the firms he founded. He is the best example we have of a Pacific con man whose career yields hardly any information about the structures of plantation, land, and mining companies at an important period of New Caledonia's history--the change from plantations into cattle ranching and mining (Thompson 1982, 1984). More usefully, the work that has been done on white planters in Papua by David Lewis or on Solomon Islands and Tanna trader-planters by Judith Bennett and Ron Adams offers a firmer foundation for a typology of smallholder enterprise, but not a secure one, I think, for an evaluation of business success or failure (Lewis 1989; Bennett 1987; Adams 1993).

Conclusions

This survey suggests a number of themes to be followed up in teaching and supervising if the Pacific field for business history is to be compared with other regions or considered in relation to the political and social transformation that has dominated the literature. I think it will be conceded (as it was in African studies a couple of decades ago) that "business" has been unfashionable as an undertaking for the young historian--akin perhaps to consorting with the enemy in an academic climate inimical to "capitalist" business culture (Graves 1980). Now (with an eye to the future job market?) this is less so; and a training in economic history, even an MBA, would not be thought strange for a Pacific historian.

There are limitations imposed by the source material. As in African business history, the content is heavy with "economic activities" such as market trading, land concessions, and the politics of business lobbies, rather than the structure, performance, rise, decline, and economic importance of the enterprise. A further difficulty, more acute in Pacific studies than in Africa or Asia, is the absence of precolonial business, apart from exchange cycles. In Pacific history, on a much smaller scale of accumulation and exchange of surplus, the problem, rather, is to explain the weakness of indigenous entrepreneurial activity in the colonial and postcolonial period. *Bisnis* in the Highlands is not enough, compared with immigrant commerce and real efforts at commercial diversification in Tonga, Western Samoa, and the Cook Islands (Fairbairn 1988; and for the debate on entrepreneurship and remittances: Brown and Connell 1993; Brown and Foster 1994; Munro and Munro 1985; Knapman 1976; Finney 1965). So far, island "capitalism" lacks substantive comparative treatment at all levels of company formation.

For the colonial period, there has been a broad advance, strong on pioneers among the mercantile and planter groups; light on structures, mergers, profitability among the agricultural, forestry and extractive, transport, and banking enterprises of the later nineteenth century and the twentieth century. Sources for banking and the influence of chambers of commerce are not lacking. Perhaps a "Pacific Business Archives Council" is required to pull the references together.[12]

As we come to the end of Pacific empire--or its continuation by other means--one theme calls for examination, namely, the attitude of expatriate and local businessmen toward the devolution of power to local politicians and parties. Historical examination of such attitudes has only recently begun for Africa. But it has yielded the important result that, on the whole, reactions were tempered by the knowledge that politicians could be managed in the initial phases of independence and that most firms have adapted. In the Pacific the lines of communication used by companies for political ends bypassed much of the formal structure of the local secretariat, in the case of British territories, to gain a hearing in the Colonial Office. For Papua New Guinea there was also a direct route to Melbourne or Canberra, but much more use was made of Commonwealth politicians. For the French territories a vigorous local press, chambers of commerce, and (at certain periods of representative government) the right to argue a commercial case directly with a colonial ministry have left a different set of records.

A second theme raises the more general question of a business as well as an administrative partition of Pacific territories. The question has been explored in the case of the partition of labor supplies in Melanesia and elsewhere, which prefaced formal diplomatic division from 1885. But there is also the much larger carve-up by shipping companies of the trans-Pacific routes and bulk staple markets--an extension of the warfare for the Australasian and American coastal trades. Conversely, the history of rivalry and accommodation for the extension of commerce and services from the "Anglo-Saxon" territories into French-protected areas has yet to be written, Some of this duality of business and diplomacy is summed up in the history of that absurdity the New Hebrides Condominium, which resulted from sustained Australian and French business and religious competition from bases in Melbourne, Sydney, and Noumea. But it is also present in the extension of tourist services, airline concessions, and, in more subtle ways, in the scientific and aid-giving institutions of the postwar period of decolonization (Bates 1990).[13]

Finally, there are larger problems implicit in Pacific business history, as elsewhere. One is whether the archetypal businessman as a risk taker and combiner of the elements of production for profit has really survived into the age of managerial capitalism and the emergence of professionals in the operations of international companies. The topic of business leadership is bound up, moreover, with changes in methods of business finance through direct investment, joint ventures, curtailed repatriation, and complex tax concessions since the 1950s in all parts of the underdeveloped world. Political status matters in this area. Hawai'i may look like an extension of California or Asian business, but Papua New Guinea and Fiji do not. Nor are they simply an extension of Australian business. What is not always recognized is that the "metropole" as a source for finance is also multinational, less focused on several imperial capitals, and more open to funding through consortia and less (in the British or Australian case) through the equity market.[14] In the long run, the listing of public companies in Sydney, Melbourne, London, and Paris with interests in the Pacific Islands may look like the exception rather than the rule. The rule at the beginning (and now at the end of empire) was that private finance from banks, mortgage companies, and repatriated profits took the risk in uncertain markets for produce, land, transport, and other services. Nowadays, as earlier in Latin America or Africa, public issues are to governments through banks or international fund holders. The preference in business is for directly managed assets, not portfolio investment from a set of gullible institutions or private punters. Accordingly, since stock exchanges first appeared in Australia in 1871, there has been a rise and decline in South Sea bubbles, to the point where "expatriate" investment is government-negotiated at a diplomatic level with export credit guarantees and hopes of rescheduling later, rather than through the commercial venture at the level of the expatriate trader. That sea change, too, has yet to be accurately charted in the Pacific.

NOTES

This revised version of papers presented to the Pacific Islands Studies Occasional Seminar Series at the University of Hawai'i and the Royal Society of New Zealand, Otago Branch, in January and April 1995 incorporates numerous suggestions for which I am grateful, including those of the anonymous readers of the submitted manuscript. For a similar exercise, see Hopkins 1976:29-48 and 267-290; and 1987:119-140. Apart from the important omission of South African business studies, these surveys are the most insightful commentary on areas of imperial business and can be read with White 1994, Jones 1992, and Rosewarne 1985 for an indication of directions of research useful for Pacific historians.

1. We is correct in that we have had to wait until very recently for an account of the New Zealand Company as a business (see Bums 1989). His judgment can be challenged, however, by the work of McLean on Union Steamship Company (1990), and by older works such as Stone 1973. A concerted effort has been made to collect local business archives: see, for example, checklists of the Hocken Library Extension, Archives and Manuscripts, Dunedin. Both the Australian National University and Melbourne University have considerable holdings of business records.

2. For the postwar period much can be gleaned on sectorial development from World Bank Country Studies (1982, 1988) or from academic institutions specializing in the Pacific area, such as the National Centre for Development Studies of the Australian National University. For business development, banking surveys and company reports as well as the financial press are the most useful indicators of contemporary trends. See, too, Asian Productivity Organisation 1994 for an attempt to tackle the question of ethnicity and business from Fijian examples.

3. Moench 1963 and Wu 1982 are examples of the ethnic history genre without business records. For a different approach, see Faure 1989:347-376. For the beginnings of a vast postwar literature on the problems of island entrepreneurship, credit unions, "companies," and cooperatives, see Stace 1962 and Epstein 1968.

4. Progression from "hunter-gatherer" to company partnership and joint stock enterprise can be traced in Slack and Clark 1983. No one as yet has worked on the captured records of the Hernsheim company, and we do not know how successful his earlier partnership with Robertson was.

5. Material relevant to Pacific staples can be found in Leubuscher 1951, in the Customs Ledgers series of the Public Record Office, London, and in territorial Blue Books. See, too, Snodgrass 1928 for bibliography and statistics. A neglected source, apart from Rosewarne 1985, is the Australian Sydney Chamber of Commerce records and consulate records, which provide a continuous commentary on Pacific staples and tariffs from the 1890s.

6. The starting point for plantation business is still the rare work by J. A. Mollett (1961). Business as part of agriculture is notably absent from the essays in Denoon and Snowden 1981.

7. We have little on companies or planters' performance to compare with studies of labor recruitment and migration. But for the Expropriation Board period, see Hopper 1980; Rosewarne 1985: chap. 6; Newbury 1995.

8. Compare, for example, Chalmin 1985, which also identifies the multinational features of the company.

9. See, for example, S. E. Stockwell 1995; D. K. Fieldhouse 1994.

10. Rare examples outside short portraits in more general studies are J. W. Davidson 1975; Barry Rigby 1973:75-87; Dorothy Shineberg 1971.

11. In this area J. K. Chapman 1964 requires revision for Gordon's (Lord Stanmore) later business career and connection with the Pacific Islands Company and the Pacific Phosphate Company.

12. For example, the archives of Westpac Corporation (the former ANZ Banking group), Melbourne, are open to researchers; and see the important thesis by Ganjo Yasuo on the Bank of Indo-China (1985), now fortunately translated into French and published by the Comité pour l'Histoire Economique et Financière de la France, Paris, 1993.

13. And see the competing agencies listed in Cassidy 1987.

14. It is possible the investment tide from Australia and New Zealand has ebbed: see the observations on this point by Crocombe 1992.

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