

**EMPIRES OF ENTERPRISE: GERMAN AND ENGLISH COMMERCIAL
INTERESTS IN EAST NEW GUINEA 1884 TO 1914**

HANS J. OHFF
BA (Hons) Adelaide

A Thesis submitted to the Faculty of Humanities and Social Sciences in Fulfilment of the
Requirements for the Degree of Doctor of Philosophy in History,
The University of Adelaide, July 2008



NEW GUINEA

Map showing the Territory annexed by Great Britain, Germany, and Holland, respectively.

On the basis of a Map compiled by Jas. F. Inray F.R.G.S., and published by James Inmy & Son London 1883

DUTCH

GERMAN

NEW GUINEA
BRITISH

TORRES STRAIT

CAPE YORK
PENINSULA

LOUISIAD

ARCHID

Deliverance

C. Sudest

ADMIRALTY ISLES

Squally I.

Iyra Shd.

Fisher I.

San Francisco

Corr-L'Beys

Caen I.

C. St. Maria

al. St. John

Bosserville I.

C. St. George

Chan.

Wide B.

C. Orford

St. George

St. Jacques

St. Montague

Woodlark I.

Sharp I.

Evans I.

St. John I.

Journey I.

St. Nicholas

St. Augustin

St. Louis

St. Pierre

St. Martin

St. Anne

St. Charles

St. Denis

St. Paul

St. George

St. James

St. Peter

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St. David

St. Philip

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HANUABADA TRIBESMAN

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DECLARATION

Candidate's declaration

I certify that this thesis does not contain without acknowledgement any material previously submitted for a degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, does not contain any material previously published or written by another person except where due reference is made in the text.

Hans J. Ohff

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ABSTRACT

The colonies of German New Guinea (GNG) and British New Guinea (BNG; from 1906 the Territory of Papua) experienced different paths of development due to the virtually opposite decisions made regarding commercial activities. The establishment of these colonies in the 19th century, and all of the major events and decisions relating to them up to 1914, were based on solely commercial motivations. This thesis examines the circumstances leading to the founding of GNG and BNG. It analyses the impact of government decisions and the growth of capitalist enterprises in East New Guinea during its first 30 years (1884–1914).

This thesis argues that both the German and British governments were reluctant to become involved in colonisation. In the context of the political pressures prevailing in Berlin and London respectively, both governments succumbed but insisted that the cost of administering and developing the colonies was to be borne by others.

The establishment costs of GNG were accepted by the Neu Guinea Compagnie (NGC) until 1899. It was a haphazard and experimental undertaking which was expensive financially and in human life. When the German government assumed administrative and financial control in 1899 the development of GNG had generally progressed in line with Chancellor Bismarck's view that Germany's colonies should be treated as economic enterprises. This was despite the bureaucratic form of government NGC had established.

In contrast, there were claims that BNG was to be established on defence strategic requirements and to protect the indigenous Papuan population from non-British influences. This was fallacious posturing by the Australian colonies in order to attain control over the entire eastern sector of New Guinea and adjacent islands. The objective of the Queensland sugar planters was to procure cheap labour and for Queensland, New South Wales and Victoria to prevent the setting up of competitive agricultural industries. After Britain acquired southeast New Guinea, and the recruitment of Papuan and Melanesian labour into Australia had been outlawed, BNG was left to the gold prospectors, with no sustainable plantation industry taking place until Australia assumed administrative control over the Territory in 1907.

Neither colony had any military significance. Both colonies shared a common European morality in administration. By 1914 GNG had become a commercially viable enterprise; BNG, now Papua, had failed to take advantage of the 1902–1912 boom in tropical produce. Given their similar size and geography, the economic performance of the two colonies should also have been similar. That this did not occur is beyond dispute.

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Glossary

German terminology

Assessor	German Judge with second State Examination in law
Aufsichtsrath	Chairman of the Board of Directors
Ausführungsverfügung	Implementation Order
Behörde	Bureaucracy, Government Administration
Bestimmungen	Regulation
Bezirksgericht	District Court in GNG
Bundesrath	Federal Council of Parliament in Germany
Denkschrift	Promemoria, position paper, memorandum
Erlaß	Decree; enactment; declaration; ordinance; order; regulation
Etat	Government/NGC Budget
Faktorei	Trading station, warehouse, factory
Fiskus	Government Treasury
Geheimrat	Honorary title - member of a Privy Council in Germany
Geheimer Kommerzienrat	Honorary title – 'Privy Councillor of Commerce' in Germany
Generalversammlung	Annual general meeting
Gesetz	Statute/law (Bürgerliches) Gesetzbuch, Civil Code
Gouverneur	Governor
Grundbuch	Land Register
Kadeh	Chinese community store
Kongsi	Chinese community building
Kaiser	Emperor
Kaiserlicher Gouverneur	Imperial Governor
Kaiserlicher Kommissar	Imperial Commissioner
Kaiserlicher Richter	Imperial Judge
Kolonie/Schutzgebiet	Protectorate
Landeshauptmann	Chief Administrator
Landeshoheit	Sovereignty
Mandur	Javanese overseer
Reich	German Empire
Reichskanzler	Chancellor of the Reich
Reichsregierung	Government of the Reich
Reichstag	Parliament of the Reich
Referendar	German Articled Clerk with first State Examination in law
Schutzbrief	Charter
Station	Station – plantation
Stationsleiter	Station manager
Stellvertretender Gouverneur	Acting Governor
Tandil	Chinese overseer
Vertrag	Agreement, contract, treaty; pact, compact, indenture
Vize Gouverneur	Deputy Governor
Vorsitzender	Chairman

German Geographical Names

Islands:

Admiralitäts-Inseln	Admiralty Islands (Manus Island)	2° 10' south 146°55' east
Bougainville Insel	Bougainville Island	6° 10' south 155°18' east
Hermit Inseln	Hermit Islands	1° 34' south 145°11' east
KWL	mainland (German) New Guinea	
Kretin Insel	Cretin Island	6° 46' south 147°56' east
Neu-Pommern	New Britain	4° 45' south 150°30' east
Neu-Mecklenburg	New Ireland	3° 30' south 151°30' east
Neu-Lauenburg	Duke of York Islands	4° 10' south 152°28' east
Neu-Hannover	New Hanover	2° 29' south 150°13' east
Ost-Karolinen	East Caroline Islands (Ponape)	6° 57' south 158°13' east
Purdy Inseln	Purdy Islands	2° 53' south 146°24' east
Ritter Insel	Ritter Island	5° 36' south 147°56' east
Witu Inseln	French Islands	4° 45' south 149°18' east
Woodlark Insel	Woodlark Island	9° 02' south 152°53' east

Stations:

Adolfhafen	Morobe	7° 45'32" south 147°35'38" east
Alexishafen	North of Madang	2° 40' south 141°15' east
Angoram	Angoram	4° 03'55" south 144°04'00" east
Angriffshafen	Vanimo	2° 41'24" south 141°18'15" east
Constantinhafen	Bibi – Enke Harbour	5° 30' south 145°56' east
Dallmannhafen	Wewak	3° 33'26" south 143°36'48" east
Dregerhafen	Dreger Harbour (Cape Cretin)	6° 25' south 145°44' east
Eitape/Berlinhafen	Aitape	3° 08'31" south 142°20'46" east
Erima	Erima	5° 25' south 145°44' east
Finschhafen	Finschhafen	6° 35'54" south 147°51'10" east
Friedrich Wilhelmshafen	Madang	5° 13'58" south 145°47'18" east
Herbertshöhe	Herbertshöhe/Kokopo	4° 21'06" south 152°16'23" east
Hatzfeldthafen	Hatzfeldthafen	4° 23'57" south 145°12'39" east
Kap König Wilhelm	Cape King William	5° 55' south 147°20' east
Kävieng	Kavieng	2° 33'72" south 150°47'38" east
Kieta	Kieta	6° 12'51" south 155°37'23" east
Kronprinzhafen	Kronprinz Harbour	4° 27' south 145°21' east
Lae	Burgberg	6° 43'24" south 146°59'36" east
Petershafen -Witu	Garove/Deslacs Island	4° 54' south 149°09' east
Postsdamhafen	Awaro – Hansa Bay	4° 12' south 144°52' east
Prinz Albrechthafen	Bogia	4° 24' south 145°13' east
Rabaul	Rabaul	4°11'45" south 152°10'21" east
Ralum	Ralum	4° 21' south 152°16' east
Ramumünde	Station mouth of Ramu River	4° 02' south 144°42' east
Ramu Zwischenstation	Central Ramu Valley	4° 38' south 144°40' east
Samoahafen	Salamaua Station	7° 17'28" south 146°59'35" east
Simpsonhafen	Simpson/Rabaul Harbour	4° 16' south 151°58' east
Stephansort	Bogadjim	5° 26' south 145°45' east
Weberhafen	Weber Harbour	4° 15' south 145°13' east

Rivers:

Gogol Fluß	Gogol River	5° 13' south 145°48' east
Herkules Fluß	Waria River	7 °48' south 147°35' east
Kaiserin-Augusta Fluß	Sepik River	4° 11' south 143°31' east
Lehmfluß	Clay River	4° 43' south 144°08' east
Markham Fluß	Markham River	6° 44' south 146°58' east
Ottillie/Ramu Fluß	Ramu River	4° 02' south 144°41' east
Töperfluß	Keram River	4° 27' south 144°13' east

Mountains and Ranges

Bismarck Kette	Bismarck Range	
Finisterre Kette	Mount Sarawaket	6° 17' south 147°05' east
Hansemannberg	Mount Hansemann	5° 10' south 145°45' east
Hunstein Kette	Hunstein Range	4° 24' south 142°52' east
Oertzen Berge	Oertzen Range	5° 28' south 145°34' east
Sattelberg	Sattelberg	6° 28' south 147°44' east
Schraderberg	Schrader Range	4° 53' south 144°13' east
Torricelli Kette	Torricelli Range	3° 30' south 142°00' east
Wilhelmsberg	Mount Wilhelm	5° 47' south 145°01' east

ABBREVIATIONS

AA	Auswärtige Amt (Foreign Office)
AAAS	Australian Association for the Advancement of Science
AAZ	Augsburger Allgemeine Zeitung

AB	<i>Amtsblatt</i> (official gazette for GNG published in Rabaul)
AA	Auswärtige Amt (Foreign Office)
AA-KA	Kolonialabteilung AA (Colonial Department of Foreign Office to 17 May 1907)
A-C	Astrolabe Compagnie
AG	Aktiengesellschaft (limited shareholder company)
AGM	Annual general meeting
AN&MEF	Australian Naval and Military Expeditionary Force
AJPH	<i>Australian Journal of Politics and History</i>
ANU	Australian National University
AR-BNG	Annual Report British New Guinea
A.R.M.	Assitant Resident Magistrate
AR-Papua	Annual Report Papua
ASN	Australian Steam Navigation Company
ATP	Australian Territory of Papua-New Guinea
AUSN	Australian United Steam Navigation Company
BA	Bismarck Archipel (Bismarck Archipelago)
BAK/B	Bundesarchiv (German National Archives, Koblenz/Berlin)
BA/MA	Bundesarchiv/Militärarchiv (German National Archives – Military, Freiburg)
BAG	Bismarck-Archipel-Gesellschaft (Company)
BBC	<i>Berliner Börsen Courier</i>
BNG	British New Guinea
BNGD	British New Guinea Development Company Limited
BP	Burns Philp Company Limited
BPP	British Parliamentary Papers
BT	<i>Berliner Tageblatt</i>
CPL	Choiseul Plantation Limited
CO	Colonial Office record (Public Records Office, London)
CPP	Commonwealth Parliamentary Paper (Australia)
CNA	Commissioner of Native Affairs and Control
CPD	Commonwealth Parliamentary Debates (Australia)
CSR	Colonial Sugar Refining Company
DB	Deutsche Bank Aktien Gesellschaft
D-G	Disconto Gesellschaft
DHPG	Deutsche Handels und Plantagen-Gesellschaft der Südsee-Inseln
DKG	Deutsche Kolonialgesellschaft (Society for the German Colonies)
DKG	Deutsche Kolonialgesetzgebung (German colonial legislation)
DKZ	<i>Deutsche Kolonial Zeitung</i>
DKBI	<i>Deutsche Kolonialblatt</i>
DKL	Deutsches Kolonial Lexikon
DM	Deutschmark
DOAG	Deutsch-Ostafrikanische-Gesellschaft
DR	<i>Deutsche Rundschau</i>
DSG	Deutsche Seehandels-Gesellschaft
DSP-AG	Deutsche Südseephosphat–Aktiengesellschaft
DZA	Deutsches Zentral Archiv (formerly Reichs Archive Potsdam & Merseburg)
EBIT	Earning before Interest and Tax
EHR	<i>Economic History Review</i>
EGM	Extraordinary general meeting
EJ	<i>Economic Journal</i>
FO	Foreign Office (Britain)
FWH	Friedrich-Wilhelmshafen (Madang)
GmbH	Gesellschaft mit beschränkter Haftung (Propriety Limited Company)
GNG	German New Guinea
GNG-IT	German New Guinea – Island Territory
HAPAG	Hamburg-Amerika Linie Aktien Gesellschaft
HASAG	Hamburgische Südsee-Aktiengesellschaft
HJ	<i>Historical Journal</i>
JPH	<i>Journal of Pacific History</i>
HMS	Her/His Majesty Ship
HWWA	Hamburgisches Welt-Wirtschafts-Archiv
HZ	<i>Historische Zeitschrift</i>
HS.ANZ	<i>Historical Studies, Australia and New Zealand</i>
Jb	Jahresbericht (annual report/balance sheet, Neu Guinea Compagnie)
Jb A-C	Jahresbericht Astrolabe Compagnie
Jb J-G	Jahresbericht Jaluit Gesellschaft
J-G	Jaluit Gesellschaft
JPH	<i>Journal of Pacific History</i>
JSS	<i>Journal of Strategic Studies</i>
KA	Reichs-Kolonialamt (Colonial Office established on 17 May 1907)
KAG	Kolonialbank, Berlin
KG	Kolonialgesellschaft (Colonial Society)
KPM	Koninklijke Paketvaart Maatschappi (a Dutch shipping company)

KWK	Kolonial-Wirtschaftliches Komitee (Economics Committee Colonial Society)
KWL	Kaiser-Wilhelms-Land (Mainland GNG)
KKW	Kommission der Kolonialverwaltung (Standing Commission of the KA)
KR	Kolonialrath (Colonial Counsel)
KWLPG	KWL Plantagen-Gesellschaft
KZ	<i>Kölnische Zeitung</i> (Cologne daily newspaper)
LPPL	Lever's Pacific Plantations Limited.
LLC	Limited liability company
MB	Medizinische Berichte (Medical Reports)
MLC	Member of the Legislative Council
MSch	Manchester School of Economics
NAA	National Archives of Australia
NAZ	<i>Norddeutsche Allgemeine Zeitung</i>
n.a.	not applicable
n.d.	no data
NDB	Norddeutsche Bank
NCO	Non-commissioned officer
NDL	Norddeutscher Lloyd (German shipping company)
NGC	Neu Guinea Compagnie (New Guinea Company)
NLC	Native Land Commission
NLA	National Library of Australian, Canberra
NKWL	<i>Nachrichten über Kaiser-Wilhelms-Land und dem Bismarck Archipel</i>
NSW	State of New South Wales
OAL	<i>Der Ostasiatische Lloyd</i>
OK	Ost Karolinen (East Caroline Islands)
Papua	The Territory of Papua
PV	Plenarversammlung (Board of Director Meeting)
PHR	<i>Pacific History Review</i>
PIC	Pacific Island Company
PIM	<i>Pacific Island Monthly</i>
P&L	Profit and loss
PJ	Preußische Jahrbücher
PMB	Pacific Manuscripts Bureau
POW	Prisoner of War
PPC	Pacific Phosphate-Company
PR	Patrol Report
PRO	Public Record Office, London
PS	<i>Pacific Studies</i>
PSH	Preußische Seehandlung (Prussian State Bank)
QSS	Queensland Steamship Company
Qld	State of Queensland
RGBI	Reichs Gesetzblatt
RKA	Reichskolonialamt (Colonial Office)
R&H	Robertson, Hertsheim & Company
RM	Reichsmark
R.M.	Resident Magistrate and Assistant Resident Magistrate
RT	Stenographische Berichte des Reichstags (German Hansard)
RTA	Reichstagakten (Parliamentary Records, Germany)
SAG	Deutsche Südseephosphat AG
SIDC	Solomon Islands Development Company
SJ	<i>Statistisches Jahrbuch</i> (Statistical yearbook 1894–1914)
SMH	<i>Sydney Morning Herald</i>
SMS	Seiner Majestät Schiff (His Majesty Ship)
SPL	Shortland Plantation Limited
SS	Steam ship
tr	Translation
StAH	Staatsarchiv Hamburg (State Archive, Hamburg)
StAB	Staatsarchiv Bremen (State Archive, Bremen)
SY	Steam yacht
TP	<i>Tropenpflanzer</i> (Journal for Tropical Agriculture)
VoBl.	Verordnungsblatt (NGC Gazette)
V&P	Votes and Proceedings Legislative Assembly (NSW, Qld or Vic)
Vic	State of Victoria
Wb	<i>Weißbuch</i> (similar to the Parliamentary Blue Book in Britain and Australia)
WK	West Karolinen (West Caroline Islands)
WW I	World War I
WW II	World War II
ZE	<i>Zeitschrift für Ethnologie</i>
ZK	<i>Zeitschrift für Kolonialpolitik</i>

Currencies: (Rate of exchange: *The Economist*, 8 Aug. 1885, p. 974)

£Stg	Pound Sterling (Stg) = 20 Shillings. 1s = 12d = RM20.48 = F25.15
A£	Pound Australian = Pound Stg for the period under review
s	shilling: 20s = £1
d	pence
RM	Reichs Mark = 100 Pfennig
Pf	Pfennig: 100 Pf = £1
F	French Franc = RM1.25 = 10d
Hfl.	Dutch Gulden (Florin) = 100 cents = RM1.70
\$	Dollar USA = 100 cents = RM4.75 = Peseta 5.60
Mex\$	Chilean/Mexican Dollar—subject to price of silver = 2s 6d to 4s stg in 1887
SS\$	Straits Dollar (SS\$ or M\$) RM2.04 in Dec. 1897; fixed at 2s 4d stg in 1906
\$	Gold Dollar = 4s stg or RM4.08, traded from 1895

Weights:

catty	Catty (kati) = 1.33 lb; 500 g
cwt.	Hundredweight = one twentieth of a ton
dwt.	Pennyweight (24 grains or one twentieth of an ounce troy)
DWT	Total contents of ship in long tons
dz	Doppel Zentner = 100 kg
g	gram
gr	grain
GRT or BRT	Gross register ton = 100 cft or 2.83 cbm; gross internal (ship) capacity Register or net ton = net internal (ship) capacity
kg	kilogram = 1000 grams (g)
l	Litre = 1000 cu. centimetres; 4.55 l = 1 Imperial Gallon = 8 Pints
lb	metric pound = 500 g = 0.5 kg – weights stated for GNG are in metric
lb	pound = 0.4536 kg; 112 lb = one hundred weight
oz	Ounce = 28 gr = a unit of one sixteenth of a pound avoirdupois
picul	picul = 107 litres of grain = 8 piculs = 1000 lbs
t	Long ton = 2,240lb; Freight ton = 1,016kg or 40 cu. ft; Metric tonne = 1000kg
tahil	tahil (tael) = 1.33 oz
troy	Troy weight = 12 oz = 5,760 gr = 0.3732 kg

Other measurements:

1° l. at Equator	60 nautical miles = 111.112 km
ac	Acres
chain	66 ft
cm	centimetre = 0.01
km	kilometre = 1000 metres = 3,280 ft
dm	dezimeter = 0.1 m
fathom	Faden = 6 ft = 1.8 m
ft	feet
ha	hectare = 2.47 ac
Km	kilometre = 1,000 metres = 3,280 ft
knot	nautical mile per hour
Land mile	German geographical mile = 7428 metres
League	League = ~3 miles = c. 4,812 m
m	metre
mm	millimetre = 0.001m
n.m.	nautical mile (c. 2025 yards = 1852 metres = 10 cables)

INTRODUCTION

The colonies of German New Guinea (GNG) and British New Guinea (BNG) experienced different paths of development due to virtually opposite decisions made regarding commercial activities there. However, one common aspect of both colonies was the range of European moral beliefs that were applied.

Rival colonialisms in East New Guinea: the debate so far

In the 1960s and 1970s, several historians, including Stewart Firth, Peter Hempenstall, Hank Nelson and Peter Sack, and more recently, on the German side, H.J. Hiery were among Australian and German historians debating their respective country's colonial record in East New Guinea. That debate raised numerous issues, particularly the treatment of the indigenous population, but downplayed the economic imperatives of colonisation. The debate, however, reflected an extensive historiography of the two colonies which dated back to 'eye-witness' accounts from the closing decades of the 19th century. It is worthwhile to review this extended historiography before attending in more detail to the way in which it had evolved by the 1980s – and its relation to this thesis.

Apart from the scientific report on the discoveries made under the captaincy of Georg von Schleinitz on SS *Gazelle* from 1874 to 1876, and the survey reports submitted to the Royal Navy by Captain John Moresby in 1876, the important works preceding the annexation of GNG and BNG were those by the young Australian explorer and trader Thomas Bevan, the German explorers Otto Finsch and Eduard Dallmann, and the trader Franz Hensheim.¹

Hans Blum, Maximilian Krieger, Ernst Tappenbeck, Stefan von Kotze, Otto Schellong, Graf Pfeil and Richard Parkinson were employees of the Neu Guinea Compagnie (NGC) who, with the exception of Parkinson, spent a relatively short time in GNG during the 1890s. Blum's book, *Neu Guinea und der Bismarckarchipel*, provided a comprehensive analysis on GNG to 1898 and took a cursory look at BNG and Dutch New Guinea to that year. The statistical data used by Blum to support his – often-vitriolic – attack on the local managers and the directors in Berlin could not be verified. However, because the data is largely consistent with data used by his contemporaries, it has remained an important factor in the assessment of NGC during GNG's founding years.

Krieger was Imperial Judge for Kaiser Wilhelmsland and the Bismarck Archipelago where he also provided secretarial support to the Administrator. Together with the academics Danckelman, Warburg, Matschie and Luschan, Krieger studied the geography, demography, flora and fauna, culture and customs of various tribes, meteorology, and the colonisation of mainland New Guinea by NGC, Britain and The Netherlands. His book, *Neu-Guinea* (1899)

¹ G. von Schleinitz, *Die Forschungsreise SMS Gazelle*, Band i. *Reiseberichte*; T.F. Bevan, *Toil, Travel and Discovery in British New Guinea*; J.C. Moresby, *Discovery and Surveys in New Guinea and the D'Entrecasteaux Islands*; Otto Finsch, *Neuguinea und Seine Bewohner*; F. Hensheim, *Südsee-Erinnerungen*.

was the result. The Administrator of NGC, George Schmiele, regarded Krieger as incompetent and tried to have him recalled. This assertion was without foundation; but for this and other reasons Schmiele's contract was terminated. Then the Acting Administrator Hugo Rüdiger tried to dismiss Krieger for alleged homosexual activities with the station manager in Friedrich Wilhelmshafen and with Melanesian plantation workers. Even though Albert Hahl dropped the claim, Krieger left GNG before his contract had expired. Unlike Blum, his book on New Guinea was free of recrimination. The observations of Krieger and his co-authors balance Blum's important work.

Ernst Tappenbeck's *Deutsch Neu Guinea* (1901) was the last of the early books on the Protectorate of the NGC. Tappenbeck went to GNG on three different occasions during the 1890s. He first worked for the *Deutsche Kolonialgesellschaft* (German Colonial Society) in GNG as an explorer. He was subsequently employed by NGC to explore the Ramu Valley in the Bismarck Range for gold. Tappenbeck was held responsible for the failure of the last of three Ramu expeditions. Blum, a member of this expedition, criticised him severely. Like his colleagues, Tappenbeck published his views without backing up his criticisms on NGC. With the candour of an East Prussian farmer, statements of facts were made, often without reference to dates and locations. Comparisons were argued which do not survive close examination. Tappenbeck's ethnographical investigations on Papuan and Melanesian tribes lack the scientific depth in Krieger's study. He concluded his book by providing a handbook for aspiring German settlers, traders and artisans. He believed Kaiser Wilhelmsland to be unsuitable for individual farmers. In his opinion, settlers should only venture to the Bismarck Archipelago where the climate was more conducive to European living; and then only if they had considerable financial resources at their disposal.

Otto Schellong was the first surgeon in GNG. He published his diary notes, *Alte Documente aus der Südsee*, in 1934. Schellong looked back on almost 3 years in GNG with happiness. He set foot in the protectorate in January 1886. Apart from being critical of NGC's bureaucratic set-up and the high expense of food and beverages, he considered himself fortunate. As the highest paid employee of NGC in GNG before the arrival of the first Administrator, Vice-Admiral Freiherr Georg von Schleinitz, 6 months later and the Imperial Judges, he was appreciative of the opportunity to gain experience in the antipodal life of the South Sea whilst paying off his university debts.

Stefan von Kotze, a grandnephew of Bismarck, was a rebel. The 18-year-old navy cadet was unceremoniously discharged in 1887: he arrived in GNG later that year. Trading on family name rather than performance, Kotze stayed until 1892 without any noteworthy achievement. He was regarded as witty but without respect for authority. These characteristics are displayed in his indiscriminate critique of NGC in his *Aus Papuas Kulturmorgen* (1902).

Danish-born planter Richard Parkinson ventured to Samoa in 1875 to work as a plantation manager for Godeffroy's. In 1882 he established the successful Ralum Station on the Gazelle

Peninsula of New Britain for Emma Coe who became better known as Queen Emma of the South Sea. In June 1889 Parkinson joined NGC to close down Kerawara Station in the Duke of York and to establish the Kokopo plantation – the future government seat Herbertshöhe – at the foothills of Mount Varzin on the Gazelle Peninsula. Because of his experience in Melanesian affairs, he became the highest paid station manager of NGC to then. However, Parkinson was a planter not a bureaucrat. Disagreement with his employer on how to run plantations in the tropics and a loathing for what he considered unnecessary interference by his Berlin employers appeared of greater concern to him than a large salary. He left NGC in October 1891 to pursue his first interest, ethnography. In 1907 Parkinson first published *Dreißig Jahre in der Südsee* which is a classic on the people, art and language of the New Britain Archipelago and the Solomon Islands.

A less well-known, but equally informative, publication was that of the naval staff-surgeon and ethnographer Emil Stephan. His records on the way of life of New Irelanders were made during the hydrographical work of SS *Möwe* along the southwest coast of that island in 1904. He returned to the Bismarck Archipelago in 1907 under the sponsorship of the Royal Museum in Berlin to lead the German naval expedition. He died of blackwater fever at Namatanai on New Ireland within a few months of his return. Apart from the copious journal articles he had written, his reports and diary notes were edited by Friedrich Gräbner and published as *Neu-Mecklenburg: die Küste Ummuddu bis Kap St Georg* in 1907.

Another book co-authored by an early employee of NGC was Graf Pfeil's *Studien und Beobachtungen aus der Südsee* in 1899. Despite some partisanship inclusion of the company annual reports, the publicly available periodicals and eyewitness reports contribute to a more objective assessment of what happened in GNG under the auspices of NGC.

A mining engineer, Eduard Haber, saw the colony differently to Blum's analysis of 15 years earlier. In the month when World War I broke out, Haber, who was Acting Governor, pleaded with the Colonial Office in Berlin: 'at the conclusion of peace, we implore you not to give up Kaiser-Wilhelmsland under any circumstances. The Upper Waria contains several billions of gold and much platinum, for the exploitation of which only equipment and access to the mine sites are missing'.² Then on 11 September 1914 Haber surrendered to the Australian Naval and Military Expeditionary Force: 'German New Guinea Incorporated' was shut down and the colony came under Australian occupation.

Whether his was foresight or a melodramatic plea, Haber's assessment corroborates Stewart Firth's argument in his major work on GNG in one respect: 'the Germans were in New Guinea first and foremost to make money'.³ Colonialism was all about making money. Notwithstanding this, Haber and the long-serving German Governor Albert Hahl would not

² 'Wir bitten beim Friedensschluss Kaiser-Wilhelmsland unter keinen Umständen aufzugeben. Oberes Wariagebiet enthält mehrere Milliarden Gold und viel Platin zu der Ausbeutung fehlen nur Verkehrsmittel und Bergbaufreiheit' Haber, 27 Aug. 1914; 'Der Krieg in New Guinea' (RKA 1001:2612).

³ S.G. Firth, *New Guinea under the Germans*, p. 4.

have agreed with Firth's statement: 'the Germans demonstrated only secondary importance to imposing a system of ordered administration on the inhabitants'.⁴

Firth's treatise on GNG dealt primarily with the recruitment and the treatment of coloured and native labour.⁵ His narrative on German business activities in the southwest Pacific was not an analysis of business performance *per se*; it provided the background to his chief interest, which was his allegation of callous treatment of indentured labourers by the German administrators, settlers and NGC staff. Firth's study initiated a debate on GNG and BNG. It revised conventional thinking on GNG and challenged German academic orthodoxy on the subject. The findings in this thesis differ at times from Firth's assessments on specific matters, despite using largely the same primary source material.

Firth argued that the British and Australian administrations in BNG were more considerate than their German counterparts. Whilst agreeing that the 'Germans also left behind a more impressive legacy of scholarly knowledge about Melanesia and did more to educate villagers and improve their health than the British or Australians in the neighbouring colonies of Papua and the Solomons before 1914', Firth argued that this development came at a price.⁶ He wrote that the 'Germans were more callous than the British and Australians; permitting mass mortality on the plantations of Kaiser-Wilhelmsland in the 1890s ... they were stricter disciplinarians, wielding the whip and stick more often'. More than that, 'they tolerated greater loss of life in the hostilities between police and villagers on the frontier of control'. Firth believed that the 'New Guinea Compagnie, the Reich's proxy in New Guinea until 1899, was one of the great disasters of late nineteenth-century colonialism'.⁷

Donald Denoon hailed Firth's book as 'the definitive text for many years. Since very few scholars will traverse and comprehend the German archival evidence, it is fortunate that the authoritative text is written by so meticulous a scholar'.⁸

Sack, equally conversant with GNG, disputed Denoon's judgement and took issue with Firth's interpretation of the primary source data.⁹ Sack believed that in *New Guinea under the Germans* Firth traded historical evidence in favour of eloquence – a proposition Firth did not entirely disagree with.¹⁰ H.J. Hiery accepted that the earlier work by Charles Rowley¹¹ and Peter Hemenstall's carefully balanced monograph¹² had met with general approval from German and Australian historians, but he entered the debate on Firth's work. In *The Neglected*

⁴ D. Denoon, 'Book Review of Stewart Firth's 'New Guinea under the Germans'', *JPH* (1983) p. 68.

⁵ S.G. Firth, 'German Recruitment and Employment of Labour in the Western Pacific before the First World War', D.Phil. (Oxford, 1973).

⁶ Firth, *New Guinea under the Germans*, p. 174.

⁷ *ibid.*, p. 41.

⁸ *ibid.*, p. 84; A.M. Healy, Book Review of S. Firth's 'New Guinea under the Germans', *Pacific Studies*, 8 (1984) p. 140, considered Firth's work 'moderate, balanced, judicious', but remained critical of his persistence with the 'longstanding, but debatable, Australian interpretation' of the colonial conduct by the Germans.

⁹ Sack, P.G., 'A History of German New Guinea: A Debate about Evidence and Judgements', *JPH*, 20 (1985) pp. 84–5.

¹⁰ S.G. Firth, 'German New Guinea: The Archival Perspective', *JPH*, 20 (1985) p. 97.

¹¹ C.D. Rowley, *The Australians in German New Guinea, 1914–1921*.

¹² P.J. Hemenstall, 'The Neglected Empire: The Superstructure of the Colonial State in German Melanesia'.

War Hiery insisted that he was not interested in a debate on which colonial rule was the best.¹³ Yet a constant in his work was the superior performance of the German administration compared to that of the subsequent Australian occupying force. He identified J. Griffin, H. Nelson and Firth as 'three eminent historians, widely considered to be authorities on the history of Papua New Guinea', who demonstrated historical bias in many of their assessments on GNG.¹⁴ Hiery agreed that Lewis Gann's statement 'no reasonable man in any part of the world would have preferred Japanese, German, Russian, or Chinese colonial rule to that of the British'¹⁵ was the fashionable summary of current historical opinion. He argued, however, that Gann's proposition was based on Germany's colonial performance in Africa rather than her conduct in the South Sea.¹⁶

Notwithstanding the different period of German colonialism, Hiery articulated the antithesis to Firth's argument. The central point of Hiery's proposition was that Australian commercial interests identified too closely with the Australian administration in the Mandated Territory.¹⁷ He claimed that there were few other cases in which the connection between politics, or individual politicians, and the commercial interest of a private company was so clearly documented: 'the whole Australian Campaign against New Guinea seems to be a business trick by the firm Burns Philp & Co'.¹⁸ As to the treatment and employment of indigenous labour he argued that 'racism was a constituent part of Australian Indigenous policy',¹⁹ where

the recruitment of Melanesian labour had become completely divorced from legal guidelines and taken on a life of its own that was no longer controlled ... The view that the Melanesians must be forced to provide labour to the European plantations – a view the German governor had successfully rejected to the last – now had influential advocates within the Australian military Administration ... [T]he business of labour recruitment in New Guinea had cast off all regulations and had gotten completely out of control. The German planters and settlers, who had been retained, with difficulty, by the colonial administration under Hahl, suddenly saw a chance to realize their dreams, which had never been crushed, of New Guinea as a colony that was there for their personal use.²⁰

In defence of German regulations and behaviour, Hiery drew on Governor Hahl's vision of a Pax Germanica that was

¹³ H.J. Hiery, *The Neglected War*, regarded Firth's account of GNG as a good study in economic and social relations, 'but his interpretation of the overall picture of German-Melanesia raises doubts. It is highly questionable whether economic motives were always paramount, as has been suggested in the past', whilst at the same time he hails Hempenstall's work, *Pacific Islanders under German Rule*, as the best on the subject still available (pp. xii, xiii and p. 3).

¹⁴ Hiery, (p. xii) took issue with the statement: 'The old German priorities were maintained by the Australians: business first and all else afterwards', in J. Griffin, S. Firth & H. Nelson, *Papua New Guinea, A Political History*, p. 54.

¹⁵ Hiery, p. xiii; L.H. Gann, 'Western and Japanese Colonialism' in *The Japanese Colonial Empire*, p. 519.

¹⁶ Hiery, p. xiii.

¹⁷ GNG, occupied by Australian troops in 1914, remained under military control until the League of Nations conferred a mandate upon the Government of Britain for the administration of former GNG and the former German islands in the Pacific Ocean lying south of the equator, other than the islands of Samoa and Nauru. (Britain bestowed this mandate on the Government of the Commonwealth of Australia on 17 Dec. 1920 [Article 21, Part I, Covenant of the League of Nations in accordance with Treaty of Peace with Germany signed at Versailles on 28 June 1919]).

¹⁸ *ibid.*, p. 63, Report by August Roscher, Reichs-Kolonialamt, *Die deutsche Kolonialgesetzgebung. Sammlung der auf die deutschen Schutzgebiete bezüglichen Gesetze, Verordnungen, Erlasse und internationale Vereinbarungen, mit Anmerkungen und Sachregister*, C. Rowley in 'The Occupation of German New Guinea 1914–21', pp. 72–3, had a similarly dim view on the close relationship between the Burns Philp islands manager, W.H. Lucas, the Secretary of the Territory, Atlee Hunt and Prime Minister Billy Hughes.

¹⁹ Hiery, pp. 66–72.

²⁰ Hiery, pp. 76 and 79; see J. Lyng, *Rabaul Record*, 9 (1916).

anchored in a combination of German and Melanesian patterns of behaviour. Violence was part of Germany's colonial administration, but it was a means to an end. German consistency and steadfastness played an important role in achieving the Pax Germanica. For the indigenous peoples, strength and especially steadfastness were the most striking features of German behaviour.²¹

Hiery's book did not elicit a response from academia in Australia save for P.G. Sack's *Phantom History: the Rule of Law and the Colonial State* (2001). Sack aimed to disprove the assumptions made by Firth, Hempenstall, H.C. Grattan and Hiery in their works on GNG. Under the rubric 'phantom factor', Sack argued that historians often disregard relevant primary data in the interest of persuasiveness, that is, they have a bias.

Scholars from the former German Democratic Republic reassessed Germany's colonial past in the 1960s. West German scholars became interested in this subject a decade later. Since then contemporary German historians K. Bade, H. Buchholz, G. Hardach, D. Klein, M. Schindlbeck and Ingrid Moses have contributed chapters in edited publications. Gabriele Hoffmann has updated the works by K. Schmack and R. Hertz on the Godeffroy family. Wilfried Wagner has re-edited Albert Hahl's retrospective. Francesca Schinzinger provided an economic synopsis on the German possessions in the South Sea. Save for a few minor omissions and errors, the *Biographisches Handbuch Deutsch-Neu Guinea* by K. Baumann and others, provides comprehensive listings on Germans in GNG from 1885 to 1914.

Adolph von Hansemann (1932) by H. Münch and Albert Hahl's memoirs, *Gouverneursjahre in Neu Guinea* (1937), provide valuable insights into the men who shaped GNG. The satisfaction with which Hahl looked back on his achievements and Münch's relation to the Hansemann family by marriage render the publications a degree of pretentiousness and subjectivity is evident. Similarly, Lewis Lett's biographical eulogy on Sir Hubert Murray only underscores the self-confidence of his subject. The book is based on Murray's diary entries. While the account lacks objectivity, it provides some useful information on the Lieutenant-Governor's administration.²²

The historical assessment of 19th century colonialism has changed since World War II. The investigations into the Murray legacy by J.D. Legge (1971), L.P. Mair (1948), F.J. West (1968) and Margriet Roe (1961) are more objective than the impressionistic works of J. Lyng (1919) or the self-satisfying work by Murray (1912) himself. R.B. Joyce on *William MacGregor* (1971), the British Lieutenant-Governor from 1888 to 1898, made an important biographical contribution to the history. His book addressed the energetic governance of MacGregor in BNG, who 'explored singularly' parts of the inhospitable terrain, was responsible for the drafting of regulations and by-laws as well as establishing a colonial administration. Whilst the Colonial Office and the Australian governors were indefatigable in their praise of McGregor's achievements, Joyce also dealt with MacGregor's underperformances as an administrator during his 10-year tenure in BNG. In 1956 Legge offered a general account of the

²¹ *ibid.*, p. 5; see P.G. Sack & D. Clark, eds. *Albert Hahl Governor in New Guinea*, p. 13.

²² J.T. Bensted ('Sir Hubert Murray of Papua', *South Pacific – Australian School of Pacific Administration*), described L. Lett's, *Knight Errant of Papua*; as 'a most inaccurate and unrealistic biography'.

administration, economic development, and the implementation of land, labour and other regulatory policies which are important points in this thesis. Alluvial gold mining shaped the early economic development of BNG. Nelson addressed the encounters between miners and 'natives' in his book *Black, White & Gold: Gold Mining in Papua New Guinea*. Even though the economic aspects of gold mining on the Papuan economy were treated peripherally, Nelson's book provides an important analysis on the industry that shaped Papua to this day. Another seminal assessment on colonial New Guinea has been the edited work of John Moses and Paul Kennedy, *Germany in the Pacific and Far East, 1870–1914* and the work by Margrit Davies and Margaret Spencer on public health.

An understanding of the impact the anti-colonialist Otto von Bismarck had on the *modus operandi* of German commerce in the Pacific is essential for any analysis of GNG. M. von Hagen wrote *Bismarcks Kolonialpolitik* in the early 1920s. Hagen argued that German trading activities in the Pacific region provided the early conduit for Bismarck's attention to colonial matters. Britain's annexation of Fiji and her disinclination to compensate German traders for their landholdings brought German colonial possessions to the fore.²³ Marjorie Jacobs observed that the *Reichskanzler* (Chancellor) attached 'more importance to German trade in the Pacific than a dispassionate examination of its nature would have warranted'.²⁴ Peter Hempenstall pertinently argued that Bismarck's open dislike of government involvement meant that colonies would not become a new avenue of growth for the all-employing Imperial Civil Service, were 'inflated bureaucracies and petty despotism were the real fruits of overseas empire'.²⁵

Scholarly research into the British–Australian and German possessions of Melanesia and Micronesia has largely ignored the field of economic and business history. At a symposium in Schwäbisch Gmünd in Germany in 1989, Hempenstall stated that the work done on the former Pacific colonies was predominantly political history with very little research undertaken into comparative economic history.²⁶ Whilst Blum, H. Jäckel, O. Mayer, P. Preuß and Tappenbeck have assessed the economic performance of GNG as contemporaries of their time, and W. Treue, E. Suchan-Galow and A. Scharpenberg did likewise in the 1930s and 1940s, only K. Buckley and K. Klugman have made a significant contemporary contribution to the business history in the southwest Pacific.²⁷ Their book on Burns Philp & Co. (BP) traced the dominant role this trading and shipping house played in East New Guinea after the German possession became Australian as a Mandated Territory of the League of Nations. In their account, they depicted the failed attempt by BP to set up a major plantation industry in BNG at the turn of the 19th century. The rejection of BP's proposal by New South Wales and Victoria was typical of

²³ M. von Hagen, *Bismarcks Kolonialpolitik* pp. 65–9 and 91–7; H. Washausen, *Hamburg und die Kolonialpolitik des Deutschen Reichstages 1880–1890*, p. 33.

²⁴ M. Jacobs, 'Bismarck and the Annexation of New Guinea', p. 16.

²⁵ P.J. Hempenstall, *Pacific Islanders under German Rule*, p. 20.

²⁶ H. Christmann, ed. *Kolonisation und Dekolonisation*, p. 41.

²⁷ K. Buckley & K. Klugman, *The History of Burns Philp*.

the lack of concern all government stakeholders had in the economic development of BNG. David Lewis' social-political study, *The Plantation Dream*, examined the economic viability of plantations in Papua until 1942. The study centred on the conflict between the desire of the metropolitan powers, manufacturers and merchants who sought to benefit politically and economically from the dependencies, and the government's equivocation on whether to develop Papua for the Europeans or for the indigenous people. Lewis expounded clearly why there were no winners on either side in BNG or Papua. Save for differences in the recounting and interpretation of some events the findings in this thesis concur largely with Lewis' assessment on Papua until 1914.

The 'underdevelopment/dependency' historians have contributed what was essentially ideology rather than history. A. Armashi and co-authors investigated Papua's economic underdevelopment in an historical context. They advanced the proposition that European colonialism converted the Papuan political system into a neo-colonial state that endures to this day, with the result that the nation 'has so far put its faith firmly in the country's rich natural resources and accepted heavy reliance upon multinational corporations to develop the economy'.²⁸ The development of the economy from the time of colonisation in 1884, they argued correctly, depended on metropolitan capital.

This thesis argues commercial outcomes – or the lack of – were the motivating forces in BNG, Papua and GNG. The politics in England, Australia and Germany that led to the founding of the two colonies are addressed. Commercial drivers such as government and company funding, structures and processes, including employment, labour, land and tax laws – are investigated. The level, quality and remuneration of European staff are assessed, as are infrastructure development, shipping, exploration, mining and plantation development. In view of the considerably higher commercial activities there, the majority of this investigation focuses on GNG. The data for the present study was sourced from company and government annual reports. NGC provided information through its *Nachrichten über Kaiser Wilhelmsland und den Bismarck Archipel (NKWL)*, a periodical from 1885 to 1898. In Germany the colonial newspapers *Deutsche Kolonialzeitung (DKZ)*, *Deutsches Kolonialblatt (DKBl)*, *Der Tropenpflanzer (TP)* and *Amtsblatt für das Schutzgebiet Neu-Guinea (ABI-NG)* provide much information. The statistical data has been collated from handwritten reports, company and government publications, and other published material.²⁹ Unlike the British, the German government did not devise systemised reporting until 1902. Where differences between field and published reports were evident, adjustments have been made to avoid aberrations. The

²⁸ A. Amarshi, K. Good & R. Mortimer, *Development and Dependency: The Political Economy of Papua New Guinea*, pp. 58–9.

²⁹ Reichsamt für Statistik, 'Die Deutschen Schutzgebiete', in *Statistisches Jahrbuch für das Deutsche Reich, Deutsches Kolonialblatt*; Reichs-Kolonialamt, *Die deutsche Kolonialgesetzgebung. Sammlung der auf die deutschen Schutzgebiete bezüglichen Gesetze, Verordnungen, Erlasse und internationale Vereinbarungen, mit Anmerkungen und Sachregister*, Anlage, 'Amtsblatt für das Schutzgebiet New Guinea', 15 Jan. 1909 – 15 July 1914; *Kolonial-Handbuch, 1896–1914, Deutsche Kolonial Zeitung*; 1892–1915; Annual Reports; Australian Bureau of Statistics.

accounts of the companies investigated were largely based on the double-entry method of bookkeeping. Although the treatment of the accounts differs from current standards they provide detailed information on the financial developments of the companies. Peter Sack and Dymphna Clark have translated the annual reports of GNG, except for the financial statements and the auditor's reports contained in the original documents. Whilst I have made use of the translated reports, this research is based primarily on the *Jahresberichte* (Jb) issued by NGC and, after 1899, by the German Foreign Office and the *Reichs-Kolonialamt*.

In Germany the files of the Koloniale Abteilung Auswärtige Amt (AA-KA), the Kolonialamt (KA) and Handels-Politische Abteilung des Auswärtigen Amtes were examined in the Bundesarchiv, the Geheimes Staatsarchiv für Preußischer Kulturbesitz and the Politisches Archiv des Auswärtigen Amtes in Berlin. Other data relevant to the German colonial possession was sourced at the Hamburger Staats- und Universitätsbibliothek, the Hamburger Staatsarchiv, the Hamburgisches Weltwirtschaftsarchiv, the Commerzbibliothek der Handelskammer in Hamburg, the Bremer Staatsarchiv and the Deutsche Bank archives in Frankfurt.

Research in Australia was undertaken at the Australian National Archives of Australia, the Pacific Manuscripts Bureau of the Research School of Pacific Studies at the Australian National University and the National Library of Australia, all based in Canberra. Other Australian institutions providing information were the Mitchell Library in Sydney; the South Sea Collection in the Barr Smith Library of the University of Adelaide; the Fisher Library of the University of Sydney; the Oxley Library of the University of Queensland; and the private collection of Peter Sack in Canberra.

The data was assembled and analysed to do two things not hitherto attempted by historians: to establish an accurate assessment of the trading position of the two sets of colonies over time and to relate their economic outcomes to the larger social, political, administrative and infrastructure settings in which they took place.

Thesis chapter synopsis

Over the last 40 years the early history of PNG has been written within the framework of comparative national morality or global perspectives on colonization. These preconceived ideas led to selectivity in the factual base used for the histories. Most importantly large archives of commercial records were ignored despite this information providing the best available description of the motivations and actions of the great majority of Europeans in East New Guinea at the time.

One particular problem with the notion of the moral superiority of the English colonists compared to the German colonists as a key to this historical place and time is that it assumes a common economic base line in the two approaches, but finds variance in the morality of the implementation.

This thesis argues quite the opposite. Whilst both the German and British–Australian colonies were the product of economic hopes and fears, they took completely different

approaches, operated on different scales and produced opposite economic outcomes. One area of commonality was in fact the underlying European morality of government officers and policies. Both also had individual colonists who behaved badly.

This thesis shows that the German experience in northeast New Guinea was driven by tremendous optimism and determination to succeed against overwhelming problems. Large amounts of capital and corporate power were invested with the intention of generating profits.

The British–Australian side was consistently held back by commercial ineptness. This included intervention by government to prevent foreign colonies being established, Australian colonies preventing British capital attaining a foothold in BNG, minimising the contribution of capital, and maintaining undue governmental authority over commercial interests. Thirty years after formation, Papua was still solely dependent on Australian government funding. This situation remained unchanged throughout the colonial period which ended in 1975.

Conversely, after 15 years of unsuccessful experimentation with cash crops NGC and other plantation enterprises in GNG started to reap the benefits from steeply rising copra prices. Save for infrastructure development GNG did not require government subsidies after 1909. This was largely attained through the consolidation of the Island Territory with GNG. In that the phosphate-rich islands of Nauru and Angaur rendered the German colony economically self-sufficient by the outbreak of World War I.

It is the aim of this thesis to demonstrate that specific and identifiable commercial interests, rather than politicians, defence or strategic concerns, ideology or morality were the driving forces behind what did or did not happen in the first 50 years of European settlement in East New Guinea and adjacent islands.

The scramble for colonies by European powers in the late 19th century focused on Africa; the far-flung islands of the South Sea were of little political interest in London or Berlin. The drive for colonies in the South Pacific was initiated by commercial interests. In this, the trader, Johann Cesar Godeffroy & Sohn of Hamburg, was the first company to establish German interest on Samoa in 1857. Both Godeffroy and Queensland plantation owners required cheap labour to extend their commercial interests. This demand for labour set off the colonisation of East New Guinea and its adjacent Melanesian islands. Hence, the dynamics of persuading the British government to annex East New Guinea were driven by Australian colonial fears of non-British intrusion, which would interfere with labour supplies for the Queensland plantations, and the commercial concerns of New South Wales and Victoria.

Both the British and German governments were reluctant to become involved in the colonisation of Pacific islands. Indeed, the British later Australian colonial governments eschewed any development to begin with and only reluctantly accepted small settlers and miners in pursuit of their colonial enterprise. In the context of the political pressures, often driven by commercial interests in London and Berlin, both succumbed but insisted that the cost

of administering and developing the colonies was to be borne by others. This was a factor that weighed heavily on the development of BNG and GNG.

Tensions between German and British–Australian interests in the South Sea led to the division in 1884 of East New Guinea and adjacent islands. Britain assumed control over southeast New Guinea with most of the cost of administration borne by the Australian colonies of Queensland, New South Wales and Victoria. Germany avoided her fiscal responsibilities for northeast New Guinea by transferring it to private enterprise. Competition between Australia's eastern colonies and a united front by Australian business interests to deny London capital a foothold in BNG held back any significant economic development there until 1908. The prolonged and often bitter approach to resolving the differences between the Australian colonies and the British government led, therefore, to makeshift solutions for BNG, which were only resolved on 1 September 1906 when the fledgling Australian government assumed full administrative control of what henceforth became the Territory of Papua.

By contrast, NGC established administrative control over northeast New Guinea in 1885 and the Jaluit Gesellschaft (J-G) of Hamburg over the Marshall Islands in 1887. Both companies were empowered by the *Reichstag* by way of similar Imperial charters. The primary focus of these companies was to manage a financial return on the risks incurred by seeking opportunities in trading, tropical agriculture and mining, without support from the state. The responsibility of the companies to install government administration and public infrastructure competed with a requirement for adequate returns on funds invested by shareholders. The volte-face of Otto von Bismarck, whose steadfast opposition to German colonies changed to qualified acceptance, is examined because the consequences were weak governance and poor economic results in GNG for its first 15 years. Bismarck understood the financial risks of colonial ventures better than the German bankers who invested large sums of money in NGC. Conversely, a clear understanding of financial risks in colonial enterprises was evident in the business philosophy of the single-minded merchants who were responsible for the J-G, which was able to generate the richest returns ever paid to German investors in the South Pacific.

Imposition of direct government authority over NGC in 1899 and J-G in 1906 set in train a political union of the 'Old Protectorate' of GNG and the 'Island Territories' of GNG. The consolidation of GNG under the auspices of the German government in 1909 accelerated the development of the protectorate which, in turn, was reflected in the improved balance sheets of the major companies present. In contrast to GNG, BNG had the advantages of its physical proximity to Australia and an experienced colonial administration. Given their similar size and geography, the economic performance of the two colonies could also have been similar. That this was not the result is beyond dispute.

This thesis engages with existing debates in several important ways. Above all, it does so by drawing attention to the need to study the commercial and financial records of the 'rival'

colonialisms involved in East New Guinea. The thesis is divided into three parts, each with chapter sub-divisions.

The first part describes the predominantly German commercial interests in the Southwest Pacific and argues that the protection of these interests led to the colonisation of GNG. Because of the dominance of the German interests, the Australian colonies were concerned that Germany, France, Russia or the United States of America were in the process of establishing a colonial presence on their doorstep. This led to concerted efforts by the Australian colonies in London to secure southeast New Guinea for Britain. The political leaders of Britain and Germany, William Gladstone and Bismarck, were not prepared to fund the two colonies. This was left largely to the colonies of Queensland, New South Wales and Victoria for BNG and the private NGC for GNG. Part 1 establishes the circumstances of why BNG was not given the opportunity to develop commercially, and why the NGC incurred large financial losses until relieved of its colonial responsibilities.

GNG was a commercial undertaking first and foremost. Whilst war historians have given credence to Germany's military intentions in the Pacific, there should be universal agreement that Bismarck harboured no intentions of military expansion into the Pacific. This position was also taken by Bismarck's successor, the distinguished soldier, Leo Graf von Caprivi, and thereafter by 'the elder German statesman' Fürst Hohenlohe-Schillingsfürst. As regards GNG, not even the demagogic excesses of Wilhelm II, whose aggrandisement was so enthusiastically supported by Chancellor Bernhard von Bülow and the Chief of the *Reichsmarine*, Alfred von Tirpitz, changed this. In military terms, GNG, with the Marshall Islands and the Carolines, provided coaling and later radio and telegraphic stations for the *Reichsmarine*. The importance or otherwise of these installations on the emperor's chessboard of *Weltpolitik* is not investigated. Suffice to mention that in military terms the Old Protectorate of GNG was of no strategic importance to Germany. But by 1914 it was a colony with valuable investments that had started to pay handsome dividends.

Part 2 establishes the methodology implemented by NGC to develop GNG. Because the colony was the protectorate of NGC until 1899 and because NGC remained the colony's largest and most influential enterprise, the company is the central subject of this part. The incongruity of simultaneously developing a colonial administration and establishing a commercial enterprise is exposed. The business procedures, and the funding method used by the NGC's Board of Directors are similar to the business processes and financing instruments used today. Adolph von Hansemann, the Berlin banker, founder and major shareholder of NGC, is the central element of Part 2. Hansemann tried various business models before NGC settled on the safe and successful production of plantation copra. The earlier failed ventures the company entered into were heavily criticised by former employees of the company. Firth and others since the 1970s have corroborated the views of these eyewitness accounts: 'The

New Guinea Company was one of the great failures of German colonialism'.³⁰ Whilst addressing the same issues that beset the company, albeit in greater detail, it is demonstrated in the concluding chapters of Part 2 that NGC did eventually become financially successful. This discussion on GNG differs fundamentally in its outcome from Firth's, and the views of most contemporary scholars.

Unlike GNG during its first 14 years, BNG was the responsibility of the British and Australian governments from the outset. The five chapters in Part 3 investigate the laws, regulations and budget appropriations enacted by Britain and the Australia colonial and federal governments, and the unilateral actions taken by the administrators William MacGregor and Ruthven LeHunte for BNG, and Hubert Murray for Papua. The lack of interest in BNG by Britain and the Australian colonies, and the dithering approach until 1906 by the Australian government in accepting accountability for Papua is established. Notwithstanding the greater experience in colonial administration, the chapters in Part 3 demonstrate failures to protect the Papuan people and to achieve economic progress.

The large body of archival material examined does not support the arguments offered by Joyce, Legge, West and others that the administrations of the territory achieved satisfactory results given the British and Australian indifference to the possession. It also does not support the opinion proffered by Firth that plantation development in GNG came at a price of 'human suffering and death on a scale unknown on the British side of the island'.³¹ At least until 1914 – the period addressed in this thesis – the administrations in BNG and Papua did not achieve satisfactory outcomes in any of their endeavours. The chapters in this part show that the land laws did not prevent the government from acquiring much more land than was necessary for development. It is demonstrated that the administration was able to pacify only a small number of the Papuan population and to provide unsatisfactory numbers of local labourers for agricultural development. Although BNG's administration facilitated the discovery of precious metals, it hardly contributed to the local economy – rather, it hindered the colony's development. Goldmining in BNG and Papua came at a cost in European and Papuan lives which matched and often exceeded the high mortalities in the European and indentured labour force of GNG. Administrator MacGregor found an excuse for not providing basic medical care – a lack of funds. Gold mining in BNG and Papua provided an illusion of economic success that held back the development of a sustainable plantation industry. Notwithstanding the more aggressive business plan developed for Papua from 1907 onwards, it is argued in the concluding chapter of Part 3 that the administration remained unsympathetic to financially powerful companies. MacGregor and Murray were concerned that they would lose authority and influence over the Papuan population once large corporations became established there. Notwithstanding the recommendation of the Royal Commission in 1907 to give priority to the

³⁰ Firth, 'German Recruitment and Employment of Labour in the Western Pacific', p. 126.

³¹ Firth, *New Guinea under the Germans*, p. 43.

economic development of Papua, Murray considered that such development should not come at the expense of the indigenous population. Whether he was genuine in this belief or whether this was a pretext for retaining an unchallenged authority in Papua remains unanswered. The Australian economy was too small to absorb large imports of tropical produce from Papua in any event. Copra was the only commodity not produced in Australia. But GNG and in particular the Straits Settlements and Malaya were much larger and more efficient producers of this product. Lewis' investigation of the Murray period until 1940 found that the Lieutenant-Governor 'probably achieved the best that could be done in a period of stagnant capital'.³² In this Lewis argues correctly that Papua had little to offer to the settler during the Great Depression years of the 1930s. It is argued here, however, that the damage was done before.

The consequences of the NGC and the BNG administration of not embarking on a long-term investment strategy by setting up coconut plantations are illustrated in Part 2 and 3. Whilst shareholder pressure forced NGC to change its investment direction after 14 years of heavy losses, BNG was caught between British and Australian indifference, a reliance on continuing gold discoveries and commercially inept administrators. Generally, the German coconut plantations paid healthy returns on the investments during the copra boom starting at the turn of the 20th century.

The Conclusion of the thesis juxtaposes the development of BNG–Papua with that of GNG. The trade data heavily favour GNG. The economic output changes when the comparison is limited to mainland New Guinea, where gold exports favoured BNG. Without these the Papuan economy was immaterial during the period under review. Whilst the picture changed somewhat after the Australian government assumed control in 1906, compared to the economy of GNG it remained insignificant.

³² Lewis, *The Plantation Dream*, p. 9.

PART I

GERMAN, BRITISH AND AUSTRALIAN COLONIAL MOTIVATIONS AND
POLICIES

CHAPTER 1

NEW GUINEA: THE LAND OF GOLD AND RICHES

The early explorers thought of the then largest known island in the world as a land of gold and riches. The first person to suggest an association between the riches of Ophir, as identified in the Old Testament, and New Guinea was Antonio Pigafetti who published an account of Magellan's search for the Spice Islands (Moluccas) in 1521. Presumably in reference to New Guinea he wrote: 'the king of those heathens, called Raya Papua, is exceedingly rich in gold, and lives in the interior of the island'.¹ Before the Portuguese Jorge de Meneses set foot on New Guinea in 1527, Alvaro de Saavedro gave the island the promising name *Isla del Oro* when he passed it on his return voyage from the Moluccas to Mexico. The expedition by Pedro Fernández de Quirós from Peru in 1606 had more to do with the discovery of the 'great southern land' for Spain than searching for gold and silver in *Australia des Espiritus Santo* (New Hebrides). However, in his account of the voyage to his patron, King Philip III, he used the words of the Portuguese Administrator of Tidore: New Guinea 'is a land of much gold, of which the natives make chains ... and bracelets which the women wear on their neck and arms, and the men on pommels of their swords; and they have silver, and do not value it, and pearls to which they pay no heed'.²

It was the lure of gold and spices that tempted the explorers and fortune hunters return to the unknown New Guinea. While the Spanish and Portuguese were concerned with gold and religion, they never tested the claims of de Quirós. The search for riches was first taken up by the exclusively commercial expeditions of the Dutch and English East India companies. Captain John Hayes of the English East India Company, with the private backing of three Calcutta merchants, established New Albion for the British Crown on 25 October 1793. The extent of his claim was from Waigero Island in the west to Rossel Island in the east, that is the entire north coast of mainland New Guinea and its adjacent islands. Neither the British government nor the East India Company showed any interest in spending money on a new settlement where the prospects for trade in spices or other riches were not immediately evident. The settlement was vacated after 21 months with considerable loss in European and Sepoy lives. Fearing British future intentions, Pieter Merkus claimed the southwest coast of West New Guinea on 28 August 1828 for The Netherlands with the establishment of Fort du Bus at Triton Bay. This settlement was abandoned in 1836 after more than 100 Dutch officials and Javanese soldiers had died there. Holland retained territorial claim over West New Guinea to 141°1'47" east longitude, but it was not until 1898 that the first permanent administrative

¹ Magellan never went as far south as New Guinea. C. Kelly, 'Geographical Knowledge and Speculation in Regard to Spanish Pacific Voyages', *Historical Studies, Australia & New Zealand* IX, 33 (1959) p. 13.

² *ibid.*, p. 15, cited in A.M. Healy, 'Ophir to Bulolo: the History of the Gold Search in New Guinea', *Historical Studies* XII, 45 (1965) p. 103.

posts, Fakfak and Manokwari, were established. When trade between the Australian colonies and East Asia grew, the need for accurate information on New Guinea waterways became apparent. Captain Blackwood of HMS *Fly* led an expedition in 1845 to survey the Gulf of Papua, followed immediately by Captain Owen Stanley's expedition on HMS *Rattlesnake* to the Louisiades and the southeast coast of the mainland. In 1846 Commander C.B. Yule of HMS *Brambles* took possession of New Guinea for the British Crown at Cape Possession. Captain John Moresby on HMS *Basilik* surveyed the eastern cape of mainland New Guinea for the first time in 1873. This involved the charting of some 275 miles (475 km) of virtually unknown waters from Hercules Bay on the north to Yule Island on the south coast of mainland New Guinea. In the course of his discoveries, Moresby ceremoniously took possession of a small part of New Guinea on 24 April 1873 by placing the islands Moresby, Hayter and Basilik under British jurisdiction. Twelve years later the Queensland government instructed Henry Chester to raise the British flag at Port Moresby. During the ceremony on 4 April 1883 the whole of eastern New Guinea was proclaimed a British possession. The British government never ratified any of the claims made to them.³

The swindler Charles Bonaventure du Breuil, better known as the Marquis de Rays or Charles I, Emperor of Oceania, promised investors a quick fortune. It was not necessary to leave their homeland. Although he never ventured to the South Pacific, Rays raised F9,000,000 (£356,000) between 1877 and 1881 by selling 600,000 ha on New Ireland and New Britain to some 3,000 trusting investors. Without providing security Rays offered a hectare of unimproved land for five French francs (F5) and with increasing demand was paid F50/ha in April 1881. All told some 700 settlers left Europe on three separate voyages between 1879 and April 1881 for Port Praslin on Tombara Island on the west coast of New Ireland to establish *Colonie Libre de Port-Breton*, or *Nouvelle-France* as the venture became known.⁴ Rays could not have chosen a worse location for his empire. Within a few months half of the settlers had perished at sea or, if the local people had not eaten them, died of fever, dysentery or starvation. The venture ended before the last vessel had arrived. Disillusioned and starving, some 70 adventurers made it back to Europe, 200 settled in Australia, with only a few remaining in the archipelago.⁵

These are some of the divisions of New Guinea in the period prior to that reviewed in this thesis. With the exception of scientific collectors, cultural anthropologists and scientific explorers, people ventured to New Guinea to find gold and spices. The interest in east New Guinea, leading up to colonisation, was economic and strategic defence. The regional military interests and the supply of cheap labour to the emerging sugar industry in Queensland

³ A synopsis on early British and Dutch annexation attempts is given in J.L. Whittaker, et al., *Documents and Readings in New Guinea History, Prehistory to 1889, passim*.

⁴ P. de Groote, *Nouvelle-France, Colonie Libre de Port-Breton (Océanie)*, Appendix 6, Prospectus.

⁵ Eyewitness account by the ship's surgeon A. Baudouin, *L'Arventure de Port-Breton et la Colonie Libre dite Nouvelle France*, P. Biskup, 'The New Guinea Memoirs of Jean Baptiste Octave Mouton', *Pacific History*, 7 (1974) pp. 6–20.

dominated the political agenda in Brisbane. The German interests in Samoa competed for the same supply of Melanesian labour; however, the Hamburg merchants were equally interested in the steady harvest of coconuts the New Guinea islands provided. If Prime Minister Gladstone and *Reichskanzler* Otto von Bismarck had not demonstrated a profound disinterest in New Guinea the last major body of land in the Pacific could have been colonised by either Britain or Germany much earlier.

The political origins of Germany's 'Big Company' policy for colonial development

When Bismarck made the point in the famous Kissinger Diktat of 15 June 1877 that Germany's extraterritorial ambitions were satiated and that he was now interested in working towards equilibrium of European powers, few foresaw Germany harbouring ambitions to compete for an imperial presence overseas. However, only six years later Bismarck quickly assembled a portfolio of colonial territory that increased the size of the German Empire five-fold. Africa was the fulcrum of the Reich's interest: Southwest Africa, the Cameroon and Togoland were all claimed within six months in 1884, followed by East Africa in 1885. Halfway around the world, the southwestern part of New Guinea together with the archipelago of New Ireland and New Britain were claimed in late 1884, followed by the Marshall Islands a year later. Bismarck unsuccessfully attempted to acquire the Caroline, Mariana and Palau Islands from Spain in 1885. *Reichskanzler* Fürst Hohenlohe-Schillingsfürst concluded Germany's bidding for colonies in 1899. Kiaochow was leased for 99 years from China in 1898 and the Pacific Islands were purchased from Spain in June 1899 for RM17,250,000 (25,000,000 Peseta). An agreement with Britain in the same year for Western Samoa in exchange for the northern part of the Solomons – other than Bougainville and Buka Island – completed the division of the western Pacific between the two European powers.

Until 1884 Bismarck steadfastly opposed colonial engagement. From the beginning of his political career he dismissed the political benefits of colonies as an illusion. In his view only private firms should engage in colonial ventures because taxpayers could not be expected to support a policy that may only accrue benefits for a few merchants. In geopolitical or strategic defence terms, Bismarck only saw disadvantages as he expressed to War Minister Albrecht von Roon in 1868:

The advantages that many believe are to be gained for commerce and industry for the benefit of the motherland is largely illusory. Because the cost of establishment, the administration and in particular defence requirements for a colony exceeds ... quite often the benefit the motherland would receive in return; quite apart from this, it would be difficult to raise considerable additional taxes for the benefit of a few traders and other businesses. England has given up the policy of colonial acquisition in view of the experience she has gained, and similarly, France seems to show little interest in establishing new colonies ... Our navy is not yet sufficiently established to assume proper responsibility for the protection of far away regions. Ultimately, the attempt to found colonies in regions which are also claimed by other countries – irrespective of whether lawful or unlawful – would lead to a great deal of undesirable conflict.⁶

A shift in Bismarck's extra-European policy occurred when he decided that German traders should no longer be pushed out of tropical markets of the southwest Pacific and along the East

⁶ Bismarck to Roon, 9 Jan. 1868, in H. Spellmeyer, *Deutsche Kolonialpolitik im Reichstag*, p. 3. A. von Roon (1803–1879) reorganised the Prussian Army. He succeeded Bismarck as Head of the Ministry in Dec. 1871.

African coast where they had been operating for decades. The change had its antecedents in the third period of world economic depression beginning in 1882.⁷ Support for overseas trade initiatives was part of the Bismarckian interventionist state from early 1879 when industry, trade and shipping increasingly campaigned for overseas possessions.⁸ It was the time when a diverse group of politicians, estate owners, industrialists, bankers, merchants and ordinary people founded the *Deutscher Kolonialverein* in 1882.⁹ The vocal members of this society, some 15,000 strong, actively lobbied *Reichstag* members to support colonisation. Their leading agitators, Friedrich Fabri, Wilhelm Hübbe-Schleiden and Ernst von Weber, inspired mainstream Germans into a pro-colonial mood by advocating the growth of industrial output and a reduction in unemployment by extending the domestic markets beyond national boundaries.¹⁰

Voter enthusiasm for colonies was picked up by Bismarck as the theme for the 1884 *Reichstag* election. The Emperor was a frail 87-year-old man and Bismarck had to consider his political future with a university-educated, liberal-minded Crown Prince Friedrich Wilhelm and his self-assured English-born wife, Victoria. The change of personal physician in early 1883 had brought the chronic health problems of the 69-year-old Bismarck under control.¹¹ Charged with renewed vigour the long-serving *Reichskanzler* felt as indispensable as ever and cast off any thoughts of retirement.

The influence Crown Princess Victoria had on the future king was well known and her dislike for Bismarck was unambiguous. Possessing the liberal views of her German-born

⁷ The German economy declined in real terms from 1815 to 1848, 1873 to 1879 and 1882 to 1887. Spectacular rises occurred from 1850 to 1873. German semi-finished goods rose by 40%, black coal by 100%, raw materials by 90% and durable goods by 50%. The price index (1913 = 100) declined from 120 in 1873 to 81 in 1879 for wholesale goods, from 116 to 49 for black coal, from 181 to 76 for iron and steel and from 108 to 83 for textile materials. British export of goods increased by 40% from 1840 to 1850, 90% from 1850 to 1860, 47% from 1860 to 1870 and 12% until mid 1872. During 1872 to 1876 British exports declined by 25%; the values of 1872 were not achieved again until 1900. The prolonged economic decline made Bismarck move from a *laissez-faire* economy to that of interventionist protectionism. A.E. Musson, 'The Great Depression in Britain, 1873–96', *The Journal of Economic History*, 19 (1959) pp. 199–228; H-U. Wehler, *Bismarck und der Imperialismus*, pp. 75–84; W.A. Lewis, 'World Production, Prices and Trade, 1870-1960', *The Manchester School*, 20 (1952) pp. 105–38 and W.A. Lewis, & P.J. O'Leary, 'Secular Swings in Production and Trade, 1870–1913', *The Manchester School*, 23 (1955) pp. 133–52.

⁸ H. v. Poschinger, *Fürst Bismarck als Volkswirt*; H. Böhme, *Deutschlands Weg zur Großmacht*, p. 477; Wehler, *Bismarck und der Imperialismus*, p. 131.

⁹ Count Hermann zu Hohenlohe-Langenburg founded the *Deutscher Kolonialverein* on 6 Dec. 1882 in Frankfurt-am-Main. The society was to generate political and public interest for German colonies. It merged on 1 Jan. 1888 with the *Gesellschaft für deutsche Kolonisation*, founded by Dr Karl Peters in 1884. The new institute, *Deutsche Kolonialgesellschaft* (DKG), drew membership predominantly from the German upper-middle class and trading organisations with overseas interests. The members came predominantly from the smaller towns of North Rhine-Westphalia and the agricultural region of north and east Germany. By 1914 membership was 42,000. The weekly publication, *Deutsche Kolonialzeitung*, became the mouthpiece for the organisation. Facilitating migration for German settlers, scientific expeditions, tropical research in agriculture and animal husbandry, procurement of quality tropical seeds, and the economic evaluation of mineral discoveries were tasks of the organisation. DKG worked closely with the *Kolonialwirtschaftliches Komitee* which was founded in 1896 in Berlin to promote mineral exploitation and bilateral trade, H. Schnee, ed., *Deutsches Kolonial-Lexikon*, vol. i, pp. 311–12 and 302–4, vol ii, pp. 346–7.

¹⁰ W. Hübbe-Schleiden's dramatic statement, 'only a new, huge, challenge in the far distance can save our national interest from ruin' or F. Fabri's and E. Weber's beliefs that the perilous situation of German industry and the resultant political radicalism of the proletariat would destroy the very fabric of the German nation unless a relief valve in the form of colonies was created, had little effect on Bismarck's decision-making process on colonies. W. Hübbe-Schleiden, *Deutsche Colonisation*, pamphlet, Hamburg (1881); E. v. Weber, *Die Erweiterung des deutschen Wirtschaftsgebietes*, p. 50ff; F. Fabri, *Bedarf Deutschland der Kolonien?*, pp. 20, 23 and 136ff; and Wehler, pp. 142–55.

¹¹ E. Schwenninger managed to prescribe medical and dietary requirements that no other physician had been able to impose on Bismarck.

father, she exercised considerable influence on Prussian political life. While the Emperor agreed with his *Reichskanzler* that the 'sham-monarchical' liberalism exercised in Britain endangered Germany's conservative political institution, Bismarck felt that he had to be active in containing any possible ascendancy of the Liberal Left if he was to retain office.

Gladstone's impact on the rise of liberalism in Europe had been manifest when his Liberal Party was elected for the second time in 1880 with a large majority over the Conservative Party. A similar trend had started in Germany where the conservative parties experienced major losses in the 1881 election. Bismarck was alarmed by Gladstone's electoral success and his ascendancy to be Europe's most influential politician. Privately he dismissed his British counterpart's powerful oratory as moralising grandstanding (*doktrinäre Prinzipienreiterei*).¹² He denied that Gladstone possessed a basic understanding of foreign policy, while he gave himself credit for pursuing *Realpolitik* for the sake of European stability. Gladstone, in turn, saw Bismarck as an unreliable partner in any European compact, a self-centered, dictatorial, blackmailing and unscrupulous person who often sent conflicting signals to confuse issues.¹³ Given such irreconcilable differences, Bismarck decided that he had to discredit the British government and, therefore, Gladstone himself to remain in office.¹⁴

France's quarrel with Britain over Egypt at the time and the strong objections to future German colonial possessions by the Australian and Cape colonies provided this opportunity. While rapprochement with France fitted Bismarck's agenda of European equilibrium, the pursuit of German colonies fitted equally well with his fostering of anti-English feelings in the minds of German voters who might otherwise have sympathised with the Liberal Left.

There were, of course, other reasons for Bismarck's colonial agenda. Concurrent with the implementation of industry subsidies and protective tariffs in 1879 German industry had lobbied for a colonial policy. During this election year Bismarck was prepared to accept the industrialists' argument that German economic activities in extra-European markets could be counter-cyclical. He had already intervened in offering government assistance to a German enterprise operating in the South Sea in 1880 – albeit on strictly commercial terms – and had no difficulty in lecturing the *Reichstag* of its obligation to provide financial and political support to trading and plantation companies overseas. France and Italy had followed Germany in the implementation of high import tariffs and subsidies; and British overseas markets were not

¹² Taylor, *Germany's First Bid for Colonies*, p. 79.

¹³ Gladstone was generally guarded in his description of Bismarck, see M.R.D. Foot & H.C.G. Matthew, eds., *The Gladstone Diaries*; and Taylor, *Germany's First Bid for Colonies*, pp. 76, 79 and 99. The more vehement characterisation of Bismarck by Crown Princess Victoria would identify more closely with the Gladstone Cabinet's thinking on the German statesman, see F. Pornsonby, *Letters of the Empress Frederick*, *passim*.

¹⁴ The similarities between Bismarck and Gladstone before 1878 were equally pronounced. Between 1867 and 1870 Bismarck pushed through the country's most progressive liberal laws. The bills he introduced echoed those of Gladstone's. Bismarck's foreign policy between 1871 and 1878 was also similar to that of Gladstone's first government from 1868 to 1874. Both avoided confrontation and each worked for appeasement in Europe. Gladstone found his support in the anti-imperialist Manchester School liberals. Similarly, Bismarck's National Liberals determined economic policy until 1877. There would have been no greater champion of *laissez-faire* politics than Bismarck; see Taylor, *Bismarck The Man and the Statesman*, p. 144.

accessible to German merchants because of the exclusive trading arrangements the Crown entertained with her dominions.

Again, for reasons of an impending election, the *Reichskanzler* became publicly involved in supporting the proposals debated in the budget subcommittee of the *Reichstag* for subsidised German shipping services to Africa and the Far East.¹⁵ European governments had long provided such assistance to its industries. Britain had paid on average shipping subsidies amounting to £800,000 annually since 1838 and tacitly approved of the predatory pricing by British shipping cartels operating on international routes. France never abandoned subsidies to its trans-oceanic shipping industry worth £1,400,000 between 1852 and 1881, a policy that was also followed by Russia, Austria, Italy, Holland and Belgium, albeit on a smaller scale.¹⁶ It was, therefore, more than ever expedient for Germany to do likewise.

In summary, in the same manner in which Jules Ferry drove colonial expansion in France for political gains,¹⁷ Bismarck played the colonial card to win an election. The aim was to marginalise the influence of the future Emperor, Friederich III. Notwithstanding Gladstone's anti-colonial stance, Bismarck expected widespread resentment from British dominions, British industry and the British Colonial Office when Germany entered the race for colonial possessions. This demonstration, he hoped, would generate anti-British feeling in the electorate, thereby reducing the votes of the anti-colonialist, Left-Liberal Anglophiles in the *Reichstag* and, with it, the parliamentary support base for Crown Prince Friedrich Wilhelm and Princess Victoria.¹⁸ That Bismarck was not serious about German colonies was demonstrated by his confiding in Secretary of State Heinrich von Bötticher a few days before the election that 'the entire colonial idea is humbug; however, we need it to win the vote of the people'.¹⁹

¹⁵ Bismarck was interested in the idea of a Prussian postal steamer service in 1866. In 1872 the German Resident Minister (Ambassador) M. von Brandt suggested to the Chief of the *Reichsmarine*, Admiral Stosch, the establishment of naval bases in East Asia, and to Bismarck the payment of a subsidy for a German-operated shipping service to the Far East. Stosch made a *Reichstag* submission on naval stations in the Far East in 1875. The Berlin banker, Adolph von Hansemann submitted a memorandum to government in 1880 arguing for a government-subsidised postal service to South Sea of the Pacific region. Bismarck's championing of shipping subsidies finally passed in 1885; see M. v. Hagen, *Bismarcks Kolonialpolitik*, pp. 97–114 and Wehler, pp. 205, 239–41 and 253–7.

¹⁶ R. Meeker, 'History of Shipping Subsidies', *Publication of the American Economic Association* 6, 3 (1905).

¹⁷ Ferry believed that new French colonies would demonstrate regained power for the Third Republic. His tenet was to acquire colonies to create overseas markets for French goods. Colonies were also his downfall. He had to resign in March 1885 because of mounting expenditures incurred in fighting the Qing Dynasty over Annam and Tonkin. He justified France's renewed colonial involvement to the Chamber of Deputies: 'the superior races have a right because they have a duty: it is their duty to civilize the inferior races', (Jules Ferry, devant la Chambre des députés, le 28 juillet 1885).

¹⁸ General Schweinitz, aide to the Crown Prince, cited a letter by Herbert von Bismarck as evidence that Bismarck used colonies acquisition to marginalise Friedrich Wilhelm: 'at the time when we started the politics of colonies, the Crown Prince was still healthy, and we could expect a long reign under which British influence would dominate German politics ... in order to counteract this, we had to initiate colonial politics, which is popular and can create conflict with England in no time at all'; in W. v. Schweinitz, ed., *Briefwechsel des Botschafters General von Schweinitz*, p. 193; see the often-cited Bismarck note to Münster: 'the colonial question is for us, in the context domestic politics, an issue of political survival (politische Lebensfrage) ... Public opinion in Germany currently favours pro-colonial politics so strongly that success of the government's domestic politics largely depends on a successful colonial policy', in Bismarck to Münster, 25 Jan. 1884; J. Lepsius, Mendelssohn Bartholdy and F.A. Thimme, eds., *Die Große Politik Der Europäischen Kabinette 1871–1914*, vol. iv, p. 96 and compare with A. Riehl, *Der "Tanz um den Äquator"*, pp. 763 and 784.

¹⁹ Gründer, *Geschichte der deutschen Kolonien*, pp. 58 and 61, n.16; N. Rich & M.H. Fisher, eds., *Die geheimen Papiere Friedrich von Holsteins - Tageblätter*, p. 174. F. Engels wrote to E. Bernstein on 13 Sept. 1884: 'by the

Acquiring colonies primarily to cement Bismarck's position was reckless politics. The continuation of a colonial policy by Bismarck after the election was premised entirely on private enterprise managing and paying for the development of the colonies. This became a major barrier to economic success as was particularly evident in GNG.

German traders in the South Sea and the discord with Britain over Fiji

To attribute the establishment of German colonies solely to Bismarck's deception of the German people in 1884 is one-dimensional. Bismarck was an economic manager. Experience and sound counselling by his personal banker, Garson von Bleichröder, provided him with a good understanding of how private enterprise worked; he possessed an even better understanding of the inability of the bureaucracy to apply sound commercial principles to government-owned enterprises. Trade, whether domestic, European or overseas, was firmly on Bismarck's agenda. He was prepared to lend government support where he felt German commerce was disadvantaged. Quite unintentionally, it was this support for Hanseatic traders in Fiji and Samoa in the 1870s that started the political process of colonial acquisition by Germany.²⁰

Britain's move to an 'Informal Empire' in the mid 19th century assured the upholding of an open-market economy. This provided German traders with ongoing access to British colonies. However, the annexation of the Fiji Islands by the Disraeli government in October 1874 saw the free trade principle in the South Pacific abandoned.²¹ During the same year, the New Zealand premier, Julius Vogel, petitioned the Colonial Office to go further and rid the Polynesian islands of all German presence and influence.²² The German colonial agitators in turn made the Fijian incident a case in point. They used the aggressive conduct by Britain and the Australasian colonies to appeal to the *Reichskanzler* for annexation of territory where German traders were dominant. To begin with, Bismarck did not intend to oblige them. He believed that Britain had annexed Fiji to ensure the peaceful coexistence of tribal chiefs and that Britain would continue to adhere to free trade principles. When the German consul at Levuka advised his Foreign Office on 17 January 1874 of his apprehension about threats to German interests, Bismarck rejected the complaint. Taking the contrary view, he contended that the English occupation of Fiji would prove advantageous to the German settlers because it would provide protection from

way, Bismarck has landed an incredible election coup with his colonial deception. The philistine will fall for it, without mercy, totally'.

²⁰ While the Lüderitz, Peters and Woermann affairs in Africa in 1884 were contributors to Bismarck's decision to acquire 'Protectorates', the timing was driven as much by the 1884 election campaign.

²¹ Fiji was annexed by Britain shortly after Disraeli had succeeded Gladstone; J.D. Legge, *Australian Colonial Policy: A Survey of Native Administration and European Development in Papua*, pp. 10–1. W.H. Dawson claimed that a Fijian ruler had asked Britain and Germany for protection (*The German Empire, 1867–1914 and the Unity Movement* p. 175); see also E. Drus, 'The Colonial Office and the Annexation of Fiji', *The Royal Historical Society* 4, XXXII (1950) and C.C. Eldridge, *England's Mission. The Imperial Idea in the Age of Gladstone and Disraeli 1868–1880*, *passim*.

²² Vogel intended to raise £1,000,000 through the New Zealand & Polynesian Co. to acquire all foreign interests in Polynesia and replace them with British traders. The scheme was rejected by the British government. K.E. Jung, *Der Weltteil Australien*, vol. lii, p. 121; T. Trood, *Island Reminiscences*, p. 55; K. Schmack, *J.C. Godeffroy*, pp. 186, 208, 229, 246 and 255.

a strong government.²³ Even when the first British governor of Fiji, Sir Arthur Gordon, enacted the *Pacific Islanders' Protection Act, 1875* that made it a felony to retain natives by force, regulated business transactions between Europeans and natives, and forgave native debts incurred with Europeans before 1871, Bismarck remained cautious.²⁴ The British move was in keeping with German law, which ruled that illegal land purchases by Europeans were subject to repudiation by the state. The request for compensation for the loss of land submitted on behalf of settlers by the German consul in Sydney, Carl Ludwig Sahl, was set aside until the legality of the purchases was confirmed.²⁵ Bismarck believed at the time that diplomacy would ensure an equitable settlement.

The *Reichskanzler's* reaction to the Fijian compensation claims was symptomatic of his lack of interest in extra-European affairs. When his policy adviser, H. von Kusserow, outlined the establishment of coaling stations on Tonga and Samoa in 1876, he remained unenthusiastic: 'we could not assess the consequences of such a move', he wrote in the margins of the report, 'because such a move would be akin to establishing an Imperial Colony'.²⁶ Instead, Bismarck favoured the leasing or buying of land rather than entering formal agreements.

Probably unbeknown to Bismarck was the support Kusserow lent to Theodor Weber, the German consul in Apia and a principal of the powerful Godeffroy trading house in the South Sea.²⁷ With the assistance of the *Reichsmarine* Weber concluded the first German treaty in the Pacific region with the King of Tonga in April 1876. In guaranteeing security to the ruler, the concord gave German traders commercial freedom and ceded the right to establish a naval (coaling) station in the large landlocked harbour of Vava'u Island. Three months later, Weber followed up by entering into similar agreements with 28 Samoan chiefs.²⁸ Bismarck was annoyed about the precipitous action by the *Reichsmarine*. He considered the establishment of German naval and coaling stations in the South Sea as possible provocation to foreign governments that could interfere with his politics of European stability. Bismarck was, however,

²³ The report was submitted to Bismarck via the German consul in Sydney, C.W. Sahl. See 'Deutsche Land-Reklamation auf Fiji', Hagen, p. 65; Wb. 1885, pp. 13ff. and 44;

²⁴ Queensland's Act of 1868 sought to control the recruitment of Polynesian labourers; the 1872 and 1875 'Pacific Islanders' Protection Act' were amendments by the Crown to the Queensland legislation.

²⁵ Sahl was the last honorary German consul in Sydney (1872–97). He held office jointly with the German consul-general, Richard Krauel, who was accredited to the post from 1879 to 1885. Sahl's jurisdiction was the colonies of NSW; Krauel's responsibility was for Australia, New Zealand and Fiji. Krauel advised the chancellor on colonial matters from 1885 until 1890. During his last year in *Wilhelmstraße*, the seat of the *Auswärtige Amt*, Krauel served as the director in the Colonial Office. From 1890 to 1894 he was the ambassador in Buenos Aires and until 1898 the envoy in Rio de Janeiro, Schnee, vol. ii, p. 374.

²⁶ Bismarck marginal note, RKA 1001:2809, pp. 140 ff, H. v. Poschinger, 'Aus der Denkwürdigkeit Heinrich von Kusserow', in Hagen, pp. 61–2. H. von Kusserow (1836–1900) was the brother-in-law of A. von Hansemann of the *Disconto Gesellschaft* (D-G) and the grandson of the Cologne banker Sal Oppenheim. Joining the AA as Under-Secretary in 1863, Kusserow came to prominence for developing colonial policies. After working as secretary to the legation in Turin, Washington and London, he transferred to the AA in Berlin where he was appointed counsellor in 1874. Kusserow was promoted the department head for overseas trade in 1880 and Prussian Envoy to Hamburg in 1885. Schnee, vol. ii, p. 403

²⁷ Weber was 19-years-old when he arrived at Apia in 1863. He was promoted to manager of J.C. Godeffroy & Sohn, Apia after the accidental drowning of Unshelm. In 1863 Weber was appointed German consul for Samoa, Fiji and Tonga. He was the first European to produce 'copra'; Schmack, pp. 145–7.

²⁸ RKA 1001:2810, pp. 143–6.

concerned that German trade in the South Sea would continue to develop without political interference by other nations.²⁹ He was therefore prepared to formalise the trading arrangements entered into by the Navy with the proviso that a clause be inserted in the Tonga Treaty which stated unambiguously that his signature on the treaty could not be construed as confirmation of a German colony, 'an idea which he distinctly and particularly repudiates'.³⁰

Two years later, Weber and Captain von Werner went on a South Sea acquisition spree. Trading and coaling station agreements were signed with the king of the Gilbert and Ellice Islands, the tribal chiefs of the northern coast of New Britain, and the Marshall, Ralick and Duke of York Islands. In April 1879 the chiefs of the Society Islands were added to this catalogue of agreements.³¹ By the time the *Reichstag* had ratified the treaties with a large majority on 13 June 1879, Bismarck had become noticeably proactive on extra-European affairs. He was now convinced that Britain had acted against the interest of German traders on Fiji and instructed his ambassador in London, Count Münster, to pursue compensation from the British government vigorously.³² Within three years, he had moved from a non-interventionist course of 'diplomatic guardianship'³³ via diplomatic objection against foreign interference to a protectionist policy of German trade. When the *Reichstag* applauded Bismarck for his vision on extra-European trade and shipping in the first sitting of the 1880 session, he would have been pleased.³⁴ It was this political support which encouraged the *Reichskanzler* to take the next step and submit the 'Samoa Subsidy Bill' in April 1880.

After nearly 11 years of German bickering and British inaction, the German land claims in Fiji were settled for £10,000.³⁵ Much has been made of this compensation claim and the dilatory treatment of the claims by London. Hagen's argument that the political manoeuvring by Britain to keep Germany out of colonies was 'forcing Bismarck to move towards a formal colonial policy' overstates the evidence.³⁶ Equally debatable are Hagen's and Poschinger's arguments that Kusserow deserves the credit for changing Bismarck's mind because his

²⁹ The German Ambassador Münster von Derneburg in London was instructed by Bismarck 'not to miss any opportunity to let it be known that the Imperial German government has a vital interest to see its subjects treated fairly and equitably overseas', Hagen, p. 67.

³⁰ Tonga, RKA 1001:2810, pp. 144–45; Treaty, 1 Nov. 1876, RT 3, Anlage 80, pp. 278–81; The Tonga and Samoa Friendship Treaties were passed in the *Reichstag* on 20 April 1877, H. v. Poschinger, *Stunden bei Bismarck*, p. 293; Hagen, pp. 58–61; and Townsend, pp. 65–75 and 104–5.

³¹ B. v. Werner, 'Die erste Kreuzung deutscher und amerikanischer Interessen auf Samoa', *Unsere Zeit, Deutsche Revue der Gegenwart* I, II (1889) pp. 162–76; G. Hoffmann, 'Wirtschaftsspionage in der Südsee', p. 107; P.G. Sack & B. Sack, eds., *Eduard Hensheim: South Sea Merchant*, pp. 48–9; and Townsend, p. 71.

³² Bismarck instructed Münster on 23 May 1879 to seek a meeting with the visiting High Commissioner Gordon and present again the claims by former German settlers on Fiji; Hagen, p. 67

³³ Townsend, p. 76

³⁴ The 1880 *Reichstag* sitting on 12 February commenced with a speech of commendation on Bismarck's support and achievements in trade and shipping; Hagen, p. 69.

³⁵ The British examined some 1,300 claims: 517 were accepted, 351 dismissed and the balance deferred. A total of 140 German claims were dismissed with the balance attributable to American, Australian and British claims; Schmack, p. 217, Hagen, pp. 95–6; Taylor, *Germany's First Bid for Colonies*, p. 32.

³⁶ In a 7 March 1885 note Herbert von Bismarck revealed to his father: 'I think little of the claims in Fiji. A few of them are justifiable, but the majority are fictitious, and the German subjects concerned are several of them of doubtful existence. But we have given way to your pressure in this matter, and although I have but a poor opinion of them as a whole, I shall say no more about them' in E.T.S. Dugdale, ed., *German Diplomatic Documents - Bismarck's Relations with England 1871–1890*, p. 191.

'doggedness gradually overcame Bismarck's objection to colonies'.³⁷ Whilst Bismarck relied to a large extent on Kusserow and his more senior colleague, Lothar Bucher, on issues of extra European trade,³⁸ he determined colonial policy on his European and, more importantly, domestic agendas.³⁹ This was no more obvious than in the position he displayed during the West Africa Conference from November 1884 to February 1885. Whereas this prestigious international gathering of nations in Berlin carried Bismarck's proposal to create an international free trading and shipping zone for all states in the Congo River basin,⁴⁰ the period before the conference benefited Bismarck's all-important election campaign. Herbert Bismarck told Friedrich von Holstein shortly after the election: '[his father] played the "Congo Card" for domestic political reasons before the outcome of the Conference was assured'.⁴¹

Soon after the 1884 election, Bismarck's attitude on colonies returned to his previous position. The conservative parties had become the largest block in the *Reichstag* and the ghost of 'a German Gladstone government' was no longer extant. The resignation of the Gladstone Cabinet in early June 1885 installed a conservative prime minister in Lord Salisbury who had no difficulty in assuring Bismarck that England was not pursuing Russia diplomatically at the expense of Germany. In France the pro-colonial Jules Ferry was replaced as prime minister and foreign minister by the militarist and technocrat Charles-Louis Freycinet in March 1885. The change closed Bismarck's play with France over Egypt.

German and British designs on East New Guinea and adjacent islands had their roots in the labour boats of the Queensland sugar planters and the German plantation and trading interests on the Polynesian islands of the South Sea. German commercial activities in the region leading up to the division of East New Guinea and company performances in GNG to 1914 – other than NGC – are the subject of the following chapter.

³⁷ Poschinger, 'Aus der Denkwürdigkeit Heinrich von Kusserow', p. 189; Hagen, p. 62.

³⁸ Lothar Bucher (1817–92) was arguably Bismarck's most trusted counsellor in the AA.

³⁹ Herbert Bismarck displayed little appreciation for Kusserow's work. He wrote to his brother Wilhelm on 12 June 1885: 'Kusserow hat uns mit ganz Ostafrika über'n Gänsedreck geführt' (Kusserow has led us into a pile of goose shit in East Africa) in Riehl, pp. 727–28, n.18; while Friedrich von Holstein believed that Kusserow was not greatly liked by the *Reichskanzler*, Riehl, p. 532. According to Wehler (p. 419) 'Kusserow was of stimulating but by no means of pivotal influence'.

⁴⁰ The Congo or West African *Conference* proceedings are in S.E. Crowe, *The Berlin African Conference 1884–1885*, pp. 95–196.

⁴¹ Rich & Fisher, p. 116.

CHAPTER 2

GERMAN COMMERCE IN THE PACIFIC TO 1914

As discussed in the previous chapter, Bismarck's reasons for German colonial possession were endogenous, where his politics on African affairs offered an opportunity to keep the French–British relations in tension. The acquisition of colonies in the South Sea played no major part in German domestic or foreign policies. Setting aside the Fiji question, German government involvement in the South Sea was driven by private commercial interests not the political desire or any other need to do so. While the once powerful Hanse ended with the Thirty Year War in 1648, trading globally never abated in the Hanseatic cities of Bremen, Hamburg and Lübeck. This remained particularly strong in the South Pacific during the second half of the 19th century. This chapter argues that the protection of the commercial interests of the predominantly German enterprises in the region led to the annexation of East New Guinea. Other than NGC – the chief subject of the investigations into GNG – enterprises that played a significant role in the development of this German Possession are investigated until 1914 because their combined businesses were greater than that of NGC.

The Hamburg firm Stapenhorst & Hoffschläger was based in Honolulu from the 1860s, with a station on Ebon Atoll in the Marshall Islands to service their whaling fleet and trade for coconut oil.¹ The brothers Frederic, Gustav and William Hennings from Bremen started the Fiji branch for the region's leading trader and plantation owner, Johann Cesar Godeffroy & Sohn, in 1860. Three years later, two of the brothers branched out and founded F&W Hennings.² The Hamburg traders Ruge and Hendemann tried their luck in the South Sea ten years later. They sought the backing of the Hamburg shipping firm Wachsmuth & Krogmann to establish Ruge, Hedemann & Co. of Apia in 1875.³ The company operated a network of trading stations throughout Polynesia and traded independently (Hedemann in Fiji and Ruge in Tonga).⁴ Wilkens & Co. and Kost & Brander cooperated with the Godeffroys on Tahiti from 1876,⁵ whilst Hachtfeldt & Co. and C. Capelle & Co. were independent traders until Cesar Capelle became the agent for DHPG on Jaluit.⁶

Towards the end of the 1870s Hanseatic firms controlled 87% of the export and 79% of the import business in Samoa and Tonga. Copra was introduced for the first time as a source of edible fat in Prussia in the late 1860s. The European-wide problem in the 1870s drove the demand for copra to record prices in 1878 and 1879. With landed copra realising up to £26 in

¹ *DKZ*, 1887, Nr. 17, p. 524.

² K. Schmack, *J.C. Godeffroy*, pp. 127 and 140; G. Hoffmann, *Das Haus an der Elbchaussee*, pp. 235, 244 and 378.

³ Wachsmuth & Krogmann, *Jubiläumsschrift*.

⁴ Schmack, p. 184; Hoffmann, pp. 354, 358, 373 and 409. The low copra price led to the liquidation of H.M. Ruge & Co. in 1888.

⁵ Hoffmann, pp. 335 and 357.

⁶ Schmack, pp. 228 and 237; see S.G. Firth 'German Firms in the Western Pacific Islands', *JPH*, 8 (1972) p. 5.

London and RM480 in Hamburg, South Sea traders were extraordinarily profitable during this period with the only limit being a lack of supply in copra.⁷ The future administrator of GNG, Captain G. von Schleinitz, reported from SMS *Gazelle* in 1876: 'German trade and German ships are encountered everywhere, almost at the exclusion of any other nation'.⁸ According to a government report, German firms exported RM7,021,000 worth of goods from the Tonga, Samoa, Fiji, Caroline, Society, Marshall, Gilbert and Ellice, New Britain and Duke of York Islands in 1878.⁹ Much of this trade was in the hands of Godeffroy, who exported 5,500 t of copra worth an estimated RM2,500,000 and other products of about RM1,000,000 in 1878.¹⁰

Table 2.1 Exports by German firms from the South Sea.¹¹

Year	Product	Weight (t)	Value (RM)		Product	Weight (t)	Value (RM)
1876	Copra	9,763	3,909,000		Cotton	327	654,000
1877		11,805	4,722,000			343	686,000
1878		12,240	4,896,000			554	1,108,000
1876	Pearl-shell	183	548,000		Cotton-seed	787	94,000
1877		188	548,000			841	101,000
1878		213	548,000			961	115,000
1876	Tortoise-shell	0.05	2,000		Fibres	12	6,000
1877		0.37	11,000			44	18,000
1878		0.45	14,000			826	250,000

The map of German commerce in the central Pacific changed in the late 1880s. The colonisation of Fiji in 1874 saw to it that German traders were all but excluded from these Melanesian islands.¹² Fijian sugar boosted that colony's exports by nearly 75%, from £59,000 in 1882 to £176,000 on 1883. From then on the Fiji economy outperformed other colonies in the region. While the German share in export from Samoa was never less than 82%, British interests in Tonga and the colonisation of the Gilbert and Ellice Group by Britain in 1892 reduced German activities in that region to a paltry 25% of total exports in 1897.¹³

The House of Godeffroy

No other person shaped the colonial history of the Pacific region more than Johann Cesar Godeffroy IV from Hamburg. The Godeffroys escaped the religious persecution in La Rochelle at the turn of the 18th century to settle in Hamburg in 1758. Although of Huguenot descent, their industriousness elevated them to the great Hamburg patriciate inside three generations. In this time they accumulated unparalleled wealth, power and prestige from trading, shipping and

⁷ Letter from Hugo Wolff to H.H. Meier & Co., Sydney, 18 Oct. 1878, StAB, Nachlaß H.H. Meier, vol. 32/7xxvi.

⁸ Schleinitz to Admiralty, 28 Dec. 1875, *Drucksache zu den Verhandlungen des Bundesrath*, 1879, vol. 1 *Denkschrift*, xxiv–xxvii, p. 3.

⁹ *Bundesrath*, 1879, vol. 2, *Denkschrift*, xxiv–xxvii, p. 96.

¹⁰ StAH, Cesar Godeffroy to the Hanseatische Gesandtschaft Berlin, 8 Feb. 1878. *Ältere Registratur Eiiw*. According to Schmack English firms exported about 1,125 t and the American firms about 150 t compared to 5,500 t by the German firms of Godeffroy and Ruge, (Schmack, pp. 245–6). German statistical data was stated in metric tonnes; British data was stated in long or freight tons. As the difference is only 1.6% the abbreviation 't' is used throughout the thesis.

¹¹ The prices are cif German ports, *Bundesrath*, 1879, vol. 2. *Denkschrift*, xxiv–vi.

¹² Geologically Fiji is situated within the Melanesian Basin. Whilst ethnographically Fiji is considered the easternmost island group of Melanesia, culturally and socially it has more in common with its Polynesian neighbours.

¹³ 'Südsee Handel und Verkehr mit England 1886–1908'. Minutes of DHPG Board Meeting, 20 Jan. 1891 (RKA 1001:2560; StAH, DHPG Folder).

shipbuilding; and when their business empire crumbled, their survival was a matter of concern to the governments in Berlin and Hamburg. During the 1850s and 1860s, the Godeffroy fleet of 27 clippers dominated the sea lanes of the North Atlantic and Pacific Oceans to bring migrants to the Australasian colonies and North America, whilst the British government chartered their ships to transport mercenaries to Kaffraria and the Indian subcontinent, and convicts to Australia. Gold prospectors embarked on Godeffroy ships in Hamburg and Bremen to try their luck in California. On their journey home, the vessels carried copper ore, hides, saltpetre, timber and tobacco from South America and Australia and tropical goods from the South Sea Islands.¹⁴

In quick succession, beginning in the 1850s, the company expanded a network in the South Sea through the Penchyn and Cook Islands and onwards to Samoa, Tonga and the Fiji Islands trading for coconut oil, pearlshell and *bêche-de-mer* (trepan). The first trading station in the region was set up by the Valparaiso manager, August Unshelm, in 1857 at Apia Bay on the West Samoan island of Upolu. Eight years later his successor, Theodor Weber, was the first person in the South Sea to convert the kernel of the coconut to copra. His method of de-husking the meat, cutting it into strips and drying it was less labour intensive than pressing the oil from the nut. Economic benefits were derived by gaining shipping space through the elimination of expensive oil vats and the higher price attained for the clean, mechanically extracted oil from reconstituted copra. An added benefit was the sale of the residue for cattle feed.¹⁵ Weber set up coconut and cotton plantations near Apia with the produce of the latter sharing in the cotton boom caused by the American Civil War.

Abundance in coconuts turned the company into the foremost trader in the region. With Godeffroy's copra fetching high prices in Hamburg, the Tonga Wesleyan Mission became one of the largest contributors to Godeffroy's success. Contracted in 1869, the mission orchestrated the gathering of coconuts for the company, its supply became the most profitable and reliable source of trade copra for Godeffroy.¹⁶ By introducing the Chilean, Mexican or Bolivian dollar as its principal medium of financial transactions in the region, Weber increased the already high profit. Whilst the currency had an intrinsic value in silver, the 'Godeffroy dollar' had greater purchasing power. This filled the coffers of the Godeffroy enterprise more quickly still, albeit at

¹⁴ During the 1830s the company expanded trading and shipping activities across the North Atlantic to Mexico, New Orleans and the Caribbean Islands. By 1844 the Valparaiso trading station in Chile serviced the west coast of South America. In the late 1840s Godeffroy became a significant shareholder in Australia's then largest metalliferous mine, the Burra Burra Mine in South Australia which produced 5% of the world's copper up to 1860. In 1851 Godeffroy ships carried 23,449 gold prospectors from Europe to Melbourne and back-loaded copper ore from South Australia for its smelter in Hamburg (Hoffmann, pp. 165–77 and 326–34; E.R. Stern, *Gold and Iron: Bismarck, Bleichröder, and the building of the German Empire*, p. 397; Schmack, pp. 98–107; H. Kranz, ed., *Das Museum Godeffroy 1861–1881*, p. 27; G.J. Drew, 'Discovering Historic Burra', ed. Department of Mines and Energy, Adelaide [1988] pp. 6–8).

¹⁵ Copra was first produced on the Indian subcontinent. The nut contains approximately 50% water and 35% oil; the dried meat (copra) contains 4–5% water, 63–70% oil (Schmack, pp. 146–7; F. Hershheim, 'Die Marshall Inseln', *Geographische Gesellschaft* (1886)] p. 307).

¹⁶ E. Suchan-Galow, *Die Deutsche Wirtschaftstätigkeit in der Südsee vor der ersten Besitzergreifung 1884*, pp. 73–5; D. Scarr, *Fragments of Empire*, p. 88.

the expense of the indigenous population.¹⁷

Weber was innovative. For future profits he planted coconut palms between the rows of cotton. This provided shade for the fragile palm seedlings. When the cotton boom abated, plantation coconut started to fill the revenue gap. By 1870 some 25,000 ac (10,000 ha) had been prepared for planting in western Upolu, with about 400 ac (160 ha) under cultivation.¹⁸ Nine years later this land yielded high financial returns with quality plantation copra making RM440/t (£22/t) in Hamburg and London¹⁹.

From Samoa the Godeffroy enterprise expanded into Micronesia and the Marshall Islands in the northwest Pacific. Within a decade this Hanseatic firm had established a far-reaching network of trading stations, plantations and copra factories from Samoa to the Gilbert and Ellice, Marshall, Caroline and Palau Islands. Godeffroy agents reached the Bismarck Archipelago in 1872 in search for labour. The novelty of picking cotton had quickly worn off for the indigenous people; by the end of the 1860s few Samoans wanted to work for the Europeans. In urgent need of labour, Godeffroy established a depôt on the Duke of York Group in 1876 to recruit Melanesians for the Samoan plantations.²⁰ In cooperation with Wilkens & Co., Cesar Godeffroy founded the company Société Commerciale de l'Océanie during the same year to give their trading activities on Tahiti and the other Society Islands a French veneer. This joint shareholder company, which was capitalised at RM1,050,000, operated trading stations, plantations and factories in Papeete, Raiatea, Raratonga and Tahiohee.

Godeffroy had also earned the respect of the German scientific community. At his expense, collectors such as Eduard Graeffe, Amalie Dietrich, Andrew Garrett, Johann Stanislaus Kubary, Franz Hübner, Theodor Kleinschmidt and others worked in Australia, the Dutch East Indies and the South Sea. They sent shiploads of ethnographic artefacts and anthropological specimens to the Godeffroy Museum in Hamburg. Established in 1861, the museum published its findings in the *Journal des Museums Godeffroy* from 1871 to 1878.²¹ The exhibits engendered much German interest in the South Sea. Combined with a trading empire comprising 45 factories and trading stations in most of Oceania, they helped Johann Cesar Godeffroy VI become rightfully known as the 'King of the South Sea'.²²

The decline of the Godeffroy firm resulted from financial overextension. In 1867 the family began the construction of Germany's first large-scale Bessemer steel plant near Osnabrück. In connection with this plant, they made considerable investments in coal mines and railways.

¹⁷ Silver price fluctuation was rarely taken into consideration. The Chilean dollar was fixed at RM4 until 1888, thereafter it traded to a low of RM2.50 (W. Hintze, *Das Geldwesen in den deutschen Schutzgebieten*, p. 47); Robson referred to the Bolivian dollar that was 'worth 25% less than the value at which it had been established by the Godeffroys'; (R.W. Robson, *Queen Emma*, p. 23); compare W. Treue, *Die Jaluit Gesellschaft*, pp. 86–7.

¹⁸ H.S. Cooper, *The Coral Lands of the Pacific*, p. 232.

¹⁹ The production cost of plantation copra in 1879 was RM6/t (H. Blum, *Neu Guinea und der Bismarck Archipel*, p.169).

²⁰ P.G. Sack, *Eduard Hernalshausen*, pp. 16–17, 19 and 28–35.

²¹ The ethnographic collection was transferred to the Museum für Völkerkunde zu Leipzig in 1885.

²² G. Hoffmann, 'Wirtschaftsspionage in der Südsee: H.H. Meier und Joh. Ces. Godeffroy', *Bremisches Jahrbuch*, 76 (1997) pp. 101–14; M.E. Townsend, *Origins of Modern German Colonialism, 1871–1885*, pp. 113–29; H., Washausen, *Hamburg und die Kolonialpolitik des Deutschen Reiches 1880 bis 1890*, pp. 55–62.

This Hanseatic merchant knew much about sailing ships. He built and managed one of Germany's most successful trading houses, but he knew little about steel mills. Plagued by delays and high completion costs, the mill never showed an acceptable return on its investment, and when the collapsing commodity market showed no sign of abating, Cesar Godeffroy was technically insolvent in 1877. In order to protect the family's most productive asset – the South Sea enterprises – Godeffroy established the Deutsche Handels- und Plantagen-Gesellschaft der Südsee-Inseln zu Hamburg (DHPG) on 16 March 1878 to purchase the land, plantations, factories and ships owned by Godeffroy & Sohn. The company's debtors and creditors were included in the transaction of RM4,000,000.²³ To raise the funds 1,000 shares were issued at the nominal value of RM5,000. The Hamburg bankers Joh. Berenberg, Goßler & Co. and Schröder & Co. took up 60 and 20 shares respectively. Other shareholders were the merchants C. Scharf 4, G.L. Gaiser 60, J. C. and A. Godeffroy 20, G. Godeffroy and C.G. Paschen 36. Joh. Ces. Godeffroy & Sohn subscribed to the balance of 800 shares.²⁴

The cash raised was nowhere near sufficient to meet the lenders' demands. A proposed involvement by the Reichsbank and/or the Preußische Seehandlung (PSH) to take up a tranche of DHPG shares and to provide immediate liquidity of RM2,000,000 failed.²⁵ Unable to sell any of his DHPG shares, Cesar pledged them to Baring Bros & Co. of London to raise RM3,500,000 for the repayment of some loan funds from J.H. Schröder of London and the Norddeutsche Bank (NDB) of Hamburg.²⁶

In March 1879 Germany's most successful banker Adolph von Hansemann of Disconto-Gesellschaft (D-G),²⁷ offered to underwrite DHPG on condition that the *Auswärtige Amt* (AA) guaranteed the loan. Bismarck instructed his department to investigate the purchase of DHPG shares by the government or the granting of an appropriate subsidy.²⁸ In the meantime DHPG was running out of money. The 1879 copra harvest was poor and neither DHPG nor Godeffroy was able to pay the creditors, while Baring Bros refused to honour a draft presented on the firm. The other banks followed suit and the family enterprise was bankrupted on 1 December 1879.²⁹

²³ StAH, 621, pp. 1–5, DHPG, p. 878 'Balance Sheet'; Zembsch submitted an estimate of the company's assets: RM4,800,000 was broken down into 150,000 ac (31,850 ha) of which 4,405 ac. [935 ha] was producing, valued at RM3,550,000, buildings RM450,000, machinery RM150,000, 13 ships RM450,000, other fixed assets, RM100,000, creditors, RM100,000, Zembsch to Bismarck, 26 Jan. 1880.

²⁴ StAH, 621, pp. 1-5, Firmenarchiv: Handels- und Plantagengesellschaften der Südseeinseln zu Hamburg. Balance Sheet, Reports, Minutes of Meetings, 1878 ff., 2a) Annual General Meetings, 1878–91, folio Godeffroy in StAH, Hanseatische Gesandtschaft in Berlin Nr. 132–5/2, N 1; HWWA A9 D8-y. lii 2425.

²⁵ Godeffroy to Bülow, 25 Jan. 1879, StAH, vol. 132 – 5/2 Hanseatische Gesandtschaft Berlin.

²⁶ Schmack, p. 206. J.H. Schröder extended £87,000 and NDB RM2,40,000 in loan funds. Senator Gustav Godeffroy, Cesar's brother, was a founding and current director of NDB; *ibid.* pp. 107–08. See also R. Hertz, *Das Hamburger Seehandelshaus J. C. Godeffroy & Sohn 1766–1879*, p. 60.

²⁷ In the 1860s D-G was Germany's largest and most profitable bank with earnings of RM13,153,840 in 1890, RM14,211,963 in 1895 and RM15,975,802 in 1900. D-G merged with DB in 1929. H. Münch, *Adolf von Hansemann*, pp. 258–9; M.J. Wolff, *Die Disconto-Gesellschaft*, pp. 27–43; L. Gall et al., *Die Deutsche Bank 1870–1995*, p. 23.

²⁸ Godeffroy to Bülow, 18 March 1879, Schmack, p. 252 (Legislative proposals were submitted to the *Bundesrath* [Federal Council] first and then to the *Reichstag*).

²⁹ *ibid.*, p. 257.

Not long after the *Reichstag* had approved the friendship treaty with Samoa in 1877 and the *Reichsmarine* was given approval to establish a naval station at Saluafuata, Godeffroy's supporters let it be known that the German South Sea trading monopoly, including landholdings of 160,000 ha, could be lost to Britain if DHPG remained in the hands of Baring Bros. Further, since Germany had entered into an agreement with Britain and America for the joint administration of Samoa, the failure of the dominant trading firm would lead to a loss in international prestige.

German colonial involvement in the southwest Pacific can be deduced from Godeffroy's activities over the preceding 30 years. Too large, too powerful and politically influential, the enterprise was too significant in the region to be ignored once it ran into difficulties. The publicity surrounding the Godeffroys focused Bismarck's mind on Samoa by the end of 1879.

On 1 January 1880 the *Reichskanzler* requested the Under Secretary of the Treasury, Adolf von Scholz, to instruct PSH to provide funds to DHPG:

for reasons not connected with its South Sea trade the company has encountered financial difficulties which threaten the loss of all its possessions and business ... In the interest of overseas trade, I am of the view the Imperial Government should introduce an appropriation Bill in order to supply the means necessary to avert this threat.³⁰

However, the state-owned bank was reluctant to act unilaterally and approached Bleichröder with the request to engage D-C to work on a solution to the satisfaction of Bismarck.³¹ On 13 February 1880 the principals of Deutsche Bank (DB), Bleichröder Private Bank and D-C agreed to establish the Deutsche Seehandels-Gesellschaft (DSG). The company issued a prospectus outlining the purchase of DHPG shares from Baring Bros, the immediate injection of RM1,200,000 and flagged its intention to take control of business in the South Sea.³² The nominal capital of DSG was RM10,000,000 of which RM8,000,000 was to be issued in the first tranche. Bismarck's endorsement and the record of Hansemann, Bleichröder and Wallich ensured that the offer was oversubscribed.³³ Immediately after the business of DSG was formalised on 23 February 1880, RM1,200,000 was transmitted to PSH to provide the urgent required bridging finance. The money was extended on the basis that it would be refunded should negotiations with the Reich be unsuccessful. Discussions with DHPG and representatives of Baring Bros led promptly to an agreement; DSG would receive security over the assets of DHPG in exchange for providing liquidity. Whilst Baring Bros continued to extend a credit line of RM2,000,000 (£100,000) on a promissory note from Hansemann's and Bleichröder's banks, their support for the rescue plan should have dispelled any fears that Baring was involved in a British conspiracy to gain a foothold in Samoa by acquiring DHPG.

Hansemann was prepared to proceed with the rescue package for DHPG and restructure the company without the desired involvement of PSH on the basis that government bore some

³⁰ RT 4. Anlage 101, pp. 747–49; see Stern, p. 398.

³¹ Stern, p. 398.

³² Schmack, p. 268.

³³ RT 4. Anlage 101, pp. 720–49; Hermann Wallich was executive Director of DB from Oct. 1870 to 1894 and a member of DB's supervisory board until 1928 (Gall et al., *Die Deutsche Bank 1870–1995*, pp. 16–17).

of the risk. An application was submitted to the Treasury, requesting the government to subsidise annual dividend payments for the next 20 years. Hansemann projected annual profits of at least 4.5% calculated on the issued DSG capital of RM10,000,000. In the event of RM450,000 p.a. not being earned Hansemann proposed that the government guarantee a dividend payment of RM300,000. When annual earnings exceeded RM450,000 government advanced dividends were to be refunded. Under the agreement the dividend subsidy lapsed when payment was not required for five consecutive years.³⁴ Bismarck accepted the proposal and had the draft of a Bill regarding government support for DSG introduced in the *Reichstag* on 21 April 1880.³⁵

The government expected the Bill to pass without much opposition. However, in the absence of Bismarck – who apparently did not participate in the debate because of ill health – strong opposition came from Godeffroy's major competitor, the Bremer merchant and ship owner, H.H. Meier: 'why should the Reich assume the liabilities of a bankrupt private company?' he demanded to know during the debate.³⁶ In dispelling the illusion of 'national glory', the parliamentary leader of the Liberal Left *Deutsche Freisinnige Partei*, Ludwig Bamberger, interjected to criticise the management style of the Godeffroys: 'their South Sea plantations are no more than a gamble, built on deception and illusions', he alleged, 'the entire affair is a concoction by the government'.³⁷ He rejected the Bill because he saw that 'a fervent campaign is being conducted throughout clubs, in newspapers and in pamphlets to make the German people believe that the commercial interest of the German nation is tied to this one and only firm ... this is no more than the start of a colonial policy, and I am opposed to it'.³⁸

The thrust of Bamberger's delivery would have disquieted Bismarck. He was keen to lend government support to a German enterprise that had demonstrated a proven track record; he continued to reject, however, any real or implied association with colonies. The *Reichskanzler* would therefore have been untroubled with the report by the newly appointed German consul in Samoa, Otto Zembsch who considered DHPG's labour recruiting system 'legally and morally obnoxious'. In Zembsch's view it would 'not harm the interests of the Reich if the DHPG plantations were to pass into non-German hands'.³⁹

³⁴ M. Hagen, *Bismarcks Kolonialpolitik*, p. 75; Münch, pp. 224–5.

³⁵ The Samoan Subsidy Bill has received wide historical interpretation; see Hagen, pp. 78–97; P.M. Kennedy, 'Bismarck's Imperialism: The Case of Samoa, 1880-1890', *HJ* xv, 2 (1972) pp. 264 ff; Townsend, pp. 113–31; Schmack, pp. 267–76; H.U. Wehler, 'Bismarck's Imperialism 1862–1890', *Past & Present* (1970) pp. 215–23; Hoffmann, *Wirtschaftsspionage in der Südsee*, pp. 101–14; S. Firth, *New Guinea under the Germans*, pp. 11 f.

³⁶ Hermann Heinrich Meier was principal of H.H. Meier & Co. – the 'Godeffroy' of Bremen. He founded the shipping company *Norddeutscher Lloyd*; the Godeffroys, the *Hamburg America Line*. Meier founded the *Bremer Bank*, Godeffroy the *Norddeutsche Bank* in Hamburg. Meier and Gustav Godeffroy were members of the Frankfurt National Assembly (Hoffmann, *Wirtschaftsspionage in der Südsee*, pp. 101–14; Schmack, p. 79).

³⁷ Hoffmann, *Wirtschaftsspionage in der Südsee*, pp. 101–114; Bismarck appointed Bamberger to the German-Franco peace negotiations the year Bamberger entered the *Reichstag* as a National Liberal in 1871. Bamberger chaired the committees for the standardisation of German coinage and the adoption of the gold standard. He was instrumental in establishing the *Reichsbank*. Bamberger saw a correlation between colonialism and protectionism. He opposed Bismarck's protectionist policies and his brand of imperial socialism. Bamberger left the National Liberal Party in 1880 to join the *Liberaler Vereinigung* with its strong Liberal Left faction.

³⁸ *ibid.*

³⁹ Zembsch to AA, 29 April 1880, AA Report vol. 13112, p. 30, 23 May 1880, p. 39; 3 June 1880, p. 40 and 9 Sep. 1880, pp. 40 ff

After several days' debate the Bill was defeated (128 for and 122 against). Bamberger delivered a block of free traders against the Bismarck proposal. H.H. Meier (Bremen) joined the Liberal Left to defeat the Bill, thereby confirming his ascendancy over his Hamburg rival Godeffroy. Many *Reichstag* members abstained from voting as they may have felt uneasy for the government to guarantee dividend payments to the three most influential German bankers. Robertson, Hensheim, Wachsmuth, Krogmann and other Hanseatic merchants would not have shed too many tears over the demise of Cesar Godeffroy.⁴⁰ His enterprises had dominated the South Pacific trade for over 20 years, leaving little room for rival businesses.⁴¹

The defeat of the Bill left Hansemann, Bleichröder and Wallich free to withdraw the prospectus for DSG. The company was dissolved, but the consortium kept alive because the *Reichskanzler* conveyed to Hansemann and Bleichröder his contentment that the board of DSG had not been discouraged by the negative public sentiments. 'In the national interest', he told Hansemann, 'the banks demonstrated confidence by getting involved in trade and shipping in the South Sea at its expense [which will ensure that] our flourishing activities in the South Sea will not be lost to others'.⁴²

Buoyed by Bismarck's interest, Hansemann negotiated a capital restructure with Cesar Godeffroy and the major creditors of DHPG. The debt of RM1,200,000 owed to DSG was converted into secured debentures over 10 years with annual interest paid at 5%.⁴³

DHPG became very profitable. The price of copra had climbed to over RM360/t cif European ports in 1884. This permitted the directors to declare a maiden dividend of 4% for that year. Before the result became known Hansemann bought the Baring Bros holding of £100,000 in March 1884 at the discounted price of £19,000. But by 1886 the copra price had dropped again below RM300/t and DHPG incurred a trading loss of RM346,052. However the company was profitable from 1888 onward. The plantation area in Samoa increased from 1,755 ha in 1879 to 3,325 ha in 1890, and copra prices improved from 1898. In 1900 DHPG received a record 11,050 t of copra from its Samoan plantations, from Tonga and the Bismarck Archipelago. That year's harvest was larger than that produced in the entire 'Old Protectorate' of GNG until 1912. With all debentures redeemed by 1910, the company averaged dividend payments of 30.5% for 1898 to 1913, with total net profits exceeding RM10,000,000 for the same period.⁴⁴

⁴⁰ Schmack, pp. 273–75.

⁴¹ Washausen, pp. 29–32, n. 39; Sack, *Eduard Hensheim*, p. 88.

⁴² Bismarck to Hansemann, 7 May 1880, Smith, *German Interests*, Wb. no. 1, p. 25; see Münch, *Adolf von Hansemann*, p. 225; 'Die Disconto Gesellschaft', *Denkschrift*, p. 226. Hagen, p. 84.

⁴³ Apart from money owed to DSG, debt was converted into 2,500 new preferential Class 'A' shares with a par value of RM1,000. The old issue of 1,000 shares at RM5,000 par was converted into RM2,500 Class 'B' shares. These shares ranked behind the Class 'A' preference shares. Barings had agreed to the capital reduction and remained a shareholder until 13 May 1884. The AGM in Dec. 1888 voted to convert all Class 'B' shares to Class 'A' shares by reducing the aggregate value of RM2,500,000 to RM250,000. The total capital of RM2,750,000 was divided into 2,750 shares with a nominal value of RM1,000 each. A new debenture issue of RM2,500,000 with a coupon value of 5% was underwritten by DB. DHPG, Prospectus 1889, HWWA, A9 D8.

⁴⁴ StAH, 601, Jb-DHPG 1898 to 1913. DHPG shares were traded off market at 345% on 11 Dec. 1909 (share prices were quoted as a percentage of the par value). After redemption of the debentures the share price declined to 155% on 27 Nov. 1911 (Heydt'sches Kolonialkontor, *DKBl.* 1909, pp. 1164; *DKBl.* 1911, p. 918).

The performance of DHPG backed Hansemann's and Bleichröder's judgement to invest in the company. It also vindicated Bismarck's backing of the Samoa Bill. Even though the government would have subsidised dividend payments for three years, the entire outlay would have been recouped quickly. For Hansemann, the Godeffroy saga must have raised his interest in the South Sea. GNG may never have become a reality if had not been for the failure of this enterprising Hamburg family.

The Hensheim Brothers

Godeffroy was not the only successful German firm in the Pacific. Eduard Hensheim commenced trading in the northwest Pacific in 1874.⁴⁵ A year later, he and his brother Franz founded Hensheim & Co. in Sydney with the purpose of trading in the west Pacific. Their business was organised geographically, with the first trading station established by Eduard in 1874 on Malakal, a small volcanic island off Palau. After trading Hong Kong trinkets for South Sea pearls, trepang and coconuts, Eduard Hensheim headed southeast to establish a trading station at Port Hunter in the Duke of York Islands in October 1875. This post was moved to the nearby Makada Island in July 1876 and a year later to Matupi Island in Blanche Bay of the Gazelle Peninsula – after the Hamburg merchant, R.I. Robertson provided funds to establish the much larger Robertson & Hensheim Co. (R&H).⁴⁶ By 1879 R&H shipped goods to Hong Kong on their steamers *Pacific* and *Freya* and chartered the large German barque *Adolf* to ship copra directly to Hamburg. The company's schooners *Elise*, *Franziska* and *Montiara*, and the chartered brig *Dancing Wave* and the smaller sailing boat *Star of the East* traded copra and recruited labour for the stations, in the New Britain Archipelago and in the Marshall Islands and the Gilbert Groups where Franz Hensheim ran the business from Jaluit Island.⁴⁷ The rapid expansion meant a considerable increase in debt.⁴⁸ While a record shipment of 900 t copra realised a trading profit of nearly RM100,000 in 1878, much was spent on chartering vessels and servicing debt.⁴⁹ In 1881 Robertson left R&H on the condition that the money owed was repaid in RM200,000 annual instalments. He also insisted that his nephew Henry become a managing partner in the firm.⁵⁰

When Eduard Hensheim first arrived in Melanesia he was unable to barter for commercial quantities of exportable goods. He complained that:

the natives had nothing to sell except perhaps a few pieces of half-burnt tortoise shell. They were much too lazy and timid to bring us the coconuts growing wild in the bush. Unlike the natives in the Carolines, who were skilled in all types of work these savages were almost completely useless.⁵¹

⁴⁵ H. Schnee, ed., *Deutsches Kolonial-Lexikon*, vol. ii, p. 63, Sack, *Eduard Hensheim*, pp. 2–11.

⁴⁶ R.I. Robertson had British lineage. He joined Hensheim in Hong Kong on 1 Jan. 1877, Sack, pp. iv, 31 and 39.

⁴⁷ *ibid.* pp. 42–3 and 47. Wilfred Powell owned the *Star of the East*. After three years in the archipelago he returned to London to set up his own New Guinea trading company

⁴⁸ *ibid.* pp. 34–43 and 48–9.

⁴⁹ *ibid.*

⁵⁰ Hensheim refers to 'Robertson Junior' as the person who had joined R&H on 8 Nov. 1881 with a shareholder capital of RM600,000. Since Henry was the only Robertson visiting the South Sea in 1878–79, the assumption is made that he became a partner in the firm (*ibid.* pp. 48 and 50).

⁵¹ E. Hensheim, 'Der Bismarck-Archipel und seine Zukunft als Deutsche Colonie' in *Hamburgischer Correspondent* (1886) p. 46 ff, StAH, 622-1; Sack, *Eduard Hensheim*, pp. 30–1 and 47–8.

In April 1884, after Hensheim moved his operational headquarters from Jaluit to Matupi, he offered a revised view on trading possibilities in the region. Boastfully, he remembered:

Within a few months these people, who in the beginning brought us human flesh for sale and in many other ways had shown that they were complete savages, had become sufficiently familiar with our ways of requirement ... They soon learned to bring not only coconuts but ready-cut coconut kernels. ... In the complete absence of competition, we could dictate our own price. The most highly prized trade goods were beads and ironware. The tobacco habit first had to be artificially inculcated in the natives in order to create a constant demand for a quickly consumed commodity.⁵²

Hensheim recalled with satisfaction how he had set up smoking schools with the traders as instructors, 'so that in a few year's time tobacco was the most coveted and indispensable commodity among the natives'. Thus, they dictated the prices in a two-way barter exchange.⁵³

Between 1882 and 1885 R&H took possession of 1,640 ha (2,050 ac) on New Britain and the Duke of York Islands and 780 ha (1,927 ac) in the Hermit Group. In all, approximately 30,000 ha (74,130 ac) of claims were forwarded to the German government for registration. The ownership of native land was difficult to establish and for Hensheim possession equalled tenure until proven otherwise.⁵⁴

The Reich taking possession of the north coast of mainland New Guinea and adjacent islands in November 1884 was welcomed by R&H;⁵⁵ the Imperial Charter the government offered Adolf von Hansemann and NGC on 17 May 1885 was not. Strongly critical of the proposed arrangement, Eduard Hensheim believed that 'a syndicate of German capitalists had influenced the *Reichskanzler* with excessive enthusiasm entirely in conflict with sober commercial considerations'.⁵⁶ Hensheim feared that NGC would crowd out his operations in the Bismarck Archipelago. Similarly, R&H and DHPG were concerned about losing market share in the northwest Pacific if the government would not follow up and place the Caroline and the Marshall Islands under imperial protection.⁵⁷

After numerous meetings with officials in Berlin, Eduard found that there was no possibility of reaching an understanding with NGC.⁵⁸ Following a meeting with Hansemann he told Franz: 'we have to decide whether it was better to go into liquidation or to continue to operate on a reduced scale'.⁵⁹ The crafty South Sea trader did neither; instead he decided on expanding the business.

The Jaluit-Gesellschaft

In a two-pronged attack, Hensheim reached agreement with Cesar Godeffroy to merge the interests of DHPG in the Marshall, Caroline and Gilbert Islands with the regional business of

⁵² Sack, Eduard Hensheim, p. 60.

⁵³ *ibid.*, see Firth, 'German Firms in the Western Pacific Islands', *JPH*, 8 (1972) p. 6.

⁵⁴ *Denkschrift*, RKA 1001:2791; 'I intend to buy the land east of Simpson Harbour, approx. 2,000 ac good garden soil quality, Raulai people say land belongs to all kanakas, but 'with all this confusion I ought simply to take it without paying ... In any case I am certain that no-one else can forestall us in this case' (Sack, *Eduard Hensheim*, pp. 81 and 154-5; Hensheim, StAH, 622-1, 2; P. Sack, 'Traditional Land Tenure and Early European Land Acquisition', p. 179; P. Hempenstall, *Pacific Islanders under German Rule*, pp. 124-5).

⁵⁵ As a rule Hanseatic traders were not in favour of colonies; however, in this instance R&H and DHPG were seeking protection from the Queensland recruiting vessels (Hagen p. 562).

⁵⁶ E. Hensheim to Bismarck, 23 Jan. 1885 (RKA 1001:3701).

⁵⁷ *ibid.*

⁵⁸ Sack, *Eduard Hensheim*, pp. 101 and 205.

⁵⁹ *ibid.* pp. 87 and 110; see Hagen p. 202.

R&H.⁶⁰ The two companies agreed to work independently in Melanesia, where DHPG's main interests rested with the recruitment of labour for its Samoan plantations. For the 25 copra stations the company owned in the Bismarck Archipelago, Eduard Hensheim entered into a term purchase agreement with his brother and Robertsons.⁶¹

It was a decision that made Eduard Hensheim a most successful and wealthy German South Sea operator. Whilst attempts by Germany to take possession of the Carolines in 1885 failed due to Spanish protests, the DHPG trading posts and the connections Hensheim had established previously remained under their control (except for the Mariana Islands). This land reverted to J-G when Germany bought the Spanish possession – except for Guam – on 12 February 1899.⁶² With some assistance from the *Reichsmarine* and Eduard Hensheim, the chiefs of the Marshall Islands sought the protection of the German government to secure their trading rights and their independence by agreeing to a treaty with the Reich on 15 October 1885.⁶³ What turned out to be the most profitable German annexation in the South Sea was the island of Nauru. An area of 21.3 km², this tiny coral atoll was merged administratively with the Marshall Islands on 2 October 1888.

Bismarck insisted that the Marshall Islands be administered under an Imperial Charter. Thus it took R&H and DHPG two years before J-G was incorporated on 21 December 1887. The subsequent agreement Hensheim, Robertson and Godeffroy entered into with the Reich on 21 January 1888 gave J-G the best possible start.⁶⁴ The issue of 240 fully paid shares at a nominal value of RM5,000 each raised RM1,200,000.⁶⁵ This enabled J-G to acquire the R&H and DHPG assets in Micronesia for RM1,020,000.⁶⁶ Each company owned approximately the same equity in the company with only 40 shares issued to non-related parties.⁶⁷ F. Hensheim and F. Gerdzen were appointed joint managing directors, with H. Robertson (chairman), J.C. Godeffroy (deputy chairman) H.E. Bense, R. Böker and T. Weber (replaced by H. Meyer-Delius after he passed away on 27 August 1889) appointed to the Supervisory Board.⁶⁸

Under its charter with the Reich, the company was responsible for the cost of government

⁶⁰ It is not clear whether the Hansemann and Bleichröder had any influence on this decision.

⁶¹ R&H owned factories in the Duke of York (2), New Britain (14) and New Ireland (9) islands in 1885. They had trading stations on the Hermit (4) and Anchoret (2) Islands in the Admiralty Group. Stations on the Marshall (6) and Carolines (2) Islands, StAH, Hensheim stations, vol. 43, 1885, no. 8340; see Washausen, p. 62.

⁶² When Spain objected to Germany's move on its territory in the West Carolines in 1885, Bismarck proposed for the Pope to adjudicate on the issue. Rome ruled in favour of Spain but German companies were permitted to set up trading and coaling stations in the Carolines. Following the loss of the Philippines to the USA, Spain sold the Carolines, together with Palau and the Marianas (except Guam), to Germany in accordance with the Hispano-German Treaty of 30 June 1899. Germany paid 25 million Pesetas (approx. RM17.25 million) for this acquisition.

⁶³ Germany annexed the Solomon Islands on 28 Oct. 1886 as part of GNG. In a final agreement with Britain on 14 Nov. 1899, Germany withdrew from all commercial interest in Tonga, ceded the Solomons – other than Bougainville and Buka – to Britain and agreed with Britain and the USA to a partitioning of Samoa, East Samoa to the USA and West Samoa to Germany (RKA 1001:2954).

⁶⁴ Imperial Charter of 21 Jan. 1888 between the German government and J-G; Treue, *Die Jaluit-Gesellschaft auf den Marshall-Inseln*, p. 69.

⁶⁵ Company formation, see W. Treue, 'Die Jaluit-Gesellschaft', *Tradition Zeitschrift für Firmengeschichte und Unternehmer*, vii (1962), pp. 55–78; W Fabricius, *Nauru 1888–1900*, pp. 202–04.

⁶⁶ The two companies owned approximately 60 trading stations, including houses, plantations, equipment and ships, valued at RM360,000; stock, debtors and cash, valued at RM660,000, Jb. J-G (1889)

⁶⁷ Treue, p. 114.

⁶⁸ Jb. J-G (1889)

(provisionally budgeted at RM37,000).⁶⁹ For its efforts, J-G was awarded the privilege of raising taxes, fees and fines, and balancing the revenue against the cost of government.⁷⁰ The company was also entitled to take ownerless land into its possession, and to exploit sea and land resources. The preparation of the annual budget was the responsibility of J-G, with budget approval a bilateral process that required unanimous agreement. The company had some influence on the appointment of government officers for the Protectorate of the Marshall Islands,⁷¹ but was solely responsible for their annual salary, posting allowance, holiday payment, pension fund, sick leave, accommodation and travelling expenses. Under the administration plan between the government and the company, provision was made for one governor, one secretary, five local policemen and a crew for a small sailing boat.⁷² Apart from providing housing for government employees, J-G was responsible for building and maintaining appropriate infrastructure in the major administration centre on Jaluit. After balancing government revenue with expenditure, the company was committed to paying budget deficits: this was estimated at RM11,500 for the first year of operation. Non-recurring costs were budgeted at RM40,000 of which RM31,000 was delivered in existing infrastructure.⁷³ Income for the first year of operation was estimated at RM18,000. This amount was to be achieved from ship registration fees (RM800), registration and court fees (RM800), court fines (RM800), harbour entry fees (RM400); pilot fees (RM2,800), trading licence fees (RM800), hotel licence fees (RM800), customs duty (RM1,600), poll tax on Europeans and Japanese (RM1,200), and a poll tax on the local population (RM13,500) less RM5,500 in fees payable to village chiefs for overseeing the collection of copra.

Under the agreement, J-G controlled land tenure, taxes and harbour fees, which in turn gave it control over competitors. The San Francisco based A. Crawford & Co. saw it differently. By providing free medical services to the Jaluit people and valuing the Chilean dollar lower than J-G did, the company received a maximum supply of copra and was disinclined to sell its Micronesian business.⁷⁴ After Crawford's death in 1892 the company's Marshall Island assets were sold to J-G.⁷⁵ More friendly was the arrangement between J-G and the former DHPG agent Cesar von Capelle who owned a productive coconut plantation on Likieb. In a transaction which involved a hotel and warehouses in Jaluit and a 33% stake in the Likieb plantation Capelle received RM75,000 from the Hamburg firm.⁷⁶ Whiteman Brothers on the

⁶⁹ J-G offered to pay: a) salary for one officer RM15,000 b) salary for one harbour master RM4,800 c) wages and uniforms for three policemen RM 6,000 d) building maintenance RM2,000 e) interest and depreciation on fixed assets RM6,000 (RM40,000 at 15%) and stationery and incidental costs RM 1,200. Issues set aside in the first budget: one government secretary on Jaluit, one government officer on Nauru, one clerk, relief-staff, mobilisation and demobilisation cost of personnel and contribution to the pension fund of government officers amounting to 40% of the base salary. Treue, p. 113.

⁷⁰ The raising of taxes and fines required government approval (Treue, pp. 114–120).

⁷¹ *ibid.*, p. 116.

⁷² *ibid.*, p. 58

⁷³ *ibid.*, p. 62

⁷⁴ *ibid.*, p. 117.

⁷⁵ *DKBl*, 1893, Nr. 4, pp. 383–6.

⁷⁶ Capelle was a German trader from Braunschweig who had worked for Godeffroy in the Pacific since 1878 (Schmack, pp. 228 and 237; Treue, pp. 108–9).

Burairari Atoll and the small German trader Eckfort had no desire to compete with J-G and sold their holdings to the company in 1893 for little money. The New Zealand trading interests of Henderson & MacFarlane all but dissolved with the acquisition of its Nauru activities in 1898 by the Pacific Islands Co. Ltd (PIC). The latter entered into an agreement with J-G in August 1901 to form the Anglo-German Pacific Phosphate-Company (PPC) in London. The formation of PPC included the sale of Henderson & MacFarlane's assets in the Marshall Islands and Nauru to J-G for an undisclosed sum.⁷⁷

The only serious competitor J-G was unable to eliminate was the Irish-born trader David Dean O'Keefe. Of similar ilk to Eduard Hensheim, O'Keefe arrived on Yap aboard the junk *Wrecker* in 1872. Working initially as a copra trader for Webster & Cook of Singapore, the Irishman branched out in 1874 to manufacture coins from the limestone deposits on Palau. Under his get-rich-quick scheme O'Keefe provided the Yapese with steel tools and taught them a speedy method to cut the large stones into circular shape and grind the important hole in the middle. He also taught the people how to move stones of up to 3 m diameter and weighing several tons from the excavation site to his ship for transportation to Yap. In no time at all O'Keefe set up trading stations on Yap, Palau, Mapia and elsewhere in the western Pacific to buy copra, trepang and other commodities with his stone money. Over the course of 25 years, he developed a lucrative business with Hong Kong and other Chinese ports. His exploits were so successful that his money supply caused inflation in the West Carolines, which in turn affected the trading costs of J-G. When O'Keefe ventured as far south as the Hermit Group in the Bismarck Archipelago to trade copra for guns and spirits, Franz Hensheim called the Irishman a most ruthless competitor, a perception that had not changed when J-G took over the reigns.⁷⁸ A proposal by J-G's joint Managing Director, H. Grösser, to purchase O'Keefe's business was rejected in the same manner that previous overtures had been dismissed. Also in vain was Grösser's trip to Yap in 1897 to convince O'Keefe of the advantage in dividing the Carolines into two trading zones. The proposal was for the western part to remain O'Keefe's exclusive province whilst the eastern part was to become the exclusive trading area of J-G.⁷⁹

O'Keefe's luck ran out when he disappeared during a typhoon in the East China Sea in 1900 or 1901. His wife, two daughters and a son-in-law continued the business of running the trading stations.⁸⁰ They were not as formidable, though, and in 1912 the firm entered into an arrangement with J-G to form the Westkarolinen-Gesellschaft mbH. J-G took up 75% of the RM400,000 share capital with the O'Keefes acquiring the balance.⁸¹

When Nauru became the responsibility of J-G at the end of 1888, the company considered the island a liability: not much more than 10 t of copra had been exported annually until then. All this changed when a PIC prospector, the New Zealand-born Albert Ellis,

⁷⁷ J-G to AA, 4 Feb. 1892, *ibid.* p. 108.

⁷⁸ Hensheim, 'Die Marshall Inseln', p. 129.

⁷⁹ Treue, pp. 110–11.

⁸⁰ The story was romanticised in the 1954 film 'His Majesty O'Keefe'.

⁸¹ Heydt's *Koloniales Handbuch*, *Jahrbuch der deutschen Kolonial- und Überseeunternehmungen*, 6 (1912).

discovered high quality guano on Ocean Island and Nauru between May and October 1900. Conscious of the commercial value of his find, Ellis persuaded the two chiefs on Ocean Island to put their marks on a document giving PIC the right to mine phosphate for 999 years for the sum of £50 per year.⁸² J.T. Arundel, the founder of PIC, convinced the British government to annex this coral atoll to the Crown colony of the Gilbert and Ellice Group in 1901 and issue an exclusive licence to PIC.⁸³ In exchange the Exchequer received 6d (RM0.50) for every ton of phosphate shipped from the island. To make the smaller deposits on Ocean Island more economically viable, Arundel needed the cooperation of J-G. On the German side, Eduard Hensheim knew all about South Sea trading and running copra plantations but the mining of phosphate rock was not his forte. It was, therefore, no surprise that J-G entered into a management arrangement with PIC on 1 March 1901 with the intent to exploit the deposits on Ocean Island and Nauru.⁸⁴

On 18 May 1902 PPC listed 125,000 ordinary shares at £1 each and 125,000 debentures at £1 with an annual coupon value of 7% on the London Stock Exchange.⁸⁵ In a subsequent transaction the mining rights conferred to PIC for Nauru were transferred to PPC. In return J-G received £25,000 in goodwill from PPC, a royalty of 1s (RM1) per tonne of exported guano and 12,500 (10%) free issued PPC shares.⁸⁶ Under the shareholder agreement J-G was prevented from selling more than 50% of its original holding, a stipulation which proved unnecessary. Apart from J-G increasing its holding, the German superphosphate manufacturer Union, Fabrik Chemischer Produkte (UFCP) acquired 20,000 ordinary shares, 10,000 fully paid and 20,000 partly paid (33 $\frac{1}{3}$ %) preference shares. The 16% holding entitled UFCP to a seat on the PPC Board and secured the company feedstock for its chemical plant in Stettin.⁸⁷

The Ocean Island mine was operational within a year of the agreement being signed. In 1903 PPC paid a maiden dividend of 25%, pushing J-G's payout from 12% in 1902 to 15% the following year. This dividend was maintained until 1906 when the payout increased to 20%. In addition the directors of the supervisory and management boards received annual bonus payments averaging 3% of the gross profits from 1903 to 1906. The cash flow from the PPC investment enabled J-G to expand its plantation and trading business without having to call on shareholders or the bank for funding.⁸⁸

When Burns Philp & Co. (BP) decided in 1904 to send a steamship to open trade in the

⁸² A.F. Ellis, *Ocean Island and Nauru*, pp. 55–62.

⁸³ Ocean Island (also called Banaba) lies 400 km west of its neighbour Gilbert Island (Kiribati) in the west central Pacific. Measuring approximately 6 km², the island had a population of approximately 2000 Banabese when it was annexed by Britain on 28 Sep. 1901. John T. Arundel had mined guano in the Central Pacific (Baker Island etc) since 1886. J.T. Arundel & Co. merged with other trading companies in 1897 to form the PIC.

⁸⁴ The German government approved the transfer of mining rights to PIC on 1 March 1901,

⁸⁵ Authorised capital was £250,000; A.H. Gordon, former High Commissioner for the Western Pacific, then Baron Stanmore, was PIC and then PPC chairman until he died in 1912 (The London Stock Exchange, Year Book 1905).

⁸⁶ Treue, p. 144.

⁸⁷ H. Haller, *Die Phosphat-Gesellschaften der Südsee*, p. 13. Naurite became the most sought after organic fertilizer containing 86.76% tricalcic phosphate and 39.66% phosphoric anhydrite, <1.9% fluorite and <0.5% alumina and ferrite; (C. Elschner, *Korallogene Phosphatinseln Austral-Ozeaniens und ihre Produkte*, p. 68)

⁸⁸ Jb. J-G (1901) p. 1.

Marshall Islands, J-G responded by invoking unreasonably high harbour and trading licence fees.⁸⁹ Complaints from the Australian firm that J-G was in breach of the free trade provisions of the Anglo–German Declaration of 10 April 1886 led to the termination of the charter with the Reich on 31 March 1906.⁹⁰ No longer obligated to pay for the administration of the Marshall Islands inclusive of Nauru, the J-G also had to give up its land and trading privileges. However, the most valuable deal for J-G was a new 94-year phosphate concession awarded to it by the German government on 21 November 1905 for Nauru. This permitted PPC to continue site preparation without interruption and mining commenced in 1907.⁹¹

To bring the agreement into line with the arrangement the British government had with PPC for Ocean Island, J-G was obliged to pay an annual royalty to the administration in GNG of RM25,000 plus RM0.50 for every tonne exported over 50,000 t from 1 April 1906.⁹² Under the arrangement, Nauruans were paid ½d/t of exported guano as compensation.⁹³

The concession was most generous.⁹⁴ PPC spent approximately RM1,500,000 on housing, a rail track and funicular system, pre-drying sheds, dehydrators, warehouses, transit barges,⁹⁵ electricity and fresh water reticulation before the first guano (11,630 t) was exported in 1907. Nauruans found working for PPC not to their liking; instead some 600 Chinese, indentured by J-G, worked the mine.⁹⁶ Apart from the royalties, the government received from PPC customs excise, recruitment fees and reimbursement for maintaining a local police force. J-G had free carriage and was soon in a position to reward its shareholders with the biggest dividends ever paid by a plantation company. Apart from reaping high returns from increasing sales in copra,⁹⁷ J-G benefited from guano exports from Nauru of 55,019 t in 1908 and up to 138,086 t in 1912.⁹⁸ On the strength of this activity J-G participated in several share issues by PPC which it passed on to its shareholders. A £1 PPC share offer (partly paid to 6s 8d) on 19

⁸⁹ K. Buckley & K. Klugman, *The History of Burns Philp*, p. 176.

⁹⁰ BP was paid £4,100 compensation by the German government in July 1907 for the breach committed by J-G. Details of the incident and its consequences are in Buckley & Klugman, pp. 150–1.

⁹¹ Approval by the government for J-G to transfer the right to PPC was granted on 12 Dec. 1905 and exercised on 21 Feb. 1906, DKG, vol. 11, p. 121.

⁹² The agreement is the same as for Ocean Island provided not less than 50,000 t of guano was exported.

⁹³ Section 76–85 of the 'Bergverordnung 1906' (German Mining Act). It was the duty of the operator to compensate the owner of the land and buildings for a reduction of the value of the land due to mining and the relocation of houses and gardens. See A. Hahl, *Deutsch-Neuguinea*, 2nd ed., pp. 38 and 40. Note: 1000 kg of dehydrated guano was roughly equivalent to 1 m³ (specific gravity of guano 1.0156 g/cm³).

⁹⁴ Governor A. Hahl and Colonial Secretary B. Dernburg believed a threefold increase in royalty would have been a more equitable arrangement (Hahl, p. 40; H. Linckens, *Auf den Marshall–Inseln*, p. 67).

⁹⁵ In 1906/07 RM651,929 worth of goods were imported to Nauru, RM 471,955 of which was equipment and building material. Two power generators supplied electricity, an 18t/day desalination plant provided water to all households; the workers washed in seawater, piped to their compounds (RKA 100:6526; Jb. Marshall Inseln 1906/07, p. 17; DKZ, 1906, nr 45, p. 529 DKBI, 1907, Nr. 18, p. 1059; Treue, p. 148).

⁹⁶ On labour see S. Firth, 'German Labour Policy in Nauru and Angaur, 1906–1914', *JPH* 13 (1978) pp. 36–52 and Treue, p. 147.

⁹⁷ See Table 12, copra exports from the Island Territory, 1887–1913. J-G had planted over 100,000 palm seedlings on Nauru between 1888 and 1898. To raise productivity, the company supplied the local people with seedlings and equipment to grow palm trees and manufacture copra, Treue, p. 117.

⁹⁸ PPC paid dividends of 25%, 15%, 15%, 30% and 50% from 1903 to 1907. In 1908 dividend payment was 50% on the ordinary shares of £125,000 plus a bonus share issue of £250,000. Dividend for 1909 was 35% on the increased capital plus a bonus issue of £375,000 (the issue attracted one-third dividend for the 1909). In 1912 dividend payment was 25%. PPC issued £100,000 in debenture notes at 6% during the year. PPC paid a dividend for 1913 of 25% on 750,000 ordinary shares plus the fixed interest amount on £125,000 (7%) and £100,000 (6%) debentures (Treue, pp. 119–20).

August 1910 was passed on to J-G shareholders at RM7 for each J-G share.⁹⁹ The partly paid PPC shares were quoted at £2 10s for buyers on the London Stock Exchange in November 1911 which translated to a seven-fold paper profit for J-G.¹⁰⁰

J-G prepared for its own listing on the Hamburger Börse in 1907 by splitting the RM5,000 ordinary shares into five RM1,000 new shares. In addition, 2,400 none-voting bonus shares were issued which had equal dividend rights.¹⁰¹ J-G was listed on 20 July 1909 at a 45% premium and the profit certificates (bonus shares) were offered at RM1,345 each. By the end of 1909 buyers were offering J-G shares at a 296% premium and RM2,900 for the certificates.¹⁰² After shares in J-G reached RM4,000 in 1912, the market retreated to 197% for the ordinary shares and RM1,550 for the certificates due to the increased liquidity in 1913.¹⁰³ The strong share price of J-G was to some extent driven by the buoyant market at the time (Table 2.2), although the company's generous dividend policy was the main reason for the high share price.

Table 2.2 Dividend payments of J-G.

Year	Dividend	Profit Certificate	Dividend on Original Holding
1906	—	—	20%
1907	10%	RM100	30%
1908	13%	RM130	39%
1909	20%	RM200	60%
1910	25%	RM250	75%
1911	25%	RM250	75%
1912	13%	RM130	78%
1913	14%	RM140	84%

In addition to these high payouts, J-G directors, all of whom were shareholders in J-G, received bonuses of approximately 3%, calculated on the annual gross profit.¹⁰⁴

With less spectacular rewards, phosphate was also mined on Angaur Island in the Palau Group. After its discovery in 1905, Governor Hahl offered the mining rights to a German-Australian fertilizer manufacturer in Melbourne. When he was unable to form a consortium with the required German majority the mining opportunity was offered to the Norddeutsche Lloyd (NDL) of Bremen in 1906.¹⁰⁵ After exploration and delineation work was carried out in the West Carolines by a consortium led by the Bremer Deutsche Nationalbank (DNB), the Deutsche Südseephosphat AG (SAG) was established on 20 May 1908 with an authorised capital of RM4,500,000.¹⁰⁶ The concession awarded to the company by the government for a 35-year

⁹⁹ The offer applied to ordinary and bonus shares. Shareholder notice, BBC, 22 Aug. 1910.

¹⁰⁰ The ordinary PPC (old) shares were quoted on 27 Nov. 1911: buyer £6 10s and seller £6 15s. After the second instalment, the partly paid (new) shares (10s) were offered at £2 seller and the old shares at £4 seller (Heydt'sches Kolonialkontor, *DKBI*, 1911, p. 918; Kolonialbank notice, *DKBI*, 25 July 1914).

¹⁰¹ BBC 17 and 18 Sep. 1907.

¹⁰² Heydt'sches Kolonialkontor, 11 Dec. 1909. *DKBI*, 1909, p. 1164.

¹⁰³ J-G issued 3,600 bonus shares in 1913. BBC 8 Oct. 1910; 25; Kolonialbank notice, *DKBI*, July 1914.

¹⁰⁴ Jb. J-G (1889 to 1913), see Table 20.

¹⁰⁵ A. Hahl, *Gouverneursjahre in Neu Guinea*, pp.191–2; P.G. Sack & D. Clark, eds., *Albert Hahl Governor in New Guinea*, p. 117.

¹⁰⁶ SAG became fully incorporated on 11 Sep. 1908. The authorised capital of 4,500 shares at RM1,000 each was divided into a series A to I. The foundation members underwrote the entire issue: NDL: 2000, DNB: 2000, H. Müller & Co., Rotterdam: 2000, Tellus AG, Frankfurt-am-Main: 1500, Beer, Sondheimer & Co., Frankfurt a.

mining lease on Angaur was much stricter than that imposed on J-G for Nauru. SAG was obliged to pay the GNG administration in Rabaul RM1.25 for every tonne of phosphate exported from Angaur. Under the terms of the agreement SAG had to pay a royalty of not less than RM30,000 after four years. When profit returns exceeded 8% of the share capital, the government was entitled to a 40% share in the retained earnings. This formula was applicable for the first 25 years of the concession. Thereafter payments to government increased to 50% for years 26 to 30 and to 60% for years 31 to 35.

The government also awarded a concession in 1913 to the SAG subsidiary Hanseatisches Südsee-Syndikat for phosphate extraction on Feis Island. Except for a royalty of RM1.50/t of exported phosphate, the agreement between the parties reflected the conditions of the Angaur agreement.¹⁰⁷

The first guano shipments left Angaur in the second half of 1909. Before SAG was listed on the Berlin Börse in 1910 the shares were traded at around 230% of the par value.¹⁰⁸ The maiden dividend (6%) was paid in 1912. The share prices declined to about 150%; only to recover to 190% when the company reported a gross profit of RM1,364,280 for the 1913. The increase in the share price was despite the 40% special appropriation to the government that was triggered with the payment of an 11% dividend to shareholders.

The deposits on Nauru were estimated to contain 40,000,000 t of guano, on Angaur 3,500,000 t and on Feis up to 600,000 t.¹⁰⁹ From 1907 to August 1914 approximately 1,088,100 t guano was exported from the German possessions.¹¹⁰ At a production cost of RM9 and a mean selling price of RM30/t (fob Angaur), guano mining was a very profitable undertaking.¹¹¹ When the German Island Territories and GNG became a monetary union in 1909 the Old Protectorate benefited the most. While only 236,087 t of guano were exported from Angaur between 1909 and 1913 compared to 648,157 t from Nauru for the same period, the SAG filled the coffers of the Rabaul government to the tune of RM383,900 in royalties and approximately RM140,000 in tax until early 1914. This compares to only RM390,500 in royalties collected from the Nauru enterprise on a much larger volume, to which was added RM200,000 in concession fees. The following chapters will demonstrate that the investment in phosphate mining was much more profitable than agriculture and trade.

Main: 500 shares. The lead bank of the consortium, DNB, received 1000 fully paid shares gratis at formation. In Oct. 1908 DB acquired 800 shares from DNB at 170%. Subsequently DB sold 400 shares to six investors. Series A to F was fully paid by 1914, with G to I partly paid to 25%. File note DB, 4 Sep. 1926.

¹⁰⁷ A. Scharpenberg, 'Die Bedeutung des Norddeutschen Lloyd', pp. 103.

¹⁰⁸ The gap between the start of production and the maiden dividend was caused by technical difficulties in drying the extracted guano to specification. Quotation for 27 Aug. 1909; Heydt'sches Kolonialkontor, *DKBl.* 1909, p. 854. The prices quoted are the mean point between buyer and seller (H. Haller, *Die Phosphat-Gesellschaften der Südsee*, p. 25; Kolonialbank, 25 July 1914; 'Sechster Geschäftsbericht der Deutschen Südseephosphat-Aktiengesellschaft 1913', RKA 1001:2465).

¹⁰⁹ P. Preuß, 'Wirtschaftliche Werte in den deutschen Südseekolonien', *Der Tropenpflanzer* 8 & 10 (1916) p. 517.

¹¹⁰ Table 12. For 1914 exports see A. Scharpenberg, p. 127; The British Foreign Office, *Pacific Islands*, p. 66.

¹¹¹ Production costs in Nauru were lower than on Angaur. Nauru benefited from the volume and higher phosphate prices of 1907 to 1909. The mean cif price to European ports from 1910 to 1914 was RM58/t (freight RM29/t), to Australia RM43.75/t (freight RM14/t), to Japan RM36/t (freight rates are not identified). Japan took 25% of Angaur output at a fixed price until 1920. Germany and Australia took approximately 30% of the Nauruan production. (A. Scharpenberg, p. 130; P. Preuß, pp. 511–13; Hahl, *Deutsch-Neuguinea*, p. 54).

To return to the story of Eduard Hensheim, he bought the business of R&H to relaunch Hensheim & Co.¹¹² The company continued developing copra plantations on New Ireland, the Solomons and the Admiralty Group, while deriving most of its income from trading in copra. In 1909 the company became a publicly listed company with an issued share capital of RM1,200,000. By retaining the majority stake in the new company, Hensheim was in a position to authorise the maiden dividend of 8% in the year of incorporation. For 1910 and 1911 the company paid 11%, which was also applicable on the increased capital of RM1,800,000 for 1912. The main station on Matupi was relocated to Rabaul in 1912 with the district offices in Kavieng, Kieta and on Komuli given wider responsibility for the development of plantations on New Ireland and the Solomons. The lucrative coal depot on Matupi was retained for the warships of the *Reichsmarine* and the government steamers. The plantation area in 1912 was approximately 3,000 ha with some 160,000 palm trees planted. At that time the company employed 40 Europeans, 20 Chinese and 750 Melanesians. The profitability of the company is best demonstrated by the total dividends of nearly RM1,000,000 paid from 1908 to 1914.¹¹³

Non-German trading and plantation interests in East New Guinea

The largest contributor to the early development of GNG was the New Zealand-born Thomas Farrell, his Samoan-American de facto wife, Eliza Emma Coe Forsayth and the Danish-born Richard Parkinson. Starting as labour recruiters for DHPG on New Britain and New Ireland in 1879, Farrell and Coe had set up a substantial trading business by misappropriating the trading accounts with DHPG and by seizing most of the stranded cargo and the ships of the failed Marquis de Rays expedition.¹¹⁴ Parkinson left Samoa in 1882 to join Farrell and Coe in working on a new plantation project on Ralum Point on the northern shores of the Gazelle Peninsula. Following the practice he had successfully applied to the Godeffroy plantations on Samoa, Parkinson interplanted cotton with coconut palms. This method gave the young palms shade from the harsh tropical sun during the first few years and provided a cash crop during the first eight years before palms came into bearing. By 1885 the first major symmetrical plantation was established in GNG. Ralum carried 85 ha of cotton, coconut palms and coffee shrubs.¹¹⁵ Only two years later the *DKZ* reported that an Australian company in Bismarck Archipelago was highly profitable 'by selling sorghum into the Australian market at above RM1,000/t landed in Sydney'.¹¹⁶

When Farrell died in March 1888 Coe bought his estate for a fraction of the money owed to his creditors. Coe changed the trading name of Farrell-Forsayth-Parkinson Plantagen-Gesellschaft to E.E. Forsayth & Co. By 1889 Ralum produced 35,000 lb (16 t) of cotton, four

¹¹² Probably around 1888, the exact date and the terms of the transaction are not known.

¹¹³ Hensheim & Co, Jb. 1909–1913, HWWA and StAH, vol. 43, 1885, Nr. 8340; *DKBL*, 1912, Nr. 23, pp. 617–8.

¹¹⁴ R.W. Robson, Queen Emma, pp. 117–22. (Coe was Queen Emma's preferred surname, not Forsayth)

¹¹⁵ The plantation was started with 2 ha of coffee but discontinued in 1886 due to a lack in quality seeds, (Parkinson's article in *DKZ*, 1887, Nr. 18, p. 694).

¹¹⁶ *DKZ*, 1887, Nr. 18, p. 695.

times as much as came from the NGC plantation on the mainland.¹¹⁷ With the employment in 1890 of nearly 1200 Melanesian workers and 50 Europeans, the two main stations at Ralum and Malapau grew 235 ha (580 ac) of cotton and 350 ha (860 ac) of coconuts.¹¹⁸ The trading results of Emma Coe – by now called Queen Emma – were brought to the attention of NGC shareholders. The 1892/93 report stated that NGC exported RM103,000 worth of goods compared to approximately RM306,550 worth of produce shipped by Forsayth & Co. for the period from January 1892 to June 1893.¹¹⁹ In 1894 Coe added a German to her collection by marrying the 15-years younger Paul Kolbe. Previously employed as station manager on the neighbouring Herbertshöhe plantation of NGC, Kolbe took over management on Ralum. With the palm trees maturing, cotton started to be phased out in 1896. Twelve years later the company owned 28,484 ha of which 2993 ha was planted with 333,300 coconut palms, 385 ha with Indian rubber (caoutchouc) and 50 ha with coffee. It generated annual profits averaging RM200,000 and was the most profitable enterprise in GNG.¹²⁰

The success of Forsayth & Co. had long been a thorn in the side of NGC. Hansemann contested the legality of Coe–Kolbe’s claims to ownership of 50,000 ha on Gazelle Peninsula and 14,150 ha on New Ireland, Bougainville and the Admiralty Group.¹²¹ Hansemann rejected an offer by Queen Emma to sell out to NGC. Eight years later Forsayth & Co had assets of RM4,905,050, nearly half the size of NGC but it was much more profitable.¹²² Coe was still interested to sell at the right price.¹²³

After fruitless negotiations with American, Australian and English interests Coe entered into an option agreement with the Bismarck-Archipel-Gesellschaft GmbH (BAG) of Hamburg.¹²⁴ BAG offered to buy the assets of Forsayth & Co. for RM3,200,000 in cash and shares.¹²⁵ The deal, however, fell through because the offer included only a small portion in cash with the balance offered in BAG shares.

Queen Emma founded Forsayth, Kirchner & Co. GmbH in November 1910 into which the assets of Forsayth & Co. were sold for RM2,750,000. Coe-Kolbe received RM1,750,000 in cash with the balance secured by a first mortgage over the assets of the company. When Senator Heinrich Rudolf Whalen became a major shareholder and the Managing Director of

¹¹⁷ Firth, *New Guinea under the Germans*, p. 27 incorrectly claimed that Forsayth had exported ‘more than a hundred times as much as came from NGC’s plantations on the mainland’.

¹¹⁸ *DKZ*, 1889, nr 31, p. 278.

¹¹⁹ *Jb* (1892/93) p.17; Sack & Clark (1892–93) p. 83. The revenue is estimated on the export of 1,497 t copra, 18 t trepang and 54,815 lb (25 t) cotton.

¹²⁰ Net earnings and dividend distribution: 1904 – RM178,444 (15%); 1905 – RM199,217 (15%); 1906 – RM204,264 (20%); 1907 – RM219,610 (20%), BAG, *Denkschrift*, Über die Aussichten des Unternehmens’, Feb. 1909, p. 30; see M. Krieger, ‘Über die Handelsunternehmungen in unseren Südseekolonien’, *DKZ*, 31 (1899) pp. 277–8; *NKWL*, vol. 1994, p. 20, vol. 1896, p. 16.

¹²¹ Hahl to AA, 21 Feb. 1899, RKA 1001:2278; see P.G. Sack, *Traditional Land Tenure*, pp. 239–40.

¹²² The total assets of NGC were RM11,082,010 at March 1908, *Jb*. (1907/08) pp. 9–10; see Table 16.

¹²³ Robson, pp. 204–7.

¹²⁴ BP, which had an agency agreement with Forsayth, was a potential buyer (Buckley & Klugman, p. 176). BAG was formed in 1907 with a capital of RM650,000. A prospectus was issued to raise RM2,000,000 equity and RM2,000,000 debt to purchase the net assets of E.E. Forsayth Co (BAG *Denkschrift*, Feb. 1909, pp. 1–55; Schnee, vol. i, pp. 216–17).

¹²⁵ BAG, *Denkschrift*, pp. 33–4.

Forsayth, Kirchner & Co. on 11 February 1911 the government announced 'the transfer of ownership to a German company of the Forsayth plantation company, the second largest in the Protectorate, which had hitherto been in British hands' as an event of national importance.¹²⁶ It was a good deal for all concerned. The first results under Wahlen showed a profit of RM262,445 less home office expenses and bank interest of RM11,643 and formation costs of RM67,213.¹²⁷ The result was achieved primarily from the export of 2065 t of copra. Shareholders were paid a maiden dividend of 7% (RM140,000) for 1911 with directors and senior management receiving additional benefits of RM6,030 and RM14,675 respectively.¹²⁸ In the following, full year of operation, 3,633 t of copra was exported to achieve an income of RM404,230 which enabled directors to declare a dividend of 13% (RM260,000) for the year.¹²⁹

Wahlen had joined Hershheim & Co. in 1895 as plantation manager and left it in 1903 to trade on his own account. Within a few years he built a flourishing plantation business in northwest Bismarck Archipelago. By 1906 Wahlen GmbH had acquired much of the Hermit Islands and atolls in the Admiralty Group, 56 islands in all. When he extended his plantation interests throughout the archipelago by acquiring Queen Emma's plantation interests, he became the largest independent operator in GNG apart from NGC.¹³⁰ On 13 November 1913 Wahlen facilitated the acquisition of Forsayth, Kirchner & Co. GmbH by the Hamburgische Südsee-AG (HAS). Apart from himself, the Hamburg banking and trading houses of M.M. Warburg & Co. and F. Rosenstern & Co. respectively, O.Thiemer and C.E. Scharf became the major shareholders in HAS.¹³¹ In addition to expanding its plantation interests, HAS planned to engage in mining activities, especially the extraction of guano.

Coe-Kolbe transferred her landholdings in the Shortland Islands to her son Jonas Forsayth in 1909. These assets together with land owned by BP in the Solomons were sold to the Shortland Plantation Ltd (SPL) in 1911.¹³² Upon the death of Paul Kolbe and Coe in Monte Carlo during July 1913, Jonas Forsayth inherited most of his mother's wealth. But as the managing director for SPL, he had little opportunity, inclination or ability to develop the company as a new Forsayth enterprise. Thus, Rudolf Wahlen and Franz Hershheim became the most influential and wealthiest owner-managers in GNG.

The Germans were a minority amongst expatriates in the Bismarck Archipelago and in the German Solomons. At the turn of the century Australians, French, Dutch, Scandinavians, Belgians and others still outnumbered the Germans by more than four to one. Australians and Fijians staffed the Methodist Mission; the head of the Sacred Heart Mission from 1889 was the Frenchman Louis Couppé; and, by setting up a significant shipyard on Matupi in 1903, the

¹²⁶ Sack & Clark (1910–11) p. 320.

¹²⁷ The first financial year's results covered 10 months and 17 days (*DKBl.* 1912, p. 869)

¹²⁸ Jb. Forsayth GmbH 1911 (RKA 1001:2431).

¹²⁹ Forsayth (1912); *DKBL.* pp. 1039–40.

¹³⁰ The Wahlen GmbH, with an issued share capital of RM1,800,00, had controlling interests in the GNG companies Nambung Sägewerk GmbH, Baining GmbH and Ramu GmbH (Schnee, vol. iii, p. 656).

¹³¹ Schnee, vol. ii, p. 13.

¹³² SPL had a nominal share capital of £50,000. BP and Forsayth were the major shareholders. Jonas Forsayth was appointed managing director and his uncle Adam Forsayth, elected chairman of the company.

Chinese Ah Tam became the first major shipbuilder in GNG. The Belgian Jean Maximillian Mouton and his 18-year-old son, Jean Baptiste Octave, arrived in Port Breton (west coast New Ireland) in August 1881. They had paid the swindler Rays F1, 000 to work as plantation labourers in the hope of owning their own small farm after a five-year indenture. The Moutons remained near Port Breton until food rations ran out and the place was evacuated. Unlike most of their compatriots, they moved to Mioko in February 1882 to work for E.E. Forsayth Co., R&H and DHPG. In about 1883 Maximillian Mouton bought some 2050 ha in the Kinigunan district to set up his first 10 ha coconut plantation. After the death of his father in 1888 Octave sought independence with the financial backing of the Sacred Heart Mission. Apart from working as a labour recruiter for NGC, he expanded his trading activities by setting up stations at Balgai near Nusa, Kabakaul, Garden Island (Simberi), Biritanai on the northern coast of New Ireland and on Ontong Java. The formation O. Mouton & Co. in 1897 brought into the partnership the Danish-born R. Rondahl and a Swedish plantation worker. For convenience, their copra schooner flew the German flag, which required taking out German citizenship. In 1906 the company owned 12 trading stations, the same number that Hensheim operated and five more than DHPG. The income derived from 350 ha of fully matured coconut palms standing on Kinigunan and from trading activities was reflected in the RM2,000 business tax the company paid in 1912. This was approximately the same amount of tax paid by DHPG, but only half as much as Hensheim handed over to the German colonial government for his company's activities in the region.¹³³

Conclusion

The stake the Godeffroy firm created in the South Sea was to become the argument for German annexation of northeast New Guinea in the early 1880s. The Samoa Subsidy Bill was a result of the sudden deterioration of the financial solvency of this powerful Hanseatic business house. To Bismarck the Bill was a peripheral issue in deciding on a colonial policy. Domestic politics played the determining factor in his decision to acquire colonies. German interests in the region, in particular those of R&H, were initially opposed to erecting fences around trading domains. The loss of trading access to Fiji and fears that Britain may also proceed in claiming West Samoa and Tonga turned their views somewhat. The recruiting boats that stripped the Melanesian islands of labour to favour the Queensland plantation owners changed their views altogether.

¹³³ Blum, pp. 150–1; P. Biskup, 'The New Guinea Memoirs of Jean Baptiste Octave Mouton', *PH 7* (1974); R. Parkinson, *Dreißig Jahre in der Südsee*, p. 78, .W. Powell, *Wandering in a Wild Country or, Three Years amongst the Cannibals of New Britain*, p. 79.

CHAPTER 3

THE ANNEXATION OF EAST NEW GUINEA

The vocal enthusiasm for colonies by some small sectors of the German community matched the commitment by German commercial interests in the Pacific as outlined in chapter 2. This eagerness galvanised the Australasian colonies and Fiji into pressuring the British government to prevent Germany from gaining further foothold in the region. When Queensland started to chart its own political and economic courses it directed attention to the South Sea labour resources. Convict labour was no longer freely available and to develop its plantations it required cheap labour. The competition between the German plantation owners in Samoa and the Queensland sugar planters for this South Sea labour resource hastened the colonisation of East New Guinea.

Competition for indentured labour

Robert Towns, the New South Wales (NSW) parliamentarian, Sydney merchant and plantation owner, arranged for 67 South Sea islanders to be recruited for his cotton plantation on the Logan River at the beginning in 1861. Towns could not have known that he would start a race for the annexation of East New Guinea.¹ By the time he was followed by Harold Finch-Hutton, a Queensland plantation owner, in 1886 the chase was on in earnest because in Hutton's words it had been conclusively proven that 'white men cannot and will not do work done by niggers in the field, and ... that if white labour were available, it would only be at wages which the planters could never afford to pay. The sugar industry is entirely dependent upon coloured labour'.²

The opening up of tropical north Queensland started in the early 1860s. A successful plantation industry depended on three factors: cheap land, reliable rainfall and cheap labour. However, European labour was scarce, expensive and susceptible to tropical diseases. The few convict labourers that NSW had sent to Queensland stayed at Moreton Bay and by the time settlers tried their luck further north, convict transportation had ceased in Australia. In 1862 the Queensland Parliament had permitted importing indentured labour from India to meet the needs of the sugar-cane planters on the Brisbane, Maryborough, Bundaberg, Mackay,

¹ South Sea islanders were first engaged by the NSW Riverina pastoralist, Benjamin Boyd, in 1847, B.H. Molesworth, 'Kanaka Labour in Queensland,' *Royal Historical Society of Queensland* 1916 A 'deluge of kanaks' came to NSW from 1863 onwards (R. Evans, K. Saunders, & K. Cronin, *Race Relations in Colonial Queensland*, p. 149). On the Pacific labour trade see E.W. Docker, *The Blackbirders*, C. Moore, J. Leckie, & D. Munro, *Labour in the South Pacific*, O.W. Parnaby, *Britain and the Labour Trade in the Southwest Pacific* and A.G. Price, *The Challenge of New Guinea*.

² 'A Queensland plantation owner, Harold Finch-Hutton in 1886' in Evans, Saunders & Cronin, p. 158.

Bowen and Cairns river plains.³ The scheme lapsed because transportation to and from the subcontinent was too expensive and the government refused to assist in meeting the expenses. Instead, the Queenslanders turned their attention to labour from the South Sea. While Melanesian labour was cheap, recruitment was strongly opposed by the Aborigines' Protection Society, the Christian Mission and the humanitarian factions in the Gladstone administration in Britain. Queenslanders competed with European planters in Samoa, Fiji and New Caledonia when they started recruiting from the same Melanesian islands in 1864–65.⁴

The labour requirements of the Godeffroy/DHPG plantations on Samoa were met with Cook Islanders initially and after 1864 with other Polynesians islanders. Micronesia, in particular the Gilbert Islands, became the preferred recruiting region for Godeffroy from 1867 until the early 1880s. Then New Ireland, New Hanover, Bougainville and Buka became the major labour sources for DHPG.⁵ NGC gained local sovereignty over the northeastern quadrant of mainland New Guinea, the Bismarck Archipelago and the Solomons in 1885–86, and DHPG retained the right to take labour from the region until the outbreak of World War I. It is estimated that 12,500 Pacific Islanders were brought to West Samoa between 1865 and 1913. In comparison, over 27,000 Pacific Islanders and almost 61,000 people from British India were brought to Fiji from 1874 to 1913. The Queensland plantation owners recruited approximately 30,400 people from the New Hebrides, Torres Strait Islands and Vanuatu and approximately 13,300 labourers from the Solomons and Santa Cruz. The islands of the Bismarck Archipelago provided approximately 14,300 workers for Queensland until NGC shut down this source for the Australian colonies in 1885.⁶

The British government's intention to protect autochthons from unconscionable recruiters proved ineffective until Britain's *Pacific Island Labourers Act, 1880* came into force in 1884. Until then recruitment regulations only prohibited the transportation of natives from one island to another within the same island group, thus permitting Queensland unimpeded access to Melanesian labour.⁷ Only after Queensland was persuaded by Britain to legislate for its own *Pacific Island Labourers Act* in 1880 were all recruiting vessels sailing under the British flag prohibited from supplying arms and ammunition to islanders within the geographical sphere of the Western Pacific High Commission. An amendment to this law in 1885 prohibited British

³ Section 1, Indian Labourers Act 1862 (R. Mortensen, 'Slaving in Australian Courts: Blackbirding Cases, 1869–1871', *Journal of South Pacific Law*, 4 p. 2, n. 4).

⁴ Parnaby, pp. 29–32 and 51–54.

⁵ Governor Hahl advised the AA-KA of 5,746 Melanesians were recruited for Samoa by DHPG from 1885 to 1913; (Hahl to RKA, 16 Nov. 1913, RKA 1001:2313). Recruitment from 1867 to 1884 totalled 4,345 labourers. However, until 1880 labour was taken almost exclusively from the Gilbert Islands and the New Hebrides. DHPG started to secure indentured labour from the Solomon Islands from 1880. Labour supplies from the New Britain Archipelago started in 1882. Consul Stübel in Apia to Bismarck, 27 Jan. 1886 (RKA 1001:2316, p. 51; Kusserow memorandum, 21 Dec. 1885, RKA 1001:2316, p. 50).

⁶ Parnaby, pp. 201 and 203.

⁷ On Burns Philp's involvement in the Queensland labour trade see K. Buckley, & K. Klugman, *The History of Burns Philp*, pp. 23–8 and 60–4.

vessels from entering the territorial waters of East New Guinea and the Bismarck Archipelago.⁸ This made the importation of South Sea islanders to Queensland difficult and the conditions of employment, also prescribed in the Act, expensive. The Australian government's *Immigration Restriction Act, 1901* ended coloured labour recruitment to Australia altogether.⁹ The British law applicable to Pacific Islanders was paralleled by *Bismarck's* decree of 8 June 1885 which restricted the acquisition of land in GNG to German citizens, prohibited the trading in guns, ammunition and spirits and outlawed the export of labourers other than by DHPG to Samoa.

Britain supported the German law. Following a request by the Imperial Commissioner of GNG, Gustav von Oertzen,¹⁰ to the Governor of Queensland, Sir Samuel Griffith, to gazette the German government proclamation, a translation was published in the *Brisbane Courier* and reprinted in the Sydney and Melbourne newspapers.¹¹

The labour issue played an important role in the annexation by Germany of northeast New Guinea. Eduard Hensheim required the local people to grow and collect coconuts and prepare copra for R&H. Theodor Weber, the head of DHPG, was primarily concerned with the labour needs for his Samoan plantations. When the Queensland labour boats competed for the already scarce resource in the archipelago and the Solomons in an increasingly aggressive manner, Eduard Hensheim and the German consul in Apia, Oscar Stübel, raised the issue with the Colonial Department of the Foreign Office (AA-KA) in Berlin. In a 29 May 1883 submission to the *Reichskanzler*, Hensheim requested the stationing of a war ship at Matupi to counter 'the aggressive recruiting tactics employed by British labour ships'.¹² With a measure of self-righteousness, Hensheim wrote:

the labour traffic, as carried out here, differs altogether from what is done in other South Sea Islands, and if the facts were known, would no doubt be stopped by the English colonial authorities ... Slavery is an ancient institution of these islands, and a chief, desirous of procuring arms, will sell his own people ... Fire-arms and ammunition, at the rate of three muskets to two labourers, are the usual means of payment.¹³

⁸ A synopsis of the various amendments to the Act is given in R. Mortensen, 'Slaving in Australian Courts', *Journal of South Pacific Law*, 4, (2000) pp. 1–13.

⁹ On the 'White Australia Policy' see M. Willard, *History of White Australian Policy to 1920*.

¹⁰ Gustav von Oertzen (1836–1911) joined the Foreign Office with a law degree in 1875. In 1879 Oertzen was appointed consular secretary to O. Stübel in Apia. In June 1884, he was made Vice-Consul in Matupi. In November 1885 he became the first Imperial Commissioner of German New Guinea. Oertzen returned to an administrative post in the AA-KA, Berlin, in Jan. 1887 (Schnee, vol. ii, p. 670).

¹¹ RKA R1001:2298, p. 86. *Brisbane Courier*, 28 July 1885. The *Sydney Morning Herald* (SMH) printed an abridged text of the declaration on 29 July 1885; Neu Guinea Compagnie, 'Nachrichten über Kaiser Wilhelmsland und den Bismarck Archipel' (NKWL), vol. (1885) Heft i, p. 5, Heft ii, p. 1. At the time of the proclamation the *Daily Telegraph* in Sydney supported the German initiative by criticising the north Queensland planters; 'who, until now, claimed open slather for the recruitment of Kanaka labour from that part of the mainland of New Guinea now owned by Germany'.

¹² Hensheim to Bismarck, 29 May 1883; R.M. Smith, (tr.) 'German Interests in the South Sea', Abstracts of the White Book (Wb) no. 8, p. 29 (presented to both Houses of Parliament, Melbourne)

¹³ *ibid.* For German text see Deutscher Reichstag, 1 Session, 6 Legislaturperiode, *Togogebiet und Biafra-Bai, Angra Pequena, Deutsches Interesse in der Südsee, Land-Reklamation auf Fiji*, 1885. Drucksache Nr. 167; see H.J. Hiery, *Die Deutschen In Der Südsee 1884–1914*, p. 10; K. Epstein, *Mattias Erzberger and the Dilemma of German Democracy*, p. 39; P.J. Hempnall, *Pacific Islanders under German Rule*, p. 123.

In reference to the demand by Commander Kärcher of the German light cruiser SMS *Carola* that the trade in firearms be stopped in the interest of peaceable commerce,¹⁴ Hertsheim let it be known that ‘one-sided German measures would not achieve the desired results’.¹⁵ To make his point he cited the activities of Captain Davis of the British schooner *Stanley* who ‘ordered the [Hertsheim] factories and twenty tonnes of copra to be burned’ to demonstrate that Queensland recruiting vessels will take action when ‘people try to interfere in the sale of arms in exchange for labourers’.¹⁶ Hertsheim appealed for his ‘Excellency’s support for my endeavours to protect German property against the arrogant conduct of the crews of English labour vessels in their attacks on the natives’.¹⁷

When the audacious attempt by Queensland to annex all of East New Guinea on 4 April 1883 was reinforced by the Australian colonies at the 1883 Intercolonial Convention in Sydney, the race for colonial acquisition of East New Guinea was on in earnest. Delegates at the convention had determined that the ‘acquisition of territory south of the equator by any foreign power would be highly detrimental to the safety and well-being of Australia’ and urged the immediate incorporation of non-Dutch New Guinea into the British Empire.¹⁸ Even more alarming to the Germans was the decision to reverse land purchases before British sovereignty had been established.¹⁹

Weber was convinced that this action, if successful, would prevent DHPG from procuring labourers from Melanesia and, therefore, bring into question the very future of his plantations in Samoa.²⁰ Hertsheim saw his company’s future in the archipelago threatened and urged Bismarck to secure all ‘the land which they have purchased, or may purchase in the future’.²¹ Consul von Oertzen in Matupi agreed with the position taken by the two dominant South Sea enterprises: he wanted to forestall any ambitions Britain had for New Guinea.²² Indeed, after

¹⁴ Commander (*Korvetten Captain*) Kärcher to the Chief of the Imperial Admiralty, Berlin, Batavia, 6 July 1883, German Embassy, London to AA, 4 Sep. 1883, Smith, Wb no. 10, pp. 31–2. See also Kärcher’s signal to Commodore Erskine, Batavia, 5 July 1883 (Mitchell Library, Sydney, vol. 16, no. FM4/1658).

¹⁵ Hertsheim to Bismarck, 29 May 1883, Smith, Wb no. 8, pp. 29–31.

¹⁶ Stübel to Bismarck, 15 Dec. 1883, requesting the permanent stationing of a gun ship in the archipelago to protect the interests of R&H and DHPG. The labour traffic issue was brought to the attention of Granville (Busch to Münster 5 Jan. 1884, Granville to Münster, 6 Feb. 1884). Hertsheim sought recourse in the Brisbane court and was awarded £550 damages (Busch to Münster 5 Jan. 1884 with enclosure Hertsheim to Bismarck 26 Aug. 1883, Krauel to Bismarck 23 May 1884; Granville to Münster 9 June 1884, Wb no. 11, p. 33, no. 14, pp. 35–6, no. 11, p. 33, no. 17, p. 36). Davis and the recruitment agent, McMurdo, were sentenced to 3 months imprisonment by a Brisbane court on 7 Aug. 1884; they were paroled a week later (Krauel to Bismarck, 8 Sep. 1884, Wb No. 18, p. 37; V&P (Vic), 1884, ii, no. 25, p. 70).

¹⁷ Hertsheim to Bismarck, 29 May 1883, Smith, Wb no. 8, p. 29.

¹⁸ Report of the Inter-Colonial Conference, Sydney, Nov.-Dec. 1883, V&P (NSW) 1883 vol. 9.

¹⁹ *ibid.* Small parcels of land acquired by traders and the missionaries were exempt from this determination.

²⁰ ‘German interest in the South Sea would cease to exist altogether’, were Weber’s prophetic words to Stübel, 11 May 1883, Smith, 1883, Wb no. 10, pp. 32–3; see M. Jacobs, ‘Bismarck and the Annexation of New Guinea’, *HS.ANZ*, 5 (1952) pp. 15–26; monthly consular reports to the Foreign Office by Stübel in RKA 1001:2830, pp. 42, 49, 61 and 67.

²¹ Hertsheim to Bismarck, 29 Jan. 1884, StAH, 44, 1885, Nr. 8435. DHPG labour requirement for 1883 (StAH, 621, 1-5; Smith, 1883, Wb no. 12, p. 35). Godeffroy and Schmid to Bismarck, 30 Jan. 1884 (Smith, 1883, Wb no. 13, p. 35). DHPG land loss concerns, Oertzen to Bismarck, 10 Feb. 1884(RKA 1001:2929, p. 16).

²² Oertzen, Feb. 1883, Report on Western Melanesia; an enclosure in Stübel to Bismarck, 6 Aug. 1883, RKA 1001:2787, pp.160–69; Stübel to Bismarck, 27 Jan. 1886 (RKA 1001:2316, p. 51).

the bellicose attitude of the Australian colonies was debated in the *Reichstag* the annexation of East New Guinea was only a matter of time.

Precursors to a German colonial presence in the southwest Pacific

Ludwig Bamberger's concern that passing the Samoa Subsidy Bill would open the gate for overseas annexations proved groundless, at least for the time being. The opposite was the case for Adolph von Hansemann. After the *Reichstag* had rejected what was effectively his proposal, he drafted a new proposition which he presented to his banker friends of the now-defunct DSG on 1 September 1880 and then to the AA on 9 November. In this he expressed concern that Germany would lose forever any unclaimed islands in the South Sea which Britain might annex. He reasoned that the Panama Canal would make obvious the increased need for coaling stations. For geographical reasons alone, 'Samoa should be annexed forthwith because the [islands] are situated approximately half-way between the American and Australian continents, with the latter becoming an increasingly important market for Germany'.²³ The kernel of Hansemann's submission was his consortium's considerable interest in northeast New Guinea in view of an increasingly competitive world market. Hansemann claimed that colonies would be economically advantageous, especially in improving Germany's trade balance through wider commerce.²⁴ Because of the considerable market opportunities that existed in Australia, the report went on, 'the New Guinea coast with its enormous hinterland would offer the best opportunity for the establishment of such a colonial enterprise'.²⁵

Hansemann proposed:

Mioko, a coaling station of the German navy in the Duke of York Island be made the centre of future colonial efforts.

An Imperial subsidy be granted for a shipping service, which a consortium of present commercial firms were prepared to start to connect Mioko and Apia, Tongatabu and the other places with German factories.

Coaling stations are secured along the northeast coast of New Guinea, between the East Cape and 141°E, and where interested commercial firms would establish factories.²⁶

Heinrich von Kusserow supported Hansemann's submission. In a memorandum he paraphrased Bismarck's view on trade protection which, he argued, other governments had long adopted. Kusserow suggested that the acquisition of colonies were an important step in providing German industry with a potentially large and secure market:

It is fortunate that the financial capacity that stood behind the DSG was not discouraged by the defeat of the Samoa Subsidy Bill and is prepared to invest funds in the development of German colonies. The initial proposal of this consortium is to establish a shipping service in the South Sea to open up the region for German industry and trade.²⁷

²³ Denkschrift Hansemann, 9 Sep. 1880, submitted on 9 Nov. 1880, RKA 1001:2927, pp. 9–34; Smith, 1883, Wb no. 1, p. 25.

²⁴ Denkschrift Hansemann, 9 Sep. 1880, RKA 1001:2927, pp. 2–7.

²⁵ *ibid.*

²⁶ *ibid.*; see H. Münch, *Adolph von Hansemann*, p. 226; M.J Wolff, *Die Disconto-Gesellschaft*, p. 64; H.U. Wehler, *Bismarck und der Imperialismus*, pp. 223–4; Jacobs, 'The Colonial Office and New Guinea 1874-1884', p.16.

²⁷ Kusserow Memorandum, 21 Dec. 1880 (RKA 1001:2927, pp. 203–57; H. v. Kusserow, 'Fürst Bismarck und die Kolonialpolitik,' *DKZ*, 1898, no. 15, p. 297).

Bismarck was not moved by his councillor's enthusiastic support for his brother-in-law. What Hansemann now suggested would involve considerable financial and political intervention by the Reich. That was not possible Bismarck reminded his bureaucrat:

the government does not have the personnel or expertise to run a colony. The English enter the colonial service at the age of sixteen, without tertiary education. Our civil servants are ill prepared for the task. Any involvement would have to be initiated by the German business organizations. But, the colonialists do not front up, except for the Hanseatic merchants, and they have their own ideas. Occupation and annexation of South Sea Islands is out of the question.²⁸

The briefing by the Acting Foreign Secretary Count von Limburg-Stirum on 15 February 1881 would not have disappointed Hansemann. The grounds given for rejecting the proposal were predictable and understandable. However, Bismarck also left the door open for Hansemann to take the next step. The *Reichskanzler* determined that 'the government could not occupy territory in the South Sea ... this was to be left to private enterprise'. Moreover, Bismarck sanctioned the government to extend naval and consular protection 'to property in land acquired by private ventures'. It was, in fact, an invitation for Hansemann to procure as much land in the South Sea as was legally possible, or so it seemed.

The lure of Polynesia

Rather than concentrating on New Guinea, which was a short sailing distance from north Queensland, Australian and New Zealand interests started their commercial exploits by competing with the European, British and American traders for favour with the Polynesian chiefs of Fiji, Tonga, Samoa and Tahiti. Melbourne interests formed the Polynesian Company during the 1860s to take advantage of inter-tribal warfare on Fiji. In exchange for physical and sham political support, the company tried to secure 200,000 ac (80,940 ha) of land from Chief Thakombau who wished to make a deal over land that belonged to the tribe he was at war with.²⁹ Acting British Consul for Fiji and Tonga Sir John Thurston, who urged the public to show caution before investing in Fijian enterprises, prevented the scheme.³⁰ He counselled the governor of NSW, the Earl of Belmore, because 'the great interest manifested in this group of islands by the commercial community in the colony and the probable disappointment and pecuniary losses that may accrue from the action [are] based upon incorrect or insufficient information as to the social and political condition of Fiji'.³¹

Australian trade interests in the Pacific drove the agenda of the 1870 Intercolonial Conference in Melbourne. The New South Wales Parliament had received petitions from 23 Sydney merchants seeking greater involvement in the Pacific region, particularly Fiji, which already had an established trading relationship with Sydney'.³² The influential Rev. John Dunmore Lang articulated the merchants' claim that other colonists were becoming

²⁸ Marginal note by Bismarck, Smith, 1883, Wb no. 2, p. 25.

²⁹ Spellings of 'Cakobau', 'Thakombauor' or 'Tackombau' are found for the Fijian chief in R.B. Joyce working papers, NLA.

³⁰ V&P (NSW), 1868–69 vol. 1.

³¹ *ibid.*

³² V&P (NSW), 1871–72, vol. 2, Lang petition to the NSW Legislative Assembly on 27 Oct. 1869.

increasingly interested in developing the resources of the region and that Sydney's role as an entrepôt would benefit from such a move.³³ The conference resolved to urge the establishment of a British protectorate over the Fiji Islands.

The first Gladstone government rejected the Melbourne resolution, but the issue became the focus of the 1873 Intercolonial Conference. The mood of the delegates was transmitted to the colonial secretary, Lord (Henry) Carnarvon:

Britain must give attention to the anarchic conditions prevailing in Fiji in the interest of the Australian colonies, as well as the rest of the Empire ... Ministers of this Colony supported by leading merchants, urge the annexation and colonization of these islands because they form the most important settlement on the line of communication between Australia and America; have been chiefly settled by British subjects from these colonies; are rich fields for the commercial enterprise of Great Britain.³⁴

The newly elected Conservative Party of Benjamin Disraeli – formed in early 1874 – was more in tune with the Australian premiers provided the Australian colonial governments were prepared to share in the cost of administering Fiji. With Premier Henry Parkes the first to agree to Carnarvon's proposal,³⁵ Victoria and Queensland soon agreed to follow New South Wales's lead by also contributing £4,000 p.a. towards the cost of government of the new colony.³⁶

The colonization of Fiji by Britain on 10 October 1874 started a chain of events that led to the ultimate annexation of East New Guinea by Britain and by Germany. The optimistic trading projections by the Australians were borne out in time.³⁷ The Sydney-based Colonial Sugar Refining Co. opened its first mill in Fiji soon after annexation, and exports began in 1898 with the local Australian demand being more than satisfied by Queensland and Fijian sugar.³⁸ In a wider political context, the acquisition of Fiji brought to an end 30 years of anti-imperialism in Britain and was the forerunner of the renewed European colonial imperialism of the 1880s.

British and Australian interests in the southwest Pacific

A constant feature of Australia's interest in the southwest Pacific was its concern with developing trade. Whereas the region did not rate highly in Britain's policymaking, the Queensland labour trade and the exchange of goods, predominantly conducted by New South Wales, were the factors leading to Britain's annexation of Fiji and southeast New Guinea.

So the statement in 1850 by Sydney's consul-general in Hawaii, Charles St Julian, that 'the islands of the Pacific afford an almost unlimited field for enterprise, which as yet has been but little touched by the Australian merchants' was significant for the attention it drew to the

³³ *ibid.*

³⁴ V&P (NSW), 1894, vol. 1, Telegram by NSW government to the Secretary of State for the Colonies, 14 Oct. 1873, Intercolonial Conference Melbourne, 1873.

³⁵ *ibid.* Parkes to Carnarvon 20 July 1874.

³⁶ Dispatch by Carnarvon to Robinson, 7 Aug. 1874, V&P (NSW), 1874, vol. 2.

³⁷ BPP, 'Correspondence Respecting New Guinea', C-1566, pp. 85–6, payments towards the cost of administration were not immediately forthcoming. Carnarvon sent a dispatch to the governors, advising the Australian colonies that there would be no further annexation in the Western Pacific unless the costs involved were substantially borne by the Australian governments pressing for British intervention in the area.

³⁸ R.L. Nash, *Australian Joint Stock Companies Year Book*, (1898); see J.D. Legge, *Britain in Fiji*, pp. 11 ff; B. Knapman, 'Fiji's Economic History, 1874–1939', pp. 9–17.

commercial potential of the Pacific region.³⁹ Even though his prophecy was based on wrong assumptions, he claimed that ‘the islands afford an incalculable extent of the most fruitful soil, with an unlimited supply upon the spot of the cheapest possible labour for its tillage’.⁴⁰ Then in 1858 the governor of New South Wales, General W.T. Denison, pointed to ‘a trade, of an extent almost unequalled in any group of colonies’, when he referred to the commercial opportunities in Australia.⁴¹ Giving emphasis to the opportunities New Guinea offered, John MacGillivray reported in 1852:

that gold exists in the western and northern portion of New Guinea has long been known; that it also exists in the south-eastern shores of that great island is equally true, as a specimen of pottery procured at Redscar Bay contained a few laminar grains of this precious metal. The clay in which the gold is imbedded was probably part of the great alluvial deposit on the banks of the rivers the mouths of which we saw in that neighbourhood, doubtless originating in the high mountains behind, part of the Owen Stanley Range.⁴²

Despite these early ‘noises’, intercourse between Australia and the Pacific region remained negligible until the end of the 19th century. New South Wales recorded the highest activity with a meagre 2.39% of total imports in 1850, declining to 0.15% in 1870. The export activities were even less impressive with only 1.27% of goods shipped from NSW to the region in 1850. After Fiji became a British colony, NSW increased its overall exports to the region to 2.69% of total exports in 1883. This figure declined again to 1.73% in 1899. Trade between Queensland and the Pacific region never exceeded 1% of total trade nor did trade between Victoria and the region. The trade figures with the Pacific become more significant when intra-trade of the Australian colonies, which amounted to approximately 40% of total trade, is eliminated.⁴³

Table 3.1 Value of imports and exports (£) by Australian-based firms with the Pacific region.⁴⁴

Decade	New South Wales		Victoria		Queensland	
	Import	Export	Import	Export	Import	Export
	New Guinea, Guam, Marshall, Fiji, New Britain, New Caledonia, New Hebrides, Norfolk, Solomons		New Guinea, Fiji, New Britain, Samoa, Tonga, New Caledonia, New Hebrides, Marshall, Malden		East New Guinea, Fiji, Guam, New Britain, New Caledonia, Marshall, Malden, Samoa, Tonga	
1850–59	382,234	355,100	No data	No data	No data	No data
1860–69	361,754	645,804	No data	No data	No data	No data
1870–79	1,936,602	2,480,704	162,455	110,647	11,709	93,297
1880–89	2,762,629	3,746,123	407,833	258,579	110,411	165,824
1890–99	1,794,917	3,438,949	442,282	110,026	177,256	217,582

³⁹ C. St Julian, 'The Latent Resources of Polynesia', (1851), St Julian wrote under the pseudonym 'Cecrops' in his pamphlet *Australian Era*.

⁴⁰ *ibid.*

⁴¹ V&P (NSW), 1859–60, vol. 2.

⁴² J. MacGillivray, *Narrative of the Voyage of H.M.S. Rattlesnake*, vol. ii, p. 69.

⁴³ The Australian economy was reliant on British capital until well after World War II. Of £428,348,000 total loans invested by Australian companies in 1900, £317,559,000 was British capital. R.B. Joyce working papers.

⁴⁴ *ibid.* Given that the NSW Statistical Register only began with an inclusive category for the South Sea Islands in 1850, these figures may not be entirely accurate. See figures submitted by the German consul in Sydney, Krauel to Bismarck, 20 Aug. 1884, Smith, 1884, Wb no. 7, pp. 26–8.

East New Guinea, the pivot of an Australian Monroe doctrine

It was highly likely that British traders had visited New Guinea in the early 19th century. Their commercial interests would have followed the explorers with bêche-de-mer (trepan), pearls, tortoise-shell and sandalwood being the main attractions. The first serious attempt to extract the imagined riches of New Guinea was in June 1867 with the founding in Sydney of The New Guinea Co. (Ltd). Rev. Lang promoted eastern New Guinea and the Melanesian islands as an 'immense field for industry and enterprise [which] shall become one vast plantation, unequalled by any other country of the world'. Lang sought shareholder interest to occupy the land, develop it with European skill and knowledge, and cultivate it with the native population as 'willing labourers in the cause of peaceful prosperity'. Whilst the project had political support from Parkes, it collapsed for lack of funds and a profound lack of interest in New Guinea by the newly installed Gladstone government in Britain.

The next big idea was concocted in 1871 when a prospecting company was formed in Sydney to search for gold in southeast New Guinea. A year earlier, the Queensland government's geologist, Richard Daintree, reported that the gold-bearing rock formation, the Peak Downs and a portion of the Gilbert in north Queensland were largely represented at the southeastern extremity of New Guinea.⁴⁵ This statement provided enough reason for the more than 150 fortune hunters who assembled in Sydney on 1 December 1871 to found the New Guinea Prospecting Expedition (NGPE). Undaunted by the failure of the first mission, Lang continued to promote New Guinea as being of immense economic and strategic importance to Australia. As a chief supporter of NGPE, he regarded the undertaking as one of the most important events that had ever taken place in the colony. If properly carried out, he had no doubts that it would lead to most significant results.⁴⁶

It was the formidable oratorical power of Lang that got the venture started. However, with a signing-on fee of £1 and payment of a further £9 for full membership, only 69 men became shareholders in NGPE. It was not cheap for a prospector who, on top of these fees, was required to provide his own tools, firearms, tents and cooking utensils. Also, whilst given free passage to and from New Guinea, he would not receive a wage. The rewards were to come from the equal shares in profits from the sale of gold, land and trade of any kind. Of course, not many gold fossickers were in a position to find the money and share in the risk.

Besides the issue of fees, the organising committee was unable to stimulate interest from Sydney merchants or the colony's government. This left approximately £600 to commence the venture, barely enough to charter a laid-up collier, the brig *Maria*.⁴⁷ The adventure commenced on 25 January when the 156-ton brig left Sydney for southeast New Guinea. It lasted 33 days. On 8 March 1872 the *Sydney Morning Herald* reported: 'the *Maria*, with her freight of hopeful

⁴⁵ V&P (Qld), 1870, vol. 1, R. Daintree, 'General Report upon the Northern District'.

⁴⁶ 'Private Papers of Lawrence Hargrave', PRO, London, no. 3545.

⁴⁷ *ibid.*, not all participants had paid up at the time of departure for New Guinea.

adventurers, bound upon an enterprise which promised to have no inconsiderable influence upon the future commerce of Australia, struck upon the Bramble Reef on the morning of February 26'.⁴⁸ Instead of striking a gold reef in New Guinea, the old collier struck a reef off Cardwell in north Queensland and foundered. This also buried the first commercial enterprise leaving Australian shores for New Guinea. En route to survey the southeast and northeast coast of New Guinea, Captain John Moresby of the Royal Navy survey ship *Basilisk* rescued eight survivors; 37 hopefuls were either lost at sea or clubbed to death by Aborigines when they reached land.⁴⁹ Ironically, the crew of Moresby's ship the *Basilisk* picked up pieces of auriferous quartz on the shore of Fairfax harbour, where Port Moresby now stands.⁵⁰

In 1875 Colonial Secretary Earl Carnarvon received a petition from the London-based Melbourne-born barrister, Francis Peter Labilliere.⁵¹ A strong advocate of imperial federation, Labilliere believed that New Guinea formed the natural extension to North Queensland. Like Lang, he argued for annexation because of the growing interest that European countries had shown in the area: 'in a very few years they will swarm in the island'⁵² and, if Britain did not act, he argued that 'another power would acquire New Guinea, and thus threaten the security of Australia'.⁵³ A fellow of the Royal Colonial Institute, Labilliere mixed economic and humanitarian reasons by claiming that the New Guineans had to be protected from diggers, land grabbers and labour recruiters, when the gold discoveries became widely known in Australia.⁵⁴

While Carnarvon believed that no other power threatened the acquisition of East New Guinea, he was not altogether opposed to acquiring part of New Guinea provided the costs involved were substantially borne by the Australian governments. Based on the British experience with Fiji, he advised cabinet that Britain should not shoulder any further burden of colonisation without financial assistance from the Australian colonies.⁵⁵

On the back of Labilliere's petition, Lieutenant R.H. Armit and Edward Schubert founded the New Guinea Colonizing Association in London in 1875. Armit claimed to have visited New Guinea in 1872 and intended to raise funds for a trading expedition to the island: 'gentlemen wishing to join the expedition were welcome provided they contributed 250 guineas to the fund'.⁵⁶ The association petitioned the British government for a Royal charter with exclusive

⁴⁸ *SMH*, 8 March 1872.

⁴⁹ The story of the NGPE has been told and embellished over time; see L. Lett, *Papuan Gold*, pp. 1–4; P. Maiden, 'The tragedy of the New Guinea Prospecting Expedition', *Australian Heritage* (2006) pp. 56–60; on primary data see Private Papers of Lawrence Hargrave, PRO, London, No. 3545.

⁵⁰ J. Moresby, 'Recent Discoveries at the Eastern End of New Guinea', *Royal Geographical Society*, vol. XLIV, 1873–74.

⁵¹ BBP, C-1566, London, 1876, CO 234/34, 'Correspondence Respecting New Guinea'.

⁵² *ibid.*

⁵³ *ibid.*, see Legge, p. 16; Jacobs, pp. 106–18.

⁵⁴ Royal Colonial Institute, vol. VI, 1874–75, pp. 191–3; W.P. Morrell, *Britain in the Pacific Islands*, pp. 238ff

⁵⁵ Carnarvon to Robinson, 8 Dec. 1875 and to the governors of the Australasian colonies, 13 Jan. 1876 (BPP, C-1566). When the French government sanctioned an expedition to New Guinea Derby let it be known that Britain's interest in New Guinea was 'prior to that of any other European power' (Herbert to Tenterden, Under Secretary of State Foreign Office, 3 July 1876 and Lyons to Derby, 14 July 1876, CO 201/582).

⁵⁶ V&P (NSW), 1875–76 vol. 2, see J.D. Legge, 'Australia and New Guinea to the Establishment of the British Protectorate, 1884', *Historical Studies* 4, no. 13–16 (1949–1951) p. 36, n. 5.

rights for the exploitation of the land and mineral resources. Because Armit and Schubert had planned to import labour from East Asia, opposition to the idea by the London Missionary Society and the British and Foreign Anti-Slavery Society put a halt to the ambitious scheme before it got started.⁵⁷

Some Australian colonies had devised similar schemes. For instance, Queensland and New South Wales provided support for reconnaissance expeditions on the Fly River by Luigi d'Albertis whose report in 1877 of 'the riches of the land we visited, its vegetable and probably mineral production, the soil suitable for the cultivation of many of the most valuable plants, as coffee, sugar, India-rubber, sago, tobacco, nutmeg, ought to attract the capital of the colony to open up the country' stoked the fires of the Australian colonial expansionists more than ever.⁵⁸

Lawrence Hargrave, who participated in the NGPE trip on *Marie*, ventured to New Guinea on four occasions. In 1876 he joined d'Albertis to navigate approximately 450 miles up the Fly River in a steam-launch, *Neva*, provided by the NSW government.⁵⁹ At the upper most point of their expedition, immediately above the junction, where the Ok Tedi meets the Fly (D'Albertis junction), Hargrave collected a single speck of gold and some copper specimens.⁶⁰

As a co-founder of the Royal Geographical Society of Australasia, Hargrave drew attention to New Guinea as few others before him. 'Our new found society cannot do a better thing to inaugurate its birth', he told society members, 'than by dispatching a party to thoroughly investigate that large island that must eventually prove of immense value to the British Empire'.⁶¹

The magic word 'gold' brought hundreds of white men rushing to the shores of New Guinea where, in early October 1877, Andrew Goldie (a naturalist, storekeeper and trader from Port Moresby) and the Rev. W.G. Lawes (New Guinea Mission) panned gold from the Laloki River near Port Moresby. The specimens taken to C.S. Wilkinson (government geologist of New South Wales) for assaying 'were neither particularly rich nor particularly attractive' according to the *Sydney Mail*,⁶² but they contained gold. On 24 January 1878 the New South Wales New Guinea Prospecting Expedition was set up to raise £3,600 for the purchase of two boats and six months rations for 100 would-be prospectors.⁶³ They followed the rush to Port Moresby and prospectors from all over Australia and New Zealand panned for gold in the Laloki and Goldie Rivers. By December the wet season and increasing bouts of malaria forced

⁵⁷ There is confusion on whether Armit ever visited New Guinea. If he is identified with Captain J.A. Lawson, the author of *Wandering in the Interior of New Guinea*, it is more likely that Armit had visited north Asia. See Whitaker et al., p. 271.

⁵⁸ V&P (NSW), 1876–77 vol. v; L.M. D'Albertis, 'New Guinea: Its Fitness for Colonization', *Royal Colonial Institute* (1879) Proceedings Royal Colonial Institute.

⁵⁹ The conversion into km is not made as it is not clear whether the distance was in statute or nautical miles.

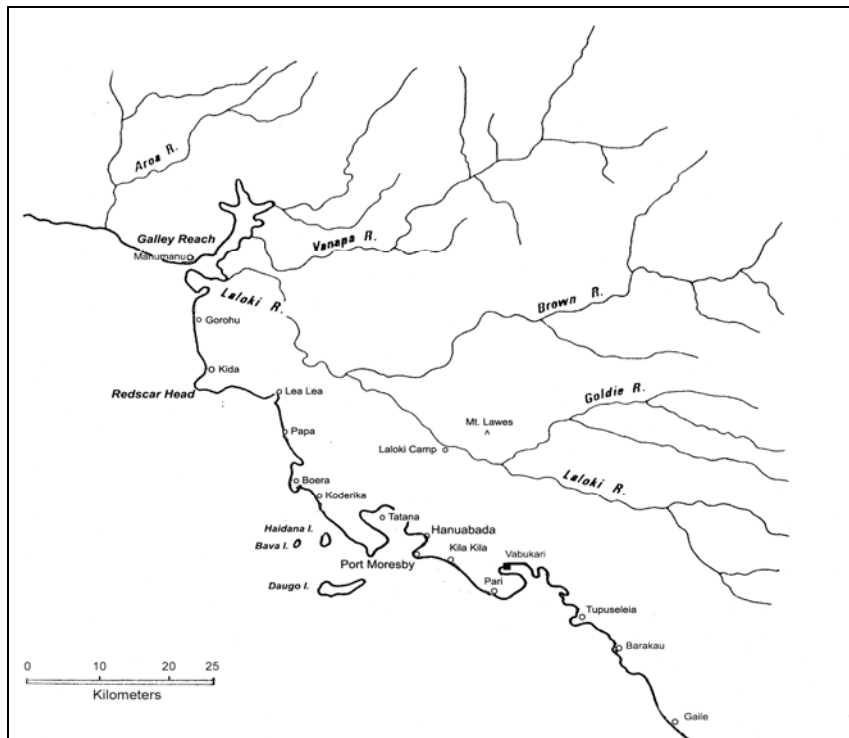
⁶⁰ Hargrave papers, Mitchell Library FM4/1060. Trevor Neal claims that the find was 90 km south of the present Ok Tedi mine ('Historical Overview of Mining in PNG', New Guinea Gold Corporation of Canada).

⁶¹ Hargrave papers, Mitchell Library FM4/1060; see J.L. Whittaker et al., *Documents and Readings in New Guinea History, Prehistory to 1889*, pp. 272–3.

⁶² *Sydney Mail*, 19 Jan. 1878, p. 47, cited in H.J. Gibbney, 'The New Guinea Gold Rush of 1878', *Royal Australian Society* 58 (1972) p. 285, n. 7.

⁶³ Town and Country Journal, 26 Jan. 1878.

even the most hardened diggers to abandon prospecting. After eight months and untold deaths, the Goldie discovery was pronounced a failure; but many remained convinced that the New Guinea rivers contained much gold.⁶⁴



Map 2: The Laloki and Goldie River district

The news of the 'gold rush' did not change the Colonial Office's attitude towards annexation. The Disraeli government continued the course of its liberal predecessors. Agreeing with Gladstone in little else, Benjamin Disraeli told Lord Malmesbury as early as 1852: 'these wretched Colonies will all be independent in a few years, and are millstones around our necks'.⁶⁵ Since the Congress of Berlin in 1878, Disraeli (now Lord Beaconsfield) had struck a friendship with Bismarck,⁶⁶ but their attention concerned Europe, not the acquisition of a far-flung place of which little was known.

Wilfred Powell had visited the South Pacific as a cadet on board HMS *Britannia* and HMS *Victory* and explored the New Britain Archipelago from 1877 to 1880 in his own right.⁶⁷ After returning to London, he issued a company prospectus in 1880 to raise funds 'for the purpose of opening up a trade with, and developing the resources of the Islands of New Guinea, New Britain and the adjacent groups'. Powell recognised the difficulty of engaging an experienced manager 'in whom confidence can be reposed'. To instill attract investors he undertook to conduct the operations personally. He was to return to New Guinea to select trading stations in the most advantageous positions and manage the fleet of vessels of the Association.

⁶⁴ H. Nelson, *Black, White, Gold: Gold Mining in Papua New Guinea*, pp. 76–80; S. v. Gnielinskie, 'Struktur und Entwicklung Papuas', p. 78.

⁶⁵ Disraeli to Malmesbury, cited by Leo Maxse in 'British Foreign Policy', *The National Review*, Nov. 1901.

⁶⁶ A.J.P. Taylor, *Bismarck The Man and the Statesman*, pp. 177–9.

⁶⁷ W. Powell, *Wandering in a Wild Country*.

The POWELL Trading Association Ltd, (PTAL) was to issue 5,000 shares at £5 each to raise £50,000. Additional funds were to be raised by debenture notes, secured by a first mortgage over the property of PTAL. Apart from working capital, the funds were to be used for the purchase of 'a steamer of about 200 t, other small vessels of about 50 t each, and a barque of about 400 t, fitted with an apparatus for curing Beche de Mer'.⁶⁸ Powell informed investors that the barque 'will be provisioned for 18 months ... and dispatched by the Superintendent to the best localities for Beche de Mer'. The main station was to be set up in Torres Strait from where goods were to be shipped to Brisbane and then by regular steamer to London or Singapore. Powell cautioned investors not to expect large profits in the first year.

Table 3.2 Income and expenditure forecasts disclosed in PTAL's prospectus

Trial Balance Sheet		
Cash	£12,800	
<u>Receivables</u>		
Tortoise Shell (1 ton at 15s per lb)	£1,680	
Pearl Shell (20 tons at £5 per cwt)	£2,000	
Copra (600 tons at £15 per ton)	£9,000	
Fibre (Kapok) (50 tons at £20 per ton)	£1,000	
Bêche-de-mer (100 tons at £60 per ton)	£6,000	
500 Bird of Paradise Plumes (10s per plume)	£250	
Others	£1,149	
<u>Expenditures</u>		
Boats, Sails, etc		£50
Trading Goods		£500
Coal (450 tons)		£337
Provisions		£500
Insurance		£1,800
Commission		£3,813
<u>Wages</u>		
Traders		£400
Officers		£276
Engineers		£180
Super-Cargo		£300
Ship Crews		£3,456
Directors' Fee and Office Expenses		£3,000
<u>Fixed Assets</u>		
20 Prefabricate House	£600	
1 Steam Ship (200 tons) fully provisioned	£4,000	
1 Barque fully provisioned	£2,000	
7 Trading Vessels	£3,500	
20 Boats	£800	
1 Tender (30 tons)	£300	
Arms and Ammunition	£1,000	
Paid-up capital		£25,000
	£46,079	£39,612
Profit		£6,467
Balance	£46,079	£46,079

⁶⁸ Whittaker et al., p. 392.

Powell provided his potential investors with a detailed list of items for which a ready market existed in London and China. An income and expenditure statement (Table 3.2) was provided with articles such as ebony wood, camphor, sago, tannin bark, gum and 'animal skins', identified as potential goods of sale. While he did not specify the year in which he intended to return a profit, Powell's projection remained cash positive, and a 25% return on funds invested should have been an attractive investment.⁶⁹

This was not the view of the London merchants, however. Powell was unable to raise the required capital and instead he accepted the position of Deputy Commissioner of the Western Pacific and Consul-General for the Navigator Islands (Samoa).

Australian interest in the Pacific culminated in the agitations from 1881 to 1885. The 1881 Intercolonial Conference in Sydney carried a motion that it was

desirable that a representation be made to Her Majesty the Queen calling her attention to the lamentable state of affairs existing between the natives of many of the islands in the Pacific and the subjects of Her Majesty trading in these seas, more particularly since the appointment of a High Commissioner for the Pacific, and praying that Her Majesty will cause such action to be taken as will prevent the recurrence of such outrage against life and property as have lately prevailed.

This thinly veiled attack by the colonial governments on the Suva-based High Commissioner Sir Arthur Gordon created tensions between the parties with long-lasting effects.⁷⁰ Gordon answered the charges by putting the interests of the indigenous people above the trading interests of the white man.⁷¹ Whereas the Sydney merchants claimed

sufficient protection is not afforded to the ordinary traders in the South Sea Islands ... As long, however, as British subjects are engaged in legitimate trade, they are working for the benefit, and are entitled to the protection of their country. These colonies reap no small advantage from the South Sea Island trade, and they expect to reap larger advantages thereafter ... where we push our trade we should have some legal machinery for protecting our interests. Colonial governments have not begun to consider it a part of their duty to protect the traders of the South Seas, but the object is one which they might conveniently consider, and which they might impress upon the attention of the authorities in Downing Street.⁷²

Labilliere pursued the annexation question again towards the end of 1882. Stirred to action by the German expansionist campaigner, Emil Deckert, he implored the Colonial Office to pre-empt any German intentions. Deckert argued his case for immediate German annexation of New Guinea in the *Augsburger Allgemeine Zeitung* on 27 November 1882.⁷³ The translation of the article in the *SMH* on 7 February 1883 caused much alarm in Australia. Whilst the *SMH* reasoned that 'if the place is to be annexed by any other power than England, we should be glad to see it in the hands of Germany',⁷⁴ the *Queenslander* in Brisbane urged for the immediate annexation of New Guinea by Britain, and for Queensland, 'the party most interested', to assume financial responsibility for the administration.⁷⁵ The *Nord-Australische*

⁶⁹ 'Prospectus', Mfm 1688 in the Wilfred Powell Papers NLA.

⁷⁰ A.C.H. Gordon (1829–1912) was private secretary to Gladstone in 1858. He entered the colonial service in 1861, was Lieutenant-Governor of New Brunswick (1861–66), Trinidad (1866–70), Mauritius (1871–74), Fiji (1875–80), New Zealand (1880–82) and Ceylon (1888–90). Gordon was British High Commissioner and Consul-General for the Western Pacific from 1877 until 1883. He was created Baron Stanmore in 1893

⁷¹ Memorandum 28 Feb. 1881, Sir Arthur Gordon, Intercolonial Conference Dispatch, Melbourne/Sydney 1881.

⁷² *SMH*, 30 Nov. 1881.

⁷³ *AAZ*, 27 Nov. 1882; Krauel to Bismarck 13 March 1883, Smith, 1883, Wb no. 3, p. 26.

⁷⁴ *SMH*, 7 and 10 Feb. 1883; Smith, Wb no. 3, p. 25; M. Jacobs, 'Bismarck and the Annexation of New Guinea',

⁷⁵ Smith, 1883, Wb no. 7, pp. 26–7.

Zeitung also advocated for immediately annexing New Guinea, but the German language paper in North Queensland favoured Germany rather than Britain.⁷⁶ Writing on behalf of the Royal Colonial Institute, Labilliere drew the article to the attention of Colonial Secretary Lord Derby.⁷⁷ He was advised, however, that the Colonial Office 'has no reason for supposing that the German government contemplate any scheme of colonisation in the direction indicated by the *Allgemeine Zeitung*'.⁷⁸

Premier Thomas Mcllwraith⁷⁹ took up the issue by instructing Queensland's Agent-General in London, Thomas Archer, to inform the Colonial Office that Queensland would assist in taking formal possession of New Guinea and would carry the cost of government.⁸⁰ While Derby told Archer that 'if New Guinea should become a *place d'armes* of some foreign state it would be a perpetual menace to the continent, and would call for great military preparation on the part of the Australian people',⁸¹ he also doubted whether Queensland could afford the cost of annexation. Before submitting his recommendation to the cabinet he asked for assurance that Queensland would carry the entire financial burden save that of protection from foreign aggression.⁸² Derby received an answer he was not bargaining for. Whilst the Colonial Office was equivocating Mcllwraith instructed the Torres Strait magistrate on Murray Island, Henry Chester, to proceed to Port Moresby and claim 'all that portion of New Guinea and the islands and islets adjacent thereto, lying between the 141st and 155th meridians of east longitude in the name and on behalf of Her Most Gracious Majesty, Her heirs and successors'.⁸³ Chester hoisted the British flag in Port Moresby on 4 April 1883, an event reported 12 days later in *The Times*, wherein Gladstone learnt of Britain's new dependency.⁸⁴ Mcllwraith's resolute deed was generally applauded by newspapers in Britain and Australia, although at least one, the *Spectator*, was aghast at the prospect of colonies conducting annexationist policies.⁸⁵

Gladstone, prime minister again, remained opposed to any imperial expansion, a position he shared with Lord Chancellor Selborne. Their concern for the well being of the indigenous population was in tune with that of the Aborigines' Protection Society, which urged the British government not to accede to the annexation because of Queensland's record in the Kanaka

⁷⁶ *ibid.*, Krauel to Bismarck, 13 March 1883

⁷⁷ BBP, C-3617, London 1883, p. 118, Labilliere to Colonial Office, 11 Dec. 1882.

⁷⁸ Reported in the *Argus*, 29 Dec. 1884.

⁷⁹ The Scotsman Thomas Mcllwraith (1835–1900) studied civil engineering at Glasgow University. He migrated to Australia in 1854. He was Premier of Queensland from 1879 to 1883 and in 1888 when he replaced Samuel Griffith. Mcllwraith resigned as premier in the same year. He entered into an unlikely alliance with Griffith in 1890 to become treasurer. In March 1893 Griffith stepped down and Mcllwraith was again premier. He resigned in October 1893 because of poor health.

⁸⁰ Mcllwraith to Archer, 26 Feb. 1883; V&P, (Qld) 1883, vol. 1, pp. 773–4 and 776.

⁸¹ D.C. Gordon, *The Australian Frontier in New Guinea 1870–1885*, p. 157.

⁸² *ibid.*

⁸³ V&P (Qld), 1883, vol.1, p. 780.

⁸⁴ Sahl cabled Bismarck on 16 April 1883, 'A telegram from Cooktown, published this day, announced that New Guinea was formally annexed on the 4th inst., by Mr. H.M. Chester, Police Magistrate of Thursday Island', Smith, 1883, Wb no. 5, p. 26.

⁸⁵ Comments by the British press in Gordon, *The Australian Frontier in New Guinea*, pp. 159–61 and Legge, *Australian Colonial Policy*, p. 25.

trade.⁸⁶ The issue of native subjugation was also addressed in a private letter from Gordon to Gladstone. Unaware of the sparsely populated island, the High Commissioner was particularly concerned because Queenslanders regarded 'natives as vermin' and if 'New Guinea becomes a part of Queensland its vast population will become available for recruiting without any other restrictions than those of the Parliament of Queensland itself chooses to impose'.⁸⁷

Gordon's central point that Queensland was not overly concerned with the defence of its northern border but wanted to secure cheap labour for its sugar industry was a conclusion also reached by a Royal Commission in Britain in October 1883. Appointed to enquire into the workings of the Western Pacific Orders, the commissioners commented specifically on the undesirability of giving Queensland any special voice in New Guinea matters because 'its vast regions will be available as recruiting ground for labour, without any restrictions'.⁸⁸

Whilst Gladstone had informed Queen Victoria that the cabinet had decided not to confirm Queensland's provisional annexation,⁸⁹ he did not shut the door on future annexation of some parts of New Guinea. In a May 1883 memorandum he suggested to Derby that the Australian colonies should combine into some kind of political union, which would then provide a better approach to annexation.⁹⁰

Carried along by strong public opinion, Australia's role in the southwest Pacific was again an agenda item at the 1883 Intercolonial Convention in Sydney. The prevaricating attitude of the British government drove Victoria's Premier James Service to advocate an Australasian Monroe doctrine over all islands south of the equator. Service's Protestant Christianity and his close connections with the Rev. John Paton gave him a personal interest in the area. In addition to New Guinea, the New Britain Archipelago and the Solomon Islands, he insisted on the New Hebrides being included in any settlement. Premier Alexander Stuart (NSW) concurred on New Guinea, but cautioned against unfettered expansion in the Pacific region on the grounds of cost.⁹¹ Unlike the people of Melbourne and Brisbane, Stuart's Sydney constituents were not overly excited about annexing Pacific Islands. They were more interested in economic outcomes. What was in it for them? And, because most of the southwest Pacific trade was routed through Sydney, why disturb a beneficial commercial arrangement? Stuart believed that the declining population would make New Guinea 'as useless to Australia as if

⁸⁶ BPP, C-3617, pp. 140-1, Letter from the Society to Derby, 14 May 1883.

⁸⁷ Gordon sent an abridged version of his letter incognito to *The Times*. The full text of the letter is in P. Knaplund, 'Sir Arthur Gordon on the New Guinea Question, 1883', *HSANZ*, 7 (1956) pp. 328-35.

⁸⁸ BPP, London, 1884, vol. Lv, p. 793, Report of the Royal Commission appointed to enquire into the Working of the Western Pacific Orders-in-Council.

⁸⁹ V&P (Qld), 1883, vol. 1, pp. 781 and 786-7.

⁹⁰ BPP series iii, vol. 281, p. 18; Gladstone to Derby 19 May 1883, P. Knaplund, *Gladstone's Foreign Policy*, 2nd ed., p. 108. Derby to Administrator of Queensland, 11 July 1883, BPP, London 1883, C-3691, pp. 22-4; V&P (Vic), 1884, vol. Li, paper no. 25, pp. 78-9; 'Correspondence Respecting New Guinea and other Islands', BPP, C-3839, London 1884, pp. 34-5.

⁹¹ Service to McIlwraith, 31 July 1883, *SMH*, 6 Aug. 1883, see Jacobs, 'The Colonial Office and New Guinea 1874-1884', p. 114, n. 52 and 54.

they were in the other hemisphere'.⁹² Instead, Stuart believed in the benefit of sending more missionaries and traders to New Guinea to inculcate European habits, which 'might in no long time render them of immeasurably greater value to Australia than they are now'.⁹³

The convention supported the action taken by Queensland earlier that year and resolved that it is

emphatically of opinion that such steps should be immediately taken as will most conveniently and effectively secure the incorporation within the British Empire of so much of New Guinea, and the small islands adjacent thereto, as is not claimed by the Government of the Netherlands.⁹⁴

To play to Gladstone's tune, delegates demanded that immediate steps be taken to protect the indigenous population against the ravages of fortune hunters. As regards cost, the representatives agreed to recommend to their respective governments that the expenditure for administration would be shared equitably with the British government.⁹⁵

Twelve months later, on 9 May 1884, Derby submitted the figure of £15,000 as the likely annual cost of administration.⁹⁶ Without specifically identifying which part of New Guinea the British government was intending to annex, he invited the governors of the Australasian colonies to contribute towards the cost of establishing a High Commission in Port Moresby.⁹⁷ S.W. Griffith, Queensland's premier since November 1883, agreed immediately.⁹⁸ In the letter he had sent to Derby and copied to the other colonies, he accepted the British proposal on the proviso that the British government would appoint a High or Deputy Commissionership with large powers of independent action. In the mistaken belief that a colony would be established over eastern New Guinea, the Queensland Parliament passed *The New Guinea and Pacific Jurisdiction Contribution Act* on August 21.⁹⁹ The Victorian and New South Wales governments followed Griffith's lead, albeit with some reluctance.

Angra Pequena, a catalyst for Hansemann's secret mission to New Guinea

Meanwhile, German attention towards New Guinea was changing. On 24 April in 1884 Bismarck placed land acquisitions by the Bremer trader Lüderitz in southwest Africa under the protection of the Reich. The *Reichskanzler* used the debate on the Mail-Steamer Subsidy Bill to

⁹² Report of the Inter-Colonial Conference, Sydney, Nov.-Dec. 1883, V&P (NSW) vol. 9, pp. 83–91.

⁹³ *ibid.*

⁹⁴ *ibid.*, item 3 of the resolution.

⁹⁵ BPP, C-3863, pp. 9–11, Service's memorandum of 27 July 1883 confirmed that Queensland, Victoria and New Zealand had committed to the contribution of costs for British intervention in New Guinea. Governor, A.E. Kennedy (Qld) advised: 'I have only to express my entire satisfaction with the action of my Government, especially Sir Thomas Mcllwraith, in this matter ... I do not anticipate any difficulty in providing for the cost of maintaining our authority'.

⁹⁶ BPP, C-3839 (1884), pp. 34–5.

⁹⁷ Derby to Governors, 9 May 1884, BPP, C-3839, 1884. Krauel forwarded a translation of Derby's 9 May despatch to Bismarck on 26 June 1884.

⁹⁸ The Welshman Samuel Walker Griffith (1845–1920) studied natural science and mathematics at Sydney and law at Brisbane University. He replaced Mcllwraith as Queensland's premier in 1883. Griffith took a special interest in BNG, and was largely responsible for sending W. MacGregor there as the first Administrator in 1888. Griffith lost office to Mcllwraith in 1888. After two years in opposition he entered into an unlikely alliance with Mcllwraith to become premier again. Before resigning in 1893 he appointed himself to Chief Justice of the Supreme Court of Queensland. With the establishment of the High Court of Australia, Griffith was appointed Chief Justice. He retired from the Court in 1919. R.B. Joyce, *Samuel Walker Griffith, passim*

⁹⁹ BPP, C-4217 (1884), pp. 2–3 and 47–8 and C-4273, pp. 11–15.

deliver a landmark statement on 23 June on his new colonial policy.¹⁰⁰ Bismarck now intended to proceed with annexations 'by granting charters to private companies'.¹⁰¹ This shift in policy encouraged the two bankers, Hansemann and Bleichröder, to revisit their ideas of 1880. They were now confident that the government could be persuaded to annex northeast New Guinea. They believed that if they could get there quickly, the territory was theirs for the taking.

The plan to send an expedition to northeast New Guinea was in place before Hansemann raised RM1,000,000 in May 1884. He chose the South Sea veteran Otto Finsch and Captain Eduard Dallmann to undertake hydrographic surveys, find suitable harbours for future establishments and procure large tracts of land on the northern coast of New Guinea and the adjacent islands. Hansemann had become aware that the British government intended to appoint a commissioner in Port Moresby. Time was of the essence if he wanted to see his long-held wish of establishing GNG realised. In order not to alert the anti-colonialists in the *Reichstag* or to speed up Australian designs on the territory, the two explorers travelled to Sydney by a regular shipping service. The Hansemann-controlled DHPG had been instructed to purchase and refit a steamship for the Finsch expedition. All that was left before the surreptitious venture could get underway was the hiring of an Australian crew. Finsch and Dallmann set course on SS *Samoa* for northeast New Guinea on 11 September 1884.

But Hansemann did not realise that his 'secrete' New Guinea plan was a thorn in the side of Eduard Hensheim.¹⁰² Keen to foil competition for labour and copra in the South Sea, Hensheim informed the inveterate critic of German colonialism, Ludwig Bamberger, and Cesar Godeffroy's erstwhile business foe, H.H. Meier of Bremen, of Hansemann's plans. Bamberger, who was a member of the subcommittee enquiring into the Pacific Mail-Steamer Subsidy Bill, accused Bismarck's adviser Kusserow of complicity with Hansemann, who he claimed would benefit from a subsidised steamer service in the South Sea.¹⁰³ To check the damage, Hansemann and Bleichröder informed Bismarck of their intentions to establish a consortium for exploring northeast New Guinea and 'look for the best harbours, purchase land and establish friendly relations with the natives'.¹⁰⁴ Kusserow also jumped to the defence of his brother-in-law by advising Bismarck:

the English experience tells us to place territory under the protection of the Reich where German commerce and trade are predominant and where expensive German expeditions have established land ownership. Whereas the Australians cannot be denied right of occupation on the south coast of New Guinea, the north coast is a different matter altogether; in this region it should be entirely possible for the Reich to assume sovereignty.¹⁰⁵

¹⁰⁰ Mail-Steamer Subsidy Bill in Hagen, pp. 97–114.

¹⁰¹ Smith, 1884, Wb .no. 19, p. 37; a full translation of Bismarck's speech was published by *The Times* on 25 June 1884 under the rubric 'German Colonial Policy', pp. 10–3.

¹⁰² P.G. Sack, *Eduard Hensheim*, p. 87.

¹⁰³ Kusserow felt grossly injured by the allegation Bamberger made against him during the sitting of the committee on 26 June 1884 and challenged for a duel. The matter was settled without physical contest; Kusserow to Bamberger, 28 June 1884; see Wehler, pp. 393–4.

¹⁰⁴ Hansemann and Bleichröder to Bismarck, 27 June 1884, Smith, 1884, Wb no. 19, p. 37; RKA 1001:2789, pp. 100–04.

¹⁰⁵ Kusserow to Bismarck, 30 July 1884, RKA 1001:2789, pp. 201–07.

The German consul-general in Sydney, Richard Krauel, supported Kusserow's submission: 'New Guinea is of no commercial importance to Australian commerce'.¹⁰⁶ Queensland's export to the island was worth £20,000 p.a. According to Krauel, it 'merely consisted of goods intended as payment for labour engaged there to work on the Queensland sugar plantations'.¹⁰⁷ The only bona fide trading activities were those of Sydney and Auckland. 'These two entrepôts', Krauel informed Bismarck, 'have monopolised the Australian trade with the South Sea Islands, much of which is carried out with Fiji and New Caledonia'.¹⁰⁸

On 20 August 1884 Hansemann's dream of owning a colony was close to being realised. Bismarck announced on that day that 'the *Reichsmarine* will provide protection to the Hansemann consortium to the same extent the Hanseatic enterprises enjoy in Africa'.¹⁰⁹ The hoisting of the German flag on unoccupied land was also approved 'as long as it was understood that government-sponsored colonies, along the lines of the French system, would not be supported by him'.¹¹⁰ As regards the Australian colonies' initiative to annex all of East New Guinea Bismarck noted on a draft from Hatzfeldt:

it cannot be a matter of indifference to us when we find that regions of the South Sea, within which German commercial enterprise had hitherto free scope for development are all at once declared natural domains of Australia, and if, with a view to a proposed occupation, all acquisitions made thereby others are declared null and void.¹¹¹

The German government recognised British interests in southeast New Guinea whilst outlining its interests in the north and the adjacent islands.¹¹² Before the instruction to hoist the German flag was cabled to Consul Oertzen in Matupi and the commanders of the two German war ships sent there for this purpose, Bismarck wrote to Granville: 'in the interests of our respective subjects and to avoid frictions between them we wish to reach in advance agreement with the British government about the boundaries of our respective areas of protection'.¹¹³

The Gladstone cabinet responded on 6 August by annexing East New Guinea. This decision, according to the German ambassador in London, Count Münster, was not conveyed to him when meeting with Granville on 8 August.¹¹⁴ The degree of British authority in New Guinea, further discussed in cabinet on 9 August, led to the reversal of the earlier decision. This time the Foreign Office informed Hatzfeldt of the meeting that had taken place between

¹⁰⁶ *ibid.*

¹⁰⁷ *ibid.*

¹⁰⁸ *ibid.*

¹⁰⁹ Bismarck to Hansemann, 20 Aug. 1884, RKA 1001:2790, pp. 95–8.

¹¹⁰ *ibid.*, see Wehler, p. 394; Münch, p. 227.

¹¹¹ Hatzfeldt to Münster, 2 Aug. 1884, RKA 1001:2790, pp. 10–13; Smith, 1884, Wb no. 20, p. 38; Hatzfeldt-Wildenburg (1831–1901) was Under Secretary and Secretary of the AA from 1881 to 1885.

¹¹² Smith, 1884, Wb no. 20, p. 38.

¹¹³ *ibid.*

¹¹⁴ Münster advised Bismarck that he had conveyed the substance of the communiqué to Granville. Granville denied that he had ever received a note on this subject. BBP, C-4273, (1885) p. 4, Smith, 1884, Wb no. 21, pp. 41 and 47–54; RKA 1001:2296, pp.10–3; see Whittaker et al., pp. 481–2.

Granville and Münster.¹¹⁵ It noted ‘the extension of some form of British authority in New Guinea, which ... will only embrace that part of the island which especially interests the Australian colonies, without any prejudice to any territorial questions beyond those limits’. Granville also informed Münster ‘that Her Majesty’s Government is earnestly desirous of settling these territorial questions as proposed by the [German] Imperial Government’. Bismarck concluded that the communiqué excluded the north coast of the mainland. Without seeking clarification, he proceeded to formalise a German presence in the South Sea. On 19 August he cabled Consul Krauel in Sydney:

Inform Imperial Commissioner von Oertzen in New Britain - That it is intended to hoist the German flag in the archipelago of New Britain and along that part of the northeast coast of New Guinea which lies outside the sphere of Holland and England, where German settlements already exist, or are in the course of formation; and that he is authorised to support purchase of land by Germans and to register the agreements made, without prejudice to third parties.¹¹⁶

Bismarck advised Hansemann and Bleichröder a day later:

Instructions have been given to support your undertaking. The acquisition made by you will be placed under the protection of the Empire, on the same conditions as in southwest Africa, subject to the condition that they are not made in territories to which other nations have legitimate claims.¹¹⁷

This accommodating gesture was strengthened when Bismarck also acquiesced to tenure over Hansemann’s and Bleichröder’s copper claims in South West Africa.

British annexation of southeast New Guinea

Bismarck’s intention to raise the German flag in parts of New Guinea was pre-empted by the British Foreign Office. On 19 September 1884 Granville clarified his position of 9 August by advising the German government that ‘Her Majesty’s Government proposed to proclaim and establish the Queen’s prerogative over all the coast of New Guinea not occupied by the Netherlands Government’.¹¹⁸ Bismarck responded on 27 September:

The intended extension of the British Protectorate in the north and northeast of New Guinea after the previous declaration of your Excellency, comes unexpectedly to the Imperial Government, and they wish temporarily to reserve to themselves the adoption of any attitude on the subject. In the view of the Imperial Government, the delimitation of the areas which interest both sides on that stretch of coast should be the subject of a friendly understanding by means of a commission.¹¹⁹

The British government did not support a ‘Border Commission.’ On 9 October it advised that the previous declaration

shall limit the British Protectorate to the whole of the south coast, including the islands contiguous to it, instead of that they had at first proposed. This will be done without prejudice to any territorial questions beyond these limits. It is with great satisfaction that Her Majesty’s Government have come to an agreement in which they find themselves in perfect accordance with Germany. In case any questions should arise as

¹¹⁵ Granville to the British Ambassador Amphilh in Berlin, 9 Aug. 1884, FO 64/1144 in BPP, C-4273; Granville to Münster: ‘I have had the opportunity of consulting my colleagues on the subject of our conversation on the South Sea Islands. I am authorised to add that we have no desire to oppose the extension of German colonisation of islands in the South Sea which are unoccupied by any European powers’ (RKA 1001:2791), Münster to Bismarck 9 Aug. 1884, Smith, 1884, Wb no. 23, p. 41; Confirmation of discussion Granville and Münster, Scott (Chargé d’Affaires British Embassy, Berlin) to Hatzfeldt, 19 Sep. 1884 (BPP, C-4273, pp.10–13); see Jacobs, ‘Bismarck and the Annexation of New Guinea’, pp. 24, n. 40; P.G. Sack, ‘Protectorates and Twists: Law’, p. 36.

¹¹⁶ Bismarck to Krauel, 19 Aug. 1884 in *Deutsches Interesse in der Südsee*, 1885, Wb vol. ii, p. 713; Smith, 1884, Wb no. 24, p. 42. G. v. Oertzen was the Vice-Consul in Apia.

¹¹⁷ Bismarck to Hansemann, Bleichröder, 20 Aug. 1884 (RKA 1001:2790, pp. 95–7).

¹¹⁸ Granville to Hatzfeldt, 19 Sep. 1884 (BPP, C-4273, pp. 11–12).

¹¹⁹ Hatzfeldt to Chargé d’Affaires in London, Baron Plessen and Plessen to Granville, 27 Sep. 1884

to those districts which lie beyond the limits described, Her Majesty's Government are of the opinion that it would be better to deal with them diplomatically than to refer them to the Commission which it is proposed to appoint with regard to the islands of the Pacific.¹²⁰

To forestall any further negotiations, Commodore James Erskine was instructed by the British Admiralty on 8 October to proceed to New Guinea and hoist the British flag on the south coast eastward of the 141st meridian. A day later Derby cabled Acting Commissioner of the Western Pacific H.H. Romilly to declare 'British Protectorate, New Guinea, from Dutch boundary to East Cape and Islands to Kosman Island. Notify settlement and purchase land forbidden'.¹²¹

Romilly hastened from Cooktown to Port Moresby to declare most of East New Guinea a British protectorate before the Royal Navy had arrived.¹²² On 6 November Erskine repeated the official ceremony and thereafter the Royal Navy ships *Nelson*, *Espiegle*, *Raven*, *Swinger* and *Harrier* completed the mission by occupying eight strategic locations from 141°E to East Cape, with adjacent islands to Cape Kosman and the islands in the Goschen Straits and the D'Entrecasteaux Group.¹²³

The British government was not aware that Finsch and Dallmann had raised the German flag on land they had acquired during October and November.¹²⁴ It was also not aware that the *Reichsmarine* had deployed her ships to Matupi where Captain Schering was to proclaim the future intention of the German government on 3 November. Effective from that date Bismarck placed existing German settlements in the archipelago and on the north coast of New Guinea – from 141°E to the region of the Huon Gulf – under the protection of the Reich.¹²⁵

The German actions were kept secret until Commander Marx of HMS *Swinger*, who had repatriated indentured labour from Queensland to Matupi, was asked by Oertzen to deliver a telegram to Cooktown from where Bismarck was to be advised of the successful flag-hoisting ceremonies. Oertzen's message was in plain text so Britain would have received the news of the German annexation from the Royal Navy since Bismarck only advised Sir Edward Malet, the Britain's ambassador in Berlin, of the German actions in New Guinea on 19 December.¹²⁶ Mindful of not causing a major diplomatic incident with Britain Bismarck advised Granville shortly after he had spoken to Malet that Germany remained open to negotiations on New Guinea.¹²⁷

¹²⁰ British Embassy in Berlin to German Foreign Office reply on 9 Oct. 1884 (BPP, C-4273, p. 13).

¹²¹ BPP, C-4217, p. 36.

¹²² Romilly Proclamation on 23 Oct. 1884; BPP, C-4217, p. 36.

¹²³ BPP, C-4217, pp. 32, 35, 37, 42–45, 134 and 148 contains the full text of the proclamation. The German consulate at Sydney forwarded a copy of Erskine's statement to Bismarck on 18 Nov. 1884, (Smith, 1884, Wb no. 35, p. 44). See C. Moore, J. Griffin, J. & A. Griffin, *Colonial Intrusion – Papua New Guinea, 1884* p. ix.

¹²⁴ Finsch would have raised the *Handelsflagge* (trading banner). As a representative of a commercial enterprise he was not empowered to raise the German flag (*NKWL*, 1885, Heft ii, pp. 5–6; Heft iii, p. 5).

¹²⁵ H. König, *Heiß Flagge, Deutsche Kolonialgründung durch SMS Elisabeth*, p. 68. The ceremony was repeated in Mioko and Makadá in the Duke of York Group on 4 Nov. 1884 on New Britain; in Nodup, Kinigunan, Raluana, Kabakada and Kabiara between 5 and 11 Nov. and in Nusa and Kapsu on New Ireland on 12 Nov. 1884; in Friedrich Wilhelmshafen and Finschhafen on 20 and 27 Nov. 1884 respectively.

¹²⁶ RKA 1001:2794, pp. 6–7; Malet to Colonial Office, BPP, C-4273, pp. 72 and 75.

¹²⁷ Bismarck to Münster to Granville 23 Dec. 1884 (Smith, 1884, Wb no. 37, p. 45).

Without mentioning the German proclamation, Granville informed Queen Victoria on 3 January that the Royal Navy had been instructed to proclaim the north coast from East Cape to the Gulf of Huon, including the Louisiade and Woodlark Islands, British territory. Granville added that the British action was demanded 'by the desire to obviate all the inconveniences that might arise from an absence of jurisdiction on the coast'.¹²⁸

Granville's reply of 13 January expressed surprise at Germany's action as recent negotiations with the German government

had led them to believe that a friendly understanding had been arrived at between the two Governments, in virtue of which neither Power would make fresh acquisitions in the Pacific Ocean pending a meeting of the Anglo-German Commission which had been agreed upon.¹²⁹

Rejecting Granville's suggestion that Germany had agreed to an annexation moratorium in October Bismarck noted:

If the British government did not know that Germany was planning further annexations east of Huon Gulf this could only be attributed to the fact that our communications in this matter did not receive the degree of attention we, in view of the friendly relations between our countries, expect.¹³⁰

Gladstone was obviously not interested in a prolonged disagreement with Germany over New Guinea. On 7 February the British government informed Berlin that she now sought a friendly examination of the boundary in New Guinea.¹³¹ Bismarck was pleased with this. New Guinea played no part in European politics and in light of France's reluctance to enter into an alliance with Germany, good relations with Britain were now important.¹³²

On 16 February Granville suggested a general basis for the demarcation of the boundaries between the two protectorates which were confirmed in a note to Münster on 25 April.¹³³ By then Bismarck's interest in colonial possessions had waned. The *Reichstag* election in October of the previous year had installed a largely Bismarck-friendly majority; and when the boundary negotiations over New Guinea did not proceed as quickly as expected, he commented: 'we already have more land than we can make use of'.¹³⁴ The accord with Britain suited him because it included a separate agreement concerning reciprocal freedom of trade and commerce in the Western Pacific. Hansemann unsuccessfully opposed the free trade agreement because of his concern over the competitive advantage the Australian colonies

¹²⁸ *ibid.* The Colonial Office informed the AA of the extension of the British Protectorate on 27 Jan. 1885 (BPP, C-4273, pp. 140–44, 147 and 150).

¹²⁹ BPP, C-4273, p. 131 Enclosure; Granville to Queen Victoria, 3 Jan. 1885, Granville Papers, PRO, London, 30/29/45.

¹³⁰ BPP, C-4273, pp. 91 and 100-03, Bismarck to Gladstone, 20 Jan. 1885.

¹³¹ BPP, C-4273, pp. 157–60 and 178, Granville to Münster, 7 Feb. 1885. See Hagen, pp. 460–8; Jacobs, p. 25.

¹³² 'We accept the line of 8°. I am sorry we can do no more for Australia, but agree that the question of Egypt overrides all others', Derby to Granville, 6 March 1885, Granville Papers (PRO, London, 30/29/120). Smith, 1884, Wb nos. 29, p. 43 and 45, p. 50. Bismarck to Münster, 26 Jan. 1885, Smith, Wb no. 46, p. 50. Granville to Münster 16 March 1885, PRO, London, 64/1149, BPP, C-4584, nos. 84 and 87; Münster to Granville, 29 April 1885, BPP, C-4441, p. 1.

¹³³ BPP, C-4441, p. 1, arrangement between Great Britain and Germany Relative to their Spheres of Action in Portions of New Guinea'.

¹³⁴ 'Grenzverhandlungen mit England' (RKA 1001:2518, pp. 54–59 and 73 ff).

would have in the region. He told Bismarck that 'Her geographical proximity and her strongly developing industrial base will make it very difficult to compete with Australia in the region'.¹³⁵

The Australian colonies were dissatisfied with the outcome. They wanted the whole of East New Guinea and were bitter that Germany had been allowed any of the islands. The British–German accords were signed on 6 and 10 April 1886. New Guinea was now divided between The Netherlands, Great Britain and Germany.¹³⁶

Conclusion

Max Weber believed that Germany's adventure into colonialism happened entirely by chance: it was a response to the 'accidental business activity of an individual merchant in West Africa and accidental pioneering work by individuals in East Africa'.¹³⁷ Max Weber's supposition is also valid for the colonisation of northeast New Guinea by Germany.

To sum up part 1, the formation of GNG is directly related to the insolvency of a large Hanseatic enterprise, albeit and quite unrelated, with a considerable measure of assistance from the Australian colonies. Had England, France and Portugal guaranteed German traders safe access to the African markets, Bismarck would not have engaged in colonialism to deal with his domestic problems; had the Australian colonies not been so noisy about New Guinea, he would have left the South Sea traders to their own devices.¹³⁸

The Godeffroy successes in the South Sea would have played an important role in the Berlin banker's decision to seek government endorsement for the extravagant idea of funding the development of a German colony in northeast New Guinea; commercial considerations may not have ranked highly here. Hansemann was already immensely rich; like Bleichröder, he owned a rural estate and had been elevated to the nobility. The desire to go the next step and own a colony would have blinded Hansemann into accepting Bismarck's charter that proved immensely costly.¹³⁹

¹³⁵ Hansemann to Bismarck, 8 April 1886 and H. v. Bismarck to Hansemann, 19 April 1886 (RKA 1001:2559, pp. 46 ff; Münch, pp. 237–42).

¹³⁶ (BPP, C-4656, 1886, 'Declarations Between the Governments of Great Britain and the German Empire Relating to the Demarcation Of the British and German Spheres of Influence in the Western Pacific, and to Reciprocal Freedom of Trade and Commerce in the British and German Possessions and Protectorates' (NKWL, 1886, Heft ii, pp. 49–54).

¹³⁷ R. v. Poschinger, *Fürst Bismarck und die Parlamentarier*, 'zufällige geschäftliche Einzelunternehmungen in Westafrika, zufällige Pioniertaten einzelner in Ostafrika' in M. Weber, *Gesammelte Politische Schriften*, p. 32.

¹³⁸ Herbert Bismarck to his father on 7 March 1885: 'About New Guinea there is evidently a misunderstanding on both sides. I myself should have wished we had let New Guinea go altogether. This was prevented by the aggressive position Australia has taken. Nevertheless, I think that annexation by Germany is a mistake, and that you will have a great deal of trouble there in the future. Australia is expanding in strength and population. In a generation or two, when perhaps she may have broken away from us, she will feel strong enough to wage war, like the old European Powers, and will clear out all foreigners from her neighbourhood. The great distance will make it difficult for Germany to fight Australia and she will be forced in the awkward situation of having to evacuate New Guinea. However, that is your affair', (E.T.S. Dugdale, ed., *German Diplomatic Documents, 1871–1914*, p. 191).

¹³⁹ Münch, p. 244. Bismarck's agreement to proceed to annexation had a parallel with Wilhelm I presenting him with the estates of Varzin in 1867 and Friedrichsruh in 1871. Those gestures were in recognition for winning the unification wars over Denmark, Austria and France. Similarly, Bismarck would not have forgotten that Bleichröder and Hansemann had stood by when the other bankers had failed him on the eve of war.

When Bismarck told parliamentarians on 12 May 1885: 'Gentlemen, colonising is not the forte of Generals or Privy Councillors; it depends [solely] on the expertise of employees of the trading houses',¹⁴⁰ he was looking for the Hanseatic merchants to rally to the flag and take on colonial development. Bismarck was largely unsuccessful, however.¹⁴¹ Of the seven German colonies, only two companies persevered with his requirement of development by imperial charter. In southwest Africa Hansemann and Bleichröder were disinclined to assume government responsibility for their interests in copper ventures while for New Guinea both bankers agreed to a government charter. The arrangement between NGC and the Reich ended on 1 April 1899 with the takeover of fiscal and administrative responsibility of GNG by the government. It was a costly investment for Hansemann and the other NGC shareholders. Whether it was an expensive failure as has been universally argued by historians will be examined in the second part of this thesis.

The merger of the Micronesian interest of R&H and the Micronesian and Melanesian interests of DHPG into J-G in December 1887 was as a consequence of NGC's reserved rights in GNG. Nearly 30 years of South Sea experience resided in the management of J-G. The company would have been successful irrespective of the dividend stream from PPC. It was the only enterprise which successfully fulfilled Bismarck's requirement for colonisation by holding the government free of expenditures for the administration of the Marshall Islands, albeit under strict financial guidelines. The venture became so successful and powerful that the government invoked the sunset clause and terminated the agreement with J-G in 1906.

As for BNG, Gladstone would not have proclaimed southeast New Guinea a protectorate if he had not felt the need 'to act in the face of great colonial communities'.¹⁴² When he finally accommodated the demands of the Australian colonies he may have thought of another Fiji where private enterprise was well on the road to commercial success. However, as soon as southeast New Guinea was declared British, the Australian colonies lost interest. Whilst Queensland, New South Wales and Victoria bore the cost of administration for an agreed period, the other colonies no longer showed any interest in New Guinea.

¹⁴⁰ R. v. Poschinger, *Fürst Bismarck und die Parlamentarier*, p. 279.

¹⁴¹ Bismarck bemoaned Hanseatic parsimony, (Poschinger, *Also Sprach Bismarck, Reichstag* speech 28 Nov. 1885).

¹⁴² Gladstone to Granville, 29 Jan. 1885 in Jacobs, p. 26.

Part II

GERMAN COLONIAL INTENTIONS AND PRACTICES IN
NORTHEAST NEW GUINEA

CHAPTER 4

THE NEU GUINEA COMPAGNIE

Adolph von Hansemann was a man on a mission. On 25 May 1884 he convinced 12 business friends and associates of his bank to join his Neu Guinea Consortium.¹ Well before these investors could be assured control of GNG they paid RM1,000,000 into a consortium to start the colonisation process of the new German Protectorate in the South Sea.²

A declaration between Britain and Germany on 6 April 1885 gave Germany control over the northeastern quadrant of mainland New Guinea and the New Britain Archipelago. Britain asserted control over the southeastern quadrant of New Guinea inclusive of all adjacent islands. On 17 May 1885 the German emperor offered Hansemann, as principal of the Neu Guinea Compagnie (NGC), protection under an imperial charter for the area under the Reich's control. Subsequent to the 'Declaration relating to the Demarcation of the German and British Spheres of Influence in the Western Pacific' of 6 April 1886, this charter was amended on 13 December 1886. The Solomon Islands of Buka, Bougainville, Choiseul and Santa Isabel became part of 'The Protectorate of NGC',³ with Britain asserting control over Guadalcanal, Malaita and San Christobal Islands.⁴

As outlined in the previous chapters, Bismarck intended to limit government involvement in German protectorates to diplomatic and – if needed – military protection of German Christian missions and commercial enterprises. This was reflected in the 'Declaration between Great Britain and Germany relating to the reciprocal Freedom of Trade and Commerce in the British and German Possessions and Protectorates in the Western Pacific' of 10 April 1886.

Hansemann was prepared to accept a charter that transferred the privileges of local sovereignty over GNG to his company in exchange for meeting the costs of establishing and running the Protectorate. Specifically, he was willing to agree to the promotion

of trade and the economic development of arable land as well as, for the establishment and cementation of peaceful relations with the natives, and for their civilisation, to establish and maintain at [his] expense an administration in the Protectorate, on conditions that the Reich grant his consortium the exclusive right to exercise local sovereignty.

And, subject to government supervision, be given the exclusive right to

¹ The term 'Consortium' is used to discern the period before NGC became a legal entity. Finsch called it 'Konsortium zur Vorbereitung und Einrichtung einer Südsee-Kompagnie' (O. Finsch, 'Deutsche Namensgebung in der Südsee, insbesondere in Kaiser-Wilhelms-Land', *Deutsche Erdkunde*, no. 1 [1902] p. 45).

² Hansemann controlled NGC from his office in Berlin. The founding members were: G. von Bleichröder, Albert von Oppenheim, Dr F. Hammacher (*Reichstag* member), Henckel v. Donnersmarck, Kraft Friedrich Prinz zu Hohenlohe-Öhringen, Prince Hatzfeld-Trachenberg, Count Stolberg-Wernigerode, Herzog von Ujest, E.W. von Siemens, L. Ravené, Senator Achelis from Bremen and the Consul-General of Sydney C.L. Sahl in Sydney (Jubiläumsschrift, *Die Disconto Gesellschaft, Denkschrift zum 50 jährigen Jubiläum 1851-1901*, p. 231). The original consortium may have had fewer members. The former governor of GNG and later director of NGC, A. Hahl mentioned only four members and Hansemann (*DKZ*, 1934, vol. 46, p. 262).

³ Until the Reich assumed full administrative responsibility for GNG on 1 April 1899, this German sphere of interest was called *Schutzgebiet der Neu Guinea Compagnie* (Protectorate of the NGC).

⁴ In the 1899 Samoa Agreement Germany ceded the Solomons other than Bougainville and Buka Islands to Britain.

take possession of ownerless land and to dispose of it and to enter into binding agreements with the natives for land purchases and over land rights, all this under the supervision of our government which will enact those regulations necessary to safeguard property rights legally acquired previously, and to protect the natives.⁵

The regulation and conduct of relations between the Protectorate and foreign governments as well as the administration of justice remained the responsibility of the Reich, albeit at the expense of NGC.⁶

Establishing a corporate structure

The first task was to decide an appropriate administrative structure. Bismarck characteristically demanded that the Protectorate be governed by imperial decree and not by parliamentary approval. He achieved his aims by appointing Adolf von Hansemann an executive of the Reich, thus bypassing the government's budget process.⁷ Hansemann, in turn, was keen to minimise government interference to gain maximum flexibility in running of the company.

Both the government and Hansemann rejected the idea of incorporating as a limited liability company (LLC). Both parties deemed the law of the LLC, with its tight and prescriptive regulations, inappropriate.⁸ For Hansemann, the share register of an LLC was too open and the extensive disclosure requirements would undermine the commercial position of NGC.⁹ Neither he nor the government were happy to disclose their intentions in New Guinea whilst negotiations with Britain over the final boundaries were continuing. Also, the highly speculative nature of the New Guinea venture would have been detrimental to the bank's and Hansemann's reputations if calls for new equity had to be made repeatedly or, worse, if a total loss of shareholders funds were to occur. For Bismarck the LLC was even less desirable. Under German law, the emperor could not transfer government business to an LLC nor was he empowered to award privileges to such a company without approval from the *Reichstag*.

Surprisingly, Hansemann opted for the *General Prussian Landrecht* (Prussian Civil Code) to provide the legal framework for his new enterprise because:

⁵ An English translation of the German text in H.J. Ohff, 'German Proclamations, Decrees, Laws and Ordinances applicable to GNG', p. 1–3; H. Münch, *Adolph von Hansemann*, pp. 229–31; *NKWL*, 1885, Heft i, pp. 2–4. P.G. Sack coined the term 'local sovereignty' which best describes the 'landeshoheitlichen Befugnisse'.

⁶ Until the *Reichstag* passed the 'Protectorates Act', the 'Statute regarding Consular Jurisdiction of 10 July 1879', applied to German colonies. The Act was passed by the *Bundesrath* on 17 April 1886. It amended the consular jurisdiction to provide the Emperor with executive authority (*Schutzgewalt*) in the protectorates, to replace the consul with government-appointed judges and the consular court with the court of the protectorate, to expand the consular authority by subjecting all resident Europeans in the protectorate to German colonial law, to empower colonial officials to enact police regulations, to extend consular jurisdiction in criminal matters, to amend the appeal procedures of the Consular Jurisdiction Act regarding criminal and civil matters of natives, and to simplify the provisions under the Consular Jurisdiction Act as regards summonses, costs and the execution of judicial decisions in civil matters (P.G. Sack, *Land between Two Laws*, pp. 127–8). Since the government was not prepared to establish garrisons in GNG and naval protection was sporadic and ineffective, NGC decided as early as 1886 to train a small native armed police force of 50 men. *Jahresbericht* (annual report, hereafter Jb) 1886/87 p. 11; P.G. Sack & D. Clark (English translation of the annual report) 1886–87 pp. 11–12, hereafter cited as Sack & Clark.

⁷ By drawing on German constitutional law, Article 11 of the constitution vested all powers of the Reich outside its borders exclusively in the Emperor (P.G. Sack *Phantom, History*, pp. 275–87).

⁸ Under the Limited Liability Act as amended 11 June 1870, the government was required to give approval and issue a licence for the constitution of banks. See H. Schnee, ed., *Deutsches Kolonial-Lexikon*, vol ii, pp. 329–31. The inadequacies of the German LLC are assessed in W. Oechelhäuser, *Die Nachteile des Aktienwesens und die Reform der Aktiengesetzgebung*.

⁹ Hansemann to Bismarck 15 Feb. 1885 (RKA 1001:2395, pp. 1–4 and 26ff); Hansemann to Bismarck, 17 Dec. 1885 (RKA 1001:2396, pp. 1–3); Hansemann to Albert Oppenheim, 25 July 1885.

- a) the legal structure of the 'Corporation' was equivalent to that of a person;
- b) the publication of a balance sheet was not required;
- c) the Directors were not personally liable to the shareholders; and
- d) new capital could be raised by a simple shareholder majority or by the board in accordance with the statute.

It must have particularly suited the government because the directors of a corporation required approval by the government for:

- a) the statute and amendments to the statute;
- b) the issue of old and new share capital;
- c) the identity of shareholders;
- d) the appointment and retirement of directors;
- e) the appointment and retirement of senior employees;
- f) the sale of fixed assets; and
- g) the liquidation of the corporation.

Further, the government was empowered to hold the directors personally liable for misappropriation and gross negligence.¹⁰

For these reasons the first statute of NGC was drafted in accordance with the requirements of the *Landrechtliche Corporation*.¹¹ The business of the company was defined in the first paragraph. It called for the establishment of government institutions in GNG, the acquisition of ownerless land for exploitation (including mineral extraction), the establishment of infrastructure in preparation for impending settlers, the establishment and operation of agricultural, trade and commercial enterprises, to the extent deemed necessary for the development of the company or for the stimulation and sponsorship of private enterprises.¹²

Paragraphs 37 and 38 of the statute outlined the rights of the government:

- a) the Company is under the control of the *Reichskanzler* who appoints the Imperial Commissioner;
- b) the Commissioner is empowered to attend board and the Shareholder Meetings;
- c) the Commissioner is authorised to inspect the books of NGC;
- d) the government is authorised to call an EGM (Extraordinary General Meeting) if the board ignores shareholders or auditors requests; and
- e) government control is to ensure that management complies with the Statute in accordance with the law.

In particular, NGC had to seek government approval for:

- a) the rights and obligations under which the company carries out the conferred local sovereignty;
- b) the implementation of ordinances;
- c) the rules of conduct under which ownerless land can be acquired and disposed of;
- d) the election of the chairman, his nominated representatives and the administrator in the Protectorate;
- e) the issue of equity and intentions of borrowing; and
- f) any changes to the statute and the corporate structure, return of capital, liquidate the company.¹³

Ten directors were elected at a general meeting by shareholders. Each director had to be a German national; at least six had to be shareholders in NGC; and no fewer than five had to have their place of residence in Berlin.¹⁴ Similarly, only German nationals with a permanent residential address in Germany were allowed on the share register. This ruling also applied to corporations, organisations of miners and trading companies. Initially, 800 partly paid shares were issued at RM1,250 each to raise RM1,000,000. The board was authorised to make calls

¹⁰ *Prussian Landrecht* is the law of the Prussian State. It was drafted during the reign of Frederick the Great (1740–86) and invoked by Frederick William II in 1794. The law was enforced where it did not conflict with local custom. The code was adopted by other German states in the 19th century and remained in force until it was replaced by the civil code of the German Empire in 1900.

¹¹ *NKWL*, 1886, Heft. ii, pp. 31–49; 'Statute of the Neu Guinea Compagnie', 26 March 1886.

¹² *ibid.* §1.

¹³ *ibid.* §§37 and 38.

¹⁴ *ibid.* §19.

of up to RM500 per share at a time subject to three weeks notice given to shareholders in writing and for total calls not to exceed RM5,000. In the event of payment on calls not being received on the due date, the company was entitled to recover the debt (including interest) through the courts.

The authorised share capital was RM4,000,000 plus 20 bonus shares with a face value of RM5,000 each which had been issued for services rendered. The bonus shares ranked *pari passu* with fully paid ordinary shares. A minimum of 10% and a maximum of 15% of net profits had to be booked to a Reserve Fund. Dividend payments could only be made when RM500,000 had been set aside.¹⁵

Shareholders and the Board of Directors

The statute was submitted to the emperor on 29 March 1886 and was approved on 12 May 1886 – only five days before the provisional charter was due to expire.¹⁶ NGC became a legally compliant company when shareholders confirmed the statute at the 21 June 1886 inaugural general meeting.¹⁷ The meeting also elected the 10-member board and appointed the external auditors.¹⁸ Hansemann was elected chairman and managing director; the former State Secretary, E. Herzog, deputy chairman; and Consul-General E. Russell, deputy managing director. Other executive directors appointed were A. Lent and A. Siemens.¹⁹ Hansemann was the major shareholder with 23% of the issued capital. The second largest shareholder was Bleichröder, who had bought 96 shares or 12% of the issued capital. Hansemann's bank took up 10%, with three of his executives (A. Salomonsohn, E. Russell and A. Lent) collectively acquiring 3%. The only other substantial shareholder was the industrialist and estate owner, Baron von Eckardstein-Prötzel, who had acquired 8% of the issued shares.²⁰ In addition to the major shareholders, Dr F. Hammacher (*Reichstag* member and colonial activist),²¹ Count Henckel von Donnersmarck (industrialist) and A. Woermann (East Africa Shipping Line owner) were elected to the board.²² Notable omissions were *Consortium* members Albert von Oppenheim, Herzog von Ujest and Kraft Friedrich Prinz zu Hohenlohe-Öhringen.²³

Management and supervisory boards were united under the leadership of Hansemann until March 1903. His retirement from executive duties on 14 March 1900 saw the promotion of

¹⁵ *ibid.* §§5, 7, 8, 10, 11, 12 and 18.

¹⁶ *NKWL*, 1886, Heft. ii, p. 30.

¹⁷ The directors advised shareholders incorrectly that the status of a 'public corporation' was fulfilled when government approval was given on 12 May 1886. (Jb 1887, p. 2; Sack & Clark [1886–87] p. 3–4).

¹⁸ *NKWL*, 1886, Heft. ii, pp. 31–49, §§19 and 28.

¹⁹ *NKWL*, 1886, Heft iii, pp. 78–79.

²⁰ Münch, pp. 228–9. At the AGM on 30 May 1899 Hansemann disclosed his ownership of 32.6% of the issued capital. It is not apparent when the additional shares were acquired.

²¹ Friedrich Hammacher (1824–1904) was foundation member and president of the *Deutsche Kolonialverein* (Colonial Association). With the merger of the Association and the *Gesellschaft für deutsche Kolonisation* (Society for German Colonisation) into the *Kolonialgesellschaft* in 1887, Hammacher became its deputy president in 1888. Apart from participating in the foundation of NGC, he instigated the foundation of the *Deutsche Witu-Gesellschaft* and *Pondo-Gesellschaft* in German South-West Africa. Hammacher belonged to the Bismarck-friendly faction of the National Liberal Party. He was voted a member of the *Reichstag* in 1885 (A. Goldschmidt, *Friedrich Hammacher*; Schnee, vol. ii, p. 15).

²² *NKWL*, 1886, Heft iii, p. 78.

²³ A list of shareholders was submitted to Bismarck on 4 April 1887 (RKA 1001:2408, p. 9) and to shareholders at NGC's EGM on 29 Dec. 1887 (RKA 1001:2402, pp. 44–3).

Carl von Beck²⁴ and Dr Carl Lauterbach²⁵ to the position of joint managing directors. Hansemann remained chairman of the supervisory board until he died on 9 December 1903. When Lauterbach retired from executive duties in 1903 to join the NGC supervisory board, the African specialist Professor Dr Paul Preuß was appointed joint managing director on 1 June 1903. Alexander Schoeller of Disconto-Gesellschaft (D-C) was NGC's chairman until his death on 22 November 1911. Arthur Solomonsohn, also managing director of D-C, was chairman from 1912 until his death on 15 June 1930.²⁶

While Hansemann's shares would have remained with D-C until the bank merged with Deutsche Bank (DB) in 1929,²⁷ the whereabouts of Bleichröder's and Eckardstein-Prötzel's shares in NGC after their deaths in 1893 and 1898 respectively have not been established.²⁸

Financial performance

Hansemann established the NGC venture without first developing a business plan.²⁹ While allocating considerable time in the drafting of management procedures, his random approach to making the undertaking work was not at all in the manner of a banker. The result was a financial disaster whilst the company was under his control. Over the period of 28 years, shareholders invested RM20,266,887 in NGC and RM2,400,000 in the subsidiary Astrolabe-Compagnie (A-C).³⁰ Hansemann never generated a financial return from his investment and it would seem that he found little enjoyment in directing the company from the other side of the globe. After the company was relieved of the government burden in 1899, the loyal shareholders could only hope that their long-term investment would finally return a dividend. They had to wait another 12 years before NGC paid its first dividend. However, their ultimate disappointment came when World War I prevented the company from enjoying a buoyant copra market.³¹

A more detailed outline reveals that the first RM1,000,000 was raised with the placement of the 800 partly paid shares. The money was spent by the time the first trial balance was presented to the directors on 31 December 1886.³² The costs incurred by the Finsch and

²⁴ Carl Beck was previously employed by D-C. He joined NGC as administration manager in Berlin.

²⁵ Carl Lauterbach (1864–1937) received his doctorate in botany from the University of Heidelberg in 1889. From 1889 to 1891 he undertook a world tour to study and collect flora and fauna specimens. From October to the end of December 1890 he investigated the Gogol, the main river flowing into the Astrolabe Bay. The taxonomy of his discovered genera comprised 300 plants of the phanerogamous and 100 plants of the cryptogamous group, numerous geological samples, and some 100 arthropod species. See Chapter 6.

²⁶ Jb (1929/30) p. 1; C. Beck, 'Neu Guinea Compagnie', *Südseebote* (1918) p. 52.

²⁷ L. Gall, D.D. Feldman, et al., *Die Deutsche Bank 1870–1995*, pp. 259–70.

²⁸ P. Schwabach, senior partner in *S. Bleichröder*, joined NGC's supervisory board in 1904. It is likely that Bleichröder's shares remained with the bank, were acquired by Alfred von Oppenheim (a Cologne banker who joined the supervisory board in 1899), or were transferred in part to Hansemann in 1899; see E.R. Stern, *Gold and Iron: Bismarck, Bleichröder, and the Building of the German Empire*, pp. 542–3; Münch, p. 229; Sal. Oppenheim Jr & Cie, 'Die Kolonialen Unternehmungen', *Archiv des Bankhauses Oppenheim*, vol. 112.

²⁹ The company's administrator in Friedrich Wilhelmshafen, J. Loag, and his depôt manager, O. Häsner, prepared a business plan for Hansemann for the years 1902 to 1912. The directors adopted the plan unanimously at the 8 Oct. 1902 meeting (Jb [1901/02] p. 1). No evidence has been uncovered that a comprehensive business plan – including forward estimates of income and expenditures – was ever submitted.

³⁰ NGC was paid RM5,350,952 restoration (*Liquidationsschaden*) by the German government in 1927 (NGC Jb, [1927/28] p. 5).

³¹ *DKBl.* 1915, pp. 288–9.

³² Other than comments by the auditors no financial accounts are available for this period; Jb 1887, p. 30.

Schrader expeditions and the acquisition of the steamer *Samoa* amounted to RM447,443.³³ Combined with the down payment for two additional steamships and the costs for mobilisation of staff and equipment, share capital was exceeded almost twofold.³⁴ Three calls on shareholders made before the first annual general meeting on 13 December 1887 raised RM1,200,000. This injection of funds paid for the operations until 1889 when the authorised capital of RM4,000,000 was fully utilised. The issue of 800 new shares at the 12 May 1887 EGM was unsuccessful; only 14 new shares were placed.³⁵

On 30 April 1889 the nominal value of the ordinary share was raised to RM6,500.³⁶ This time shareholders were advised that the company would no longer perform government duties, thus freeing management to 'give undivided attention to the tasks of cultivating tobacco and cotton'.³⁷

As shown in Chart 4.1 the capital raising method of NGC expanded in 1890. In order to reduce operational costs and to generate income the Kaiser Wilhelms-Land-Plantagen-Gesellschaft (KWLPG) issued a prospectus in June to raise funds to establish cacao and coffee plantations in GNG. In exchange for 12.5% equity NGC sold KWLPG land in the new enterprise. However, this did not transfer the risk. The RM500,000 share capital issued by KWLPG was substantially raised from NGC shareholders, of whom Hansemann was again the largest shareholder (subscribing to 24%).³⁸

The venture failed within a year. Rather than coffee and cacao, Hansemann now decided on setting up tobacco plantations modelled on Deli in Sumatra. Potential investors received a prospectus of A-C in early 1891 and on 22 December 1891 the tobacco plantation company was formed with an authorised capital of RM2,400,000. This time NGC transferred 14,000 ha it valued at RM300,000 in exchange for 12.5% equity in A-C. Hansemann effectively controlled the enterprise by subscribing to 24% of the share capital and by NGC taking up a 25% stake in A-C. NGC recognised RM300,000 in its 1891/92 profit and loss statement for the sale of the land. The company also generated an ongoing benefit for services rendered in head office support and the supply of the labour by charging A-C an on-cost management fee of 10%.³⁹ The authorised capital of A-C was called upon over 3 years and with RM900,000 was fully recognised in the 1893/94 NGC balance sheet.

A-C was bankrupt after 3 years. Accumulated losses stood at RM1,696,426 of which NGC was owed RM1,241,447. In order to keep the company afloat NGC received shareholder

³³ Letter from the board to NGC shareholders, 15 Sep. 1896, 'Denkschrift betreffend die Verhandlungen des Reichstages über den mit dem Reich wegen Übernahme der Landeshoheit geschlossenen Vertrages' (RKA, 1001:2941, p. 74).

³⁴ Jb (1887) p. 7; Sack & Clark (1886–87) p. 8. The acquisition cost of three steamers and three sailing ships ordered between 1884 and 1886 was estimated at RM714,000.

³⁵ *NKWL*, 1887, Heft ii, pp. 93–4. Not all 14 shares were sold immediately. An amount of RM21,250, hidden in 'sundry income', was realised in the March 1890 accounts (Jb [1890] p. 39).

³⁶ *ibid.*, 1889, Heft i, pp. 30–1.

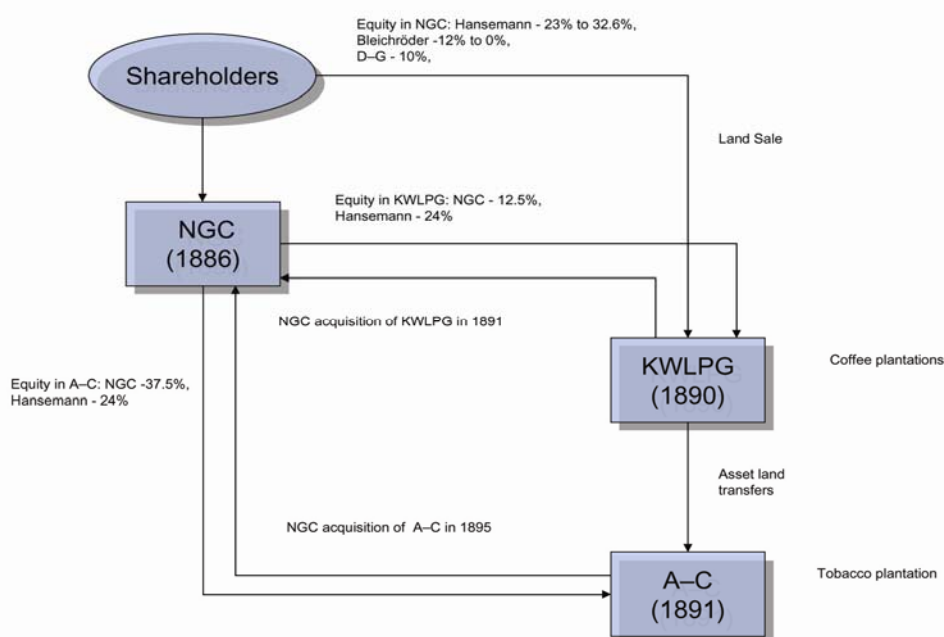
³⁷ Jb (1889) p. 3; Sack & Clark (1888–89) p. 35. NGC remained responsible for the cost of engagement.

³⁸ KWLPG share register, 6 Feb. 1892 (R1001:2425, pp. 51–2).

³⁹ Prospectus (undated), pp. i–iv, share register A-C, 27 Oct. 1891 (R1001:2427, pp. 64–5). Table 17.

approval to acquire the shares in A-C retrospectively to 1 October 1895.⁴⁰ In the 1896/97 accounts NGC wrote off its equity investment of RM900,000 in A-C and revalued the repossessed land at RM300,040.⁴¹ Since the cultivation of tobacco was to continue amounts owed for services rendered by NGC were deemed recoverable. Hansemann and the other A-C shareholders converted their holdings into 150 NGC preference shares with a nominal value of RM10,000 each.⁴² The transaction ensured that there was no paper loss; in fact, at face value, it was a better investment because the preference shares attracted a 5% cumulative dividend payable before the ordinary shares qualified for distributions.

Chart 4.1 Major shareholders in NGC and its subsidiaries



Concurrent with the equity raising for A-C, NGC shareholders voted at an EGM on 29 December 1892 to increase the par value of ordinary shares by RM1,500. Shareholders agreed on 28 November 1896 to provide further capital into NGC by approving an increase in the nominal capital of RM3,000. The nominal value of each ordinary share in NGC had now reached RM10,000.

Transfer of administration responsibility to the Reich

Separate from the activity of A-C, the board concluded in 1892 that NGC would not become profitable unless it was relieved of its administration and infrastructure development burden. The resolution in 1889 to transfer the administration of the Protectorate to an imperial officer

⁴⁰ Jb (1895/96) pp. 3 and financial accounts; Sack & Clark (1895–96) p. 117; *NKWL*, 1896, p. 4.

⁴¹ Jb (1896/97) p. 28.

⁴² 'Geschäftsreglement für die Vereinigte Verwaltung im Schutzgebiet der Neu Guinea Compagnie und Astrolabe Compagnie' (RKA 1001:2422, pp. 17ff; *NKWL*, 1896, pp. 4–6, 1897, pp 12–13). The activities of the A-C are assessed in Chapter 10.

had proven unworkable and was reversed on 15 June 1892.⁴³ It took another 2 years before Hansemann sent an unequivocal memorandum to *Reichskanzler* Caprivi that NGC was no longer in a position to carry the dual responsibilities because

the experience of the Administration of the Protectorate has ... increasingly confirmed the fears expressed in the last report, that it would prove impossible to combine the responsibility of political administration with the profitable management of commercial business activities ... By combining the two functions in one body not only are the financial resources and the staff of a private company overstrained – no matter how many sacrifices its shareholders are prepared to make – but due to intrinsic conflicts of interest, obstacles are placed in the way of fulfilling both functions, making their achievement much more difficult – in fact, impossible in the long run.⁴⁴

Negotiations with the Reich started in November 1895. Surprisingly, an agreement was in place shortly thereafter.⁴⁵ Subject to budget approval, the new chancellor, Hohenlohe-Schillingsfürst, agreed to release NGC from administration services by assuming full sovereignty over GNG on 1 April 1896. In recognition for establishing the Protectorate, NGC was to retain the land and mining monopolies on the mainland, New Britain (exclusive of the Gazelle Peninsula) and all GNG islands west of 149° longitude for 75 years.⁴⁶ The harvesting of coconuts not owned by local people in KWL and the exploitation of timber resources was to remain the exclusive right of NGC.⁴⁷ The company was also to retain exclusive labour recruiting rights for its economic zone for 20 years,⁴⁸ and was exempt from government taxes for 5 years.⁴⁹ Apart from assuming control over New Britain and taking over the administration centre (Herbertshöhe) the government would take administrative responsibility for the Duke of York Group, New Ireland, New Hanover, Bougainville and Buka Islands and all smaller ones east of 149° longitude. The privilege of NGC to raise and collect taxes, fines and fees was to be transferred to the government, as would the fishing rights for the Protectorate.⁵⁰ To facilitate a smooth and speedy transition, NGC would transfer land, buildings and inventory in Friedrich Wilhelmshafen and Herbertshöhe to a value not exceeding RM71,000 and other installations (including harbours) for a value not exceeding RM30,000.⁵¹ Under the agreement, the government was entitled to redeem the company's privileges by 1 April 1905. If these rights were bought back on or before 1 April 1900, NGC would receive RM4,000,000 in compensation. If activated after 1 April 1900 the company would receive RM120,000 p.a., not exceeding RM600,000 in total. Under this arrangement, all improved land, including 14,000 ha belonging to A-C, would remain the property of the two companies.⁵²

⁴³ Jb (1892/93) p. 3; Sack & Clark (1892–93) p. 71. S.G. Firth (*New Guinea under the Germans*, p. 31) argued that 'NGC claimed that the hardest blow to its finances came between February 1891 and September 1892', because Rose's bureaucratic tendency 'restricted the company and its enterprises'.

⁴⁴ Jb (1893/94) p. 5; Sack & Clark (1893–94) p. 89.

⁴⁵ Jb (1894/95) pp. 2–3; Sack & Clark (1894–95) p. 105. 'Vertragsabschluss zwischen dem Reichskanzler und der Neu Guinea Compagnie', 13 March 1896 (RKA, 1001:2944, pp. 10–14 and 119–30).

⁴⁶ 'Agreement' §§2, 4, pp. 1–3.

⁴⁷ *ibid.*

⁴⁸ *ibid.* §9, pp. 4–5.

⁴⁹ *ibid.* §§7, 10, pp. 4–5.

⁵⁰ *ibid.* §§2, 10, pp. 1–5. The transfer of fishing rights to the government is not clearly identified in the agreement and is only mentioned in NGC's letter to shareholders on 15 Sep. 1896, p. 13 (RKA 1001: 2941, pp. 119–32).

⁵¹ *ibid.* §§3, 5, pp. 2–3, Schedule A and B, pp. 7–9.

⁵² *ibid.* §11, pp. 5–6; compare different interpretations of the agreement by Sack (*Land Between Two Laws*, p. 100) and Firth (p. 40).

NGC's petition was raised in the *Reichstag* on 2 and 15 June 1896 during the debates on a Supplementary Budget Bill seeking appropriations for GNG of RM182,000. The questions centred on the Hohenlohe–Hansemann agreement, however, not on the budget appropriation. The free traders and Members from the liberal left ridiculed the *Reichskanzler* for signing a 'lion contract',⁵³ where the Reich was burdened with the legacies of the company whilst 'the Neu Guinea Compagnie would retain absolutely everything that was of economic value'.⁵⁴ Other speakers rejected flatly any increased government involvement in GNG by advocating the return of KWL to the local people as it had no commercial value.⁵⁵ The Social Democrats raised the issues of native mistreatment and the huge loss of European life in the Protectorate. One speaker cited a letter from a former A-C employee who alleged that at least one of the 60 Europeans in KWL in 1891 had died each month. The informant also charged the directors of NGC with kidnapping, slavery and having carried out 'mass murder'.⁵⁶ After two days of acrimonious debate, the Bill was referred to the Budget Committee which, without mentioning the agreement, recommended against any expenditure for GNG.⁵⁷

NGC's board replied with an open letter to its shareholders.⁵⁸ Whilst the directors took umbrage at the allegation of kidnapping, slavery and mistreatment of its labour force, they drew attention to the unacceptably high costs NGC incurred on government-related work: between 1 November 1889 and 31 March 1893 RM105,216 had been spent annually on judicial and other government-related activities.⁵⁹ They also claimed that outgoings should be offset against the income from business tax and import/export duties. However, only RM30,816 was received for the period from 1 April 1890 to 31 March 1896 for these activities,⁶⁰ which, according to Hansemann, covered only a fraction of the costs NGC had incurred since commencing government work on 16 May 1886. The directors explained:

of RM8,140,000, raised from the shareholders of NGC up to February 1896 and RM2,400,000 raised from A-C shareholders, more than half was expended on establishment. The cost of RM447,443 was incurred on SS *Samoa* and the scientific expeditions. The costs incurred for maintaining shipping connections between

⁵³ This is a verbatim translation of 'Löwenvertrag'. In reference to this allegation, NGC claimed that by persisting with the development of KWL it entered the 'den of the lion' rather than being the lion itself. Letter to NGC shareholders, 15 Sep. 1896, pp. 21–23, KA-AA to Kolonialrath, 25 Sep. 1896, p. 10 (RKA 1001:2941); 'Grundsätze der NGC für die Niederlassungen von Missionaren' (RKA 1001:2409).

⁵⁴ NGC letter to shareholders, p. 10.

⁵⁵ *Ibid.*, p. 24.

⁵⁶ *Ibid.*, p. 30. The whistle-blower was most likely the Stephansort manager Georg Pfaff.

⁵⁷ RT, 1895–96, Anlageband, no. 378.

⁵⁸ Letter to NGC shareholders, 15 Sep. 1896 in KA-AA to Kolonialrath, 25 Sep. 1896 (RKA 1001:2941).

⁵⁹ The directors referred to the official statistics by identifying seven deaths in the entire European population in 1891 by explaining the high number of deaths amongst the coolie and native population a result of influenza which was pandemic in Europe and transmitted to GNG. Directors advised that in excess of RM200,000 was spent by A-C for labour accommodation, medical care and improved provisions during the period from 27 Oct. 1891 to 5 Feb. 1892. Indentured coolies were contracted for a 3-year period on Dutch/British/German government approved contracts; (letter to shareholders, pp. 2–3, 14, 30–2.) It is not clear how this number was calculated. The costs for maintaining the judiciary and other government-related activities were running at approximately RM100,000 p.a.

⁶⁰ Letter to NGC shareholders, p. 18. The actual amount stated in the letter was RM359,482 for 41 months. The information in the profit and loss accounts does not correspond with the statement in the letter. The income from business tax and customs excise averaged RM51,708 for the period under review or RM57,504 p.a. over 41 months. The difference may be in the excise on opium not being shown separately.

Europe and the Protectorate until May 1893, amounted to RM2,450,531 and the cost for providing government related services up to 1896 amounted to approximately RM1,200,000.⁶¹

Hansemann forewarned his shareholders that the costs, which did not include bank interest and corporate overheads, could not be reduced to a level where the company would become profitable unless the government took over its responsibilities in GNG.

In KWL land had only been sold to A-C and the Christian missions with settlers and traders taking up small parcels. Minor proceeds had been received for fishing and bêche-de-mer licences. Minerals had been found but not delineated. On gold discoveries by 'Australian Diggers' on the Louisiade and in the northern sector of the Huon Golf Hansemann cautioned: 'a great deal of work is required before traces [of gold in the Upper Ramu] can be confirmed, and this can only be done by calling on shareholders for additional funds'.⁶²

Referring to the government's desire to change from bimetallism to the gold standard, Hansemann had proposed to explore for gold in a joint venture with the government.⁶³ 'But', he went on, 'the risk-averse gentlemen in the government made it known to us that they could not accept such a proposal and instead preferred to receive a benefit from the introduction of a royalty which was applicable to all mining ventures in the Protectorate'.⁶⁴ In the end, Hansemann offered to relinquish all privileges under the charter provided NGC received appropriate compensation.⁶⁵

The comparison with BNG which, according to one speaker in the *Reichstag*, was much further developed than the NGC Protectorate brought the following response:

neighbouring BNG has adopted the high customs tariffs of Australia which average 10%, applicable on all imported goods. The expenditures of the colony – amounting to RM470,000 [£23,180] in 1894/95 – was mainly incurred on administration and was funded [in part] from tariff receipts amounting to RM94,751 [£4,644].⁶⁶

Contrasting NGC's performance with that in BNG, the directors pointed out that tariffs and taxes in GNG had been kept to a minimum. The revenue-raising measures introduced on 30 June 1888 exempted agricultural activities other than a RM4/t levy on copra export, 'a mere 1.6% of its value', according to Hansemann.⁶⁷ Customs duties that had been imposed on the importation of wine and spirits (13.3 to 80 *Penning* per litre by volume of alcohol) were as much to control consumption as they were to raise revenue. While BNG did not have a business tax because activities were virtually non-existent, the RM6 applicable to earnings from RM1,000 and RM1,500 p.a. and the flat rate of 2% on earnings above RM1,500 p.a. that applied in GNG was not an impost on doing business there in the opinion of directors.⁶⁸

⁶¹ Letter to NGC shareholders, p. 20.

⁶² *ibid.*, p. 21.

⁶³ *ibid.*, p. 25.

⁶⁴ *ibid.*, p. 26.

⁶⁵ *ibid.*, p. 11.

⁶⁶ *ibid.*, p., 18. The statement is misleading. Import duties ranged between 5% and 10%. BNG's 1894/95 accounts disclosed total revenue of £5,110 (RM102,200) and expenditure of £21,563 (RM431,260). By comparison, the 1894/95 (1 April to 31 March) NGC accounts showed total income of RM520,878 (£26,044) – RM100,350 (£5,018) derived from taxes, fines and tariffs – and total expenditure of RM1,055,887 (£52,794) (AR-BNG, pp. 33–35; Jb [1894/95] pp. 18–30).

⁶⁷ Letter to NGC, p. 18.

⁶⁸ *ibid.*, p. 17.

Surprisingly, Hansemann claimed that NGC had not sought the privilege of local sovereignty.⁶⁹ Renouncing his original company model, he now claimed ‘the Reich has taken possession of the Protectorate in ceremonial procession, and therefore is the legal owner’.⁷⁰ NGC, he asserted, was acting as the agent of the government until it became obvious that GNG would be better served by a government administration ‘if the government did not take up its responsibility the Protectorate would suffer [and] if NGC was not compensated equitably, the action would be deemed enrichment by the Reich at the expense of NGC’.⁷¹

The government referred the matter to the *Kolonialrath* (KR) for advice.⁷² This gave the board some respite since the government had recently appointed former NGC Acting Administrator Reinhold Kraetke, Dr Richard Hindorf (a former NGC adviser and employee) and Hansemann himself to the KA.⁷³ Not surprisingly the KA recommended unanimously on October 1896 that the government assume full responsibility for the Protectorate and, in return for commensurate compensation, that NGC be required to surrender all privileges under its charter to the Reich.⁷⁴

Negotiations between the government and NGC resumed in July 1898. The 7 October 1898 agreement was again subject to *Reichstag* approval.⁷⁵ The land acquisition monopoly of NGC would devolve to the *Fiscus* of GNG as would all other privileges the company had received under the 15 May 1885 and 13 December 1886 imperial charters.⁷⁶ In essence, the parties agreed to NGC receiving 10 interest-free annual instalments of RM400,000 from 1 April 1899. Each payment was conditional on NGC spending the money on capital works in the Protectorate within 4 years of each instalment.⁷⁷ Since NGC would no longer enjoy the privilege of exclusive labour recruitment, the government would facilitate the hiring of labourers to carry out such work.⁷⁸ Further, NGC would retain all land legally acquired on or before 1 April 1899. The company was obliged to complete a sales agreement for 400 ha with the Catholic mission in Weberhafen.⁷⁹ Administrative establishments in Friedrich Wilhelmshafen and Herbertshöhe, as identified in schedules A and B of the agreement, were to become the property of the

⁶⁹ *ibid.*, p. 6.

⁷⁰ *ibid.*, p. 7

⁷¹ *ibid.*

⁷² The Colonial Counsel (KR) was set up by the government on 10 Oct. 1890 (RGBI., p. 179). Members were appointed on an honorary basis for three years. The presiding member was the KA director. The KR provided advice on issues referred to it by the KA. This included advice on issues that concerned its members who were not excluded from such deliberations. The advice was not binding on the government (Schnee, vol. ii, p. 338).

⁷³ The government appointed NGC shareholder and board member, Simon Alfred von Oppenheim to the KR in 1897, Sal. Oppenheim Jr & Cie, ‘Die Kolonialen Unternehmungen’.

⁷⁴ Jb (1895/96) p. 2; Sack & Clark (1895–96) p. 117; *NKWL*, 1896, Heft i, pp. 7–8.

⁷⁵ *NKWL*, 1898, §§1–8; pp. 75–81.

⁷⁶ *ibid.* §§1 and 2, pp. 75–6.

⁷⁷ *ibid.* §6, pp. 77–8.

⁷⁸ *ibid.*

⁷⁹ *ibid.* §8, p. 80.

Reich.⁸⁰ Other salient points were the acquisition by NGC within 10 years of an additional 50,000 ha in KWL and/or New Britain.⁸¹ This land was not to exceed a continuing coastal strip 100 km long and no further than 1 km inland.⁸² In recognition of the exploration work NGC had carried out in the Ramu Valley, it was awarded mining concessions for precious metals and coal in this district for which the government was to receive a royalty of 10% on exports; alternatively, the government had the option to participate in mining ventures of its choosing subject to participating equally in the expenditure.⁸³

The agreement became effective on 1 April 1899. There had been two amendments: the right to acquire the additional 50,000 ha was restricted to KWL; and the acquisition period had changed from 10 to 3 years.⁸⁴ An amendment to the agreement on 3 February 1900 gave NGC an exclusive 5-year licence to mine guano on the Purdy and the Admiralty Islands on the north coast of KWL from 1 July 1900. In return, the government was entitled to a 15% royalty on the net earnings achieved by NGC.⁸⁵

Restructure and refinancing

The transfer of colonial responsibilities resulted in a restructured and refinanced NGC.⁸⁶ The failure of A-C forced the directors to make three calls on shareholders whilst negotiations with the government were ongoing. By 1 April 1899 the par value of the ordinary NGC share had been raised to RM12,000. Yet liquidity remained tight, plantations were overvalued and additional funds were needed for the planned explorations for precious metals in the Ramu Valley, the Huon Gulf and the Purdy Islands.⁸⁷

The board called an EGM for 30 May 1899 to seek authority to amend NGC's statute. The changing role of NGC in the Protectorate made it necessary to alter the legal status of the company to that of a colonial company as prescribed in the German statute of 15 March 1888.⁸⁸ The meeting also sought approval for the capital restructure of the company and the implementation of management changes.

The method of capitalising establishment costs had led to accumulations of RM9,768,000 worth of non-performing assets. To strengthen the balance sheet the board proposed:

- a) to make a call of RM2,500 per share thereby raising the par value to RM14,500;
- b) the NGC assets be written down by 73.5% to RM2,235,900;
- c) the par value of each RM14,500 share be reduced to RM4,350; and

⁸⁰ The assets in KWL: residences of the administrator and the secretary, office buildings, harbour installations and three boats in Friedrich Wilhelmshafen, guns and ammunition for the police force, land register and court library. In the Bismarck Archipel: the courthouse, jail, residences of the imperial judge, residence of the court clerk and police sergeant, native police station, harbour installations at Herbertshöhe (whaleboat, a gig, pontoons, gangway and beacons), guns, ammunition, native police equipment, court records library, flags, land register and inventory (*NKWL*, 1898, pp. 80–1).

⁸¹ This was a 50% reduction on the 100,000 ha offered under the first agreement of 13 March 1896.

⁸² *NKWL*, 1898, §7, p. 78.

⁸³ *ibid.*, p. 79.

⁸⁴ 'Beschluss des Bundesrathes, betreffend die Satzungen der Neu Guinea-Kompagnie', 8 Feb. 1900 (*DKBI*, 1900, pp. 275ff; *DKG*, vol. 5, pp. 22–30). The agreement, including the amendments was adopted by shareholders at the AGM on 27 March 1899 (*Jb* [1898/99] p. 1, Sack & Clark [1898–99] p. 147).

⁸⁵ *RKA* 1001:2941, p. 148.

⁸⁶ *Jb* (1898/99) p. 1; Sack & Clark (1898–99) p. 147

⁸⁷ *Jb* (1898/99) p. 25; Sack & Clark (1898–99) p. 165.

⁸⁸ Schnee, pp. 329–31.

d) a new RM500 share be created by converting 8.7 old shares into one new share⁸⁹

To establish market liquidity, the board also requested approval to issue 12,000 new shares with a face value of RM500. The old issue of 814 shares, the 20 bonus shares and the 150 preference shares were to be converted to 8042 ordinary shares.⁹⁰ Further, the board sought authority from the shareholders to issue RM6,000,000 worth of shares in the future.

The asset write down of RM7,532,100 in the 1898/99 accounts should not have surprised shareholders. The share capital of RM11,803,000 was not reflected in the tangible assets save for RM2,035,000 and the resolution was passed on 30 May 1899. The capital of NGC was now RM4,021,000 (Table 4.1). Hansemann backed his judgement by increasing his holding to 32.6% (RM3,847,778). It was his last capital injection though; he died on 9 December 1903, aged 77.

Table 4.1 Share capitalisation of NGC as recorded in the balance sheets

Year	Ordinary Shares		Preference Shares		Bonus Shares		
	Issued	Par Value	Issued	Par Value	Free Issue	Bonus	Par Value
1886	800	1,250			20		5,000
1887	800	2,750			20		5,000
1888	806	3,750			20		5,000
1889	811	4,750			20		5,000
1890	814	5,750			20		5,000
1891	814	6,250			20		5,000
1892	814	7,000			20		5,000
1893	814	8,000			20		5,000
1894	814	8,750			20		5,000
1895	814	9,500			20		5,000
1896	814	10,000			20+150		5,000
1897	814	10,500			20+150		5,000
1898	814	11,500			20+150		5,000
1899	814	12,000			20+150		5,000
1899	8,200-158	500			6+3	9+8,042	500
1904	8,042	500	3,958	500	6+3	9+3,958+8,042	500
1908	8,042	500	3,000+3,958	500	6+3	9+3,958+8,042	500
1911	667	500	7,375+6,958	500	6+3	15,000	500
1912	663	500	7,379+6,958	500	6+3	15,000	500
1913	663	500	7,379+6,958	500	6+3	15,000	500
1914	7,000	500	15,000	500	6+3	Nil	500

Post-restructure

At the helm of NGC Hansemann incurred personal investment losses of RM3,184,368 in NGC and RM576,000 in A-C.⁹¹ NGC became profitable after 1 April 1899, because of the development work carried out and the transfer of administrative responsibilities to the Reich. Many regarded the payment of RM4,000,000 by the Reich, the largest posting in the profit and loss accounts until 1909, as an unnecessary compensation for a mismanaged undertaking. Hansemann considered it insufficient compensation for the work his company had performed.

⁸⁹ Shareholders were given the option to pay the call in five instalments of RM500 each commencing on 15 June 1899. Non-payment attracted an interest charge of 5%. Of the RM2,035,000 to be raised, shareholders remitted RM1,552,000 by 15 June 1899 (Jb [1898/99] p. 5; Sack & Clark [1898–99] p. 149).

⁹⁰ The issue should have been 8,200 shares. However, an audit of the original shares revealed that RM79,000 was unaccounted for. The conversion of this amount into new script was 158 shares (Jb [1898/99] pp. 2–3; Sack & Clark [1898–99] p. 148).

⁹¹ The two amounts are based on Hansemann's 23% investment in A-C and his 32.6% investment in the RM9,768,000 aggregate share capital of NGC.

Compared to the lack of development in BNG and DNG, his comment was valid. Compared to the RM6,500,000 paid to DOAG for establishing German East Africa from 1885 to 1889, Hansemann's argument was more than justified.⁹²

Hansemann's successor as managing director, Paul Preuß, made it his priority to visit GNG on a regular basis.⁹³ Determined to start with a clean balance sheet he decided to discontinue exploration and expedition activities after his first inspection visit in January 1904. The minor gold discoveries during the 1900 to 1902 Ramu River expedition required extensive delineation before mining could be justified. Preuß recommended to the board that a lack of labour resources and the requirement for substantial additional funding made it necessary to defer the project.⁹⁴ Consequently, the directors agreed to write off both the carrying amount of RM475,538 in the Ramu expedition in the 1903/04 accounts and the investment of RM187,500 in the Huon Golf Syndikat.⁹⁵ The gold discovered in 2 years of exploration was insufficient to justify continuing the venture and the syndicate was dissolved in 1903.⁹⁶ The expensive cotton and tobacco cultivation ventures had been discontinued in 1900 and 1902 respectively with the remaining inventory of RM246,799 written off in the 1903 accounts.⁹⁷

The new direction set by Preuß concentrated on the most profitable cultivations of copra, gutta-percha and cacao. He determined to

- a) Expand these three crops in suitable locations subject to the availability of workers and funds.
- b) Continue with existing coffee plantations at the present level (no expansion).
- c) Phase out kapok in favour of coconut palms and gutta-percha.
- d) Avoid setting up of plantations in new regions.
- e) Continue with food, tobacco, lemon grass, Javanese pepper and other crops for home consumption.
- f) Energetically develop plantations and trade on the French Islands.⁹⁸

The strengthening of the balance sheet required additional funds. Whereas the total RM909,837 write-off in the 1903/04 accounts did not affect the cash position, when combined with a trading loss of RM514,009 for creditors amounting to RM2,247,526, it made for a weak balance sheet and, thus, expensive borrowing. Whilst the board could issue 3,958 shares without seeking shareholder approval, without Hansemann the directors could no longer be assured of the same loyal response from shareholders. The board decided therefore to call a general meeting for 27 June 1904 to seek approval for issuing 12,000,000 and 12,000 bonus shares.⁹⁹ Because the preference shares carried 5% cumulative interest, ranking ahead of any

⁹² Schnee, vol. i, p. 409.

⁹³ Jb (1903/04) p. 5. Paul Preuß (1861–1926) was managing director of NGC from 1903 to 1918. With a doctorate in natural science from the Humboldt University in Berlin, Preuß worked in Cameroon intermittently from 1886 to 1898. During his stay in West Africa he worked as station manager and participated in scientific expeditions. From 1898 to 1900 he travelled South America on behalf of the *Kolonial Wirtschaftliches Komitee* (Committee for Economic Development in the Colonies) to study tropical agriculture on the American continent. Schnee, vol. iii, p. 101.

⁹⁴ Jb (1901/02) pp. 21–3.

⁹⁵ Jb (1903/04) P&L statement.

⁹⁶ Jb (1902/03) p. 26. The members of the syndicate were NGC, DB and the Berliner Handels-Gesellschaft. Whereas the incorporated Huon Golf Syndikat was dissolved in 1903, the government only withdrew the licence on 7 Feb. 1908 (*DKBl* 1908, p. 209).

⁹⁷ Jb (1901/02) p. 9; (1903/04) P&L statement.

⁹⁸ Preuß's business plan, 1904 in Jb (1903/04) p. 6.

⁹⁹ *DKBl*. 15 Aug. 1904, p. 515.

dividend payment, the meeting accepted the motion. Of the 12,000 bonus shares, 3,958 were issued at the time, with 3,077 being taken up.¹⁰⁰

Poor liquidity and high interest payments resulted in a further issue in 1908 of 3,000 cumulative preference shares of 5%, raising RM1,500,000.¹⁰¹ Following the directors' assurance that the accumulated interests from the 1904 preference share issue – now 20% – would remain valid, the outstanding sum of RM354,000 for 708 preference shares was also paid.¹⁰² In 1910 shareholders were given the opportunity to convert their 8042 ordinary stock into preference shares by paying RM200 on each share held: they responded by converting 7,375 ordinary shares. This realised RM1,475,000, less administration costs of RM74,534.¹⁰³ The total number of preference shares had increased to 14,333 with a nominal value of RM7,166,500. The conversion of 667 ordinary shares with an aggregate value of RM333,500 was still outstanding.¹⁰⁴

From October 1913 to April 1914, Preuß assessed NGC plantation assets to be undervalued.¹⁰⁵ Of the 8381 ha land under cultivation at December 1913, 85% was planted with palms, producing 75 to 80% of annual revenue. The mean copra price had risen to RM550/t cif European ports, helping to produce record profits in 1913 and early 1914.¹⁰⁶ In the best financial position since NGC's formation, the directors forecast a 7% dividend for the 1913/14 financial year and higher future dividend payments.¹⁰⁷ Apart from minor receipts from gutta-percha, cacao and sisal, the profit of RM912,259 was primarily achieved on 2647 t plantation and 1392 t trade copra. Of the 794,400 plantation trees only 29% were at or near full production. With more trees maturing, the company forecast 8,000 t of plantations copra over the next eight years. The respected *Koloniale Rundschau* confirmed Preuß's assessment: 'the shareholders of NGC can expect considerable increases in future earnings', it predicted, provided copra prices remained firm.

To reduce debt and take advantage of the buoyant copra market, shareholders approved the public listing of 7,000 new shares on the Berlin Börse on 16 February 1914. The company's existing common shareholders were given the opportunity to purchase two new shares at RM510 each for every five old shares they held.¹⁰⁸ The capital raising of RM3,500,000 was used to reduce debt and increase liquidity.¹⁰⁹ Further, to strengthen the balance sheet,

¹⁰⁰ Jb (1903/04) p. 11 (Jb [1904/05] pp. 11–12).

¹⁰¹ Annual general meeting 27 March 1908, Jb (1907/08) pp. 7–8.

¹⁰² *ibid.*

¹⁰³ The amount of RM1,400,466 was booked to a special reserve account (Jb [1910/11] pp. 8 and 15).

¹⁰⁴ *ibid.*

¹⁰⁵ Jb (1913/14) pp. 3–4.

¹⁰⁶ Jb (1913/14) pp. 4-5 and 13. Preuß, *Die Kokospalme und ihre Kultur*, p. 541.

¹⁰⁷ Palms start bearing fruit after 6 years. Full bearing is reached in 15 years. Fruits require a year to ripen; the average annual yield per tree is 50 nuts. Fruit bearing continues until trees are about 50 years old.

¹⁰⁸ Initially, the issue price was set at 107.5% of the par value. However, shareholders only approved a 2% premium on 16 Feb. 1914 (Jb [1912/13] pp. 20–1; *DKZ*, 10, 1914, pp. 187–8; *DKBI*, 11, June 1, 1914; *DKBI* 1915, p. 288).

¹⁰⁹ The interest expense in the 1913/14 accounts was RM196,600. With corporate borrowing generally 5%, NGC bank debt in 1914 was nearly RM4,000,000.

shareholders voted on a company buy-back of the 15,000 NGC bonus shares at RM1 each and agreed on the conversion of the remaining 62 ordinary shares into preference shares.¹¹⁰

The Berlin-based Kolonialbank and the Hydt'sches Kolonialkontor traded in NGC debentures from 1908. Notwithstanding the fixed 5% cumulative interest coupon, the shares hardly ever exceeded par. Shortly before the listing on the Berlin Börse, the Kolonialbank pushed NGC debentures to a high of 143% by advising its clients 'we take the liberty to recommend again the debenture stock of NGC and point out that the 1912/13 result will be published in a few days and is likely to produce favourable results'.¹¹¹

In February 1914 the *Koloniale Rundschau* reported – prematurely – 'the listing of the largest plantation company in the world on the *Berlin Bourse*. With this listing NGC joined the Deutsch-Ostafrikanische Gesellschaft as the only other colonial plantation company on the German Stock Exchange.¹¹² However, when shareholders approved the new shares, the debentures crashed to 110% with the new issue barely trading at par in private transactions.¹¹³ The forecast dividend of 7% in 1914 did not lift the share price when the dividend payment was omitted because of the outbreak of World War I, listing on the Berlin Börse was cancelled.¹¹⁴

Financial overview

In summary, NGC incurred significant trading losses until 1899 when a restructure was undertaken. The losses were funded by repeated capital raising to avoid insolvency. The key causes of the losses related to the level of expenditure required to establish infrastructure and the company's operations, and the cost of administration while acting as the government's agent. The costs incurred were significantly higher than the taxes collected.

An initial restructure in 1899 relieved NGC from all government responsibilities. In return NGC transferred land, inventory and movable assets to the government for consideration of RM4,000,000 payable in 10 equal annual instalments. Each payment had to be spent within 4 years on infrastructure in GNG. In addition, the company renounced its land acquisition monopoly and other economic privileges in favour of the Reich. In return it received an allocation for further 50,000 ha freehold in KWL and mining rights in the Ramu Valley. As a result of the agreement the company undertook a financial restructure. The write-off in infrastructure assets amounting to RM7,532,100 corresponded with the reduction in equity.

After 1899 NGC started to generate small profits, albeit largely with the benefit of the annual instalments paid by the government for activities undertaken prior to 1899. During the last 3 years of its operational existence in GNG, the company benefited from the maturing of its coconut plantations, expanded trading activities and a strong international copra market. The

¹¹⁰ NGC was unable to identify the whereabouts of the shareholder(s) owning 62 shares who failed to take up the 1910 offer to convert ordinary shares into preference shares ('Änderungen der Satzung der Neu Guinea Compagnie, 24 Feb. 1914) in *DKB*. 1914, pp. 485–6.

¹¹¹ Kolonialbank leaflet, 26 Jan. 1914.

¹¹² *KR*, 1914, pp. 185 and 376.

¹¹³ Kolonialbank, 25 July 1914.

¹¹⁴ This is a reasonable assumption, but no evidence of a NGC listing was discovered. See A. Neumann, *Kurs-Tabellen der Berliner Fond-Börse* (1918) or 'Handbuch der deutschen Aktien-Gesellschaften', 1914/15 vol. 18.

first dividend of 5% (RM358,425) and bonuses to directors and senior staff of RM79,100 were paid in the 1912/13 financial year. In overall terms, the operations of NGC over the 28-year period resulted in a poor return on assets averaging 1.38% p.a., with the shareholder's annual return on equity over 28 years averaging 1.18%. However, with a stable copra market, NGC had a viable business in GNG from 1900 onwards.¹¹⁵

From 1 April 1885 to 31 March 1899 NGC spent RM14,971,962 against a revenue of RM4,414,003. Added to the negative cash flow for this period were the capital expenditures for ships of approximately RM595,550, machinery and other mobile assets of approximately RM261,290 and investment in A-C of RM900,000.¹¹⁶ By comparison BNG did not encounter a funding shortfall with the exception of 1901/02. Rather, BNG accumulated £43,848 (RM876,960) in budget surpluses after 11 years. Between 1 July 1888 and 30 June 1899 BNG expended £270,785 (RM5,415,700) whilst collecting £67,949 (RM1,358,980) in revenue. The shortfall was made up by the Australian colonial governments of Victoria, New South Wales and Queensland and by the British government.¹¹⁷ Compared to BNG, NGC had built a much larger business and at a much higher cost to its stakeholders.

It is surprising that an experienced financial manager like Hansemann would significantly underestimate the lead-time and financial resources for developing a colonial enterprise. The cost of government business was significant but not Hansemann's greatest concern. For the period 1 April 1889 to 31 March 1899 the *Landesverwaltung* (administration) of GNG incurred a deficit of RM413,499.¹¹⁸ However, the opportunity cost was much greater because NGC was unable to pay undivided attention to developing its business.

The following chapter examines Hansemann's hurried beginning in northeast New Guinea and his promulgation of company procedures that were appropriate to a banking enterprise rather than to a colonial business in the Antipodes.

¹¹⁵ Copra prices increased significantly between 1899 and 1914. From 1906 until 1919, a mean price of RM400 cif European ports was achieved. The post World War I economic crisis saw copra decline slowly to as low as £4.11 (RM91) per ton fob New Guinea ports in 1933/34. Whilst NGC would have returned high profits for some time, copra prices under RM200/t would have rendered the company unprofitable again. A. Hahl, *Deutsch-Neuguinea*, p. 91; P. Preuß, 'Wirtschaftliche Werte in den deutschen Südseekolonien', *Der Tropenpflanzer* 8 & 10 (1916) p. 541.

¹¹⁶ Table 17.

¹¹⁷ Table 16.

¹¹⁸ NGC accounts identified government business for this period only. The expenditure included salaries and allowances for bureaucrats and the judiciary, office, postage, policing and harbour master expenditures, and related maintenance activities. Income was derived from customs duty, business tax, land registration, licence and harbour fees, court fines and income from labour hire.

CHAPTER 5

HANSEMANN'S PRE-EMPTIVE STRIKE

Adolf von Hansemann was nearly 60 years old when he embarked on his New Guinea venture in 1884. Time was of the essence and he was determined to establish a position of significant influence in New Guinea prior to the Reich declaring sovereignty over northeastern New Guinea and the New Britain Archipelago. Leading up to the declaration of sovereignty Hansemann set out to acquire as much land as possible. By establishing a footprint in the country, his objective was to prevent another Samoa debacle in the *Reichstag*. His strategy for gaining early traction for his new venture was to gather as much knowledge of the territory as possible and to pre-empt any third party competing for ownership.

Before signing the imperial charter, Hansemann needed to be clear on what type of business the New Guinea venture was going to be. The onerous task of managing a colony – ordinarily carried out by government – in parallel to a company's commercial activities, required diligent planning. An operational plan outlining cash-flow projections and funding requirements was needed. His preferred option of acquiring land for little or no cost and selling it to settlers at a profit would have been the most attractive; its feasibility had to be investigated. The establishment of a plantation industry, requiring large amounts of capital without generating early returns, needed to be considered. Likewise, the prospects and funding of mining, timber and fishing ventures also needed to be considered if a meaningful business plan was to be established. Further, the value of barter and the prospects for selling European goods locally would need to be assessed. Hansemann was intent on making the best of the 12 months available for negotiating the charter. He set out to develop business procedures to engage personnel and manage the requisition of materials, provisions, fuel and equipment. If he was to see his dream of a South Sea colony realised these activities had to be underway before NGC could be authorised to commence business in the Protectorate.¹

The Finsch and Dallmann expeditions

The ornithologist Otto Finsch and Captain Eduard Dallmann arrived on Mioko Island in the Duke of York Group on 26 September 1884. The two veteran explorers had been hired by Hansemann to gather information on the geography and environment of northeast New Guinea. They were instructed to seek out the best harbours, to establish friendly relations with the indigenous population and to acquire land for a future German colony.

¹ Hansemann's vision, *DKZ* 1885, p. 376.

From 7 October 1884 to 28 May 1885 Finsch and Dallmann made five exploratory voyages.² They compared the coastline from East Cape to Humboldt Bay on the DNG border with existing charts,³ similar action was undertaken in the New Britain Archipelago. Their discoveries of bays, estuaries, rivers, coastlines and mountain ranges were entered on Finsch's New Guinea map.⁴ To establish safe shipping lanes and to confirm suitable harbours for future stations, Dallmann and his first mate carried out hydrographic surveys along the mainland coast and in the archipelago. In this context, the discovery of suitable land with safe drinking water was of equal priority. Finsch continued the extensive meteorological observations of his earlier voyages between 1879 and 1882. Air and sea temperatures, cloud cover, wind direction and strength and precipitation were recorded daily at 07:00, 13:00 and 19:00 hours.⁵

The mountain range traversing the mainland from west-northwest to southeast provided direction for their voyages. Visible for many miles, the highest peak of this range lay in central New Guinea.⁶ Dallmann took the *Samoa* towards this beacon on the first voyage to make landfall in Astrolabe Bay on 11 October 1884. The day signified German political presence on mainland New Guinea for the first time. Subject to approval by the emperor northeast New Guinea was henceforth called Kaiser Wilhelms-Land (KWL).⁷

The explorers were able to make friendly contact with the local people and to purchase much of the landing area called Bongu.⁸ In the belief that the Russian explorer and scientist Miklouchu-Maclay had returned to give them iron tools to cut wood and build huts, the indigenous communities shouted 'Oh Maclay' everywhere the party landed along the 'Maclay

² *NKWL*, 1885, Heft ii, pp. 3–9, Heft iii, pp. 2–10, Heft iv, pp. 3–19; O. Finsch, *Samoafahrten: Reisen in Kaiser Wilhelmsland und Englisch-Neu-Guinea in den Jahren 1884 und 1885 an Bord des deutschen Dampfers "Samoa"*, O. Finsch, *Systematische Übersicht der Ergebnisse seiner Reisen und Schriftstellerischen Thätigkeiten (1859-91)*, O. Finsch, 'Wie ich Kaiser Wilhelms-Land erwarb. Mein Anteil an der Gründung der Neu-Guinea-Compagnie', *Deutsche Monatsschrift für das Gesamte Leben der Gegenwart* 1 (1902), pp. 406–24, 570–84, 728–43 and 875–89.

³ *ibid.*, p. 45. Finsch entered his discoveries on the maps prepared by the German cartographers P. Langhans and R. Kiepert (O. Finsch, 'Deutsche Namensgebung in der Südsee', (*Deutsche Erdkunde*, 1 [1902], pp. 42–5).

⁴ Finsch explained: 'All noteworthy points were first entered into my journal in numerical order and only later did I replace the numbers with names; naturally, I could not seek permission from first Berlin, (*ibid.* p. 45); see P. Mühlhäuser, 'Die deutsche Sprache im Pazifik', in H.J. Hiery, ed., *Die Deutsche Südsee*, ed., p. 257.

⁵ *NKWL*, 1885, Heft iv, pp. 23–9.

⁶ Rather than the Bismarck or Finisterre Range, the three peaks of the Oertzen Mountain would have been the most obvious beacons. Dr C. Lauterbach wrote: the 'distinctive formation of this mountain, makes it recognisable from a long distance away, and due to its separation from other formations, it presents itself as a perfect beacon', (*NKWL*, 1891, Heft i, p. 3). The highest point of the Bismarck Range, Mt Wilhelm (4,509 m), was an unlikely navigation beacon because of regular cloud cover (*NKWL*, 1885, Heft iv, pp. 17–8; 1889, Heft ii, p. 49).

⁷ NGC requested the name proposed by Finsch, Kaiser Wilhelms-Land, and the New Britain Archipelago to be renamed Bismarck-Archipel (as proposed by Oertzen); the application was granted on 17 May 1886. Finsch and Dallmann were also responsible for naming the Bismarck Range and the Kaiserin Augusta-Fluß (Sepik River). Hansemann was recognised by the explorers with Hansemann Berg, Hansemann Küste and Adolf-Hafen (Morobe) (*NKWL*, 1885, Heft iv, p. 6; H. Schnee, ed., *Deutsches Kolonial-Lexikon*, vol. i, p. 213).

⁸ The land was roughly 100 ha for which Finsch paid RM150 in goods such as glass pearls, tobacco and hoop iron (*NKWL*, 1885, Heft ii, pp. 4–5).

coast'.⁹ On 17 October 1884 Finsch raised the German flag to signify the establishment of the first German station on mainland New Guinea at Bongu. In recognition of earlier Russian presence, he suggested that the place be named Constantinshafen.¹⁰

A few miles due north of Astrolabe Bay Finsch and Dallmann discovered the second harbour, Friedrich Wilhelmshafen, in the protected waters of the Schering Peninsula on 19 October. They decided not to establish a station at the time because of the presence of thick mangrove everywhere.¹¹ However, Captain Schering of the light cruiser SMS *Elisabeth* recognised the natural advantages of the harbour immediately and raised the *Reichsflagge* in Friedrich Wilhelmshafen on 20 November 1884.¹²

On a second voyage Dallmann took the *Samoa* due south to Mitre Rock. Then going north on 18 November they sailed into the secluded Morobe Bay on the Huon Gulf where they identified Adolf-Hafen in Hansemann's honour. 'This area was safe with a good seabed for anchoring and a brook providing drinking water'.¹³ However, Finsch and Dallmann also estimated that the swampy foreshore and the heavily timbered mountains were of low commercial value, with little to no prospects for recruiting labour as only 'seven naked natives were sighted'.¹⁴

Continuing in a northwesterly direction, Finsch reported on 23 November 1885: 'our endeavour to find safe anchorage before the war ships arrived was rewarded with the investigation of a creek north-west of Cape Cretin'.¹⁵ An inner basin provided all-weather sanctuary for smaller vessels, whilst the outer harbour was suitable for large ships in most weather conditions. Finsch was so impressed with these natural harbours and the lushness of the shoreline that he chose the name Deutschland-Hafen for what he believed was worthy of becoming the capital of GNG. In his report to Hansemann he praised 'this wonderful, fertile district, which reminds us of a European estate, stretching from Cape Cretin to Fortification Point [where] an abundance of palm trees is evident, which is comparable with Blanche Bay but with the added advantage that this area is more densely populated'. Finsch believed that villages were nestled around the harbour and in the surrounding hills'.¹⁶ The *Reichsmarine* agreed with Finsch's assessment and renamed the place Finschhafen at the German flag-raising ceremony on 27 November 1884.

⁹ The party landed near where Nikolaj Nikolajewitsch Mikloucho-Maclay had camped in 1871–73 (Finsch, *Samoafahrten*, pp. 28–53; Jb [1887] p. 4; Sack & Clark [1886–87] p. 6). Mikloucho-Maclay (1846–88) studied natural science and medicine at St Petersburg. He travelled to North America, the Philippines, New Guinea, Java and India. Most of his work was carried out from September 1871 to December 1872 and from June 1876 to November 1877 on the north coast of New Guinea. From 1883 to 1884 Maclay protested against Australian, British and German colonisation intentions. Constantinshafen was named after the Minister for the Russian Navy, Grand Duke Konstantin Nikolajewitsch and Alexishafen after his brother Tzar Alexander II (N.N. Mikloucho-Macklay, *New Guinea Diaries 1871–1883*, translated by C.L. Sentinella).

¹⁰ *NKWL*, 1885, pp. 4–5.

¹¹ *ibid.*, pp. 10 and 49; 1886, Heft i, pp. 13, 15 and 83; 1891, Heft i, p. 8 and 1892, Heft i, p. 22.

¹² Finsch regarded Friedrich Wilhelmshafen as probably the best and safest harbour on the entire north coast (*NKWL*, 1885, Heft ii, p. 5).

¹³ *ibid.*, Heft iii, p. 3.

¹⁴ *ibid.*

¹⁵ *ibid.*, p. 4.

¹⁶ *ibid.*

The fourth voyage from 23 March to 18 April 1885 was mainly a rerun of the third expedition.¹⁷ When Hansemann learnt that Britain had extended its Protectorate of New Guinea no further than East Cape, exclusive of the Louisiade Archipelago and the islands Woodlark, Trobriand and D'Entrecasteaux, he became interested in this 'particularly fertile' land.¹⁸ Rather than allowing Finsch to return home as planned, he issued instructions for him to 'gain foothold on D'Entrecasteaux and all land north of East Cape'.¹⁹ Land acquisition was Hansemann's first priority and he requested Finsch to set aside all scientific investigations.

Finsch bought land from the local people on Bentley Bay during the first week of April 1885. Carl Hunstein and a Scottish carpenter who Finsch hired in Cooktown earlier that year stayed behind to build houses, thereby establishing ownership.²⁰ Hansemann's intention to extend German presence to East Cape, the most southeastern tip of mainland New Guinea, was short-lived, however. According to the British–German Boundary accord of 16 March 1885, Finsch and Dallmann had established the station on British territory.²¹

By the end of the fifth and final voyage on 28 May 1885 Hansemann's reconnoitres had covered more than 5,000 nautical miles. Though Finsch and Dallmann could be well satisfied with their geographical investigations, their land acquisitions were a failure. Only small blocks of land had been acquired in the Astrolabe Bay and at East Cape, with the latter returned to Britain shortly after the purchase was made. They discovered eight major harbours along the north coast of New Guinea, leading to the establishment of company stations soon after. Separate from Finsch, Imperial Commissioner von Oertzen made the only other recorded agreement for land purchases at the time. During his visit to Friedrich Wilhelmshafen on SMS *Elisabeth*, he entered into a deed of occupation on 15 November 1884 with the Kranket, Tebog and Belialo tribes to secure the land earlier identified by Finsch.²²

Finsch believed that he had acquired northeast New Guinea in one fell swoop when he entered into a deal with the Bongy, Gumbu and Korendumana people on 17 October for a mere 40 ha for Constantinshafen. In his negotiations with the tribal elders he inserted a clause in the contract assigning all ownerless land between longitude 141° E and the Huon Gulf to DHPG.²³

Commissioner Oertzen was not prepared, however, to register Finsch's claims. He advised Bismarck that the land may not have been purchased from the rightful owners and that the action should be seen in the light of a political demonstration on Finsch's behalf rather than

¹⁷ *ibid.*, Heft ii, pp. 3–10.

¹⁸ Hansemann to Bismarck, 20 Dec. 1884, RKA 1001:2794.

¹⁹ The Hansemann instruction of 11 Nov. 1884 did not reach Finsch until he had commenced the fourth voyage (O. Finsch, 'Wie ich Kaiser Wilhelms-Land erwarb', *Deutsche Monatschrift* [1902] p. 584).

²⁰ *NKWL*, 1885, Heft iv, p. 3.

²¹ P.G. Sack (Protectorate and Twists', *Australian Year Book of International Law* [1986] p. 52) found that the first operating station in New Guinea took place barely two weeks before the Anglo–German Boundary Agreement was finalised. Research for this thesis has found that the first station was established 2 weeks after the British boundary alignment proposal was submitted and subsequently accepted by Germany.

²² Oertzen to Bismarck on 15 December 1884 (RKA 1001: 2778 and 2297; *NKWL* 1885, Heft i, pp. 4–5).

²³ Hansemann supplied the contract forms for native-owned and ownerless land. The wording of the contract is in RKA 1001:2278. A translation is in P.G. Sack, 'Traditional Land Tenure and early European Land Acquisition', pp. 174–6. The two contracts Finsch entered into were executed on behalf of DHPG.

the legal transfer of land ownership.²⁴ In 1898 Imperial Judge Hahl examined the legality of the claims again. Without having the land in question surveyed, he determined an arbitrary area of 5,000 ha for each NGC station on mainland New Guinea other than Constantinshafen.²⁵ Hahl also recognised claims of approximately 40,000 ha by DHPG on behalf of NGC on New Hanover, 7,000 ha on New Ireland and the Duke of York and 4,000 ha at Blanche Bay as legally binding.²⁶ So, whilst Finsch may have thought he had acquired land similar in size to Prussia,²⁷ the government rejected most of his claims. NGC was unable to demonstrate that the land was procured in an equitable and fair manner at a time when northeast New Guinea was not even a German protectorate. Arguably only 35,100 ha were 'purchased' by Finsch and Dallmann on the mainland. But even this so-called entitlement was ultimately withdrawn by Hansemann when he realised that it had no legal basis.²⁸

Instructions to the *Landeshauptmann*

Hansemann saw to it that, in parallel with the Finsch mission, management procedures and instructions for future NGC employees were drafted and promulgated. On 18 August 1885 he released a booklet *Instruction für den Landeshauptmann*.²⁹ Two months later directions for planned scientific expeditions were added to the manual.³⁰ The file included a 'Policy for the Establishment of Christian Missions' for action later.³¹ The two main documents comprising 51 lengthy articles provided a good insight into Hansemann's vision for his project. A trained banker, he understood and believed in the necessity for management transparency.³² The personnel to be employed in Hansemann's colony required skills in the disciplines of administration, medicine, geology, botany, agriculture, forestry, engineering, mining, shipping and carpentry. He emphasised the opposing characteristics of youth and experience, and of independence and obedience. Hansemann intended to reconcile these antithetical characteristics by devising a management plan that gave employees maximum ownership of

²⁴ Oertzen to Bismarck, 15 Dec. 1884, RKA 1001:2797. Oertzen may have applied a double standard here. He acquired all of the land around Simpson Harbour, including Matupi Island, on 3 Nov. 1884.

²⁵ These claims were never entered in a land register and were subsequently withdrawn by NGC. Sack in ('Traditional Land Tenure and early European Land Acquisition', p. 174 and *Land between Two Laws*, p. 122) argued that the published accounts of Finsch's land acquisition were misleading; see P.J. Hemenstall, *Pacific Islanders under German Rule*, p. 164).

²⁶ Hahl to AA-KA, 21 Feb. 1899, RKA 1001:2278.

²⁷ The land mass of KWL in 1885 was 179,250 km², the Bismarck Archipelago 52,177 km² and approximately 19,000 km² for the Solomon Islands. The total approximate area of 250,000 km² equated roughly to 46% of the 1871 area of the Reich. The total area of BNG was 233,038 km². Based on later data and taking into account boundary adjustments, including the Samoa settlement with Britain in 1899, the areas were 181,650 km² for KWL, 47,100 km² for the Bismarck Archipelago and 10,000 km² for the Solomon Islands, (*NKWL*, 1885, Heft iii, pp. 14–15, Jb 1886, pp.1–2, RKA 1001:6512–19; Schnee, vol. i, p. 316).

²⁸ NGC dropped the claims in its 1898 settlement with the government, RKA 1001:2278. NGC to AA-KA, 24 February 1899, RKA 1001:2943.

²⁹ NGC, 'Instruction für den Landeshauptmann 1885', RKA 1001:2408, no. 79533, pp. 1–33. In the context of this thesis, *Landeshauptmann* and Administrator are interchangeable.

³⁰ NGC, 'Instruction für die wissenschaftliche Forschungsexpedition 1885', RKA 1001:2408, no. 79533, pp. 1–14.

³¹ NGC, 'Grundsätze für die Niederlassungen von Missionaren 1886', RKA 1001:2409, no. 79533, pp. 1–3.

³² This thesis uses much of the same primary data as S. Firth's work on NGC, but includes more statistical evidence. The intention is not to dwell on every difference in Firth's and my work. See S.G. Firth, 'German Recruitment and Employment of Labour in the Western Pacific before the First War', D.Phil., Oxford, chapter 4; S.G. Firth, 'The New Guinea Company 1885-1899: A Case of Unprofitable Imperialism', *HS XV*; S. Firth, *New Guinea under the Germans*, Chapter 2.

their actions without him losing control. 'As long as circumstances permit', the instructions read, 'it is intended that the Board shall issue only general guidance, with managerial responsibilities to be left to the person held accountable for the running of the business'. But, in the same paragraph, the company's representative in New Guinea (the administrator), was advised that 'departure from the laid down instructions is only permitted in urgent situations and a request stating the reasons, shall be submitted to the Board for retrospective approval'.³³ Whereas the instructions appear reasonable, it was a prescriptive manual for the administrator who would not arrive in the Protectorate until June 1886.

Hansemann's motives for writing the manual would have included convincing the bureaucrats in the AA of his interpretation of the charter. In addressing the executive powers of NGC, for instance, Hansemann articulated his understanding of the rights transferred to NGC under local sovereignty. Other than the judiciary and foreign affairs, which remained expressly the responsibility of the government, he claimed that all other powers, within the context of local sovereignty, were the legal entitlements of NGC.³⁴ By no means did he regard the exclusive acquisition of land as the only privilege of NGC.³⁵ He considered the exclusive exploitation of natural resources and the concession on tradable goods (such as bird plumes, pearls, trochus and guano) as of equal importance in his business model.³⁶ Further, he regarded the implementation and collection of business and poll taxes, licence, customs, harbour fees and fines necessary to pay for the cost of administration.³⁷ In the last section of the manual, Hansemann mandated that 'artefacts and other objects of ethnological or scientific value, whether attained by barter with the natives or in any other manner, were acquired on behalf of the company'.³⁸ He insisted that the goods 'must be handed over unless the company renounces its right'.

Third-party land claims

Whilst drawing up the instructions, Hansemann kept an eye on the legislators. The drafting of the 'Protectorate Act' in the Foreign Office included the important section of land ownership before November 1884.³⁹ Hansemann had no intention of waiting for the outcome. Well before the Act was proclaimed he flagged that 'the company is not aware of any establishments which had been set up by any person belonging to a civilised nation before KWL was declared a

³³ NGC, 'Instruction für den Landeshauptmann', §2, p. 5.

³⁴ *ibid.* §4, p. 6, Officers stationed in the Protectorate to administer the law would be paid by NGC.

³⁵ *ibid.* §15, pp. 16–19.

³⁶ *ibid.* §15, section 5, p. 10; §21, p. 13.

³⁷ *ibid.* §5, p. 6; §5, section 2; §9, p. 8; Jb (1888) pp. 8–9; Sack & Clark (1887–88) pp. 27–30.

³⁸ *ibid.* §33, p. 18. Many NGC employees put together valuable anthropological, ethnographical, ornithological, and entomological collections which they tried to hide from the company (S. von Kotze, *Aus Papuas Kultur morgen*, pp. 24–6 and 87).

³⁹ German colonial law was based on the Act for Consular Jurisdiction of 10 July 1879 until the 'Protectorate Act' was proclaimed by the emperor on 17 April 1886. It was amended throughout the German colonial period, (*DKG* vol. 1, pp. 28–36; Schnee, vol. ii, p. 339 and vol. iii, pp. 317–18). Application of the law in GNG was by 'Imperial Ordinance regarding the Laws in the Protectorate of NGC' of 5 June 1886, implemented on 1 Sep. 1886. Ordinances were based on German and Prussia metropolitan law. Metropolitan law did not apply to autochthons unless specifically directed. Ordinances were submitted to the *Bundesrath* and *Reichstag* for information only. On the historiography of German colonial law, see Sack, *Land between Two Laws* (pp. 127–36) and *Phantom History* (pp. 276–99).

German Protectorate' and that 'no land had been acquired by third persons other than on behalf of the NGC'.⁴⁰ He informed Finsch and Dallmann that no other foreign power, person or company had any rights to land in KWL.⁴¹

In the Bismarck Archipelago, Hansemann readily acknowledged the 820 ha claimed by DHPG on the Duke of York islands. He was a shareholder in the company and had commissioned it to procure land on behalf of the Consortium. In contrast, the relationship between Hansemann and Eduard Hensheim was less than cordial.⁴² Hensheim's claim of eight square miles on New Ireland and a few small blocks, which the veteran South Sea trader had acquired to set up stations, would not have pleased Hansemann.

The 52,000 ha claimed on the Gazelle Peninsula, New Ireland and Admiralty Islands by E.E. Forsyth & Co. were registered in Australia. Hansemann did not recognise British jurisdiction over past land claims in GNG and objected to the claim by referring it to the German government for assessment.⁴³ Other claimants included R & H, Richard Parkinson, Auguste Dupré, Friedrich Schulle and John MacDonald. Jean Maximillian Mouton and his son Octave, survivors of the infamous Marquis de Rays expedition, claimed ownership of 2050 ha around the Vunmami district on the north coast of the peninsula.⁴⁴ In total, Hansemann estimated that the eight claimants would not have acquired more than 30,000 ha. With regard to the missions, only the Wesley Mission was present in 1884. According to Hansemann, their claim would not have exceeded 400 ha, if there was any legal entitlement at all.⁴⁵

Hansemann wanted his representatives to examine the authenticity of the claims by third parties: 'where a claim is deemed spurious the exclusive entitlement of NGC must be protected by lodging a timely objection with the government'.⁴⁶ Hansemann also wanted to discourage unwanted migrants settling in GNG by instructing that 'no settlements and no land acquisition must occur in the Protectorate without his prior approval'.⁴⁷

⁴⁰ NGC, 'Instruction für den Landeshauptmann', §15, p. 10.

⁴¹ NGC land claims in Sack, 'Traditional Land Tenure', pp. 192–6; Hempenstall, *Pacific Islanders under German Rule*, pp. 124–5.

⁴² Eduard Hensheim claimed ownership of 1,640 ha on the Gazelle Peninsula and in the Duke of York islands and 780 ha in the Hermit Group. He regarded Hansemann's approach to colonising GNG 'based on Utopian plans with the same aims as those of the Marquis de Ray's colony and which must end in a complete fiasco' (P.G. Sack & B. Sack, eds., *Eduard Hensheim*, pp. 87–8, 101–2 and 111 and E. Hensheim diaries).

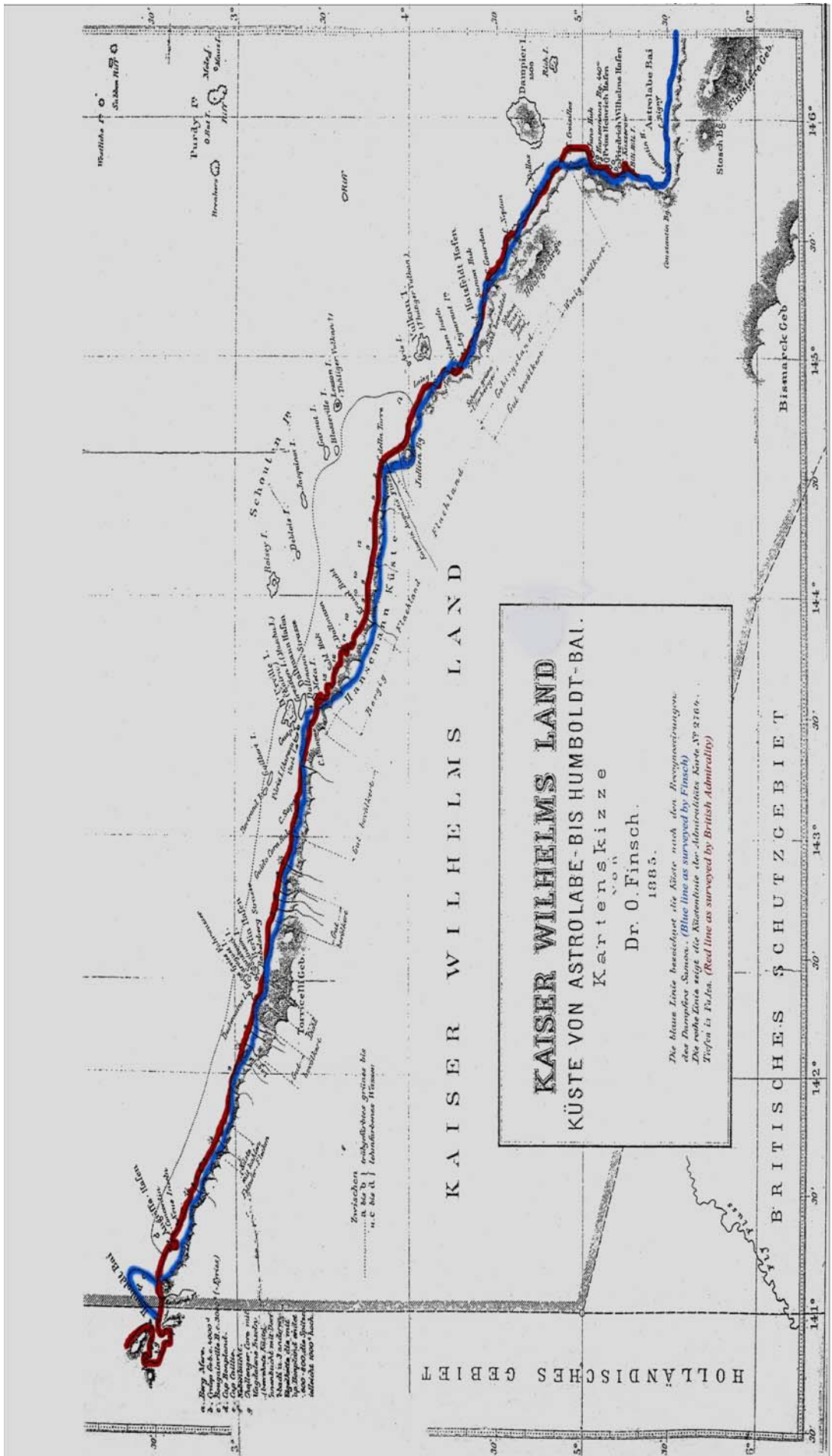
⁴³ Thomas Farrell claimed 2,050 ha extending along the coast from Cape Gazelle to Ralum Point. At the time Hansemann appeared unconcerned with the 100,000 ha claim by Queen Emma on the Solomon Islands. It became an issue after NGC's imperial charter was extended on 6 April 1886 to include Bougainville and Buka Island (RKA 1001:2791); see also C. Ribbe, *Zwei Jahre unter den Kanibalen der Salomons-Inseln*, pp. 56–8.

⁴⁴ B. Jinks, P. Biskup, & H. Nelson, eds., *Readings in New Guinea History*, p. 24.

⁴⁵ NGC, 'Instruction für den Landeshauptmann', §15, p. 17; Hahl to AA, 21 Feb. 1899, RKA 1001:2278; The Revd G. Brown established the first mission of the Australian Wesleyan Methodist Missionary Society in Hunter Harbour in the Duke of York Group on 15 Aug. 1875, (Sack, 'Traditional Land Tenure', pp. 177–80).

⁴⁶ NGC, 'Instruction für den Landeshauptmann' §15, p. 11.

⁴⁷ *ibid.* p. 12. In 1889, NGC's board advised its shareholders that 'the settlement of land claims were progressing, albeit slowly. Three hundred and twenty-seven titles had been entered in the Register compiled by the former Imperial Commissioner von Oertzen. A further 167 notification of claims had been received within the statutory time limit ... of 1 March 1888, of which 23 had already been entered in von Oertzen's schedule ... so that the legally valid notified claims stand at 471 in total' (Jb [1889] p. 10; Sack & Clark [1888–89] p. 41). It was estimated that in 1886 a total area of 288,400 ha was claimed. This included the 100,000 ha claimed by Queen Emma in the Solomons and 76,000 ha by NGC (Ribbe, *Zwei Jahre unter den Kanibalen der Salomons-Inseln*, p. 53; Sack, 'Traditional Land Tenure', p. 180).



KAISER WILHELMS LAND
KÜSTE VON ASTROLABE-BIS HUMBOLDT-BAI.
 Kartenskizze
 von
Dr. O. Finsch.
 1885.

*Die blaue Linie bezeichnet die Küste nach den Entdeckungsreisen
 des Dr. O. Finsch. (Blau line as surveyed by Finsch)
 Die rote Linie zeigt die Küstenlinie der Admirals Karte, Nr. 3769.
 (Red line as surveyed by British Admiralty)*

Map 3: Survey of the north coast of GNG by O. Finsch and E. Dallmann (1885)

Establishing the main stations

The topography of KWL and the many islands in the archipelago as much as the cooperation of the local people determined the speed of colonisation. It was a hasty, haphazard start. A military presence was not planned: large numbers of experienced personnel were not available; suitable ships could not be procured at short notice; and, like any properly run business, the speed of colonisation was dependent on the funds available. Hansemann decided, therefore, to 'establish stations on the coast gradually, in accordance with available funds, and subject to the discovery of suitable sites'.⁴⁸

Initially three stations were planned for KWL with Finschhafen the capital of GNG. The second station was to be established near Friedrich Wilhelmshafen and Heinrichs-Hafen. Hansemann left the decision on the location of the third station to his officers: 'it was to be further westward at approximately the midpoint of the coast'.⁴⁹

To attain a European standard of comfort, Hansemann wrongly thought that 'Swedish' houses, prefabricated in Germany and assembled on site, would be appropriate for his staff. Workers' accommodation, storerooms and sheds for domestic animals were built on stilts in accordance with local custom, with timber frames and eaves held together by rattan and the roof covered with ataps. Finschhafen was set as the administration centre. The construction of a labour depôt would centralise the intake and distribution of indentured workmen, and the building of a warehouse complex would provide the centralised distribution point for goods destined for all parts of the Protectorate.⁵⁰ Not forgotten in Hansemann's plan for Finschhafen were a church and a school for the local children 'who were to be taught scripture in the German language by the missionaries'.⁵¹

Whilst prescriptive, the instruction manual could only serve as a guide. The establishment of a station was a matter of judgement, where safe anchorage, drinking water, clean air, soil fertile and a compliant local community were issues that could only be determined on the spot.⁵²

Nearly 12 months before the company was assured of its legal rights, Hansemann engaged the retired Lieutenant Richard Mentzel, the explorer Fritz Grabowsky, Second Lieutenant Rudolph von Oppen and the garden architect Ernst Schollenbruch to consolidate Finsch's work and set up the first settlements.⁵³ The new expedition left Berlin for the northeastern Queensland port of Cooktown by commercial steamer on 29 June 1885.⁵⁴ Provisions, equipment, the 'Swedish houses' and other construction materials arrived in

⁴⁸ NGC, 'Instruction für den Landeshauptmann' §12, p. 9.

⁴⁹ *NKWL*, 1885, Heft i, p. 8, Heft ii, pp. 61–2.

⁵⁰ *NKWL*, 1885, Heft i, pp. 6 and 8

⁵¹ NGC, 'Grundsätze für die Niederlassungen von Missionaren,' RKA 1001:2409, pp. 1–3.

⁵² NGC, 'Instruction für den Landeshauptmann' §12, p. 9

⁵³ *NKWL*, 1885, Heft i, pp. 1 and 6; Grabowsky, Mentzel and Oppen discontinued their employment with NGC within 24 months of their arrival, *ibid.* 1887, Heft v, p. 163.

⁵⁴ Cooktown then was serviced by steamers from Brisbane and Sydney. The town was founded in 1873 during the Palmer River gold rush. During the boom years it reached a population of 30,000 which declined with the drop of gold production in 1885. Notwithstanding poor harbour installations, Hansemann chose Cooktown as the interconnecting port due to its proximity to Finschhafen.

Finschhafen by the charter brig *Lübcken*,⁵⁵ whilst Grabowsky and some members of the group travelled to Batavia.⁵⁶

Grabowsky wanted to investigate the Dutch method of clearing the jungle in preparation for plantations and to learn about the plants and livestock that would thrive in KWL before embarking on his new assignment.⁵⁷ Because the availability and capability of the Papuan workers were unknown, he intended to recruit Malays into his workforce.⁵⁸ Captain Pfeiffer picked up Grabowsky, his colleagues Oppen and Schollenbruch, 37 Malays, three horses and provisions in Surabaya in early October 1885 on Hansemann's latest acquisition, the steamer *Papua*. The party joined Mentzel in Cooktown: he had arrived there from Sydney on SS *Samoa*. Dallmann and Pfeiffer set the course of the two steamers for Finschhafen on 28 October. Whilst the *Papua* steamed to Killerton Island to pick up Finsch's recruits Hunstein and the carpenter the *Samoa* cast anchor on 5 November 1885 at Finschhafen.⁵⁹

The day following his arrival, Mentzel went into action. He determined the small island of Madang to be most suited to establishing Finschhafen.⁶⁰ 'already in the afternoon, immediately after our arrival in Finschhafen we entered into an agreement with the natives Jeffari and Aru and bought the island, including all trees and plants, from them'.⁶¹ Mentzel assured Hansemann that 'the forms provided for a contract of sale with natives were used'.⁶² He justified the purchase on the grounds that the soil was 'calcium rich, permeable and dry'. He also claimed that the island was safe from 'any attack [which] can be easily defended due to an uninterrupted view in all directions'. A sandbank connected the island with the mainland at low tide, 'which allows easy construction of a dam to connect the island with the mainland'. Another important factor for Mentzel's choice was 'the prevailing breeze from the south, southeast and southwest [which] made the tropical climate less debilitating [with the] ambient temperature 3°–3.8°[C] lower than on the mainland'.

⁵⁵ *NKWL*, 1886, Heft i, p. 6. NGC ordered a number of sub-assembled wooden houses from Sweden. O. Schellong, *Alte Dokumente aus der Südsee* (p. 201 n. 64) claimed that the houses were badly designed and not suitable for the tropics.

⁵⁶ *ibid.*, (Schellong); *NKWL*, 1886, Heft i, p. 6. Hansemann intended to model GNG on Java and Sumatra because the Dutch had grown sugar, tobacco, coffee, tea and rice there successfully.

⁵⁷ *Ibid.* 1885, Heft i, p. 1.

⁵⁸ German ethnographers of the time include Javanese and Sudanese under the collective term 'Malay'. In this text 'Malay' refers to Javanese or Sudanese unless pointed out differently. In the Dutch East Indies, the Chinese-born coolies (Totoks or Sinkhehs) resided mainly on Sumatra. The locally born Chinese (Peranakans) lived predominately on Java. In this thesis they are collectively referred to as Chinese. The government of Indonesia outlawed Chinese immigration in 1950 (D.E. Willmott, *The National Status of the Chinese in Indonesia, 1900–1958*).

⁵⁹ *ibid.* 1886, Heft i, p. 6; Heft ii, p. 7; Jb (1887) p. 2–3, Sack & Clark, (1886–87) p. 4.

⁶⁰ Madang Island is situated at the north end of Finschhafen. The name stands for 'Timber Island' because of the feedstock it had supplied to naval ships (*NKWL*, 1886, Heft i, p. 7). Friedrich Wilhelmshafen was also called Madang by NGC staff after the administration was transferred there in 1891/92 (*ibid.* 1889, Heft ii, p. 59).

⁶¹ *ibid.* 1886, Heft i, p. 7. For a description of Madang Island, see Schellong pp. 37–8.

⁶² NGC, 'Instruction für den Landeshauptmann' §15, p. 11; § 17, pp. 11–12 and §20 p. 13 ('A certified copy of the sales contracts for the land as well as the registration of the occupations is to be kept safely in a fire-proof room').

Finschhafen was established too hastily. The impending arrival of the Administrator Vice-Admiral Baron George von Schleinitz with his family of five and staff mandated this.⁶³ Mentzel cleared an area of jungle and, within a few days, he started erecting the first European houses. The lack of potable water was initially overcome with the construction of three rainwater tanks. To ensure permanent potable water the retired army officer planned to build a causeway from the mainland to the island and channel creek water on this access road, 'a task easily accomplished', he believed. It took less than 3 weeks to see the site and the first houses at Finschhafen completed. A Herculean achievement one would have thought, but too long for Mentzel who described the arduous task of logging in the rain forest, digging post-holes into a tough ground and fastening the iron bark to a building structure'.⁶⁴ Also completed within a few weeks was the outstation Butaueng, a few kilometres south of Finschhafen at the mouth of the Bubui River on Langemak Bay, which was to assure the supply of fresh vegetables and fruits.⁶⁵

During the following 3 years a wharf, sheds and moorings for naval ships and large commercial vessels were constructed. Apart from the administrator's residence and many other buildings and houses, the causeway connecting Madang and the mainland was already completed in early 1887.⁶⁶ A hospital was built for Europeans and one for the local workers. A steam-driven sawmill produced timber for the construction needs of Finschhafen from 1888 onwards.⁶⁷

While Mentzel was establishing Finschhafen, Grabowsky continued the voyage with Dallmann to Dallmannhafen (Wewak) some 380 nautical miles northwest from Finschhafen. Contrary to Hansemann's instructions, they considered this location too far north for the second station. Instead, they decided on Hatzfeldthafen, some 120 nautical miles closer to Finschhafen, where they cast anchor on 19 December 1885. Building materials not allocated for Finschhafen or used in Friedrich Wilhelmshafen were on board the *Samoa*, as was a Scottish carpenter, a Malay overseer, nine Malay labourers, five Malay women and some children. Setting up of this station proved a challenge for the experienced Grabowsky. After the departure of the *Samoa*, he and the carpenter were the only Europeans. The expected support from the Dugumor and Tobenam people was not forthcoming. Grabowsky found the local tribesmen aggressive, reluctant to work and only 'interested in trading for hoop-iron'.⁶⁸ Considering the circumstances he had to weigh up the risks of establishing the station on the

⁶³ G. von Schleinitz (.1834–1910) joined the Navy in 1849. He participated in the first Prussian expedition to Siam and China (1859–62). Schleinitz commanded SMS *Arkon* on a voyage around the world (1869–71). He joined the 'Hydrographisches Amt der Admiralität' in 1874 and became its head in 1876. The *Reichsmarine* commissioned Schleinitz in 1874 to command the corvette SMS *Gazelle* on a 2-year Pacific expedition. Apart from repeating the 'Venus transitions' observed by James Cook 100 years earlier, the expedition carried out hydrographic work in Melanesia and Micronesia. In the course of this work East New Britain was visited in 1875; the *Gazelle* Peninsula was named after his ship (G. von Schleinitz, *Die Forschungsreise SMS "Gazelle" in den Jahren 1874–1876*). Schleinitz was promoted to rear admiral in 1883 and was a vice-admiral when he retired in 1886 to join NGC.

⁶⁴ *NKWL*, 1886, Heft i, p. 8.

⁶⁵ By 1889 Butaueng produced maize, sweet potatoes, cotton, sorghum, tropical fruits and coffee (*NKWL*, 1888, Heft ii, 58–9; Heft iii, p. 151; Heft iv, p. 181; 1890, Heft i, p. 10; Heft ii, p. 68).

⁶⁶ *ibid.*, 1887, Heft iii, p. 81.

⁶⁷ *ibid.*, 1888, Heft i, p. 58.

⁶⁸ *ibid.*, 1886, Heft II, pp. 61–9; Jb (1887) pp. 3–4; Sack & Clark (1886–87) p. 5.

fertile soil of the mainland or on a coastal island which could be defended more easily. He decided on the latter. Starting on 21 December Grabowsky erected the first Hatzfeldthafen houses on the small island of Tschirimotsch. By the time he received assistance from von Oppen, Hunstein and a newly arrived employee (Heidemann), most of the early establishment work was completed. By the end of February 1886, living quarters, a storeroom and a kitchen were ready for occupation and a garden for experimental agriculture was established.⁶⁹

As race relations improved slightly Grabowsky moved to set up a plantation on the mainland in mid 1886. Also during that year he returned to Java to recruit 50 specialist coolies, which he considered indispensable for tobacco growing.⁷⁰ Twelve months later the first plantation tobacco was grown in New Guinea. Despite ongoing tribal unrest and Grabowsky's resignation in late 1887, the first commercial quantity was harvested at Hatzfeldthafen by the former German East African farmer, Adolf Hermes, in May 1888.⁷¹

Over the following 3 years successive managers developed Hatzfeldthafen into a commercial tobacco-growing station.⁷² A substantial bridge was built across the Deigon River and a 7 km long inland-road constructed to open up more fertile land.⁷³ The killings of the missionaries W. Scheidt and F. Bösch, NGC employee B. von Moisy, and 14 Malay labourers on 26 and 27 May 1891 prompted Acting Administrator and Imperial Commissioner, Fritz Rose, to request Hansemann to relocate the station.⁷⁴ When overseer Ludwig Müller and five local workers disappeared six weeks later, and the search party was attacked, Hansemann acted. The station was shut down in September; the buildings were dismantled and shipped to Friedrich Wilhelmshafen with the stores and livestock.⁷⁵

Whilst Hatzfeldthafen was the only station in GNG that had to be evacuated because of conflict,⁷⁶ it was not the only station vacated. After the sudden death of Acting Administrator Hans Arnold on 31 January 1890,⁷⁷ a particularly virulent influenza and malaria epidemic in Finschhafen also took the lives of his replacement, Eduard Wißmann, on 28 February 1891 and the company doctor, Curt Weinland, on 12 March.⁷⁸ Their deaths and those of eight other

⁶⁹ F. Grabowsky, 'Erinnerungen aus Neu Guinea', *Das Ausland* (1889), pp. 121–3, (1890), pp. 91–6 and 111–15.

⁷⁰ *NKWL*, 1886, Heft iv, pp. 113–14.

⁷¹ *ibid.*, 1887, Heft v, p. 163.

⁷² For instance, the shortage of drinking water was overcome by digging wells; a 5-m wide road was built from Hatzfeldthafen to the plantation; a network of roads, 2-m wide, were constructed to service the fields; five drying and fermentation sheds were constructed and a hospital built (*NKWL*, 1889, Heft i, p. 25–6; 1890, Heft i, p. 14; 1891, Heft i, pp. 12–14).

⁷³ *NKWL*, 1888, Heft iii, p. 82.

⁷⁴ The event became known as 'Die Bluttat von Malala' (G. Kunze, *Im Dienst des Kreuzes auf Ungebahnten Pfaden*; *NKWL*, 1891, Heft I, p. 13). Firth's detailed description of the event in *New Guinea under the Germans* (p. 32) is not always supported by the primary data.

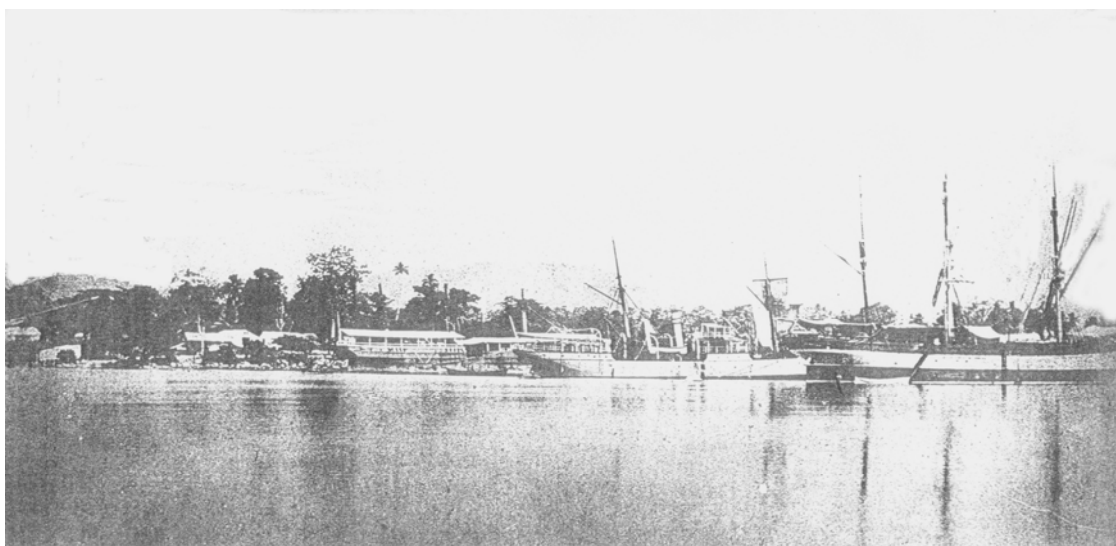
⁷⁵ *NKWL*, 1892, Heft i, p. 21.

⁷⁶ *NKWL*, 1887, Heft v, p. 192; 1888 Heft iv, p. 179; 1890, Heft i, p. 15; 1891, Heft I; p. 14, 1892 Heft i, pp. 21–2; Rose to Caprivi, 1 and 9 Sep. 27 Nov. 1891, memo., 23 Sept. 1891, RKA 1001:2980, pp. 90, 167–68; Jb (1890/91) pp. 6–7; Sack & Clark (1890–91) pp. 60–61. Grabowsky provided a detailed account on Papuan resistance to German occupancy, (F Grabowsky, 'Der Bezirk von Hatzfeldthafen und seine Bewohner', *Petermanns Geographische Mitteilungen* 41 [1895]. See 'A Short and Brutal Life' in Sack, *Phantom History*, pp. 532–47; Firth, *New Guinea under the Germans*, p. 33).

⁷⁷ *NKWL*, 1890, Heft i, p. 1.

⁷⁸ *NKWL*, 1890, Heft ii, pp. 86–7, *ibid.* 1891, Heft i, p. 5; Wißmann's wife, Johanna, died at about the same time. On morbidity and mortality in KWL from 1885 to 1898, see M. Davies, *Public Health and Colonialism*, pp. 50–6.

NGC staff spelled the end of Finschhafen and the Butaueng outstation.⁷⁹ Save for three officers and some workers left behind for dismantling work, Rose ordered the urgent evacuation to make-shift facilities in Stephansort,⁸⁰ and the buildings, equipment and livestock to be shipped to Friedrich Wilhelmshafen, where NGC's new central station opened in September 1892.⁸¹



Finschhafen, Madang Island, 1888

The other station established before NGC became legally incorporated was Constantinhafen.⁸² The discovery by Friedrich Drees and Otto Elle of good quality water and an expanse of fertile land 64 km south of Friedrich Wilhelmshafen made it an easy decision where to set up the third station. Whilst Drees had returned to Finschhafen to commence the construction of the causeway to the mainland, Elle, Rücker, the seamen Theel and Scholz from the barque *Norma*, and eight Malays stayed on to start Constantinhafen on 30 May 1886.⁸³ The importance of this station was seen in its potential for an income-producing plantation. Development work did not start on the right foot, though. Manager Otto Elle's attempt to purchase land from the Correndu and Bongu tribes was not only unsuccessful, but the villagers also tried to take back what they had sold him months earlier.⁸⁴ In the absence of local cooperation, Elle sent for Yabim people from Finschhafen to speed up the work. However, like the Malay and the Europeans, they suffered from malaria shortly after they arrived at

⁷⁹ Rose recommended in 1889 for Finschhafen be relocated 'to a suitable location on the foreshores of the Astrolabe Bay with Finschhafen to be retained as a plantation station only', (Jb [1890] p. 12; Sack & Clark [1889–90] p. 55). E. Tappenbeck (*Deutsch New Guinea* p. 31) regarded Finschhafen as no more than 'a meeting place where an army of company officers congregated to keep the slow wheel of a bureaucracy moving along'. Other NGC personnel who had died in Finschhafen in Jan. 1891 were F. Jäger, H. Christer, C. Ritzer, C. May, C. Ludwig and tobacco planter Lutz. H. Langmaak had lived in Finschhafen but died in Kerawara, and harbour master F. Weller died whilst repatriated to Australia, (*NKWL*, 1891, Heft i, p. 4).

⁸⁰ Stephansort, a few kilometres north of Constantinhafen was established in August 1888 by Adolf Hermes.

⁸¹ *NKWL*, 1891 Heft i, pp. 5–11 and 21; Jb (1891/92) pp. 5–7; Sack & Clark (1890–91) pp. 59, 62. Finschhafen was reopened in 1901 as a base for the Huon Gulf Expedition (Jb [1900/01] pp. 15–16, 28; Sack & Clark [1901–02] p. 232). The merging of the NGC and A-C administrations in 1896 initiated the move for the administration to Stephansort (*NKWL*, 1896, p. 9; Jb [1890] pp. 12–13; Jb [1891/92] pp. 4–6; Sack & Clark [1890–91] pp. 59–61. After the German government took over GNG in 1899 the administration returned to Friedrich Wilhelmshafen.

⁸² NGC advised incorrectly that Dallmannhafen was established in Jan. 1886 (*NKWL*, 1886, Heft i, p. 11; Heft ii, pp. 61 and 69).

⁸³ *NKWL*, Heft ii, pp. 82–3.

⁸⁴ *NKWL*, 1887, Heft ii, p. 36; Heft iv, pp. 116–18.

Constantinhafen and it took some 3 months before real work was underway. For the first year, staff and workers alike made do with what little was available. Maize, vegetables and tropical fruits grew inside the fenced-off station and provided the staple for all. Tobacco seeds grew into 2-m high flowering shrubs inside 2 months and provided the seeds for future tobacco fields.⁸⁵ Like most of his staff, Elle was only able to perform his job for a few months. When he went on sick leave to Australia, the scientific explorer Dr Karl Schneider doubled up as manager who had arrived in Constantinhafen on 16 August 1886.⁸⁶ With Elle too sick to return, Carl Hunstein relieved Schneider in October or November, with an old New Guinea hand, Johann Kubary, joining him in July 1887.⁸⁷ The two 'foreigners' Hunstein and Kubary finally made progress. With the additional crew of 12 Mioko people, the station buildings and prison were quickly completed, permitting the setting up of experimental tobacco and cotton fields, with coconut palms planted intermittently.⁸⁸

Florida cotton did not germinate well in the moist climate.⁸⁹ Instead, the newly engaged cotton farmer James Smith planted 101 ha of old tobacco fields with the Sea-Island variety, which did well on Ralum. The harvest of 4,627 kg (9,253 lb) was claimed to be of lint quality,⁹⁰ but sold at the disappointingly low price of RM0.30/kg in Bremen.⁹¹ Further trials with 'Kidney' seeds proved equally unsuccessful and Smith returned to the Bismarck Archipelago in 1892.⁹² Before the planting of cotton was discontinued in 1894, the Constantinhafen plantations were sold to the NGC subsidiary Astrolabe Compagnie (A-C) to grow tobacco with much worse financial results.⁹³

Kubary's influence on the development of the NGC Protectorate was profound. Making good Finsch's failed attempt to acquire plantation land on Astrolabe Bay he purchased valuable tracts of land along the central coastline.⁹⁴ The purchase of some 13 km² around Constantinhafen for a few pieces of hoop iron and 'Kubary-Wasser' – a mix of rum and cognac – delighted Hansemann.⁹⁵ He was evidently elated with Kubary's approach and instructed the acquisition of a land corridor between Constantinhafen and Friedrich Wilhelmshafen.⁹⁶ In all, Kubary obtained 32,780 ha along the coastline,⁹⁷ but did not support Hansemann's eagerness to buy more. On 7 October 1889 he advised him that 'further acquisitions of useful land, in a

⁸⁵ *NKWL*, Heft v, p. 194–5; 1888, Heft i, p. 20.

⁸⁶ *NKWL*, 1886, Heft iv, p. 118.

⁸⁷ *NKWL*, 1887, Heft ii, p. 35; Heft iii, p. 99. Kubary was born in Warsaw on 13 Nov. 1846. He worked for the Godeffroy Museum, mainly in Micronesia, before joining NGC in 1886. F. Thiel, 'Johann Stanislaus Kubary die unermüdliche Erforscher der Südsee' (*DKZ - Beilage* 31 [1899] pp. 2ff).

⁸⁸ Sack & Clark (1887–88) p. 32; *Jb* (1888) p. 12.

⁸⁹ *NKWL*, 1891, Heft i, p. 11, 1892, Heft i, p. 26.

⁹⁰ *ibid.* 1893, Heft i, p. 22: Smith had set up the successful cotton fields for Forsayth & Co. on Ralum.

⁹¹ Cotton for the 1889/90 season realised RM1.10/metric lb in Bremen (Sack & Clark [1889–90] p. 49 and [1890–91] pp. 61 and 64; *Jb* [1890] p. 5, *Jb* [1891/92] pp. 7 and 10).

⁹² See Chapter 9. *Jb* (1892/93) pp. 6 and 11, *Jb* (1893/94) p. 15; *NKWL*, 1894, Heft I, pp. 16, 20.

⁹³ See chapter 10.

⁹⁴ The judgement on the Jomba land deals by Justice Phillips at Madang on 25 May 1932, annulled the Kubary purchases (Sack, 'Traditional Land Tenure', pp. 162–217); see Hempenstall, *Pacific Islanders under German Rule*, pp. 167–8.

⁹⁵ *NKWL*, 1888, Heft i, pp. 20–2; a typical land transaction is in Schellong, pp. 49–50.

⁹⁶ 'Land-Verwaltung NGC', RKA 1001:2942.

⁹⁷ Phillips' Jomba judgement (p. 13) cited in Sack, 'Traditional Land Tenure', pp. 209–10.

way consistent with the friendly understanding with the natives ... [were] not possible'.⁹⁸ Kubary realised that the Papuan tribes had no understanding of what a sales contract meant and regarded it as more important to develop goodwill with them rather than to acquire their land. Judge Phillips shared this view. He found 45 years later that 'the Bilibili as well as the Jabob, both groups of potters living on the small offshore islands, did not own any of the land they sold and that they probably did not understand that they were supposed to have sold land at all'.⁹⁹

Setting aside Kubary's questionable land purchases, his action set the foundation of the plantation industry that NGC started on the Jomba Plains in 1890. In order not to forego the purchases, Hansemann urged his administration in Finschhafen to have all documentation relating to the Kubary purchases completed on the proper company forms so that the land titles could be duly entered into the 'ground book'.¹⁰⁰ However, it took six years of negotiations with the government before Acting Administrator, H. Rüdiger, certified NGC as the landowner in March 1896.¹⁰¹ Without investigating the matter further, Imperial Judge Krieger attested government approval by registering the land titles in the name of NGC.¹⁰²

Roads, land and settlers

In his instruction manual Hansemann made road building a priority. His bank was a major investor in the construction of the railroad network that facilitated the industrialisation of Germany and similarly he planned on developing roads to open up the interior of GNG by connecting future stations and mine sites.¹⁰³ The first topographical surveys put a halt to his intention. The 800 km coastline was difficult road-building terrain: the interior was even more difficult. Hansemann's road-building plans were put on hold indefinitely and development work was restricted to the coast where fertile land was easily serviceable by water transport.

It is not clear whether Hansemann was preparing NGC for expansion into coconut plantations at that time. On the one hand he instructed staff from the very beginning to study the coconut planter's manual in depth;¹⁰⁴ on the other he declared that 'it was not the intention of the company to undertake large-scale farming on its own account but rather leave it to the livestock companies ... after they have purchased the land [from NGC].¹⁰⁵ To acquire land and sell it to corporations or settlers was considered easier to promote to his fellow investors in any event. When speaking of the viability of his New Guinea enterprise, Hansemann convinced Albert von Oppenheim, for instance, that 'the extensive coastland in KWL could be sold for sheep and cattle grazing as soon as the company had built stations and established shipping

⁹⁸ *ibid.*

⁹⁹ *ibid.*

¹⁰⁰ NGC to Rose, 14 Jan. 1890, RKA 1001:2942.

¹⁰¹ Kubary had left NGC in 1894. Self-aggrandisement and statements by the alcoholic Kubary: 'I am the Lord of Astrolabe Bay' – and the destruction of a native village led to his dismissal. Kubary committed suicide on his plantation on Ponape in Oct. 1896 (A. Hoffmann & W Brandenburger, *Lebenserinnerungen eines rheinischen Missionars: Auf dem Missionsfeld Neu Guinea*, pp. 154–5).

¹⁰² Sack, 'Traditional Land Tenure', pp. 210–12

¹⁰³ NGC, 'Instruction für den Landeshauptmann' §23, p. 15.

¹⁰⁴ J. Ferguson, *All about the Coconut Palm*. See Schellong, p. 32.

¹⁰⁵ NGC, 'Instruction für den Landeshauptmann'. §18, pp. 12–13.

connections with Australia'.¹⁰⁶ In the eyes of many – not least NGC's staff – this left the impression that Hansemann was solely interested in acquiring part of the 'largest' island on earth as a massive land speculation.¹⁰⁷ Whilst such a proposition would have been attractive to an investment banker, the reality proved to be quite different.

To become successful commercially NGC needed to create an economy of scale. This, in Hansemann's view, was only possible through large-scale European migration. Of the estimated 76,000 Germans living in Australia, those living in Queensland were regarded as the best-suited migrants for GNG. Tropic-proof and equipped with a pioneering spirit, German-Australians, he believed, would contribute strongly.¹⁰⁸ It was not until 1888, however, that an attempt was made to attract this important resource to the Protectorate. Following an announcement in the February issue of the *NKWL*, the sale of land in GNG was advertised in the *Nord-Australische-Zeitung*.¹⁰⁹ Urban blocks and rural land were offered for outright purchase or on 5-year leases with an option to buy at a pre-determined price. Leasehold was also available. The advertisements showed maps of the allotments in Finschhafen, Constantinhafen and Hatzfeldthafen where broadacre plantation and grazing land was offered. The lure for German-Australians was the promise that 'the size of the individual blocks of land in all the districts could be subdivided in a manner so that settlers with lesser means could acquire property'. NGC remained vague on pricing, though. The scale of RM20–100 for a 0.10–0.25 ha town allotment was also applicable to 1 ha of agricultural land. To inculcate confidence, prospective buyers would enjoy temporary accommodation and provisions in Finschhafen at low cost. They also learnt that the general conditions of sale or lease were modelled on those of the British North Borneo Company.¹¹⁰

For NGC not to assist German-Australians with travelling and establishment costs proved a miscalculation. Land in GNG was too expensive compared to leasehold land in Australia. The rush to GNG by German-Australians did not materialise.¹¹¹ The discontinuation of the shipping service between Finschhafen and Cooktown in 1889 closed this option altogether. GNG was no longer in easy reach of itinerant European workers: the company no longer pursued settlers from Australia.¹¹²

¹⁰⁶ A. Oppenheim became a founding member of the consortium. The Private Archives of Sal. Oppenheim & Cie., Köln, vol. 112, Committee of NGC, 25 July 1885. On the establishment of shipping connections see NGC, 'Instruction für den Landeshauptmann' §23, p. 14.

¹⁰⁷ Schellong, p. 85

¹⁰⁸ Deutsche Kolonial Gesellschaft, ed., *Koloniales Jahrbuch: Beiträge und Mitteilungen aus dem Gebiete der Kolonialwissenschaft und Praxis*, vol. ii, 1889, p. 281; *NKWL*, 1885, Heft. i, p. 34; *Jb* (1887) p. 22; Sack & Clark (1886–87) p. 21.

¹⁰⁹ *NKWL* 1888, Heft i, pp. 2–14, and 1889, Heft i, p. 1 and 30; RKA 1001:2997, pp. 8–9.

¹¹⁰ *Jb* (1888) pp. 11–12; Sack & Clark (1887–88) p. 31; Deutsche Kolonial Gesellschaft, ed., *Koloniales Jahrbuch*, vol. i, 1888, p. 258, n. 1; *Allgemeine Bedingungen für die Überlassung von Grundstücken an Ansiedler im Schutzgebiet der Neu Guinea Compagnie*, DKG, vol. i, pp. 472–5; *NKWL* 1888, Heft i, pp. 2–8.

¹¹¹ The Colonial Society in Germany cited a report that appeared in Australian newspapers: 'Germans living in Australia would not be attracted to German New Guinea because of the bureaucratic administration and the high prices of land (Deutsche Kolonial Gesellschaft, ed., *Koloniales Jahrbuch*, vol. ii, 1889, p. 281).

¹¹² *Jb* (1889) p. 11; Sack & Clark (1888–89) p. 42; Schellong (p. 113) recorded an episode where a German and an Englishman arrived unannounced on their cutter in GNG. They intended to set up a small plantation: 'they should have been given land, gratis ... wherever and for whatever purpose, because the company would reap the benefit'.

The administration in Finschhafen did not share Hansemann's optimism of early land sales in any event. Schleinitz cautioned prospective buyers in January 1888:

At present it is still not possible to open up the whole colony for the purpose of development. As of now, land can be leased in designated areas; however, it will only be made available to settlers with sufficient capital at their disposal. No land will be sold for the time being. The tenure of lease will be for five years with the possibility of taking out an option for purchase. Settlers have to cater for all of their needs, including workers as these are not available in KWL. The NGC is only equipped to supply small rations of food as it imports supplies for its own needs only and does not offer it for sale to the public. No employment is available to unskilled workers or tradesmen.¹¹³

When the Deputy Secretary Reinhold Kraetke from the *Reichspostamt* in Berlin replaced Schleinitz in March 1888, a new emphasis was attached to the opportunities in GNG.¹¹⁴ Within 6 months of his arrival, Kraetke invited interested persons to apply for the purchase of land in KWL:

The administrative and economic condition in the colony of the Neu Guinea Compagnie has now sufficiently progressed to open up the territory to settlers. The construction of all-weather roads and bridges has progressed. The loam has been thoroughly tested by competent institutions and verified in garden plantations, and found to be extremely fertile and particularly suited for vegetables and tropical plants.¹¹⁵

The public learnt that European foodstuffs were cheap because of their exemption from tariffs, and that company steamers provided regular connection with Australia. Kraetke tried to appeal to families with children by advising of the construction of a school in Finschhafen.¹¹⁶ When this campaign proved unsuccessful Hansemann's office manager in Berlin, Hans Arnold, replaced Kraetke on 1 November 1888. Arnold was known in Berlin for his optimistic sales pitch to prospective staff and interested parties who enquired about settling in the Protectorate. Like some of his predecessors, he had little opportunity to make a difference. He died of malaria within 3 months of arriving in Finschhafen.¹¹⁷

As was the case with the promotion in Australia, very few would-be settlers from Germany applied for land. In the absence of financial assistance, the costs of travelling, land and establishment were too high. Germans seemed to dream about a place in the sun, but the GNG was too much of an unknown to take the risk of uprooting.

Race relations

The importance of an indigenous labour force in the context of economic development was as big a problem as European migration. Hansemann instructed his staff in GNG to develop friendly relations with the indigenous people as a priority. He addressed this issue by including a code of conduct in his 'Instruction Manual for Employees'. The first requirement was not to get embroiled in any violence. Only in circumstances of self-defence or 'where it was unavoidable that a lesson be taught' were they permitted to use force against the local people.¹¹⁸ The imperial regulation that prevented the indigenous population from acquiring guns, ammunition, explosives and spirits was to be firmly adhered to by the company's

¹¹³ DKZ, 12 January 1888, p. 8.

¹¹⁴ In December 1887 Kraetke was granted leave of absence by the *Reichskanzler* to take up the position of Acting Administrator in GNG (Jb 1888, pp. 1–2; Sack & Clark [1887–88] p. 22).

¹¹⁵ DKZ, 18 Sep. 1888.

¹¹⁶ *ibid.*

¹¹⁷ Sack & Clark (1888–89) p. 22; *ibid.* (1889–89) p. 46; Jb (1890) p. 1; NKWL, 1890, Heft i, p. 9.

¹¹⁸ NGC, 'Instruction für den Landeshauptmann' §8, p. 7.

employees.¹¹⁹ 'The objective', Hansemann stated, 'was to win them over peacefully for civilisation'. He understood the competing factors of subjugation and a cooperative workforce. By reminding his employees 'not to steal from them or worse still, to commit cannibalisation',¹²⁰ he seemed concerned that his employees may take up the habits of the local tribes rather than the other way round.

The company did not contemplate the establishment of a comprehensive armed force because of prohibitive costs. In any event, under the charter the Reich was guaranteeing the safety of its citizens in GNG.¹²¹ Apart from projecting some policing power to enforce law and order Hansemann was concerned with the passive resistance of the local people. For this reason he was keen that the 'social associations in which the natives live – commune, tribes – [were] maintained, and the leaders of the tribes were brought onside'. All this, Hansemann lectured, 'requires from the employees of the company, a considerable degree of patience, level headedness and friendliness'.¹²²

Hansemann prefaced the section on land acquisitions that 'native ownership of land must be respected universally'. He drew on Finsch's advice that 'the natives have only rudimentary understanding of property ownership and that they do not lay claim to any land they cannot cultivate or where they do not have settlements'. In this regard he directed that 'any land not claimed by the natives by way of physical occupation is to be taken into possession'.¹²³

Barter trade was a key to the pacification process. Hansemann believed that interaction would provide the indigenous people with the opportunity to become acquainted with the company's peaceful intentions.¹²⁴ Whereas he believed that peaceful contacts were first and foremost the responsibility of the Christian missions, he also intended to introduce his own brand of pacification. By marrying his 'altruism' with commercialism, he declared that the locals should 'develop a gradual preference for goods that are not just gimmicky or serve pleasurable consumption but instead bring sincere and elevated values into their lives and which, at the same time, is of benefit to the German industry'.¹²⁵ Once the people had become economically dependent he was certain that they would also be willing to work.

¹¹⁹ *ibid.* §6, p. 6, §8, p. 7; decree of 8 June 1885 (*NKWL*, 1885, Heft i, p. 5).

¹²⁰ *ibid.* §8, p. 7: 'Es ist die Aufgabe, sie friedlich der menschlichen Kultur zu gewinnen, nicht zu unterdrücken, zu berauben oder gar zu vertilgen'.

¹²¹ Although security was regarded as the responsibility of the *Reichsmarine*, the Navy did not feel obligated to act as the company's police force. Policing remained an ongoing issue between NGC, the Foreign Office and the Navy. The first annual report of NGC states: 'it is true that the board of Directors has equipped the stations and ships with arms for their protection. But the small number of officials and employees at the stations is not adequate to repel and attack'. Apparently only 23 of a planned 50 (reduced to 36 in 1889) police-soldiers were recruited and fully trained. Expeditionary forces were put together, as required, drawing on company staff, settlers, and native employees who were proficient in using a rifle (Hansemann to War Minister Schellendorf, 19 Oct. 1887, RKA 1001:2670; Jb [1887] p. 11, Sack & Clark [1886–87] pp. 11–12; Jb [1888] p. 9, Sack & Clark [1887–88] p. 28; Jb [1889] p. 9, Sack & Clark [1888–89] p. 41; Jb [1892/93] p. 9, Sack & Clark [1892–93] p. 73; Jb [1895/96] p. 9, Sack & Clark [1895/96] p. 123; see Sack, *Phantom History*, pp. 405–55; Firth, *New Guinea under the Germans*, pp. 34, 50 and 54–5).

¹²² NGC, 'Instruction für den Landeshauptmann', p. 7.

¹²³ *ibid.* §16, p. 12.

¹²⁴ *ibid.* §8, p. 7.

¹²⁵ NGC, 'Instruction für den Landeshauptmann', §22, p. 15

Until the implementation of NGC's currency, all trade with the indigenous people was conducted by bartering.¹²⁶ Hansemann applied the discipline of a Prussian banker by demanding that 'it is to be observed that goods traded are of similar value to goods received so that the natives become familiar with consistency and orderliness as to trading'.¹²⁷ The pitch for conflating demands of German industry with those of the NGC was, like many aspects in the instruction manual, directed at soliciting the best possible deal from the government. After all, it would have been obvious to even the blindest GNG enthusiast that the South Sea possessions would not be materially important to the German economy in the immediate future.

The mobilisation of senior NGC staff

Otto Schellong (NGC's first doctor) and Friedrich Drees (NGC's first engineer) stepped ashore in Finschhafen with the professional huntsmen Heidemann and Rücker on 26 January 1886.¹²⁸ Viennese Conrad Götz arrived in Finschhafen in April 1886. His contract specified establishing and operating a canteen at his expense. The allocation of land and labour enabled him to set up a market garden. Götz was the first contractor/employee of NGC who brought his wife to GNG.¹²⁹ He also became known for being the first person to introduce poultry and breeding dogs to the Protectorate

Hansemann appointed Schleinitz the first Administrator of GNG in February 1886. The *Reichskanzler* confirmed the appointment a month later.¹³⁰ Confident in his future, Schleinitz had bought six first-class tickets from the British Indian Steam Navigation Co. for himself, his wife Margot and their four children – two girls, Gretchen and Lorche, 14 and 9 years old, and two younger boys, Heinrich and Siegmund. The tutor for the children, Paul Ehmman, and the servant (Nell) and his wife made up the group. The party of nine embarked on SS *Dorunda* in London on 7 April 1886 and arrived in Cooktown on 26 May.¹³¹ Cooktown's councillors honoured him with a banquet. Special Commissioner for BNG John Douglas and the New Guinea explorer, H.D. Forbes, along with 50 guests toasted the successful beginning of the new German colony, expressing the hope and desire of close co-operation between Cooktown and Finschhafen.¹³²

Schleinitz and his entourage arrived in Finschhafen on 10 June to be greeted by his staff in full dress (long white trousers, white coat and stiff upright white collar).¹³³ That the event occurred 11 days before NGC became a legally constituted corporation would have pleased

¹²⁶ *ibid.* §22, p. 14.

¹²⁷ *ibid.*

¹²⁸ *NKWL*, 1886, Heft ii, p. 61.

¹²⁹ *NKWL*, 1886, Heft i, pp. 3–4.

¹³⁰ All NGC staff appointments required accreditation by the *Reichskanzler*. Hiery argued that Hansemann offered Captain Werner the position of the first *Landeshauptmann*, but he declined. Sack argued that Otto Finsch aspired to the position but was overlooked because he failed to secure the D'Entrecasteaux Group as instructed by Hansemann. No evidence has been uncovered to support either argument (H.J. Hiery, 'Die deutsche Verwaltung Neuguineas 1884-1914' in H.J. Hiery ed., *Die Deutsche Südsee 1884 - 1914*, pp. 280–1; Sack, 'Protectorates and Twists: Law, History and the Annexation of German New Guinea', pp. 50 and 73; Finsch, *Wie ich Kaiser Wilhelmsland erwarb*, pp. 580–4 and 728–9).

¹³¹ *NKWL*, 1886, Heft ii, p. 60.

¹³² *NKWL*, Heft iii, p. 79.

¹³³ Schellong, p. 72.

Hansemann. His plan of concurrent activities had worked. By contrast, the Schleinitz family was not pleased. Their furniture and utensils were still in transit from Germany and the *Ottillie* was not scheduled for arrival for at least 4 weeks. Since the advice by the station manager for Frau Schleinitz and the children to stay in Cooktown until their accommodation was ready had not been followed, the family took temporary residence on the barque *Norma*. The 645-ton vessel was not built for luxury. Purchased second hand in 1885 for the transport of personnel, building material and then storing coal, the cabins of the old hulk provided little comfort for the family.¹³⁴ In fact, whilst the conditions on the vessel were bad,¹³⁵ the situation in Finschhafen was worse. The first frontier town of GNG was a place for bachelors at best. Rough and filthy, where the daily monsoon washed away the excrement in open drains, it was mosquito infested.¹³⁶ The Schleinitz children were down with fever within a few weeks of their arrival, with Frau Schleinitz finding the conditions atrocious when compared to her long stay in Cuba.¹³⁷ On 18 January 1887 Administrator Schleinitz lost his wife to diphtheria;¹³⁸ his servant, Nell, died 3 months later of malaria.¹³⁹ But he seemed to be spending little time in Finschhafen and was spared the 'miasmatic air and generally unhealthy conditions of the place'.¹⁴⁰ Hardly ever in one location for a long time, he was more concerned with the new colony.

Unlike his successors, Schleinitz had multiple responsibilities. When given judicial powers by the *Reichskanzler* on 24 June 1886 he was effectively accountable to both Hansemann and the government.¹⁴¹ The appointment of George Schmiele as the imperial judge for the Bismarck Archipelago on 14 July 1886 did not make it any easier for Schleinitz.¹⁴² Infrastructure development, commerce and government administration were NGC's obligations while the judiciary remained within the authority of Berlin.¹⁴³ Schmiele was, of course, on the payroll of NGC and remained responsible to Schleinitz. However, much to the annoyance of the latter, he used his direct line to the *Auswärtige Amt* (AA) freely.

¹³⁴ *NKWL*, 1886, Heft i, p. 2 and Heft iii, p. 80.

¹³⁵ Schellong had lived on the hulk for the first few months after his arrival: 'On *Norma*, which rides in a steady breeze, no person had been struck by malaria fever; this is in stark contrast to the crowded Swedish houses, which are leeward of the mountains, and are absolute 'fever-ridden holes' [Fiebernester] (Schellong, p. 93). En route from Apia to Jaluit, Vice Consul Knappe filed a report expressing concern for the atrocious conditions in Finschhafen. He described accommodation in the Swedish houses as cells measuring 1.8 x 3 m, furnished with a narrow bed and the rest of the furniture made from wooden boxes (Knappe to Bismarck, 4 Sep. 1886, RKA 1001:2977, pp. 11–32).

¹³⁶ Other than Mentzel, every European in Finschhafen had suffered at least one fever attack by the time Schleinitz had arrived (Schellong, *Deutsche Medizinische Wochenschrift*, 1887, nos. 23/24).

¹³⁷ Frau Schleinitz spent four years in Cuba as a child (Schellong, p. 72).

¹³⁸ Dr S.C. Wigley diagnosed tuberculosis as the cause of death ('Tuberculosis and New Guinea 18871–1971', RMB 1182/4&5).

¹³⁹ *NKWL*, 1887, Heft iii, p. 79; Schellong, pp. 109, and 139

¹⁴⁰ Schellong, irritated about the bureaucratic set up of NGC, claimed that the *Landeshauptmann* sat at his desk all day writing reports. The many exploratory voyages Schleinitz undertook contradict this statement (Schellong, p. 83).

¹⁴¹ *NKWL*, 1886, Heft iii, pp. 74–5 and 78.

¹⁴² *ibid.*, pp. 77–8.

¹⁴³ Schleinitz's judicial responsibilities were defined in the *Colonial Protectorate Act, 1886*, implemented in GNG by an imperial ordinance of 5 June 1886. On 24 June 1886, Administrator Schleinitz became senior to the Imperial Commissioner Oertzen.

Schleinitz initiated the first of several moves to relocate the main station.¹⁴⁴ On an expedition to the Bismarck Archipelago he decided that Mioko was not a suitable location. In October 1887 he instructed the relocation of the station to nearby Kerawara which had a useful harbour for ships of up to 6 m draught. Following this move Administrator Schleinitz started with the construction of a 12-m wide road, straddling the island from north to south and thereby initiating GNG's first major road-building project.¹⁴⁵ Under the supervision of surveyor and station manager August Rocholl, the work was completed through heavily timbered country within 12 months.¹⁴⁶ Schleinitz found it difficult to manage Schmiele and Rocholl, with the former demanding greater respect for the position of imperial judge. The situation did not improve with the appointment of the African explorer and coloniser, Graf Joachim Pfeil, to the position of Bismarck Archipelago manager.

Schleinitz's tenure was cut short when his children's health did not improve. After less than 18 months he applied for home leave in October 1887. His deputy, Reinhold Kraetke, did not arrive in Finschhafen until February 1888. So it was only on 19 March 1888 that he could leave with his children. Schleinitz met with Hansemann in Berlin to discuss the difficult conditions and future requirements of GNG. The directors did not accept Schleinitz's views, and his contract was terminated 'due to irreconcilable differences'.¹⁴⁷ His sudden departure raises the question of whether Schleinitz had any intention of returning to GNG in the first instance, particularly since the children's tutor had also left for Tokyo to take up a teaching position.¹⁴⁸

Three years after NGC had commenced business in GNG, its European staff had grown to 46 and marine personnel to 74.¹⁴⁹ Table 6.1 in chapter 6 shows this was attained with one in three employees either dying or leaving after only a short stay with the company.¹⁵⁰ The high staff turnover was particularly worrisome and impeded on the hurried development of GNG as envisaged by Hansemann. Notwithstanding the cost of the fare home employees incurred when breaking their employment contract, for every person completing the 3-year agreement two chose not to do so. With one in four Europeans who arrived up to 1891 dying, NGC had a

¹⁴⁴ The administrative centres were: Finschhafen (1885–91); Bogadjin/Stephansort (transitory until Sep. 1891); Friedrich Wilhelmshafen (1892–95); Stephansort (1895–99); the government regional administration centre in KWL, Friedrich Wilhelmshafen (1899–1914); NGC regional administration centre in BA, Mioko (1884–87); Kerawara (1887–91); Herbertshöhe/Kokopo (1891–99); central administration of the imperial government for GNG, Herbertshöhe/Kokopo (1899–1909); and Rabaul (1909–14) (see Map II).

¹⁴⁴ *NKWL*, 1888, Heft i, pp. 17–8.

¹⁴⁵ *NKWL*, 1888, Heft i, pp. 17–8.

¹⁴⁶ *NKWL*, 1890, Heft i, p. 16.

¹⁴⁷ 'The employment contract with Vice Admiral Baron von Schleinitz was dissolved at the instigation of the Board of Directors and with his concurrence in June of this year. Differences of opinion had arisen concerning the management of the company and the level of expenditure. There appeared to be no prospects for reconciling the differences, a continuation of which, in the responsible opinion of the Directors, would have been to the detriment of the company' (Jb [1888] p. 1; Sack & Clark [1887–88] p. 22; *NKWL*, 1888, Heft ii, p. 57. Schellong, pp. 150, 188 and 192–3). In *DKZ* of 1896 (pp. 65–7) Schleinitz disagreed with the excessively aggressive policy towards the indigenous people, G. von Schleinitz: 'was gibt uns der Fall Wehlan zu denken und zu lernen'. Whatever the reasons, the parting of company appeared to have been cordial. Schleinitz's compilation of his scientific discoveries was published in the *NKWL*.

¹⁴⁸ Schellong, pp. 140 and 192–3.

¹⁴⁹ This was the highest number NGC employed. Between 1886 and 1913 the average number including ships' personnel was 66 (Davies, *Public Health and Colonialism*, p. 54).

¹⁵⁰ See also Table 1. The variation between Tables 1 and 6.1 is in the employment of ship crews.

massive problem on its hands; a problem that was aggravated further by the high number of absentees due to sickness and the amount of recuperation leave taken. Surprisingly, NGC did not shy away from reporting employment movements, including early retirements, dismissals and mortalities, in its *NKWL* and annual reports. Whilst the accuracy of the data may be subject to question, Hansemann recognised the problem by giving the building of hospitals priority and by sending successively seven doctors to KWL in the first 7 years.¹⁵¹



Residence of the Administrator at Finschhafen, 1888

After Schleinitz's departure, Kraetke drew on the assistance of his former colleague, Eugen Ewerlien, who, together with Victor Schmidt-Ernsthausen and Richard Jordan, was responsible for postal services and financial accounting in Finschhafen. Marcel von Lukowicz had replaced Schellong as the company physician, and the agriculturalist, Dr R. Hindorf, was the registrar, harbour master and manager. The station manager on Butaueng was magistrate and secretary to the administrator, Dr Marnow. In Constantinhafen, Johann Kubary was in charge; in Stephansort, Adolf Hermes; and in Hatzfeldthafen, Ernst Schullenbruch. Graf Pfeil and Bruno von Mengden managed Kerawara. Judge Schmieie, Oskar Hering (judicial clerk and post officer) and H.J. Langmaak (bailiff) carried out government business in the Bismarck Archipelago. Retired army officer Robert Steinhäuser and two petty officers were engaged to train a police force.¹⁵² Sechstroh was now in command of *SS Samoa*, Rasch of the *Ottillie*, Dallmann of the *Ysabel*; Dücker, later Weller, of the barque *Esmeralda* and Hutter of the barque *Florence-Denver*. An Australian, Fossgreen, was engaged as relief captain.¹⁵³

With the exception of the Schleinitz and Götz families, GNG was a bachelor colony. NGC staff had time to drink and to complain. They grumbled about the houses, which were not furnished to their liking, the low pay, the high cost of living, and the poor standard of food. Finsch was unhappy that he was not given the position of administrator; Schleinitz was not happy with the general conditions in GNG, the available funds and his limited authority. And

¹⁵¹ On health issues in GNG see Davies, *Public Health and Colonialism*.

¹⁵² The Solomon people from Buka Island were most willing to work for the Germans (Firth, *New Guinea under the Germans*, p. 25).

¹⁵³ Jb (1888) p. 7; Sack & Clark (1887–88) p. 27.

Grabowsky left when he had enough of Hatzfeldthafen. Whilst Schellong was happy with his lot in GNG and believed it was all much ado about nothing, the biggest hurdle for a quick and successful start in GNG remained morbidity and mortality. For Hansemann to point the finger at everybody except himself demonstrated ignorance. NGC was not a bank and the Protectorate could not be managed like a Prussian estate. The high attrition rate required ongoing replacement of staff. Hansemann had to deal with this additional hurdle while trying to establish a functional organisation in GNG.

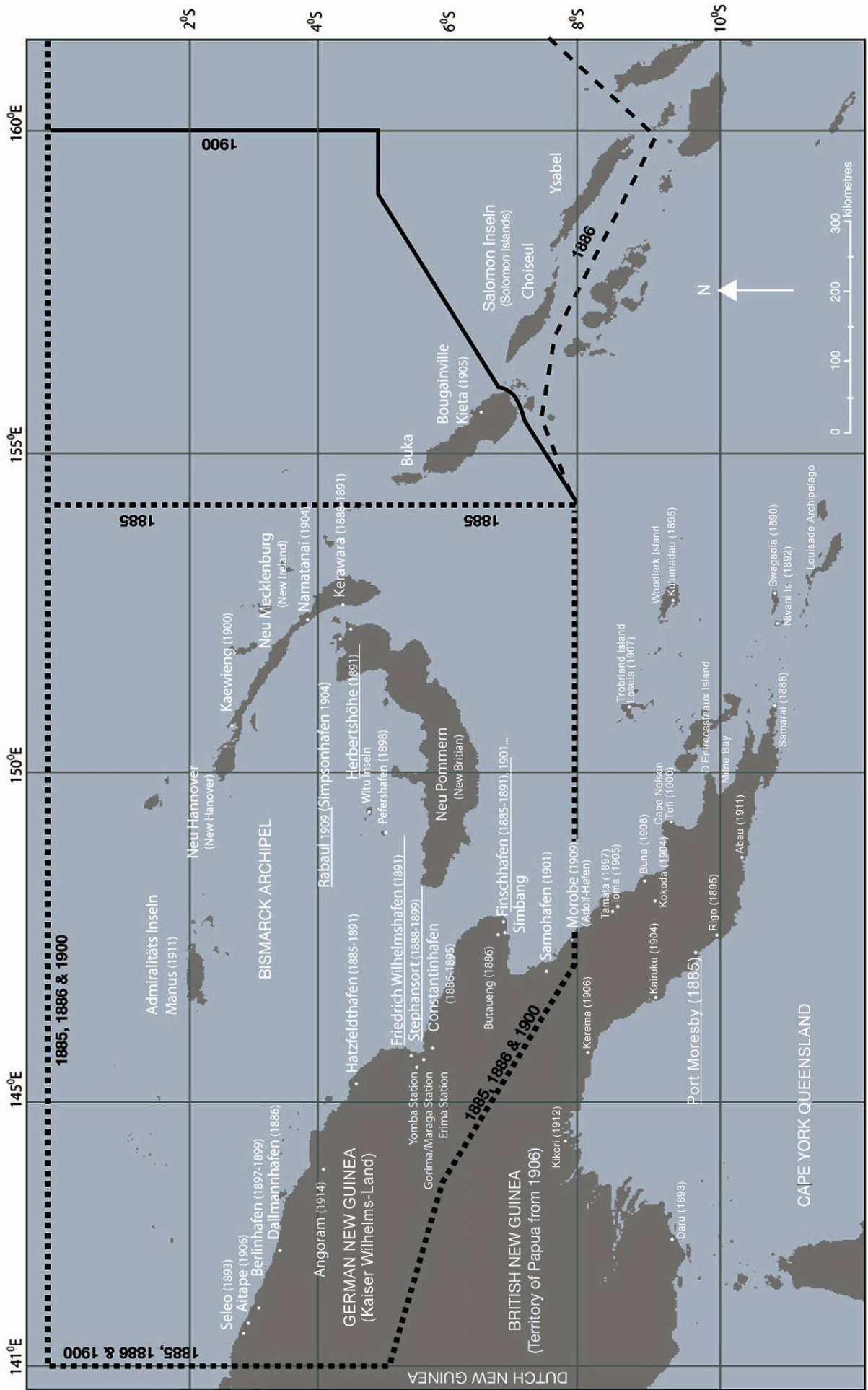
In essence, the decision to experiment with cotton and tobacco at Finschhafen, Butaueng, Hatzfeldthafen and Constantinhafen without first establishing race relations, observing weather patterns and dealing effectively with the endemic outbreaks of malaria was a costly misjudgement. In each case the planting trials were heralded as hugely successful, only to learn soon after that the local workers were too lazy, that coolie labour was not available, was unsuited for the environment or too expensive, or the seasons were either too wet or too dry.¹⁵⁴ To plant some 343,000 tobacco seedlings at Hatzfeldthafen in 1891 only to abandon the station a few months later demonstrates incompetence at senior levels in Berlin and in the Protectorate.¹⁵⁵ The establishment and running costs from 1885 to 1891 of Finschhafen, Butaueng and the guano loading facilities on the Purdy Islands amounted to RM3,650,013. Whilst Finschhafen seemed to be the logical location for establishing the Central Station at the time, it was clear from the outset that the mountainous hinterland was not suitable for large-scale plantations. The costs to establish and operate the far away station of Hatzfeldthafen from 1885 to 1891 amounted to RM395,204, whilst the costs to establish and operate Constantinhafen before it was closed as a plantation enterprise in 1895 amounted to RM388,693.¹⁵⁶

Setting aside the problems cited by the company for abandoning Finschhafen, Constantinhafen and Hatzfeldthafen, NGC was not equipped to manage three main stations over a distance of some 500 km during the founding years of GNG.

¹⁵⁴ *NKWL*, 1890, Heft i, p. 10, Heft ii, pp. 66–70 and 1891, Heft i, p. 14.

¹⁵⁵ *NKWL*, 1891, Heft i, p. 12.

¹⁵⁶ *NKWL*, 1896, p. 15. See Table 17.



Map 4: East New Guinea: boundaries and government (NGC) stations

CHAPTER 6

NGC EMPLOYMENT POLICY AND SALARY STRUCTURE

Whatever policy may be laid down by the Imperial Government or even by the Colonial Government, the average African will be much, perhaps most, affected by his European rulers on the spot, by the sort of men his District Commissioner and his several technical officials are. That is to say, you cannot discuss colonial policy and administration without giving a good deal of attention to colonial officials. Their quality and their morale are primordial.¹

The eminent Australian statesman, Sir Walter Crocker, was well qualified to pass judgment on the importance of the 'men on the ground' in colonial Africa. Of course, it did not matter in which continent the colonial enterprise was, nor did the level of funding matter as much as the colonial governors and commissioners tried to believe. If the quality of personnel did not meet the demands of the situation, failure was inevitable. On the German side, eyewitness reports hailed the soundness and experience of the British administration under Lieutenant-Governor William MacGregor while deriding their own. Hans Blum wrote of his experience in GNG in 1897–98 and compared the 'disastrous fifteen years' of administration by NGC with that of BNG under the command of the 'smarten Englishman' MacGregor.² GNG 'consumed' 11 administrators, four of whom died during the administrative control of NGC. Whilst BNG had its share of administrative changes, MacGregor had the leading role from the founding of the colony in 1888 until the end of 1897.³ There was almost universal acceptance and praise for this extraordinary man. Magistrate Monckton regarded him 'as the most formidable man he had ever met'.⁴ Comparing him to the likes of 'Cromwell, Drake, Caesar or Napoleon', he noted that 'only once in my life, have I felt that a man was my master in every way, and that was when I met Sir William MacGregor'.⁵

No such claims were forthcoming for German administrators while GNG was under the control of NGC. Blum, an eye witness, quoted the damning allegation by Imperial Judge and Administrator George Schmiele, who was dismissed by NGC after more than 8 years' service, that 'not a single person of the 600 employees he saw coming and going renewed his employment contract'.⁶

Notwithstanding Schmiele's unfounded statement, the employment conditions of NGC were contentious and many staff did not complete their contracts. The salary differential between senior and junior employees was significant. Personal expenses were strictly

¹ W.R. Crocker, *On Governing Colonies*, p. 119.

² H. Blum, *Neu Guinea und Der Bismarck-Archipel*, p. 37.

³ Blum, pp. 38–9; H. Jäckel, 'Die Neu Guinea Compagnie', pp. 50–1.

⁴ C.W.A. Monckton, *New Guinea Recollections*, p. 140.

⁵ Cited in G. Souter, *New Guinea: The Last Unknown*, p. 60; see L. Lett, *The Papuan Achievement*, pp. 44–5, C. Price & E. Baker, 'Origins of Pacific Island labourers in Queensland, 1863–1904', *JPH* 11, (1976) p. 73. The exceptions to MacGregor's style of administration were the North Queensland sugar-cane growers. After MacGregor invoked the *Pacific Islanders Protection Act* in 1888, the *Cooktown Courier* of 14 Sept. and 2 Oct. 1888 labelled him a 'nigger lover' who stifled the 'legitimate' trade of the white men' (H. Nelson, 'The Swinging Index', *JPH* 13, (1978) p. 130).

⁶ Blum, p. 52. Schmiele's comment is not supported; see Table 8.1.

controlled. Provisions and accommodation were often not up to expectations. Malaria and dysentery were inevitable outcomes of prolonged stays in GNG. Frustration, boredom and an inability to cope with frontier conditions caused employees to leave and to complain to the government.⁷ The high staff turnover came at a considerable economic cost to NGC.

Method of hiring personnel

The economist Karl Helfferich observed in 1905 that the German government, with little experience in colonial affairs, had to implement a system of colonial administration over the first 20 years of its existence.⁸ In GNG this responsibility was left to NGC during the first 14 years. Here, the company had to employ the right personnel for the administration and the right personnel for infrastructure development, while trying to build a viable colonial enterprise. This was a huge challenge for Adolph von Hansemann and his fellow directors who had no experience in such work. The German bureaucracy, unlike the role models of England and The Netherlands had no history in colonial administration. Some members of the Foreign Office, naval officers, explorers and traders had tropical experience; only a handful had visited New Guinea.⁹ How then did Hansemann staff his management team to develop his Protectorate and provide an administration as required by the government under the charter?

The first employees of the company came from a pool of people Hansemann knew from his association with DHPG or were engaged on the recommendation of heads of government departments or universities. It seems that NGC did not advertise its employment requirements in newspapers.¹⁰ Otto Finsch, Oscar Stübel, Carl Ludwig Sahl, Bartholomäus von Werner and Georg von Schleinitz were candidates for the position of first administrator.¹¹ Not every one wanted this position—yet this cadre would have started a ripple effect from which other appointments evolved. For instance, Finsch hired the experienced explorer Carl Hunstein and recommended the engagement of the explorer Captain Dallmann who in turn hired the First Mate Sechstroh. The appointment of Jacob Weißer to the position of administrator in the Bismarck Archipelago can also be linked to both Finsch and Dallmann, or to Imperial Commissioner von Oertzen. Weißer was purser on HMS *Hyäne* when the ship visited Mioko in 1884–85. The Russian-born Stanislaus Kubary would have been known to Finsch, Schleinitz and Hansemann because of his well-documented South Sea exploits with Godeffroys. Kubary, in turn, saw to it that his brother-in-law, David Yalliot, a carpenter by trade, was employed as overseer in Konstantinhafen.¹² Moritz von Hippel, according to NGC's Dr Otto Schellong, was close to 80 years when he joined the company. Hippel was an engineer with many years'

⁷ For biographical background on Blum, Kindt, Knappe and Schmiele, see K. Baumann, *Biographisches Handbuch Deutsch-Neu Guinea*, pp. 33, 185, 191 and 410.

⁸ K. Helfferich, *Zur Reform der Kolonialen Verwaltungs-Organisation*, Introduction.

⁹ Notable exceptions were Finsch, Hensheim and Schleinitz.

¹⁰ The board minutes and annual accounts do not show line items for recruiting and advertising.

¹¹ Hansemann to Bismarck, 18 Aug. 1885 (RKA 1001:2408, p. 38).

¹² *NKWL*, 1891, Heft i, p. 4.

experience in Mexico and the Caribbean; his position with NGC, however, was owed to his son-in-law, Administrator Schleinitz.¹³

As a rule, explorers and scientists knew of each other through professional associations and personal connections. The explorer Fritz Grabowsky was a school friend of Schellong;¹⁴ Dr Karl Schneider, Dr Carl Schrader, Graf Joachim von Pfeil and Schleinitz were members of *Gesellschaft für Erdkunde zu Berlin*.¹⁵ They were also associate members of the *Geographische Gesellschaft in Hamburg* where Bismarck's adviser Heinrich von Kusserow was prominent.¹⁶ Dr Max Hollrung was a chemist with a keen interest in photography. He became the first person in GNG to record scientific discoveries on photographic plates. After working in north Australia for the German-Australian botanist Baron Ferdinand von Müller, 70-year-old Wilhelm Persieh joined NGC as a botanist in 1887.¹⁷ The first scientific foray into GNG by the botanist Dr Carl Lauterbach was self-funded. The intrepid explorer was subsequently appointed leader of two NGC gold expeditions. The agriculturalist Ernst Tappenbeck chaired the committee for the development of GNG in the *Kolonialgesellschaft* before joining NGC. The medical doctor, economist and agriculturalist Dr Hermann Kersting, who joined the Lauterbach–Tappenbeck expedition, was a government scientist. He was well known in the Berlin scientific community for his work in the Congo Basin.

As an estate owner, Hansemann saw value in people who were connected to farming and forestry. At the beginning of 1885, he approached Minister for Agriculture and Forestry Baron Lucius von Ballhausen with a request for candidates for GNG.¹⁸ The foresters Richard Mentzel and Otto Elle and the huntsmen Rücke and Heidemann were the first NGC employees in the Protectorate. In June 1886 Hansemann wrote to Bismarck requesting assistance for the recruitment of non-commissioned army officers. Notwithstanding government responsibility to provide military protection, Hansemann required suitable Prussian sergeants to train an indigenous police force; he also believed that their training would encourage them to report diligently to Berlin on a regular basis.¹⁹ In this regard, Hansemann also approached War Minister General Schellendorf for recommendations of retired officers.²⁰ With the exception of Hans Arnold and Eduard Wissmann, all administrators from 1886 to 1889 were current or past officers in government departments or had served with the Prussian military.²¹ Imperial

¹³ NKWL, 1886, Heft ii, p. 61. Hippel was born in 1818 and died in 1895. He was 68 when he arrived in GNG on 30 July 1886, not 80 as claimed in O. Schellong, *Alte Dokumente aus der Südsee*, p. 85.

¹⁴ Schellong, p. 9 and 33.

¹⁵ Schleinitz was past chairman of the *Gesellschaft für Erdkunde zu Berlin* and, like Hansemann, he was a member of the *Deutsche Kolonialverein*.

¹⁶ *Mittheilungen der Geographischen Gesellschaft in Hamburg von 1885–86*, vol. 1887, pp. 349, 351 and 352.

¹⁷ Persieh had the protea *Hakea Persiahana* named after him.

¹⁸ RKA 1001:2408, pp. 3–5, 17 and 30.

¹⁹ Hansemann to Bismarck, 26 June 1886 (RKA 1001:2408, p. 59).

²⁰ Hansemann to Schellendorf (RKA 1001:2670).

²¹ R. Kraetke (Acting Administrator March 1888–Nov. 1889) Post Office Inspector in Düsseldorf; H. Arnold (Acting Administrator Nov. 1889–Jan. 1890), administration manager with NGC in Berlin; F. Rose, (Administrator/Imperial Commissioner. 1889–July 1890), lawyer and senior bureaucrat in the AA; E. Wissmann (Acting Administrator July 1890–Feb. 1891), Acting German Consul and tobacco planter in Surabaya; G. Schmiele (Administrator Sep. 1892–Feb. 1895), employed within the Prussian judicial system in Berlin; R. Rüdiger (Acting Administrator Feb. 1895–Aug. 1896) retired naval officer and Acting Governor in German East

commissioners, judges and other legal personnel were appointed by, and responsible to, the *Reichskanzler*. While Hansemann had some influence over their appointments, NGC was not involved in their selection. But it was responsible for the cost of their employment.

Under the company statute, the directors had to authorise contracts of employment exceeding 12 months or where the annual salary exceeded RM5,000.²² Otherwise, the executive directors were authorised to engage personnel without first seeking Board approval.²³ The extent to which the administrator could employ personnel in the Protectorate was stipulated in the management guidelines:

The engagement of staff is generally conducted by the Board because, for the time being, the Administrator will not find suitable German personnel in the Protectorate nor will he have the opportunity to check the level of competency. The Board will take into consideration the numbers and positions recommended by the Administrator for employment. If suitable personnel are identified by the Administrator he is permitted to engage same, subject to funding within the budget, and provided employment does not extend beyond one financial year, nor attracts an annual salary exceeding 3,000 Marks.²⁴

While Hansemann oversaw the drafting of the statute and the administrator's instruction manual, he ignored these when it suited him. As the majority shareholder, he engaged and dismissed and instructed NGC staff as he deemed necessary. The directors do not seem to have objected to this autocracy. Without reservation, they authorised his commitments on behalf of NGC.²⁵ Although authoritarian, Hansemann expected resourcefulness from his managers.²⁶ He considered it quite appropriate for Captain Dallmann to sign on 11 seamen in Sydney and for Finsch to hire Carl Hunstein and his Scottish carpenter mate in Cooktown.²⁷ Schleinitz engaged personnel from Cooktown and Sydney,²⁸ and his successor, Reinhold Kraetke, employed Richard Parkinson from Ralum.²⁹ Because it made good sense to engage people from the neighbouring Dutch and British colonies rather than employ inexperienced bureaucrats from Germany, Hansemann approved their engagement retrospectively. Station manager Wilhelm von Puttkamer, for instance, hired the tobacco farmers Lutz and Schoevers from Surabaya.³⁰

During 1890 NGC subsidiaries KWLPG and A-C engaged more than 20 European planters from the Dutch possession of Sumatra for cacao and tobacco plantations on Astrolabe Bay. A former Prussian officer, Curt von Hagen, had established a tobacco plantation company in Deli, Sumatra in 1887. The venture failed but Hagen was hired by Hansemann in 1893 to

Africa; C. von Hagen (acting administrator Oct. 1896–March 1897), retired Prussian army officer and tobacco planter in Sumatra; H. Skopnik (acting administrator July 1897–March 1899), lawyer of the district court and city councillor in Stolp/Pomerania; A. Hahl (acting administrator Aug 1897–Sept 1897), lawyer, employed in the KA-AA (K. Baumann, *Biographisches Handbuch Deutsch-Neu Guinea*; H. Schnee, ed. *Deutsches Kolonial Lexikon*).

²² 'Statute of the Neu Guinea Compagnie', 29 March 1886 (*NKWL*, 1886, Heft ii, p. 41).

²³ The executive board comprised A. v. Hansemann, K. Herzog and A. Lent.

²⁴ NGC, 'Instruction für den Landeshauptmann' §32, pp. 18–9.

²⁵ Eckardstein-Prötzel was untroubled 'to countersign without reservation documents which carried the signature of Hansemann' (H. Münch, *Adolf von Hansemann*, p. 358).

²⁶ Employment contracts entered into by the Administrator (RKA 1001:2410, pp. 9 and 103).

²⁷ O. Finsch, *Systematische Übersicht der Ergebnisse seiner Reisen und Schriftstellerischen Thätigkeiten 1859–1891*, O. Finsch, 'Wie Ich Kaiser Wilhelms-Land Erwarb: Mein Anteil an dieser Kolonial-Gründung der Neu-Guinea-Compagnie' in *Deutsche Monatsschrift für das gesamte Leben der Gegenwart*, (1902) p. 583.

²⁸ During a stopover in Cooktown, Schleinitz engaged the German architect Höppner as carpenter, the Australian farmer White and the German-Australian H. Rieck (RKA 1001:2408, p. 67–9; *NKWL*, 1888, Heft iv, p 179).

²⁹ RKA 1001:2402, p. 6.

³⁰ *ibid.*, p. 30; Jb (1890) p. 4–5; Sack & Clark (1889–90) p. 48.

manage A-C. He followed the two German-born planters, Woldemar von Hannecken and Herr Rohlack, four assistant planters (Maschmeyer, Brückner, Baumann and d'all Abacco) and the accountant Max Goebel.³¹ Acting Consul Eduard von Wissmann in Surabaya; a tobacco planter and trader, was engaged by Hansemann as NGC's acting administrator for NGC in 1890.³²

Employment motives

Apart from flag-waving idealists who believed serving in the colonies was a duty they owed the Fatherland, economics and speedy promotion were generally the driving force behind German migration. Schellong, for example, had to pay off the debts he had incurred during his studies for a medical degree.³³ In contrast, the president of DKG, Count Hohenlohe-Lunenburg, told Eduard Hensheim in 1886 of his desire to be appointed the first administrator of GNG. He believed that German nobility should take the lead in establishing German colonies.³⁴ However, few members of the landed gentry applied for service in the protectorates. Where German nobility and senior bureaucrats – often one and the same – stated national interest as the reason for seeking employment in the colonies, it was probably pretence; improved career prospects in a highly structured Prussian bureaucracy and the desire to earn money would have ranked foremost in making the decision to go overseas.³⁵

The aspirants were generally young, inquisitive, often the *bête noire* in the family and, inevitably, short of money.³⁶ In Ludwig Kindt's mind, young men should serve time in the colonies. He wrote his guidelines on 'Immigration of German farmers to Java': disappointed parents wished all too often that they could send their wayward son to the tropics. I, for one, have always recommended New Guinea a panacea for such wayward youth'.³⁷ To some extent, Schnee's father agreed with Kindt. To him, colonies were places for dropouts; not a

³¹ *ibid.*, 1892, Heft i, p. 32.

³² Wissmann was employed by Blützinglöwe & Co. in Surabaya from 1880 until late 1889. Russel to Caprivi, 3 May 1890 (RKA 1001:2409, p. 54); Hansemann to Caprivi, 7 Oct. 1890 (RKA 1001:2409, p. 77).

³³ Schellong, pp. 9–10.

³⁴ Hohenlohe-Langenburg saw his mission by leading the German people to unexplored shores where he would set the foundations of a new Germany ('das deutsche Volk unter Vortritt seiner Fürsten, wie einst die Heerscharen unter Hengist und Horsa nach neuen Gebieten zu führen, und dort ein neues Deutschland zu gründen'). The experienced Hensheim dismissed the verbose Hohenlohe-Langenburg as a rambling drunk. (E. Hensheim, *Lebenserinnerungen von Eduard Hensheim*, p. 139).

³⁵ Career prospects in the German colonies and the advantages government officers would derive from a tour of duty overseas are argued in C. Kraus, *Die Aussichten des Kolonialdienstes*, p. 23.

³⁶ Notwithstanding the age of Persieh (69), Hippel (68), Schleinitz (51), Parkinson (45), Below (50), Kraetke (42) and Kubary (41), Dempwolff observed that most Europeans under his care were in their 20s (O. Dempwolff, 'Ärztliche Erfahrungen in Neu-Guinea', [1898] p. 136). Age at commencement of employment with NGC was: administrator/judges, Arnold 38, Wissmann 36, Rose 34, Schmiele 31, Rüdiger 37, C. Hagen 34, Mende 37, Skopik 39, Hahl 27; doctors Schellong 27, Lukowicz 25, Herrmann unknown, Weinland 24, Frobenius 35, Emmerling 31, Hagge 40, Jentzsch unknown, Hagen 39, Wendland 28, Dempwolff 24, Danneil 29, Diesing 29, Liese unknown; Engineers and surveyors, O. Schneider 23, Linnemann 26, Dreger 40, Brixen 40; Station managers Hindorf 24, Kolbe 27, Loag 27, Grabowsky 28, Fademrecht 30, Pfeil 30, Hanneken 32, Winter 33 and Zech 33. assistant managers/planters Kotze 18, Blum 22, Meinck 24, Mengden 26, Oppen 24, Puttkamer 28, Ritzer 24, Tappenbeck 26; explorers Kersting 33, Lauterbach 28, Schrader 33, Schneider 28, Hollrung 27 (H. Schnee, ed., *Deutsches Kolonial-Lexikon*, Baumann, *Biographisches Handbuch Deutsch-Neu Guinea*).

³⁷ The text reads: 'Oft wünschen auch betrubte Eltern ein misratenes Plänzchen in tropischen Boden zu verpflanzen ... Ich habe daher die Besserungsbedürftigen ... stets auf Neu Guinea verwiesen' (L. Kindt, 'Auswanderung deutscher Landwirte nach Java', 1903 p. 10; *DKZ*, vol. 1, 1893).

launching platform for the career of a qualified lawyer like his son.³⁸ Notwithstanding well-meant fatherly advice, Schnee accepted the appointment of imperial judge at Herbertshöhe in December 1898.³⁹ Whether it was the rebellious nature of youth, the urge to venture far away from home and earn some money on the way or, as he claimed later, a carefully laid out career path, the decision worked for Schnee. For George Schmiele and Albert Hahl, the appointment of imperial judges in GNG led to that of administrator-cum-governor. Assessor Schmiele climbed to the top position in GNG relatively quickly. He was accredited by the *Reichskanzler* on 14 July 1886 and installed as the imperial judge for the Bismarck Archipelago by Schleinitz on 15 November 1886. When Bismarck agreed to Hansemann's request to combine the offices of administrator and imperial commissioner under Fritz Rose on 1 November 1889, Schmiele's position was transferred to the AA-KA. This move enabled him to remain an imperial judge whilst also advancing to the position of imperial commissioner for the Bismarck Archipelago (and deputy to Rose). Thus, within 3 years he improved his annual salary of RM4,000 in Germany to RM15,000 plus expenses, free housing and servants in GNG.

On 1 September 1892 NGC resumed local sovereignty over GNG and appointed Schmiele to the position of *Landeshauptmann* at an annual salary of RM30,000.⁴⁰ For Schmiele, the good times lasted until January 1895 when his contract was not extended.⁴¹ Whilst in charge he wielded power and enjoyed prestige: both went to his head. Regarded as pompous and disliked by the natives and Europeans alike, he left GNG disillusioned and a physically sick man. Schmiele died of malaria in Batavia on 3 March 1895 en route to Germany.⁴²

Assessor Hahl had a similar but lasting rise to the top in GNG. He quit a secure but lowly paid job with the Ministry of the Interior in Bavaria to accept a position with the AA in Berlin. In January 1896 the government appointed him imperial judge at Herbertshöhe. By accepting this position, Hahl took charge of the Protectorate's 'eastern jurisdictional and administrative district', and thus leapt three or four rungs up the career ladder. Indeed, an equivalent position in Germany may have been out of his reach altogether.⁴³ To advance to just the position of lower court judge in Germany would have taken at least 10 years. Possibly a greater attraction was the remuneration package – at least four times his likely salary in Bavaria. With the death of the Acting Administrator Curt von Hagen on 13 August 1897, Hahl performed the duties of

³⁸ H. Schnee, *Als letzter Gouverneur in Deutsch-Ostafrika*, pp. 9–10. At the turn of the century, Schnee senior's stance on German colonies was typical for his generation. The news from German South West Africa was all bad, with the insurrections of the Hottentots and Hereros swallowing up massive government funds. Other than Samoa, the economic returns from German colonies were negative. The death rate amongst Europeans was horrific. Importantly, the German economy had improved significantly and opportunities for work at home were abundant (H. Gründer, *Geschichte der deutschen Kolonien*, p. 236).

³⁹ *DKBl*, vol. 4, 1899, p. 124.

⁴⁰ *Jb* (1890) p. 14.

⁴¹ *Jb* (1893/94) pp. 4–5; Sack & Clark (1893–94) p. 90.

⁴² Baumann, p. 410–11; H. Hiery, 'Die deutsche Verwaltung Neuguineas 1884–1914', pp. 282–8. On imperial judges in GNG see P.G. Sack, *Phantom History*, pp. 182–92.

⁴³ The Bismarck Archipelago and the German Solomon Islands (Choiseul, Ysabel, Shortlands, Buka and Bougainville) comprised the Eastern District and the KWL the Western District of GNG.

imperial judge and administrator for a month.⁴⁴ At the age of 30, on 12 October 1899 he was appointed vice-governor of the Caroline Islands. After the retirement of Governor Rudolf von Bennigsen on 10 July 1901, Hahl was in charge of GNG and remained so until 4 May 1915. Earning an annual salary of RM36,000 plus expenses, free housing and servants, he was the highest paid officer in GNG by far.⁴⁵

The Imperial Judge and acting administrator in GNG and Samoa from 1898 to 1903, Heinrich Schnee was appointed imperial governor for German East Africa in 1912. During his tenure in the *Reichskolonialamt*, Schnee attained the rank of a senior bureaucrat (*Wirklicher Geheimrath*),⁴⁶ which was senior to that of a governor in German protectorates. While the base salary in Berlin was slightly higher than that of a governor, the position did not carry the same level of independence and prestige. It, therefore, comes as no surprise that Schnee accepted a slight demotion in rank for a more prestigious position in German East Africa.

The opportunities in the colonies for law graduates who had not yet sat for their second state examination were considerably higher than at home, where many lawyers scrambled for the few positions.⁴⁷ Where governments paid trainee lawyers at all, their salary was no higher than RM1,500, the remuneration for an articled clerk.⁴⁸ Setting aside age and experience, the government seemed to have had little reservation in appointing an *Assessor* or even a *Referendar* as an imperial judge in the protectorates. While Schmiele, Hahl, Schnee and Mellien were fully qualified lawyers, M. Krieger, F. Hasse and R. Jordan were appointed imperial judges in GNG even though they had not sat their second examination.⁴⁹ The authority for such rapid promotion was entirely the privilege of the *Reichskanzler* who appointed the judges in the protectorates.

The doctor, Schellong, was indebted to his landlady, grocer, tailor and everyone who had lent him money before he finished university. The oldest of 10 children, Schellong grew up in a small town in East Prussia where his father was the parish pastor. 'At that time', he reminisced, 'the code of honour that existed between the creditor and the student demanded repayment of the debt once a permanent position was attained'.⁵⁰ Medical registrars earned a paltry amount of money in 1885. The monthly salary of a junior doctor in the hospital of Königsberg was RM100 less RM70 for board. According to Schellong, 'the balance of RM30 was not enough to make ends meet, let alone pay off debts'. He decided that 'a fat salary from NGC would pay off his commitments while giving him the opportunity to expand his somewhat limited horizon at

⁴⁴ From 1885 to April 1899 Hahl was the only person in the NGC administration whose salary was paid for by the government. It is not clear whether NGC bore some of the cost when Hahl deputised as the administrator.

⁴⁵ By comparison, Colonial Secretary B. Dernburg (1907–10) earned an annual salary of RM100,000 (H. Schnee, *Als letzter Gouverneur in Deutsch-Ostafrika*, pp. 102–3).

⁴⁶ *ibid.*, p. 103.

⁴⁷ H. Fenske, 'Bürokratie in Deutschland: vom späten Kaiserreich bis zur Gegenwart', *Beiträge zur Zeitgeschichte*, (1985) p. 13.

⁴⁸ Lotz, p. 605.

⁴⁹ *DKZ*, 4 Jan. 1890, p. 16; Hansemann to AA-KA, 28 Nov. 1892, p. 127; AA-KA to Hansemann, 2 Dec. 1892, RKA 1001:2410, p. 128; see W. Apitzsch, 'Das Wirtschafts- und Verwaltungspersonal der Neu-Guinea-Compagnie', p. 70.

⁵⁰ Schellong, pp. 1–10.

the same time'.⁵¹ Schellong received an annual salary of RM6,000 in GNG. According to him, it was NGC's highest remuneration in the Protectorate.⁵²

The position of *Oberpostrath* (inspector-general) in Düsseldorf would have earned Reinhold Kraetke RM8,000–10,000 annually.⁵³ Hansemann offered the equivalent of a ministerial salary amounting to RM33,000 p.a. for Kraetke to accept the administrator's position in GNG.⁵⁴ Rather than terminating his employment with the *Reichspost*, Kraetke applied for leave of absence. In his letter to the Postmaster-General he advised of his interest in the development of the German colonies and his desire to gain some overseas experience.⁵⁵ Kraetke was given 18 months leave to take up the post in GNG. It was a rewarding decision. Apart from earning good money, the experience advanced him to the ministerial position of *Staatssekretär Reichspostamt* in 1901.⁵⁶

Low pay and harsh conditions were reasons for leaving the Prussian Army; unpaid debts were grounds for dismissal. When NGC and, indeed, all other German colonies gave insolvent officers the opportunity to discharge personal debt, many opted for the career change. Hans Blum was discharged from the Prussian Army for dishonouring personal debts.⁵⁷ He may have regarded the position of assistant on a plantation in GNG below that of a lieutenant yet he signed on, most likely for financial reasons. The pay of a first lieutenant was RM1,080 p.a. plus rations.⁵⁸ In GNG Blum earned up to five times that. Similar examples are Lieutenants Paul von Below and Wilhelm von Puttkamer. The former joined the Dutch colonial army before setting up his own coffee plantation on Java.⁵⁹ After 33 years in the Dutch East Indies, Below sought employment with NGC. The reasons for the change were economic: towards the end of the 19th century the good times for coffee crops had ended.⁶⁰ Debt also caused Puttkamer to leave the Prussian Army and join NGC.⁶¹ Curt von Hagen's motives for seeking employment in GNG are obvious. An officer in the Prussian Army, he retired because of a riding accident and ventured to Sumatra in 1886 or 1887 to become a tobacco planter. Crop failure and the international tobacco crisis of 1891 bankrupted his company. In 1893 he became A-C's general manager and on 9 October 1896 acting administrator of NGC. He was shot dead by an escaped former Buka policeman on 13 August 1897 while on a punitive expedition.

⁵¹ *ibid.*

⁵² *ibid.*, p. 32. Note, Schellong arrived in GNG before Schleinitz who was paid RM27,000 plus allowances.

⁵³ Lotz, pp. 604ff.

⁵⁴ RKA 1001:2402–06, pp. 58 ff.

⁵⁵ Kraetke to Stephan, 3 Nov. 1887 (RKA 1001:2409, p. 8).

⁵⁶ H. Schnee, ed., *Deutsches Kolonial-Lexikon*, vol. ii, p. 371.

⁵⁷ RT 10, Legislatur Periode. 1898/1900, Band 2, 1899, p. 1481.

⁵⁸ M. Messerschmidt, 'Die Preußische Armee' in G. Papke & W. Pretter, *Deutsche Militärgeschichte: 1648–1935*, p. 32.

⁵⁹ RKA 1001:2410, pp. 9

⁶⁰ The high price for coffee beans attained between 1885 and 1895 fell in 1895 by 65% and again by 50% in 1896. This steep decline sent many growers bankrupt. See L. Kindt, 'Auswanderung deutscher Landwirte nach Java', (1903) p. 13; Blum, *Neu Guinea und Der Bismarck-Archipel*, p. 97.

⁶¹ The statement relies on an interview between W. Apitzsch and C.-G. von Puttkamer in 1987 (Apitzsch, p. 66). In view of Puttkamer's ability to commit to RM50,000 in A-C shares, this statement is difficult to entertain. Puttkamer's father was an estate owner and conservative member of the *Reichstag*. He belonged to the extended family of Bismarck's wife Johanna von Puttkamer. In 1895 Puttkamer's brother Jesko was promoted to governor of Cameroon (Schnee, ed., *Deutsches Kolonial-Lexikon*, vol. iii, p. 117).

Stefan von Kotze, a grandnephew of Bismarck, was a rebel. A naval cadet, he was discharged in early 1887 without reasons given.⁶² He arrived in Finschhafen on 3 August 1887 to work as an assistant on Kerawara Station for RM4 per day plus food and quarters. Dallmann signed him on as second officer on SS *Ysabel*, but he lasted only a few weeks. Dallmann sacked him because 'he gossiped too much' instead of working.⁶³ Kotze then applied to the government in GNG for work but was rejected.⁶⁴ Surprisingly, he stayed with NGC until the end of 1893 when he left on the *Ysabel* for Java. 'I survived the malaria hole Finschhafen', he wrote in his recollections, 'because I treated fever with copious amounts of alcohol, not swallowing quinine as prescribed by the company doctor.' Spirits was the remedy that 'I also applied to deal with the many regulations of NGC'.⁶⁵

Whereas adventure was a driving force for the young, money would have been the main enticement for most seeking employment with NGC. During the 1880s and early 1890s unemployment remained high in Germany and kept middle-class children at school for longer. The result was a group of educated paupers.⁶⁶ Salaries for university graduates were no higher than those for tradesmen and barely higher than for clerks during the 1890s: the starting salary for an engineer was about RM1,500 p.a. while the average remuneration for clerical workers of all ages was RM2,400. This was in stark contrast to company managers whose salary range in Berlin was about RM6,600 plus performance bonuses of RM1,500–14,000 p.a.⁶⁷

Germans ventured to the Dutch East Indies in the 1880s to participate in the buoyant tobacco market when plantation managers were paid between 3,000 and 5,000 Dutch Gulden (RM5,000–8,000) plus a 10% share in the profit. When the tobacco and coffee markets collapsed in 1891 and 1895 respectively, this expertise became available for GNG, with many experienced personnel seeking employment with NGC or A-C.⁶⁸

NGC staff with overseas experience and the occupational mix

Stewart Firth made a sweeping statement when he wrote: 'men with no experience of the Pacific suddenly found themselves living on the edge of the New Guinea jungle'.⁶⁹ At least one-third of NGC employees recruited between 1885 and 1898 had worked, lived and explored in non-European parts of the globe. Some had specific knowledge of the South Sea. Whilst this experience did not guarantee performance, NGC employees who were recruited in Australia, The Dutch East Indies or in Africa had a start on the colonial dreamers, German economic

⁶² 'Marineverordnungsblatt', xviii, vol. 4, 1 March 1887, p. 24.

⁶³ P.M. Pawlik, *Von Sibirien nach Neu Guinea. Kapitän Dallmann und seine Reisen 1830-1896. Ausführliche Erlebnisberichte aus den Anfängen von Neu-Guinea*, p. 124. Kotze worked for NGC until his dismissal at the end of 1892.

⁶⁴ Marginal note in RKA 1001:2409, p. 84.

⁶⁵ S. von Kotze, *Aus Papuas Kulturorgen*, p. 226. The prophylaxis did not save him from dying at age 39.

⁶⁶ J. Kocka, 'Unternehmensverwaltung und Angestelltenschaft' in W. Conze ed. *Schriftenreihe des Arbeitskreises für moderne Sozialgeschichte*, pp. 90, 92, 164–5, 473–4, 542 and fn.124.

⁶⁷ *ibid.*, pp. 263, 493–4 and 498

⁶⁸ W. von Hanneken, *Sumatra*, pp. 63ff; W. von Hanneken, 'Eine Kolonie in der Wirklichkeit: Illusionsfreie Betrachtungen eines ehemaligen Stationsvorstehers im Schutzgebiet der Neu-Guinea-Compagnie', *Die Nation* (1895) pp. 54–5 and 133–6.

⁶⁹ S. Firth, *New Guinea under the Germans*, p. 24.

migrants or frustrated Berlin bureaucrats, who had barely travelled beyond the boundaries of their provinces. Of the total 266 European staff, 87 are known to have had overseas experience. Whilst this number included 14 retired German army officers and 12 sergeants with little or no work experience outside the military,⁷⁰ it is still a surprisingly high figure for a company or country with no extra-European colonial history (Table 6.1).

Table 6. 1 NGC, KWLPG and A-C staff recruitments from 1885 to 1899.⁷¹

Year	1885	1886	1887	1888	1889	1890	1891	1892	1893	1894	1895	1896	1897	1898	Total
Administration	0	2	7	4	5	3	8	6	5	5	2	4	3	5	59
The judiciary	0	1	0	0	0	0	0	0	1	2	0	0	1	1	6
Legal support	0	0	1	0	0	0	1	0	0	1	0	0	0	1	4
Police	0	2	1	2	2	1	0	0	1	1	1	0	0	2	13
Doctors	0	1	0	1	2	1	2	0	2	0	2	1	3	1	16
Nurses	0	2	1	0	2	1	2	5	1	0	2	1	2	2	21
Planters	3	2	5	10	3	3	10	3	0	3	2	7	1	4	57
Craftsmen	0	3	10	1	0	1	4	0	0	0	1	0	0	2	22
Ship captains	2	4	0	1	2	1	1	0	1	1	1	1	1	1	17
Engineers	0	3	5	2	1	0	4	0	0	1	2	1	0	1	20
Explorers	3	4	2	1	0	0	1	0	0	0	0	4	0	1	16
Others	0	2	4	3	2	1	1	0	0	0	0	2	0	1	15
Total	8	26	36	25	19	12	34	14	11	14	13	21	11	22	266
Severance	0	6	11	18	12	25	23	23	17	11	13	17	8	13	197

Seamen and stevedores with overseas experience have been excluded from this assessment because the extent of their onshore activities and their length of employment is not known.⁷² More reliable data is available on the employment of the sea captains. Their knowledge of tropical environments and sea lanes in the region was a factor in the development of GNG. They are therefore included in this assessment. Whilst they treated NGC employees mostly, doctors and nurses sent to GNG by the Christian missions and other charitable organisations are excluded also as they were not paid for by the company.⁷³ Further, 21 civil servants who carried out government business in GNG between 1889 and 1892 are omitted unless they were employed by NGC before or after this period.⁷⁴ However, NGC benefited from the overseas experiences of a significant number of colonial workers, whether employed by it or others.

⁷⁰ One policeman, recruited by NGC in 1890, previously served in the Dutch Colonial Army. RKA 1001:2410, p. 12.

⁷¹ Year of employment shown is the year of arrival in GNG, normally 3 months before engagement if contracted in Germany or elsewhere in Europe or 2 months if engaged in Southeast Asia. The data presented have been compiled from NGC and A-C annual accounts, minutes of board meetings, reports in the *DKZ*, *DKBI*, *ABI-NG* and *NKWL* and publications by former NGC employees. From 18 August 1887 every person (other than indigenous or indentured workers) entering GNG had to complete a registration form: the date and place of birth, profession, residential address, intended movement in the Protectorate, length of stay etc. had to be recorded. (G. Riebow, *Die deutsche Kolonialgesetzgebung*, p. 48). More reliable data would have been available from this or the NGC payroll records. Its whereabouts is not known. See Baumann, *Biographisches Handbuch*.

⁷² NGC recruited 124 seamen and 27 stevedores from 1885 to 1898. Many of them were signed on in Australia, Batavia or Singapore.

⁷³ Auguste Hertzner, for instance, was staff nurse of *Deutscher Frauenverein für Krankenpflege in den Kolonien* (part of *Rotes Kreuz* after 1909) in German East Africa from 1887 to 1890 before arriving in Stephansort on 23 June 1891. Hertzner stayed and worked for the rest of her life in New Guinea. She died near Rabaul in 1934.

⁷⁴ While NGC suffered the cost for civil servants who, by agreement, carried out the political and judicial administration in GNG from Nov. 1889 to Aug. 1892, these officials were neither employed nor seconded to NGC.

Hansemann pushed for early and quick mobilisation of personnel; so much so that NGC's first doctor, Schellong, made a diary entry on 25 January 1888: 'again, no less than 11 staff have arrived from Germany; we are questioning with some despair, what all these people are supposed to do for now! They need to move on to other stations at present as we have no accommodation left [in Finschhafen]'.⁷⁵ Schellong had a point; with only two main stations and one outstation established, NGC engaged 95 officers between 1885 and 1888 and a further 65 by March 1891. The first contingent of employees comprised 25 (26.3%) men who had previously worked overseas, six of whom had local knowledge.⁷⁶ Driven by the labour requirements of the cacao, tobacco and cotton plantations on Astrolabe Bay, the overseas experienced contingent rose to 70 (43.5%) out of a total of 161 by March 1891.⁷⁷ From April 1891 to the end of 1898 NGC and its subsidiaries KWLPG and A-C employed an additional 102 staff.⁷⁸ Of this group six managers/planters came with considerable overseas experience in Sumatra or Africa.⁷⁹ Five explorers who were engaged for the Ramu expeditions could also claim previous experience in GNG or north Australia.⁸⁰ The other seven staff were doctors, technicians and traders.⁸¹ Whilst the 18 employees with overseas experience for this 8-year period represented only 18%, Wolfgang Apitzsch stated that 84 NGC personnel engaged during the period under review had no recorded work history.⁸² This is not verifiable: so, no additional allocation has been made to the category of overseas employees. The assessment of 87 (33.8%) NGC employees with overseas experience is, therefore, conservative.

Of course, tropical experience alone did not automatically translate in performance. Of the 87 'expatriates', seven completed their employment contract,⁸³ 26 extended it⁸⁴ and the balance were murdered, died from illness or were unwilling to fulfil the agreement.⁸⁵ Generally,

⁷⁵ Schellong, p. 187.

⁷⁶ Finsch, Schleinitz, Barthélemy, Hunstein, Kubary and Weißer.

⁷⁷ Director (A-C): Herrings. Sea captains: Dallmann, Dücker, Hutter, Inhülsen, Janssen, Pfeiffer, Rasch, Schneider, Weller and Sechstroh. First mate: Budde. Planters: Bolle, Baumann, Barthélemy, P. Below, Bluntschli. Brückner, Claasen, d'all Abaco, Hermes, H. Janssen, Kaathoven, Koch, Kolbe, Küchenthal, Lutz, Maschmeyer, Memminger, Pfaff, Rieck, Schmidt, Smith, White and R. Wolff. Administrators: station managers and traders: Brandeis, Claasen, Fischer, Geisler, Goedicke, Hanneken, Hermes, Herrmann, Kindt, Kraetke, Lewerentz, Marnow, Rohlack, Schleinitz, Schlenther, Schoevers, Vallender, Winter and Wissmann. Doctors: Herrmann and Frobenius. Explorers: Finsch, Grabowsky, Hunstein, Kubary, Persieh, Pfeil and Schrader. Surveyors, engineers and tradesmen: Drees, Hippel, A. Schmidt. Architect: Höppner. General hands: Gangloff and Haas.

⁷⁸ The tabulation includes personnel engaged by NGC on behalf of KWLPG and A-C (Jb [1887 to 1899], Jb A-C [1892 to 1895]; Sack & Clark [1886 to 1899]; *NKWL*, 1892, Heft i, p. 26 and 1893, Heft i, p. 22).

⁷⁹ Albers, Ettlingen and C. Hagen; Memminger and Rodatz (not from Sumatra) and Wandres.

⁸⁰ Explorers: Lauterbach, Tappenbeck, Klink, Philipp and Holst.

⁸¹ Doctors: Dempf Wolff and Wendland. Assistant administrators and traders: Ahrens, Boluminski, Faderecht and E. Schrader. Surveyor: Mende.

⁸² Apitzsch, p. 57,

⁸³ Planters/managers: E. Albers. Sea captains: P. Delffs, G. Inhülsen (short-term contract) and R. Weller. Prospector: Phillip. Doctors: O. Dempenwolff, W. Wendland and W. Frobenius (seconded to NGC by Rheinischen Mission).

⁸⁴ Sea captains: Dallmann, Sechstroh, Dücker and Schneider. Planters/merchants/assistants: Boluminski, Hunstein, von Hagen, Kubary, Lewerentz, Faderecht, Fiedler, Geisler, Hanneken, Jung, Klink, Koch, Mende, von Puttkamer, Rüdiger, Rodatz, Rohde, Schoevers, Vallender, Wandres, Wolff and Yelliot.

⁸⁵ NGC 'Dienstverträge' (employment contracts) have not been discovered. Finsch was contracted for two years, Dallmann for three. (Finsch, 'Wie ich Kaiser Wilhelms-Land erwarb', pp. 413 and 419). The standard contract period would have been the same as for board appointments, i.e. 3 years. Statute §28 later increased to 4 years. (Jb [1893/94] p.5; Sack & Clark [1893-94] p. 90). The station managers and planters engaged in Sumatra and Java for A-C entered into 5-year employment contracts. (Jb A-C, Dec. 1892, RKA 1001:2427, p. 7). The manager of KWLPG, L. Kindt, was given a 10-year contract which was dissolved after a year for breach of

resignations were due to unfulfilled expectations or sickness. Rather than finding an El Dorado people faced an overregulated administration and a malaria-infested environment.⁸⁶ Adherence to copious company procedures and the filing of reports were for many akin to catching dysentery or coming down with malaria; and all were reasons for leaving GNG.

Some regarded the tyranny of distance as a blessing: Eugen Brandeis and Stefan Kotze were two who ignored instructions from Berlin.⁸⁷ Others saw little benefit in being provided with free housing and subsidised food. Accommodation was a 'do-it-yourself task' until prefabricated barracks and houses were erected. The cost of living was regarded as too high when measured against remuneration levels. Equally, the administration often had little alternative but to dismiss personnel for anarchic behaviour, including drunkenness or plain incompetence. The majority left because of ill health, and many died.⁸⁸

From 1885 to 1898 NGC employed on average 19 new staff every year. The most active employment period was from 1886 to 1888 when on average, 29 additional staff were sent to GNG whilst an average of 12.7 left for various reasons during the same period. The highest intake was in 1887 when 36 employees arrived. It was almost reached again in 1891 when 34 – mainly Sumatran tobacco planters – were engaged to work on the Astrolabe and Jomba Plains. The mortality rate was also the highest during this period. A malaria and dysentery epidemic in Finschhafen was the chief factor in the loss of 30 European lives (15 NGC staff) during 1890–91. The only other above average European recruitments were in 1886 (26) and 1898 (22). In the latter year NGC was assured of the Reich assuming political and administrative responsibility for GNG from 1 April 1899. Under the agreement legal officers and other senior administrators were given the choice to have their employment transferred to the

contract (*Hamburgischer Correspondent*, 25 Dec. 1895, R 1001:2425, p. 62). Employment contracts with planters from the Dutch Indies were generally for 5 years (Jb A-C, Dec. 1892, p. 7, RKA 1001:2427, p. 189).

⁸⁶ Excessive administration and a plethora of regulations are argued by S. Firth, *New Guinea under the Germans*, pp. 24 and 27; S.G. Firth, 'The New Guinea Company 1885–1899: A Case of Unprofitable Imperialism', *HS.ANZ*, XV (1972) p. 362; P. Hempenstall, *Pacific Islanders under German Rule*, p.165.

⁸⁷ The 40-day turnaround of a telegram between Jaluit and Berlin was Brandeis' reason to 'do as I please, not as Berlin instructs me to do' (D. Spennemann, 'An Officer, Yes; but a Gentleman? A Biographical Sketch of Eugen Brandeis', *Pacific Studies Monograph*, 21, [1998]); Stefan von Kotze, *Aus Papuas Kulturmorgen* (p. 226) ignored paperwork to rather indulged in the excessive consumption of alcoholic beverages as a malaria prophylactic.

⁸⁸ From 1886 to 1899 the known average annual European death rate, including children, was 6.17%. Lost to a mental disturbance were Captain Hutter who jumped overboard and Barthélémy. Captain Weller died from malaria while on his home voyage. Doctors Weinland and Emmerling died from malaria. Planters Below, station manager Hunstein and clerk Hilger accidentally drowned. Administrators Arnold, Wissmann J. Weißer and Schmiele died of malaria, as did the station managers and planters Baumüller, Fademrecht, Haas, Hermes, Hippel, Koch, Lutz, Rohlack and E. Schrader; Heins and Langmaak died of influenza. Planter assistants, tradesmen and clerks Apell, Brodscheit, Claasen, Christer, Damm, Dörmann, Elske, Höltig, Jäger, Johannsen, H.J. Langmaak, Ludwig, May, Pethke, Reckwerth, Ritzer, Schlenter, E. Schrader, Schmidt, Schulle, Schulz, Steffen, Vollprecht and Wallenrodt also died of malaria. 'Natives' killed administrator Hagen and planter L. Müller and Moisy and police officer Piering and trader Haas, Hoppe and Studzinka. Botanist Hellwig, planter Wallenrodt and carpenter Horz died from dysentery. Station manager Fademrecht died shortly after completion of his contract. Captain Pfeiffer, Rasch, Möller and 2nd Officer Frankenberg were dismissed. H. Blum, Dr Diesing, Dr Frobenius, Endemann, Grabowsky, Götze, Dr Herrmann, Dr Hagen, Hippel, Hoffschläger, Dr Jentzsch, Kaathoven, Kolbe, Küchenthal, Dr Lukowicz, Dr Liese, Martin, Parkinson, Reimers, Rehn, R. Rohde, Smith, Schmitz, Dr Schlafke, Schleinitz, Schweighöfer, Tappenbeck, Traki, Weimar, Zech and Zeller, accountant Ahrens and surveyor Mende abrogated their contracts; many employees were sent home due to chronic illness or incompetence (*NKWL* [1886 to 1898]). A list of European deaths in KWL and the Bismarck Archipelago from 1887 to 1914 in M. Davies, *Public Health and Colonialism*, pp. 209–15.

government or their contract terminated. NGC was now concentrating on plantation work and trading. These aspects required personnel with different skills than government administration.

The first employees in GNG were explorers, administrators and planters, with the last making up the by far largest group. Ten German foresters and gardeners arrived in GNG in 1886 and 1887 to set up experimental gardens in the tropical environment.⁸⁹ It was Hansemann's idea to produce a supply of seeds in these gardens so that settlers could start preparing their land soon after they arrived. When NGC was unable to attract the German-Australians it had targeted, the company moved from land developer to agriculturalist. This change in business direction brought 10 new planters to GNG in 1888 and more in 1891 when A-C commenced with large-scale tobacco plantations. Whilst most of these employees came from Sumatra, Australia and German East Africa, the recent arrivals included five tobacco farmers from the Grand Duchy of Baden in southwest Germany. The 13 scientists engaged by NGC did not devote their time solely to exploration; some also attended to developing stations and administration.⁹⁰

Engineers and tradesmen were another large group recruited during the early phase. Fourteen of the 22 skilled workers employed between 1886 and 1888, nine of these recruits were carpenters, two were sailmakers and the balance a blacksmith, a fisherman and a diver.⁹¹ Save for a butcher, all nine tradesmen employed in 1890/91 and 1898 were carpenters.⁹² Surprisingly, no skilled workers were employed during the remaining 6 years. Similar to the trades, 11 of 20 engineers were employed during the first 4 years. In view of Hansemann's priority to sell agricultural land to settlers, this group included surveyors and engineers.⁹³ However, when the company moved from land developer to agriculturalist only two surveyors were recruited, with mechanics now in demand for maintaining farm equipment and saw mills.⁹⁴

Salary structure

NGC adopted many of the business processes of Disconto Gesellschaft (D-C). Salaried staff were ranked on three levels: (1) directors, administrators and senior managers (*Gehobener und höherer Dienst*); (2) lawyers, accountants and engineers (*Mittlerer Dienst*); and (3) tradesmen and clerks (*Einfacher Dienst*). Annual salaries, performance bonuses, holiday entitlements, sick leave, travel, accommodation and other expenses were included accordingly.

⁸⁹ NGC called them gardens rather than farms.

⁹⁰ Lauterbach, Hellwig, Hollrung, Schrader and Schneider were the only academically trained explorers engaged by NGC. Finsch, who was awarded an honorary doctorate, was acquiring land with Dallmann whilst exploring. Schleinitz's naval training provided him with qualifications as an explorer; however, his main job was that of administrator. Other explorers, whose main job was to establish and manage stations, were Geisler, Grabowsky, Hunstein, Kubary, Pfeil and Tappenbeck. The prospectors Klink, Philipp and Rodatz explored for gold.

⁹¹ Carpenter: Beckmann, Ebel, Elske, Großkreutz, Höppner, Ohm, A. Schmidt and Schultz. Sailmakers: Theel and Wegner. Blacksmith: Hansen. Fisherman: Wessel. Diver: Sonnemann.

⁹² Carpenters: Darboven, Giercke, Gudat, Radüchel, Reimers, Wohlauf and Yelliot. Butcher: Fiedler.

⁹³ Surveyors: Brixen, Hippel, Linnemann, Rocholl, Schneider, P. Schneider, Thiel. Engineers: Drees and retired army officer Dreger. Mining engineer: Recknagel. Mechanics: Lehmann and Ramm.

⁹⁴ Surveyors: Mende and Wernicke. Mechanics: Bergmann, Gunkel, Klepsch, Kusserow, Meier, Pioch, Poppendorf and Rähm.

It appears that the payroll journal of NGC and its subsidiaries did not survive World War II. Occasionally, the remuneration levels of senior staff are mentioned in annual reports. Budget proposals were submitted to NGC's board by management for the 1887/88 to 1894/95 financial years. Likewise, remuneration budgets for 1891/92 to 1893/94 are in A-C records.⁹⁵

Level 1 employees on an annual salary exceeding RM5,000

Senior employees of NGC were paid between RM5,000 and RM30,000 plus expenses. It was by far the largest salary range. According to the minutes of NGC board meeting of 4 April 1887, Schleinitz received a salary of RM26,813 for 1886/87. The travelling costs for his wife, four children and three staff were not shown separately nor were the cost of pension insurance.⁹⁶ Kraetke's remuneration was RM33,250 according to the 1888/89 budget. Again, it is not clear whether this was a total package or an annualised salary.⁹⁷ A provisional sum of RM20,000 was shown in the 1889/90 budget for a general manager. Presumably this budget was available for Hans Arnold, who was acting general manager from November 1889 to January 1890.⁹⁸ The annual budget allocation for Administrator Schmiele was RM30,000 and a RM1,000 provision for furniture and cutlery.⁹⁹ The next highest paid employees were Finsch (RM12,000) and Dallmann (RM8,000) who also received NGC shares to the nominal value of RM10,000.¹⁰⁰ Kindt was engaged for KWLPG on a salary package of RM12,000 p.a.¹⁰¹ The station manager for Friedrich Wilhelmshafen, Graf von Zech, received a base salary of RM8,400 plus a guaranteed annual bonus of RM3,600.¹⁰² His successor, Hugo Rüdiger, received a gross salary of RM8,500 p.a.¹⁰³ The station manager for Herbertshöhe, Richard Parkinson, was paid RM6,000 p.a. plus a fixed bonus of RM2,000 p.a.¹⁰⁴ NGC paid its warehouse managers and financial officers particularly well. Paul Gemsky, who arrived in Finschhafen in June 1886 to manage the warehouse in Finschhafen, started on RM8,000 p.a. Albert Fröhlich, manager of the central administration in Friedrich Wilhelmshafen, started on RM7,500 and received a salary rise of RM1,000 after his first year.¹⁰⁵ Station manager Johann Kubary was paid

⁹⁵ PV-NGC 4 April 1887, RKA 1001:2402, pp. 17ff, *ibid.* 9 March 1888, pp. 58 ff, *ibid.* 10 April 1889, pp. 132 ff, RKA 1001:2403, 6 April 1892, pp. 98 ff, 24 April 1893, pp. 154 ff, RKA 1001:2404, 16 March 1894, pp. 20; A-C Budgets in RKA 1001:2427, pp. 166–75, RKA 1001:2428, pp. 35–43.

⁹⁶ NGC PV-État, 4 April 1887, RKA 1001:2402, p. 11. The cost of a 1st class ticket from Amsterdam to Finschhafen was approximately RM900 in 1890 (*DKBI*, vol. 3, 1891, p. 67); from London to Cooktown the cost was £60, (Schellong, p. 186). Terms of employment including reimbursement of travel, accommodation and provision expenses were amended in the operating procedures of the 'NGC und A-C Geschäftsreglement für die Vereinigte Verwaltung im Schutzgebiet of 1896', §§19, 20, pp. 18–22, RKA 1001:2422, p.17. Senior government bureaucrats were entitled to a government pension. The government paid 5% of an annual salary into a national superannuation scheme (Schnee, ed., *Deutsches Kolonial-Lexikon*, vol. i, pp. 461–2). It is not clear whether NGC employees were insured for retirement benefits. Imperial Commissioner Rose and the imperial judges – paid for by NGC other than Hahl – were employees of the Reich and would have accrued entitlements.

⁹⁷ PV-État, 9 March 1888 (RKA 1001:2402, pp. 58ff).

⁹⁸ PV-État, 10 April 1889 (RKA 1001:2402 pp. 134ff).

⁹⁹ PV-État, 24 April 1893 (RKA 1001:2403, pp. 158ff).

¹⁰⁰ Finsch did not sell his shares immediately. He bemoaned the low price of RM400 that he was offered for the entire holding some years later (O. Finsch 'Wie ich Kaiser Wilhelms-Land erwarb', vol. ii, p. 412).

¹⁰¹ KWLPG (RKA1001:2425, pp. 62-3).

¹⁰² PV-État, 6 April 1892 (RKA 1001:2403, p. 107).

¹⁰³ PV-État, 16 March 1894 (RKA 1001:2404, p. 25).

¹⁰⁴ PV-État, 25 June 1889 (RKA 1001:2402, p. 171).

¹⁰⁵ PV-État, 29 Nov. 1886 and 24 April 1893 (RKA 1001:2402/03, pp. 4 and 160).

RM5,500 p.a. and was entitled to 10% profit-sharing.¹⁰⁶ Secretary Richard Jordan also received RM5,500 p.a. but no bonus.¹⁰⁷ Treasurer/accountant Siegfried Elias earned RM6,000 p.a.¹⁰⁸ Schmiele, in his capacity as Imperial Judge, was paid RM8,000 for first year of service with an annual increase of RM1,000 p.a. for each subsequent year.¹⁰⁹ Dr Schellong, who earned RM6,000 p.a. believed his successor, Lukowicz, was paid RM7,500 during his first year and was offered an increase of RM500 for each subsequent year.¹¹⁰ However, it seems unlikely for Hansemann to offer a 25% premium on Schellong's salary to attract a surgeon to KWL and then revert to the lower level when Lukowicz quit GNG 12 months. Wendland, who replaced Lukowicz in Friedrich Wilhelmshafen in March 1895, commenced on RM6,000 with an increase of RM500 each year.¹¹¹

A-C's directors approved the 1891/92 budget on 9 December 1892. Station managers Hanneken and Pfaff, who previously worked in Deli, were paid RM8,400 p.a. plus 10% on the net proceeds of tobacco sales. Except for the length of contract, which increased the level of remunerations, similar employment conditions would have applied to Rohlack and the more senior Puttkamer. Generally, the Sumatran recruits were on a 5-year contract whereas the terms of employment for these two NGC secondees were the standard 3-year term.¹¹² The remuneration and employment conditions for General Manager Hagen and his deputy Weydig were not identified in the accounts. Because A-C's remuneration packages were more generous than NGC's it is safe to assume that Hagen's annual salary would not have been less than RM20,000, plus living, housing and travelling expenses.

Level 2 employees on a RM3,000 to RM5,000 annual salary

A-C's annual salaries of RM3,000 to RM5,000 to its first-year plantation assistants were raised to between RM4,000 and RM7,000 thereafter.¹¹³ NGC was not quite so generous. Finsch hired Carl Hunstein for RM4,800 p.a. The assistant managers at the Finschhafen received average salaries of RM4,250,¹¹⁴ while Ludwig Kärbach was paid RM4,500 for managing the Finschhafen outstation Butaueng. Generally, the starting salary for first-year assistants was

¹⁰⁶ PV-État, 10 April 1889, p. 142. Other than Zech and Parkinson, station managers were generally on a fixed salary plus a 10% bonus paid on the net receipts of the annual sales from the station under their management. Kubary may have received a bonus while in charge of Hatzfeldthafen. Thereafter bonus payments seemed unlikely in view of the unprofitability of NGC.

¹⁰⁷ *ibid.*

¹⁰⁸ PV-État, 9 March 1888, pp. 58ff.

¹⁰⁹ *ibid.*, pp. 60-1.

¹¹⁰ Schellong, pp. 32 and 192. Lukowicz left GNG after 12 months service. Lukowicz registered as a medical practitioner in Adelaide, South Australia on 3 Dec. 1891 (Davies, p. 204).

¹¹¹ Apitzsch, p. 142. The salaries of Doctors Herrmann, Weiland, Frobenius, Emmeling, Hagge, Jentzsch and Hagen, who worked for NGC between June 1889 and Jan. 1895 could not be identified. It would be surprising if they had been paid more than Schellong. With the exception of Weiland and Emmerling, who died after 18 months service in GNG, the other surgeons abrogated their contracts after 1 year or less.

¹¹² A-C 'Vorbemerkungen zum État' (RKA 1001:2427, p. 167). It would come as a surprise if the 'veteran' Puttkamer was employed on the same terms and conditions as the other three station managers. It is possible that he received 100 shares in the A-C with a nominal value of RM50,000 on extended terms or *ex-gratia* (RKA 1001:2427, pp. 64ff).

¹¹³ The higher salary was paid to the expatriates from Sumatra.

¹¹⁴ PV-État, 6 April 1892 (RKA 1001:2403, p. 105).

RM2,400.¹¹⁵ Camillio d'all Abacco, Herr Baumann, Otto Brückner, Conrad Geppert, Eduard Kuwert, Herr Maschmeyer, R. Sucro and others would have commenced employment with NGC at the lower end of the pay scale. Remunerations increased considerably after their transfer to A-C in 1891–92. The same would have applied to Hans Rodatz who started as an assistant with the company in 1897. One year later he was promoted to lead the second Ramu expedition jointly with E. Tappenbeck. His salary would have been on a par with that of surveyors August Rocholl and Alexander von Brixen who averaged RM4,500.¹¹⁶ By the time Rodatz had become government station manager at Aitape in 1906 his salary would have increased several-fold. Setting aside the high salary of Captain Dallmann, the pay for ship captains and first mates ranged between RM3,000 and RM5,000. Captain Hutter of the barque *Florence Denver* earned RM3,465 in 1887 and Captain Rasch of SS *Ottilie* received RM4,167.¹¹⁷ In addition, ship captains and crews received free victuals, including rations of alcohol, plus a per diem payment whilst in port. The gross annual income for a captain would, therefore, range from RM5,000 on a sailing vessel to RM8,000 on a steamship.

Level 3 employees with a salary not exceeding RM3,000

Employees earning less than RM3,000 comprised tradesmen, storemen, bookkeepers, dockers, medical orderlies, police and assistant managers/overseers on minor assignments. Overseers employed by A-C were paid RM1,800–RM2,400 p.a.¹¹⁸ NGC paid these employees RM1,800 in the first year and increased their salary by RM300 annually.¹¹⁹ Blum and Kotze would have been on such a wage. Police and medical orderlies started on RM2,400 p.a. with an extra RM300 each year thereafter.¹²⁰ At the bottom of the scale were wharf labourers and deckhands. They received an annualised wage of RM600–RM840 plus board or RM75 p.a. whilst in harbour.¹²¹

Assessment

Did the employment and salary policies of NGC produce the quality of men Sir Walter Crocker regarded vital for a successful administration? The answer is not clear cut. Hansemann blamed management for much of what went wrong. Staff took ill because of alcohol abuse, settlers would not come to KWL because the infrastructure had not been set up quickly enough, food went off because of careless handling in the conditions and staff broke employment contracts because they could not cope with the frontier conditions. But rather than change his *modus operandi* and adopt a slower pace, Hansemann remained unwavering. He told Bismarck that his employees were well aware that GNG was pioneering work and that this meant hardship.¹²²

¹¹⁵ Lowly qualified assistants would start their employment with the NGC at level 3.

¹¹⁶ NGC 'Plenarversammlung', 9 March 1888, p. 61.

¹¹⁷ PV-État, 4 April 1887 (RKA 1001:402, p. 12).

¹¹⁸ A-C 'Vorbemerkungen zum État' (RKA 1001:2427, pp. 167).

¹¹⁹ PV-État, 24 April 1887 (RKA 1001:2403, p. 158); PV-État, 16 March 1894 (RKA 1001:2404, p. 41).

¹²⁰ *ibid.*

¹²¹ PV-État, 9 March 1888 (RKA 1001:2402, p. 62–3).

¹²² Hansemann to Bismarck, 2 Jan. 1886 (RKA 1001:2408, pp. 42–3).

Wedge between the Prussian judicial system and a procedure-driven NGC head office in Berlin, the Finschhafen (later Friedrich Wilhelmshafen) administration was anything but self-regulating. With the centralised management structure of the D-C imposed on the administration in GNG, Hansemann's organization on bank lines was similar to that of a government bureaucracy. Employees were numbers not individuals; filing reports and filling in statistics was seen as important as establishing infrastructure or setting up plantations. In the eyes of Hansemann NGC staff were paid well and he expected his employees to attend to all requirements without questioning the rationale of his decisions.¹²³ Hansemann's management system was an amalgam of the centralised French colonial system (so much despised by Bismarck) and the decentralised British one.¹²⁴ While the reporting structure was much less obvious in the British possessions, her colonial officers were chained to a legal system, which stymied motivation and initiative just like Hansemann's reporting system in GNG.¹²⁵ What Hansemann was not prepared to give to his NGC employees was the trading freedom characterising the old Hanse. Whereas Bismarck subscribed to a Hanseatic concept of developing German protectorates,¹²⁶ Hansemann had identified the development and the sale of land to settlers in the first paragraph of the NGC statute as the cornerstone of his model for GNG. He wanted to be more than a trader; he wanted to be a coloniser.

Bismarck's idea of running a colony with experienced businessmen was only partly met in GNG. NGC's board and its subsidiaries included bankers (Hansemann and Bleichröder), industrialists (Siemens, Henkel and Eckardstein-Prötzel) and experienced operators (Woermann and Herring),¹²⁷ but it also included retired bureaucrats, diplomats and politicians (Herzog, Russell and Hammacher). In GNG retired naval officers (Schleinitz and Rüdiger) or government lawyers seconded to NGC (Kraetke, Schmiele, Hahl and Rose) would have fitted the Bismarck criterion of inflexible and inexperienced bureaucratic managers. Even though the secondees served two masters by corresponding with the AA-KA and NGC in Berlin, Hansemann may have accepted this group of managers on the grounds of professional qualifications. Where an experienced administrator (Arnold) and businessman with colonial experience (Wißmann) were appointed, separation took place in under a year when both died. In the case of von Hagen, who had the attributes Hansemann would have looked for – retired Prussian Army officer, experienced Sumatra tobacco planter and nearly 4 years employment with A-C and NGC – the employment contract was severed by NGC. Hansemann considered the continuing underperforming tobacco plantations as the grounds for the dismissal.¹²⁸

¹²³ Finsch claimed that station managers were obliged to keep 15 different journals during the first year of operation ('Wie ich Kaiser Wilhelms-Land Erwarb', *Deutsche Monatsschrift*, 1902, p. 742).

¹²⁴ P. Decharme, *Compagnies et Sociétés Coloniales Allemandes*, p. 146.

¹²⁵ Crocker, *On Governing Colonies*, p. 121.

¹²⁶ See Chapter 1 and Chapter 3

¹²⁷ Herring was an associate director of A-C.

¹²⁸ The punitive mission that led to Hagen's murder took place 4 months before he was to leave GNG (*NKWL*, 1897, pp. 13–15).

From a shareholder's position, Hansemann was certain NGC could only be managed by enacting ordinances and regulations, with instructions issued to the administrator for maintaining visibility and accountability. It was this plethora of regulations – often impractical – that led to disillusionment and ridicule from NGC staff. For some Hansemann's paper trail was often given as the reason for resigning.¹²⁹ However, the false expectations NGC's office manager in Berlin, Hans Arnold,¹³⁰ instilled in eager applicants was probably as strong a contributor to low staff morale as was the unsuitability of the candidates for the remote environment. Clearly, management was empowered to employ staff and make decisions within the ambit of financial responsibility. That Schleinitz referred the free issue of tropical attire for Schellong's assistant to Berlin for decision is a weak excuse for not simply saying 'No'.¹³¹ Similarly, to brush off the German- Australian architect Höppner's request to receive the same daily allowance as paid to German expatriates by claiming that approval was required from Berlin showed a lack of leadership. Schleinitz was patently hiding behind Hansemann's instruction manual because he was unwilling to decide on such nebulous matters.¹³²

The difficulties NGC staff faced became clear within the first year of operation. It was not the separate issues of low wages, too much paperwork, poor housing, spoiled food, malaria and dysentery, the bachelor conditions or boredom; rather it was the amalgam of all of these factors. That Hansemann did not ever visit GNG is understandable because of both his advanced age and his responsibilities as chairman of D-C; that not one of the other NGC directors visited GNG during 14 years of company rule is inexcusable.¹³³

One of NGC's many critics, Ernst Tappenbeck, complained that 'a young lawyer was paid up to RM30,000 to work in the NGC administration while experienced planters were paid a miserly RM15,000'.¹³⁴ Tappenbeck contended that such a low salary would not even attract second-raters, let alone 'experts who would command respect in Berlin'.

Setting aside that Tappenbeck cited salaries which were far above that being paid in GNG, the differential between salary levels 1 and 3 was a cause for the high rate of attrition.¹³⁵ Even though NGC staff earned more than they would have received in Germany, the living expenses in KWL were high and the living conditions poor. Also, in GNG junior employees did not enjoy generous allowances or have access to a pension fund, were not given leave entitlement of three to four months for every three years of service, did not have first call on medical care and

¹²⁹ Schnee, *Als letzter Gouverneur in Deutsch-Ostafrika*, p. 26, observed that Hansemann tried to run GNG from Berlin as if it was a feudal estate in Brandenburg.

¹³⁰ Schellong, p. 31, n. 11.

¹³¹ *ibid.*, p. 88.

¹³² After his dismissal by Schleinitz for not working to order, Höppner sent a letter of demand for unpaid wages to the AA. The government declared impartiality and referred Höppner, who had returned to Australia, to the court in Finschhafen (10 Sep. 1886 [RKA 1001:2408, pp. 67–9]).

¹³³ The NGC office manager in Berlin, Arnold, was not a NGC director.

¹³⁴ E. Tappenbeck, *Deutsch Neuguinea*, p. 35.

¹³⁵ Blum (p. 52) estimated the rate of contracts broken by NGC staff: 30% in 1889; 20% in 1890; 54% in 1892 50% in 1893; 65% in 1894; 70% in 1895; 77% in 1896. The figures are considerably above the numbers arrived at in Table 6.1 when read in conjunction with Table 4. Blum may not have known whether employees were dismissed or left on their own accord, left GNG for health reasons, had a 2, 3 or 5-year contract. Also, Blum may not have taken into consideration that a contract started at the point of hire and finished after repatriation was completed.

were not sent on recuperation leave without losing benefits.¹³⁶ In addition, in the opinion of the low salary earners, senior managers were selected for positions because of their connections in NGC, not for their ability.¹³⁷ But senior staff was not happy either.

The wide salary gap between the ranks did not translate into contentedness among the well-paid officers. One exception to this was Schellong. The surgeon, who was only one of two officers employed in 1885/86 who served out his contract,¹³⁸ believed that staff complaints were much ado about nothing. He was happy enough with his position: 'I have plenty of medicines to last me for two years [and] with my salary of RM6,000 I am the highest paid person [in GNG]. I am in a position to buy whatever I need compared to the lower paid staff'.¹³⁹ Whilst Schellong considered the submission of a monthly medical report to Berlin an easy task, he agreed that the burdensome paperwork hopelessly overloaded the middle and lower ranks.¹⁴⁰ Commissioner W. Knappe observed the inadequacy of the foodstuffs, which 'consisted of little more than salted meat and mouldy bread'¹⁴¹. Likewise, Schellong found that canned food cost twice as much as in Germany, and was either not available or substandard.¹⁴² Tappenbeck and missionary Johann Flierl went as far as suggesting that the death of 14 NGC staff in Finschhafen in 1890/91 was caused by substandard Australian tinned meat,¹⁴³ or, as Flierl observed, through high alcohol consumption.¹⁴⁴ Whatever the cause – bad food, alcohol, sanitary conditions or other stress related factors – the European death rate at Finschhafen over 6 weeks in 1891 was a most significant set-back in the development of NGC.¹⁴⁵

Some of Schellong's successors were more strident in their criticism of NGC and Hansemann. During the first 14 years NGC contracted 16 doctors. Of these, six – Schellong, Frobenius, Wendland, Dempenwolff, Danneil and Fuhrmann – served the contracted period.¹⁴⁶ Weinland (malaria) and Emmerling (nephritis) died in March 1891 and February 1893 respectively, after less than 20 months in GNG. Hagen (malaria) and Schlafke (tuberculosis) retired from NGC because of ill health, and Hermann and Diesing left because of disagreement

¹³⁶ All of these benefits were only available to imperial judges and the Administrator. Schellong, *Alte Documente aus der Südsee*, (p. 201, n. 65) stated that NGC staff were referred to as officer without receiving the government entitlements of bureaucrats.

¹³⁷ Kotze, p. 22. Every NGC and government employee had access to free medical treatment ('Allgemeine Bestimmungen der Neu Guinea Compagnie, 1891', §10). All officers and staff were obliged to use the company's mess facilities. Food was to be purchased from the mess or company stores at cif prices, *ibid.* §11.

¹³⁸ Setting aside Finsch who was on an assignment, Dallmann was the other officer who extended his contract.

¹³⁹ Schellong, p. 32. When Schellong left GNG in 1888 he was disappointed that he had not been more effective as a doctor and healer. (O. Schellong, 'Die Neu-Guinea Malaria einst und jetzt', *Archiv für Schiffs- und Tropenhygiene* (1901) p. 303 cited in Davies, p. 28).

¹⁴⁰ Davies, pp. 31–2, and 174–5; Medical report (*NKWL*, 1886, Heft iv, pp. 128–33).

¹⁴¹ RKA 1001:2977, pp. 11–31.

¹⁴² The mark-up on food was usually 100% on the Berlin purchase price (RKA 1001:2977, p. 30; Schellong, p. 41).

¹⁴³ Tappenbeck, p. 31.

¹⁴⁴ J. Flierl, 'Die Bedeutung der Alkoholfrage für unsere Kolonien', *Zeitschrift für Kolonialpolitik und Kolonialwirtschaft*, X (1908) p. 546.

¹⁴⁵ On nutritional requirements in GNG see Davies, pp. 72–5.

¹⁴⁶ While Frobenius was employed by the *Rheinische Mission* he worked as locum for NGC in Stephansort. Danneil, Dempenwolff and Wendland renewed their contracts.

with the administrator. The reasons for the other four remaining less than 2 years is not clear; some would have stood-in on a short-term basis for other's sudden departure.¹⁴⁷

The demand for professional freedom by doctors and a confusing ruling on competency in favour of administrators and managers led to clashes. The cause for the dismissal of Dr Eugen Herrmann in the first half of 1890 is obscure. His detailed medical report in 1889 addressed the significant health problems in KWL already known in Berlin. It was a warts and all account which may not have pleased his superiors (Kraetke and then Arnold) in Finschhafen.¹⁴⁸ Subsequently or for unrelated reasons, Herrmann was ordered to pay a RM40 fine for unseemly behaviour and for displaying lack of courtesy towards the administrator. When he ignored the fine, Imperial Commissioner Rose, then also acting administrator, dismissed him.¹⁴⁹

A well-documented quarrel between Dr Ernst Diesing and the Stephansort plantation manager Friedrich Wandres led to the resignation of two officers. Diesing was concerned that Wandres was authorised to diagnose the state of health of labourers on his plantation. Diesing was even more incensed that Wandres ignored the law by using the cane on coolies to encourage them to recover speedily. The doctor informed Acting Administrator Hugo Skopnik of the station manager's illegal conduct with a request for intervention.¹⁵⁰ Wandres in turn accused the doctor of wrongly diagnosing a female coolie. He complained that Diesing was quick to 'send tobacco coolies back to Singapore for recuperation and that his incompetence was costing the company dearly'.¹⁵¹ Skopnik, who could not afford to lose either his plantation manager or doctor, advised Diesing that neither he nor Wandres were authorised to examine female workers as 'this could only be done at the instruction of the administrator'.¹⁵² In total disagreement with such ruling, the offended doctor lodged a complaint in the local court against Skopnik and Wandres. Citing mismanagement and mistreatment of workers Diesing also lodged his complaint against Friedrich Wilhelmshafen Administrator Joseph Loag and Manager Oskar Haesner. For this 'audacity', Diesing was fined RM40 and, to even out matters, Wandres was fined RM10 for showing disrespect towards the medical profession. When Wandres disregarded the charge and continued with the flogging of workers, Diesing resigned from the company, but not before taking his complaint to Judge P. Boether in Friedrich Wilhelmshafen and to NGC's directors in Berlin.¹⁵³ To make matters worse for Skopnik, Wandres' assistant planter Hans Blum supported Diesing's accusation by citing 15 transgressions by the 'upstart' Wandres, who used his authority over workers in a 'most brutal

¹⁴⁷ Lukowicz left for Australia in March 1889, only 11 months into his contract. Liese alternated as ship surgeon for NDJ on SS *Stettin* and locum at Stephansort from Sep. 1898 to April 1899.

¹⁴⁸ 'Gesundheitsverhältnisse' (NKWL, 1890, Heft i, pp. 27–38).

¹⁴⁹ There is some suggestion that Herrmann suffered from alcohol abuse; a report on his 'unseemly' behaviour has not been found. Herrmann co-authored two articles appearing in the *Soerabaja Courant* (1 Oct. 1892 and 22 Oct. 1892) on the intolerable health conditions in KWL and the ineptness of the NGC management to deal with the situation.

¹⁵⁰ H. Skopnik, a trained lawyer, joined NGC 1 Jan. 1897. He arrived in Stephansort on 1 Sep. 1897 to take up the position of Acting Administrator NGC. He was acting governor of GNG for 2 months from on 1 April 1899. After leaving GNG Skopnik became a notary public in Berlin.

¹⁵¹ Wandres to Diesing, 9 Feb. 1898, Wandres to Skopnik, 5 May 1898 (RKA 1001:2414, pp. 6 and 89–91).

¹⁵² Skopnik to Diesing, 26 May 1898 (RKA 1001:2414, p. 57ff).

¹⁵³ Diesing to Board of Directors, 25 Aug. 1898 (RKA 1001:2414, p. 38).

and perverted manner', and who 'sexually abused female workers in a degrading manner'.¹⁵⁴ Blum accused Skopnik, 'who tolerated this shameless conduct without showing the slightest concern', of misappropriating company's funds, drunkenness and personal enrichment by cutting employee's entitlements.¹⁵⁵ Hansemann instructed his Administrator to contain the quarrel 'as it will only serve the opponents of NGC who have repeatedly accused company officers of the gross ill-treatment of coolies'. The agreement with the Batavian authority prohibited flogging and a new recruitment embargo could be invoked if the matter became widely known. Hansemann was also concerned that the complaints could undo the agreement to transfer administrative responsibility to the government.¹⁵⁶

Apart from Hansemann's concerns, Skopnik had to deal with the ongoing health crisis, the demands of developing a profitable plantation industry and the accusations of a young doctor. He, like everyone else in GNG, was aware that planters hit labourers from time to time. The workers were often lethargic and behaved like obstinate children. It was customary in Germany for army cadets to be caned for disobedience, just like naughty children.¹⁵⁷ For this reason Skopnik did not admonish Wandres. Rather, he joined his manager and sued for libel. He accused Blum of being 'a blatant liar who had not done an honest day's work since arriving in the Protectorate'.¹⁵⁸ Judge Boether found in favour of the litigants. Wandres, in the judge's opinion, did no more than 'strike a recalcitrant, lazy and dirty Chinese with a twig a couple of times'.¹⁵⁹ He fined Blum RM80 for insolence towards a senior officer of NGC.

As farcical as this episode was, it highlighted the tension that existed between NGC staff at all levels. A young medical officer was unsuited and unprepared to work to the unwritten rules prevalent in a colony, any colony; an inexperienced assistant planter left because he wanted to take senior management to task and lost. The highly structured administrative and judicial process NGC had implemented was dysfunctional. The legal and procedural demands on the administration, NGC's commercial interests and the ethical conduct by a medical practitioner were at odds. A doctor could examine a recruit but he could not decide whether he was fit to work; this rested with the NGC station manager.¹⁶⁰ The uncontrolled outburst of two junior employees demonstrated inexperience and stress. It may have been as a result of their state of health, overuse of alcohol, a poor diet or monotonous social intercourse. No doubt it would also have been because of concern for the local and coolie populations. What showed here was the lack of leadership and that complex rules and minutely prescribed procedures were not conducive to successful colonisation. After handing over administrative responsibility to the government, NGC concentrated solely on its commercial ventures. Ethics aside,

¹⁵⁴ Blum to Hohenlohe, 9 Feb. 1899 (RKA 1001:2414, p. 78ff).

¹⁵⁵ *ibid.*

¹⁵⁶ Hansemann to Skopnik, 16 Oct. 1898 (RKA 1001:2414 pp. 49 and 50).

¹⁵⁷ On labour discipline in GNG see P. Hempenstall, *Pacific Islanders under German Rule*, p.166, S. Firth, *New Guinea under the Germans*, pp. 109–10 and 120, H.J. Hiery, *The Neglected War*, pp. 3–6.

¹⁵⁸ Wandres, 16 Dec. 1898 (RKA 1001:2414, pp. 104–6).

¹⁵⁹ Skopnik to Hansemann, 3 Aug. 1898 (RKA 1001:2414, p. 51).

¹⁶⁰ 'Verordnung betreffend die gesundheitliche Controlle der im Schutzgebiet der Neu Guinea Compagnie als Arbeiter angeworbenen Eingeborenen, 18 Oct. 1890' (RKA 1001:2301, pp. 79–82).

Hansemann now saw the value of Wandres in his ability to recruit coolies for the Stephansort plantation. Because of 'the good relations the plantation manager entertained with both the Batavian and Straits governments, the accusations against him must have been groundless', he informed the AA-KA in February 1899.¹⁶¹ When the government assumed administrative control of GNG on 1 April 1899 Wandres became police commissioner in Stephansort.¹⁶²

Despite many complaints, NGC was competitive in its remuneration policy. Java was the benchmark and experienced planters would not have transferred to GNG if the pay discrepancy was as large as Tappenbeck had suggested. When Schellong claimed that he would have extended his contract on the condition of a sabbatical in Australia (at half his GNG salary) provided he received a 100% salary increase (RM6,000), it probably reflected a herd mentality by NGC staff.¹⁶³ As the comparison in Tables 6.2 and 6.3 shows salaries for NGC staff and officers of the BNG administration were at similar levels.¹⁶⁴ The notable exceptions were the judiciary, government secretaries and seamen.¹⁶⁵ Here, the BNG was more generous. Medical officers were paid a higher salary in GNG.

Table 6.2 Annual salaries for officers and staff of the NGC in 1888 (1£ = RM20).

Position	Annual salary (£)	Housing	Travel allowance (per diem)		Other allowances (£/s/d)
			land	sea	
Chief administrator	1,500	Free	16	8	50 0 0
Imperial chancellor	750–1,000	Free	12	6	15 0 0
Imperial judges	500–750	Free	8	4	15 0 0
Medical officer	300–500	Free	8	4	9 0 0
Station manager	300–500	Free	8	4	9 0 0
Engineer	250–300	Free	4	3	9 0 0
Captain of a steamship	400–250	n.a.	n.a.	n.a.	n.a.
Master of a sailing vessel	180–250	n.a.	n.a.	n.a.	n.a.
Tradesman	110–150	Free	n.a.	1	0 4 6
Seaman	15–36	n.a.	4	n.a.	0 4 6
Clerk, Orderly	30–42	Free	4	1	0 4 6

*Land and coastal travel in KWL or BA. The allowance was also paid during sick leave (RKA 1001:2422, pp. 19ff).

**Travel within and outside GNG. Food and beverages are included in passenger fares.

***Until 1888 servants and furniture were supplied by NGC in lieu of an allowance.

Table 6.3 Annual salaries and entitlements for officers and staff in BNG 1890–1897.*

Position	Base Salary (£)	Allowance (£)	Housing & Servants
Lieutenant-Governor	1,500	200	Free + Servant
Government secretary	500	200	Free + Servant
Private secretary	300	Nil	Free
Chief judicial officer	1,000	200	Free + Servant
Resident magistrate	500–300	50	Free + Servant
Medical officer	300	50	Free
Master <i>Merrie England</i>	300	Victuals/Uniform	n.a.
Chief Engineer	252	Victuals/Uniform	n.a.
Seaman	84	Victuals/Uniform	n.a.
Commandant	250	20 plus Uniform	Free
Government agent	250	20	Free
Storekeeper	150	10	Free

*AR-BNG, 1890, p. 15; 1897, pp. 40–1.

¹⁶¹ Hansemann to AA-KA 27 Feb. 1899 (RKA 1001:2414, p. 145).

¹⁶² Wandres used his contacts in China to set up as independent trader in Hong Kong in 1908.

¹⁶³ After 18 months in GNG Schellong (p. 142, fn. 53) believed that the NGC wage policy was the root cause for staff disaffection.

¹⁶⁴ Travelling allowances and benefits are difficult to discern in the BNG accounts.

¹⁶⁵ Schellong (p. 100) observed that the low wages paid to seamen led to jumping ship in the Australian ports.

Peter Biskup's argument that NGC staff earned between DM2,000 and DM9,000 per month is manifestly incorrect.¹⁶⁶ In 1903 remuneration packages for employees of the British and German administrations remained aligned. As can be seen in Tables 6.4 and 6.5 German officers benefited from the payment of a colonial allowance, while Australian officers, who made up the vast majority in BNG, benefited from working closer to home.

Table 6.4 Government salaries and allowances in GNG – 1910 (£1 = RM20)

Position	Base Salary (£)	Allowance (£)	Salary increase after 3 years (£)	Housing & Servants
Governor*	900–1200	600	n.a.	Free + Servant
Imperial judge	315–465	300	30	Free + Servant
Judges	210–360	270	25	Free + Servant
Magistrates	155–360	235	25	Free
Medical officer	150–360	235	25	Free
Station manager	165–300	180	20	Free
Engineers/surveyor	135–240	165	20	Free
Tradesmen and teacher	90–165	165	20	Free
Assistant manager	90–165	165	20	Free
Policemen, clerks, etc.	70–105	120	15	Free

* Schnee, (1920) vol. I, pp. 458–62; Imperial government Treasury, 'Draft of Budget, 1915'(NAA, Canberra, AA G2 and F255, 1914 Budget Papers, p. 3).

**The Governor was also entitled an Entertainment Allowance of £300 p.a.

Peter Hempenstall, like Firth, suggested that 'the [German] colony was soon overrun by an army of officials trying to administer numerous impractical regulations'.¹⁶⁷ Evidently this line is taken from Tappenbeck who asserted that 'Finschhafen was never more than a meeting place for an army of officers (*Heer von Beamten*), who had nothing better to do than produce paperwork for the administration'.¹⁶⁸ Or from E. Hensheim who recalled in 1888 that 'the initial enthusiasm and energy of all of the employees has given way to such dissatisfaction that the change of name suggested some time ago from Finschhafen to *Schimpfhafen* (Whinge Harbour) seems fully justified'.¹⁶⁹ The avid critics of NGC, and particularly of Hansemann, were not alone. In 1889 *DKZ* condemned NGC for employing too many officers, which it believed was not warranted for the six stations under its management.¹⁷⁰ Considering that NGC was responsible for government administration, infrastructure and plantation development until 31 March 1899, the 51 land-based personnel the company employed on average for this period was, if anything, low.¹⁷¹ No reliable data on NGC staff movement are available after 1 April 1899. The company averaged 71 staff – peaking at 83 in 1912/13 – over its entire 28-year period in GNG. The average yearly NGC workforce for the same period was 2,386 Melanesian, Papuans, Chinese and Javanese. The ratio of NGC staff to workers was 1:34, very high by

¹⁶⁶ B. Jinks, P. Biskup & H. Nelson, eds., *Readings in New Guinea History*, p. 90. Biskup would have confused *Deutschmark* (DM) with *Reichsmark* (RM) and took the annual as monthly salaries.

¹⁶⁷ Hempenstall, p. 165.

¹⁶⁸ Tappenbeck, p. 31.

¹⁶⁹ P.G. Sack & D. Clark, *Eduard Hensheim South Sea Merchant*, p. 200. Hansemann's adversary, E. Hensheim, called the company's administration a farce and sought for government intervention in GNG (*Die Neu Guinea Compagnie in Kaiser Wilhelmsland und im Bismarck-Archipel*, p. 17). See Schellong, p. 31.

¹⁷⁰ *DKZ*, vol. 2, 1889, p. 13.

¹⁷¹ This assessment is consistent with J. Spidle's statement: the German colonial administration [in Africa] was surprisingly lean because of a dearth in funds and qualified personnel Organization (J.W. Spidle, 'The German Colonial Civil Service: Organization, Selection and Training', PhD [Stanford, 1972] pp. 115-16).

contemporary standards. No comparable figures are available for BNG and Papua where the average numbers of government staff from 1888 to 1914 were 53 personnel in administration, 34 in justice, 2 in medical and 16 technical, harbour and marine staff; the average workforce for the same period was 2,867 Papuans.¹⁷² This compares to GNG's 30 in administration and justice, 12 medical and 45 technical and port staff: the average workforce for the same period was 5,188 labourers.¹⁷³ All that can be said on this comparison is that Germany's southerly neighbour managed a much lower number of labourers with fewer medical and technical staff.

Table 6.5 Salaries and entitlements for officers and staff in Papua – 1910.

Position	Annual Salary (£)	Allowance (£)	Housing & servants (£)
Lieutenant-Governor	1,250	200	Free
Chief judicial officer	1,000	200	Free
Deputy chief judicial officer	800	225	Free
Government secretary	700	50	Free
Private secretary	225	Nil	Free
Treasurer	450	50	Free
Resident magistrate	350–450	20	Free
Government surveyor	400–425	20	Free
Chief Medical officer	425	20	Free
Commandant	300	Uniform + 20	Free
2nd Clerk	175	6	n.a.

*AR-Papua, 1910, pp. 46–51 and 132–37

To return to Crocker, NGC did not fail in attracting many good men. Nor did it fail to pay appropriate salaries, provide medical care for its staff or endeavour to set reasonable living standards. Where NGC failed was in the management of its staff. Hansemann and his directors came across as uncaring, procedure-driven bureaucrats. When the administrator's office produced 10-fold sets of instructions on how to address superior officers and who could sit at whose table at dinner, it is no wonder that Schellong noted in his diary that valuable men like Drees, Elle and Grabowsky would leave GNG as soon as they had saved enough money for the return fare: 'the rapport between senior management and the company's employees was not congenial' and directors would be well advised 'to devote more time in keeping their capable staff', he observed.¹⁷⁴ Complaints by employees concerning dishonoured employment contracts were not dealt with properly by the administrator and criticisms relating to living and salary conditions were ignored by Berlin. Rightly or wrongly, Hansemann was perceived by NGC staff as an uncaring land speculator who wanted to make a quick profit at their expense.

The next chapter deals with the scientific and commercial expeditions in GNG. The results of these investigations were to form the basis for the development of Hansemann's New Guinea. Following Finsch's return to Germany he sent eminent scientists to explore KWL. When the economic development of GNG did not progress, as he had hoped, the luxury of scientific expeditions was discontinued in favour of commercial exploration.

¹⁷² Until 1902 indentured labour in BNG was predominantly employed in the goldfields. The number of casual labourers is not known. See Table 2 and 5.

¹⁷³ Table 1 and 4.

¹⁷⁴ One copy for each station, one for the expedition leaders, one for Berlin and the master file (Schellong, p. 138).

CHAPTER 7

EXPEDITIONS IN GERMAN NEW GUINEA AND AN ILL-FATED ADVENTURE

The first German scientific expedition arrived in Finschhafen on 19 April 1886. The leader of the party was the North Pole explorer and astronomer Dr Carl Schrader who was supported by the botanist and agriculturist Dr Max Hollrung and the geologist Dr Carl Schneider.¹ Planned since June 1885, Hansemann commissioned the scientists to explore the German possession on mainland New Guinea 'in a manner, which was to benefit the territorial expansion of the Compagnie'.² While Hansemann advised the government that this expedition was not set up 'specifically for [economic] explorations, which must be left for a later date', he told his staff that they must become 'acquainted with the languages, customs and cultures of the natives' if NGC was to become a successful economic enterprise.³ During the course of the first 2 years, the scientists were to proceed as far as possible inland towards the British border and return to the coast by a different route.⁴

Schrader's party was equipped with instruments to enable all manner of scientific investigations. Apart from scientific research, the explorers' brief was to examine tree and plant species on their suitability for house, furniture, and shipbuilding materials. Tree sap was to be analysed for gutta-percha, copal and camphor, and the biochemical properties of tannic acid and organic pigments such as indigo measured. The value of staple and fatty substances in coco, sago and other palm genera were to be assessed. Mapping out his new Protectorate from Berlin, Hansemann wanted to know whether the tropical condition of GNG was suitable for European livestock and poultry. He also hoped that native animal species would be discovered for domestication as a secure supply of fresh milk, butter, meat and pork was regarded by him as being of equal importance as finding suitable draught animals. In addition to economic discoveries of valuable minerals, he instructed his scientists to look for hard coal for the company's ships and the fleet of the *Reichsmarine* on this expedition.⁵ As a rule, specimens were to be classified, numbered, tagged and catalogued. Schrader and his fellow explorers had to photograph the locations, and map and document the elevations and general environments of their discoveries.⁶ Hansemann insisted that all journal entries were executed in duplicate, with a copy to be left in safekeeping at the camp or the station during daily excursions. Hansemann demanded from Schrader, Hollrung or Schneider a detailed report on

¹ *NKWL*, 1886, Heft i, p. 5.

² Hansemann to Bismarck, 2 Jan. 1886 (RKA 1001:2408, pp. 42–3).

³ RKA 1001:2408, pp. 30–7, 'Instruction für den Landeshauptmann', §14, pp. 9–10.

⁴ 'Instruction für die wissenschaftliche Forschungsexpedition', §2, pp. 1–3; *NKWL*, 1886, Heft i, pp. 4–6.

⁵ 'Instruction für den Landeshauptmann', §19, p. 14; 'Instruction für die wissenschaftliche Forschungsexpedition', §§2, 8, pp. 1 and 7.

⁶ *ibid.* §§11, 12, p. 11.

each investigation in their respective field of expertise, with classifications on each discovery they considered economically valuable.⁷

The Schrader and Schleinitz expeditions

The explorers quickly learnt that the British/Dutch border in the southwest corner of GNG could not be reached under the conditions. The topography required a considerably greater number of coolies than the 10 Chinese carriers they had hired in Cooktown. Used to the arid conditions the Australian gold miners worked under, the Chinese had to be replaced by local people after barely coping with a 15 km march in the rain forest around Finschhafen.⁸ The carriers required for the extensive investigations envisaged by Hansemann could not be found in the sparsely populated area around Finschhafen and the few recruits who signed up were not prepared to journey beyond their village boundary.⁹ The Schrader team decided therefore to abandon the exploration of the interior of GNG and to investigate the coastal mainland region and some islands in the archipelago to assist in establishing the first NGC stations.¹⁰

From June 1886 to November 1887 Schrader's group investigated approximately 660 km of the serrated north coast of KWL.¹¹ Land expeditions started around Finschhafen with a 700 m climb of Sattelberg. Over the 18 months the explorers reached the foothills of the Torricelli Range, northwest of the Sepik River (*Kaiserin Augusta-Fluß*). Although the coast was hardly ever more than 25 km away, they travelled the Ramu River (*Ottilie Fluß*) for some 100 km and the Sepik River for more than 500 km.¹² In the Bismarck Archipelago, the group investigated the Purdy Islands for guano and paid the Duke of York Group and Gazelle Peninsula a cursory visit. With many discoveries of rivers, creeks, mountains and islands plotted on the scientists' expanding map, Hollrung commented on the many coastal inlets which he considered 'ideally suited for harbours'. From the British border in the south to immediately north of Hatzfeldthafen, almost 80% of the topography was mountainous. 'It is not easy to make geological sense from the chaos of ridges', Hollrung wrote in his diary, 'the peaks are arranged in stage-like settings, where the scene-shifter is moving the themes into one another, or arranging it in a dendrite structure, or where the mountains are lined up like the teeth of a comb'.¹³ Only the Finisterre Range – called *mána-bórró* (very high mountains) by the local people – stood out from this cluster. The deep escarpments of the range defined the

⁷ *ibid.* §§8, 18, p. 7–9, pp. 13–14.

⁸ O. Schellong wrote in *Alte Dokumente aus der Südsee* (p. 44) 'Even if we could have made 20 of our 28 Malays available ... because of the density of the jungle such number of carriers would still have been totally insufficient' (*NKWL*, 1886, Heft. iii, pp. 84 and 87–8).

⁹ *ibid.*, 1886, Heft iii, p. 84 and 88; Hollrung estimated a village parameter – where the same language was spoken – to be 15 km, *ibid.*, 1888, Heft iv, p. 228; Jb (1887) p. 5; P.G. Sack & D. Clark (1886–87) pp. 6–7.

¹⁰ *NKWL*, 1888, p. 119.

¹¹ The *Deutsche Kolonialatlas* states the length of the north coast (incorrectly) at 800 km, Deutsche Kolonial Gesellschaft, *Deutscher Kolonialatlas mit illustriertem Jahrbuch*, 1905.

¹² Schneider and Schleinitz were the first Europeans to travel the *Ottilie-Fluß* on the SS *Ottilie* for the short distance of 13 km in mid Nov. 1886 (*NKWL*, 1887, Heft ii, pp. 54–5 and 1888, Heft iv, p. 190).

¹³ *NKWL*, 1888, Heft iv, p. 188.

Maclay Coast before the mountains ended abruptly in the north, while merging with the Rawlinson Range in the south.¹⁴

Captain Dallmann on SS *Samoa*, Dr Schellong, Mentzel and Hunstein advanced 41 nautical miles on the Sepik River in April 1886 to gather geographical and hydrographical information.¹⁵ A follow-up expedition left Finschhafen on 24 July 1886 under the leadership of Administrator Georg von Schleinitz. This time the party, including the recently appointed imperial commissioner for the Marshall Islands, Wilhelm Knappe, Schrader, Hollrung and Hunstein, travelled in style. The steamer *Ottillie* had just arrived in GNG and provided the best in cabin accommodation. Accompanied by a steam launch for shallow waters, Schleinitz instructed Captain Rasch to take the vessel approximately 300 nautical miles upstream, where the river still flowed 300–400 m wide.¹⁶ Intent of discovering the source of the river, Schleinitz navigated the steam launch through the shallower waters to reach a point some 100 km from the British border. After 60 hours of steaming time on what had by now turned into a foaming rapid, Schleinitz decided to return to the *Ottillie* and continue investigating elsewhere. The ‘gentlemen’s outing’ ended suddenly, however, as not enough coal had been bunkered for the return journey to Finschhafen let alone carry on with the work on the river. It required all hands on deck to make wood for the boiler before the journey could continue. And then it was not without bottoming the ship on the mud banks of the Sepik several times before the outing ended in Finschhafen on 13 August 1886.¹⁷

Notwithstanding the mishaps, Schleinitz concluded that the Upper Sepik had enormous economic potential: ‘as soon as suitable labour is available’, read his report to Berlin, ‘I intend to set up a station at a point where the river leaves the mountain to open out onto a wide plain’.¹⁸ A new mission would then be set up to collect hydrographical data and assess the agricultural potential of the river flats. Schrader agreed with Schleinitz but expanded in his report on the ‘numerous, unusually large villages which consisted of 100 houses or more’. To withstand the regular floods and the strong currents of the river, the houses were built on much stronger piers than previously seen. Within the vicinity of the villages, Schrader noticed coconut palms as far as the eye could see. Apart from the economic potential of the nut, he surmised that ‘the many hundreds of thousands of square kilometres overgrown with sugar cane would probably be a terrain most suitable for cattle breeding ventures’. Schrader found the local people, whom he believed had never seen a white man before, shy if not hostile. Where contact could be made, the local tribes offered spears decorated with human vertebrae, pottery, tobacco and other trinkets in exchange for cloth, bottles, [glass] pearls and, in the

¹⁴ *ibid.*

¹⁵ *NKWL*, 1886, Heft ii, pp. 67–9; see Schellong, p. 57.

¹⁶ *NKWL*, 1886, p. 126 and 1888, Heft iv, p. 190–91. It is probable that the observation was in reference to the watershed of the Horden and Sepik Rivers; the Sepik River receives 12 major tributaries from 141° 50’ E. long.

¹⁷ *NKWL*, 1886, Heft. iv, pp. 124–5.

¹⁸ *NKWL*, 1886, Heft iv, p. 126.

upper Sepik, shells. 'We also managed to barter for some human skulls', Schrader commented with apparent satisfaction.¹⁹

Hollrung recorded the vegetation of swamp cypress, coir and wild sugarcane. He observed substantial forests in the mountainous area of the Upper Sepik, 'which will prove ideal for building material' and discovered two species of 'Garcinia Morella which produces the highest quality gamboge or gum resin'. As regards agriculture, he advised Schleinitz that the river flats on the Upper Sepik were ideally suited for plantations, 'whereas the lower region may prove to be too flood prone and would require further assessment before proceeding'.²⁰

The third Sepik expedition departed from Finschhafen on 24 June 1887. This time Schrader, Hollrung, Schneider and Hunstein were supported by seaman Faßholz, 12 Malays and four Melanesians.²¹ The party reached the foothills of the Hunstein Range, some 240 km upstream, by mid August.²² Setting up camp north of a large village called Malu, they saw huts built from local timber with a roof of huge palm leaves, in keeping with local tradition. The party procured food locally; supplies, the mail and instructions from Schleinitz arrived once a month by steamer.

Schrader reported that relations with the villagers were friendly to begin with but became hostile with the occurrence of ever-increasing thieving. Because of this and the demanding terrain the expedition worked within a radius of 8 km from the camp.²³ Apart from conducting research in their respective fields, the scientists evaluated locations for future tobacco plantations, which ranked high on Hansemann's agenda.²⁴ In all, investigations in this remote area had lasted for about 5 weeks when Schleinitz ordered the group to move 13 km downstream and continue the work they had abandoned in 1886.²⁵

Hollrung dealt with the topography and vegetation whereas Schrader and Schneider concentrated on the hydrological and meteorological data. Hollrung recommended the setting up of a small, mobile lumber mill as soon as practicable in order to exploit the immense timber resource along the river and further inland. He believed 'the felling and processing of timber along the *Augusta-Fluß* to be relatively straight forward and the transportation of the logs on the river not overly difficult.'²⁶ In light of the rich soil and moderate climate the expedition assessed the river plains as generally suitable for setting up plantations. Their only concern was a substantial rising of the river, indicated by the flood marks on the trees.²⁷

Schrader left for the Purdy Islands on 7 November 1887 where the primary task was to prove-up phosphate minerals. Notwithstanding a high concentration in nitrogen, phosphoric

¹⁹ *ibid.*, p. 127.

²⁰ *ibid.*, p. 128.

²¹ *NKWL*, 1887, Heft iv, pp. 152.

²² A. Hahl, 'Deutsch-Neuguinea und die ersten Jahre seiner Verwaltung' (*DKZ*, 46 [1934] p. 263).

²³ *NKWL*, 1887, Heft iv, pp. 153.

²⁴ *ibid.*

²⁵ *NKWL* 1888, Heft i, p. 23. With the arrival of Schleinitz, Schrader and his colleagues received instructions from the Administrator, not directly from Berlin (S. Firth, *New Guinea under the Germans*, p. 162; P.J. Hempenstall, *Pacific Islanders under German Rule*, p. 172).

²⁶ *NKWL*, 1887, Heft i, 23–8.

²⁷ *ibid.*

acid and potash they determined the guano discoveries made by Schneider and Schleinitz some 12 months earlier were not commercial as it only appeared in thin layers.²⁸ Phosphate apatite was, however, found in abundance. As one of the last tasks before returning to Germany, the explorers took probes on all four islands of the group for assaying in Germany. The probes proved to contain 'the highest concentration of carbonate-apatite', according to Hollrung, 'and were therefore the most valuable phosphate discovered to date'.²⁹

Hollrung turned down an attractive annual salary of RM6,000 plus a performance bonus to stay on as plantation manager.³⁰ He found the availability of suitable labour his greatest impediment. Language and culture, he observed, meant the local workers would not move outside the security of their village environment, if indeed they could be hired at all. The situation with coolies, according to him, was different but equally bad. 'They would not work for the white man'. Rather, Hollrung believed that they will 'with a high degree of certainly control commerce and trade, slowly and surely, just like they have done in Java, Borneo, the Philippines and in California'.³¹ Hollrung left for Germany a month before Schrader and Schneider in November 1897.³²

If, as Blum suggested, the expeditions did not fulfil expectations, the reasons may be found in the unrealistic objectives set by Hansemann, not the achievements per se.³³ The decision by Schrader to stick to the coast in order to first get a feel for the difficulties of the terrain was good judgement, no matter what the qualities of the carriers. Strenuous mountain climbing in a hostile environment would have been high risk. It may have satisfied the 'need to know' of the geographers; however, it would not have addressed the economic opportunities of GNG which, for some time to come, were restricted to the coastal region.

For the benefit of the wider scientific community, Hollrung's extensive collection of flora specimens became the subject of careful scientific study by the *Königliche Botanische Museum* in Berlin, while NGC regarded his catalogue as a valuable indicator for future commercial exploitation of the New Guinea flora.³⁴ The Hollrung glossary on languages and dialects of the tribes around Hatzfeldhafen was not as extensive as the words, songs and rhymes collated by Schellong on the Jabbim people. Both contributed to better communication,

²⁸ NKWL, 1887, Heft ii, pp. 57–8.

²⁹ NKWL, 1888, Heft iv, pp. 238–41.

³⁰ NGC 'Plenarversammlung', 18 Oct. 1887 (RKA 1001:2409, p. 30).

³¹ NKWL, 1888, Heft iv, pp. 236–7.

³² NKWL, Heft i, p.17.

³³ H. Blum, *Neu Guinea und der Bismarck Archipel*, pp. 193–4.

³⁴ M. Hollrung, & K. Schumann, 'Die Flora von Kaiser Wilhelms Land', *Beiheft NKWL* (1889); M. Hollrung, 'Bericht über Wissenschaftliche Expeditionen in Kaiser Wilhelmsland' (NKWL, 1887, Heft v, pp. 178–96, Heft iv, pp. 183–237; Jb [1889] p. 6; Sack & Clark [1889–89] p. 41).

where Schellong's contact with the Jabbims was of particular importance as they soon proved to be the most resilient, hard-working indigenous people in all of GNG.³⁵

Schneider accompanied Schleinitz on other surveys along the north coast of the mainland and into the Bismarck Archipelago.³⁶ They were often assisted by surveyor Max Dreger's cartography who prepared many of the early maps on GNG.³⁷ In October 1886 Schleinitz sent a cryptic telegram to Hansemann: 'surveyed the Huon Gulf, many harbours, found gold'.³⁸ This message raised false expectations in the Berlin head office of NGC. The 'nugget' found on the Markham River was sent to Berlin for analysis. It proved to be fool's gold (pyrites).³⁹ Generally, all samples collected were examined by the *Preußische Geologische Landesanstalt* in Berlin and where they were left for safe-keeping.⁴⁰

Schneider's and Schrader's geographical and hydrographical reports led to the drawing of charts which laid the foundation for a more defined geography of GNG.⁴¹ For instance, the seismological instruments set up by Schrader allowed a detailed analysis of the Ritter Island volcano incident.⁴² The weather stations at Finschhafen, Constantinhafen and Hatzfeldthafen would provide direction for future agricultural management, as were the numerous weather recordings taken along the seaboard and on the Ramu and Sepik Rivers.⁴³ Schrader recorded temperatures on the coast at (19°–35°C) and calculated an annual mean temperature of 26°C. At 1000 m altitude the temperature was 14°C. The weather pattern differed on the west coast of Finschhafen compared to the east coast of Hatzfeldthafen. From December to April precipitation in Finschhafen was less than 20% of the annual total, whilst from Constantinhafen to Hatzfeldthafen it measured more than 60%. From June to September the pattern was the

³⁵ *NKWL*, 1887, Heft iii, pp. 85–87. Schellong, pp. 129–32. The first lexicon on New Guinean languages was written by E. Sachau in Berlin *NKWL*, 1886, Heft iii, p. 80. H. Zöller compiled an 8,000 word glossary on 24 languages spoken in KWL, Bismarck Archipelago, Solomon and Admiralty Islands; *NKWL*, 1890, Heft ii, pp. 97–8. See O. Dempenwolff, 'Beiträge zur Kenntnis der Sprache von Neu Guinea', *Seminar für Orientalische Sprachen* (1905) pp. 182–254; O. Dempenwolff, 'Beiträge zur Kenntnis der Sprache von Bilibili', *Seminar für Orientalische Sprachen* (1909) pp. 221–61; O. Dempenwolff, 'Musikalischetonhöhen, Ein Problem für Papuasprachen', *Zeitschrift für Kolonialsprachen* (1912) pp. 327–30; O. Dempenwolff, 'Die Lautensprechungen der Indonesischen Lippenlaute in einigen anderen Austronesischen Südseesprachen', *Zeitschrift für Kolonialsprachen*, 2 (1920) pp. 1–96.

³⁶ Apart from the Sepik, Schneider participated in the Huon Gulf Expedition from, 7 to 13 Oct. and 1–9 Dec. 1886; *NKWL* 1887, Heft i, pp. 5–26, Heft v, pp. 164–78; Fortification Point to *Kaiserin Augusta-Fluß*; Purdy Islands, Mioko, Matupi in the Bismarck Archipelago, 01 to 19 Nov. 1886, *ibid.*, 1887, Heft ii, pp. 32ff; north and south coast of New Britain, 17 Sep.–17 Oct. and 10–19 Dec. 1887, *ibid.*, 1888, Heft i, pp. 34–41.

³⁷ *NKWL*, 1887, Heft i, pp. 20–2 and 26; Heft ii, p. 50 and 57; Heft iv, pp. 164–77.

³⁸ *NKWL*, 1886, Heft iv, p. 128.

³⁹ *Jb* (1887) p. 15; Sack & Clark (1886–87) p. 15, Schellong, p. 114, fn. 42

⁴⁰ Rock phosphor was analysed by Professor Märker of the Landwirtschaftliche Zentralverein in Halle Saxony. Schneider's publications included 'Geologische Berichte über die Bucht von Finschhafen', *ibid.*, 1886, Heft iii, pp. 84–7, 'Forschungstouren im Umkreis der Station Konstantinhafen', *ibid.*, 1887, Heft iv, pp. 144–8; 'Nordküste von Neu-Guinea' (*DKBI*, 1890, pp. 70–1).

⁴¹ *NKWL*, 1887, Heft i; pp. 27–8; *Jb* (1888) pp. 4–5; Sack & Clark (1887–88) p. 25.

⁴² *ibid.*, 1888, Heft ii, pp. 76–9. Ritter Island, known as *Vulkan Insel*, is not to be confused with *Vulkan-Insel* north of Legoarant Island. The phreatic eruption on 13 March 1888 led to the collapse of approximately 640 vertical metres of the volcano. The subsequent tsunami caused wave heights between 8 and 15 m. It caused destruction on the north coast of mainland New Guinea and on the southwest promontory of New Britain. *ibid.*, 1889, Heft ii, p. 81 and 83. S.N. Ward & S. Day. 'Ritter, Island Volcano - Lateral Collapse and the Tsunami of 1888', *Geographical Journal International* (154 [2003] pp. 891–902) claimed that roughly 5 km³ collapsed into the sea, and that the event was the largest collapse of an island volcano recorded.

⁴³ *NKWL*, 1886, Heft iii, p. 84.

reverse.⁴⁴ The highest average rainfall in KWL was recorded in the foothills of the Finisterre Range.⁴⁵

In Berlin Hansemann gave the anthropological artefacts collected by Schrader, Hollrung and Schneider to the *Königliche Museum für Völkerkunde* and handed the zoological specimens to the *Königliches Zoologisches Museum*. Hansemann kept some of the objects while selling others to museums or private collectors. Hollrung summed up the explorers' view in the 1888 edition of the company's publication: 'with greater certainty than Admiral Moresby could predict from the deck of his ship, the north coast of New Guinea can become another Java', with the prevailing southeast and northwest sea breeze making the climate of KWL particularly European friendly.⁴⁶ Such assessment may have been a reflection on the good health the three explorers enjoyed during their 20 months in GNG. It was a view, however, not shared by anyone living in Finschhafen. Here, they found the miasmatic air as the cause of rampant malaria infections. If Hollrung's view influenced Hansemann in his decision to set up extensive tobacco plantations on Astrolabe Plain 3 years later, it was costly advice indeed. The steady breeze the explorer was referring to was evidently not strong enough to keep away the malaria-carrying mosquitoes that caused so much death, despair and financial loss.

Schleinitz made substantial corrections to the British Admiralty charts of the north coast of New Guinea and the Bismarck Archipelago. A retired vice-admiral of the *Reichsmarine* and an expert in hydrography, he worked onboard the steamships *Samoa*, *Otilie* and *Ysabel* to survey and chart the Huon Gulf, the coastline from Cape Cretin to the Legorant Islands and the sea around islands west of Dampier Strait.⁴⁷ Schleinitz used the 'dead-reckoning' method of course–speed–time combined with trigonometrical readings taken from mountain ranges, rivers and other onshore topographical appearances to draw his charts. Notwithstanding the difficulties of keeping the vessels at a constant speed and working with unreliable ship compasses, Schleinitz claimed that his charts were accurate and that considerable discrepancies in the British Admiralty charts were now corrected. His claim to accuracy was based on a reliance on the exact position of the land beacons defined by Schrader and his repetition of soundings until the data was repeated consistently. Schleinitz varied this slow and tedious work with the survey of a number of reefs on the otherwise steep coast of the mainland.⁴⁸ Contradicting Finsch's observation, Schleinitz claimed that navigation along the coast of KWL was not hazardous for steamers or sailing ships: 'now that the coast is more or

⁴⁴ *ibid.*, 1888, Heft ii, pp. 72–4; Heft iii, pp. 160–3.

⁴⁵ Schrader's meteorological reports, *ibid.*, 1886, Heft iii, p. 101, Heft iv, pp. 33–4, 1887, Heft i, pp. 27–8, Heft iii, pp. 89–91, Heft iv, pp. 153–5, Heft v, pp. 196–7; 1888, Heft iii, pp. 160–5. Climate data collected in GNG from 1886 to 1914 often showed gaps over the course of a year; see Table 10 and Chart 36. The data for 1886 to 1898 were published by A. von Danckelman, 'Die Fortschritte der Geographischen Forschung im Jahre 1891', *Das Ausland* (1891) and 'Klimatologie' in M. M. Krieger, ed., *Neu-Guinea*, pp. 20–35. Detailed reports from 1890–1913 are contained in H. Marquardsen & A. v. Danckelman, 'Berichte über das Meteorologische Beobachtungswesen im Schutzgebiet Deutsch-Neu Guinea' (*DKBI*, vols. 3–27).

⁴⁶ *NKWL*, 1888, Heft iv, pp. 193 and 198.

⁴⁷ *ibid.*, 1889, Heft ii, pp. 48–87.

⁴⁸ G. v. Schleinitz, 'Beschreibung der Nordküste von Kaiser Wilhelms-Land von Kap Cretin bis zu den Legorant-Inseln' (*NKWL*, 1889, Heft iii, pp. 137–54 and 1896, pp. 44–6).

less accurately charted', he reported, 'it would be valid to claim that virtually nowhere will one find such an easy and safe sea lane to navigate as the one along this coast'.⁴⁹ With moderate prevailing winds and steady sea currents running parallel to the coast, 'with a minimal tidal difference and therefore insignificant tidal currents', Schleinitz claimed that it was 'safe to sail within one cable – often no more than two boat lengths – from the shore'.⁵⁰ While this assessment proved correct up to a point, the prevailing winds and strong currents on the north coast made navigation difficult for sailing ships. The reefs of the archipelago made navigation hazardous. Schleinitz's charts made little difference to the statistics of ship losses.

The Hellwig expeditions

The botanist Dr Franz Hellwig arrived in Finschhafen on 7 May 1888 to continue with scientific explorations in KWL.⁵¹ Hellwig's notable achievement was in participating in the Finisterre Range expedition from 3 to 21 October 1888. The undertaking was initiated by the correspondent of the *Kölnische Zeitung*, Hugo Zöller, who had previously explored some parts of the Amazon jungle in South America, the Ganges River in India, the mountain ranges of south Cameroon and the coast of Togo. This venture was jointly funded by the newspaper's proprietors and NGC. The two explorers made it to a ridge in the Finisterre Range to view the expansive Bismarck Range. From this vantage point they named the four highest peaks – Wilhelmberg (4,300 m), Herbertberg (4,000 m), Ottoberg (3,500 m) and Marienberg (3,000 m).⁵² Whilst Zöller expanded his studies to the Bismarck Archipelago, Bougainville and Buka,⁵³ Hellwig carried out ethnological and botanical studies on the Sattelberg and around Fortification Point.⁵⁴ He also participated in the recruitment of labour around Finschhafen and made economic assessments for NGC on potential plantation land. When Hellwig died from dysentery in June 1889,⁵⁵ his botanical collections were sent to Berlin where they were most likely passed on to the *Königliche Botanische Museum* for cataloguing.⁵⁶ Zöller returned to Germany in 1889 and wrote a book on his findings in GNG. Far from restricting his comments to geographical and other scientific discoveries he suggested a number of improvements NGC should undertake to achieve economic success in GNG. In particular, he pointed to the early successes of gold prospecting in BNG, and proposed for measures to be taken to assure

⁴⁹ *ibid.*, p. 54.

⁵⁰ *ibid.*, p. 82; the cartographical results of the Neu Pommern north and west coast, *ibid.*, 1896, Heft i, pp. 44–6. Later on NGC disagreed with Schleinitz's findings. It mentioned in its annual report the prevailing monsoon and the strong currents which were slowing down the postal steamers of NDG from Friedrich-Wilhelmshafen to Finschhafen by up to 2 days (Jb [1901/1902] p. 14).

⁵¹ *ibid.*, 1888, Heft i, p. 144.

⁵² *ibid.*, 1889, Heft i, p. 3–15; H. Zöller, 'Meine Untersuchungen in das Finisterre-Gebirge', *Petermanns Geographische Mitteilungen*, pp. 233–5; H. Zöller, 'Meine Expedition in das Innere von Deutsch-Neuguinea', *Jahresberichte Geographische Gesellschaft*, pp. 1–19. Mount Wilhelm (4,509 m) is situated in the 3,500 m high 'Otto' Plateau of the Bismarck Range. It is not clear whether Zöller named Mount Wilhelm after the second son of Bismarck or after Wilhelm I. Mt Herbert (named after Bismarck's first son) is 4,267 m. Marienberg, named after Bismarck's oldest child, Marie, was renamed Zöllerberg. The Catholic Mission of the Societas Verbi Divini established the European settlement 'Marienberg' on the Sepik in 1913; these are two different locations.

⁵³ H. Zöller, 'Die Deutschen Salomon-Inseln Buka und Bougainville', *Petermanns Geographische Mitteilungen*.

⁵⁴ *NKWL*, 1889, Heft i, pp. 3–15; Heft ii, pp. 36–44 and 1890, Heft i, pp. 19–21.

⁵⁵ Hellwig's New Guinea diary in Thilenius, 'Eine Durchquerung des Gebietes zwischen dem Kaiserin-Augusta-Fluß und der Küste von Neuguinea', *Mitteilungen aus den Deutschen Schutzgebieten*, pp. 357–63.

⁵⁶ Jb (1889) pp. 6–7; Sack & Clark, (1888–89) pp. 38–9.

similar results. Zöller insisted that payable gold would also be discovered in the GNG if the methods across the border were followed. Specifically, Australian prospectors should be encouraged and rewarded to enter German territory: such men had 100 times more chance of locating gold than geologists or mining officials, he suggested to NGC.⁵⁷

Hansemann did not take up Zöller's ideas. The gold finds in BNG were restricted to the Louisiade Archipelago of which little was known. Instead, Hellwig's death brought to an end the NGC chairman's indulgence in exploration as a discipline of natural science. He equated exploration with colonisation and appropriated a considerable amount of the 1884 to 1888 budgets for these scientific activities. The expeditions amassed impressive collections of specimens in ethnography and botany during the first 4 years. They added considerable knowledge to the fields of zoology, geography and meteorology; however, they identified few natural resources for economic exploitation. With minor exceptions, the costs for scientific expeditions are not identified in NGC accounts.⁵⁸ The recurrent costs for the years 1886 to 1890 amounted to RM3,437,086. While this sum included administrative expenses, depreciation, provisions for catastrophic events and inventory,⁵⁹ the larger share of this sum should have been booked to 'Scientific Expeditions'. Hansemann identified RM447,443 in costs for the Finsch and Schrader expeditions.⁶⁰ Considering that the work of Grabowsky, Mentzel, Schellong, Kubary, Schleinitz, Hunstein, Below and others was also predominantly investigative, and taking into consideration the costs of provisions, materials and ships, Hansemann's obsession with scientific investigations would have consumed most of NGC's annual expenditures until 1890.

The first Ramu expedition

From April 1890 to January 1891 the East Prussian estate owner and botanist Dr Carl Lauterbach collected specimens and artefacts on the central coast of KWL at his own expense whilst on an excursion around the world.⁶¹ During this period the agriculturalist Ernst Tappenbeck also spent time in GNG. A notable achievement of Tappenbeck was the first ascent by a European of Mount Hansemann, which he undertook with the missionary G. Bergmann of the Rhenish Mission in June 1892.⁶²

Lauterbach and Tappenbeck returned to GNG in early 1895. Sponsored by the *Auswärtige Amt*, the *Deutsche Kolonialgesellschaft* and the *Gesellschaft für Erdkunde zu Berlin*, they joined the medical doctor Hermann Kersting of the KA-AA to explore the Bismarck Range. NGC provided logistical support to the expedition in staff and porters which lasted from May

⁵⁷ H. Zöller, *Deutsch-Neu-Guinea und meine Ersteigung des Finisterre-Gebirges*, pp. 181–2.

⁵⁸ The exceptions are the 1885 'Batavia Expedition' (RM22,510) and sundry expenditures for 'Scientific Expeditions' (RM4,387) (Jb [1886/87] p. 25; H. Jäckel, 'Die Neu Guinea Compagnie', p. 37).

⁵⁹ Table 17.

⁶⁰ *ibid.*

⁶¹ *NKWL*, 1891, Heft i, pp. 31–62.

⁶² *ibid.*, 1892, Heft i, p. 25. Bergmann was respected by NGC for his compilation of words and phrases in the Siar language which 'facilitated contacts with the Siar tribe and helped to gain their confidence' (Jb [1894/95] p. 6; Sack & Clark [1894-95] p. 109).

1895 to December 1896. The party investigated the Gogol, Elisabeth and Narua Rivers on the Gogol and Astrolabe Plains, climbed to the 1,100 m summit of Mount Tayomann in the Oertzen Range and travelled downstream the Yagéi (Ramu) River for some 250 km. From a 1000 m vantage point Lauterbach and Kersting observed the flow of the river towards the Huon Gulf for some 100 km. They surmised that the headwaters of the Yagéi and the Markham Rivers sprang from the same mountain range. The explorers believed that the river was identical with the *Ottilie Fluß*, so named by Schleinitz in 1887. All told, they covered a distance of approximately 1700 km on foot and by boat during which they drew contour maps and established elevations.⁶³ The explorers determined positions by theodolite and astronomical observations and recorded natural occurrences such as earthquakes, cloud cover, precipitation, wind direction and wind strength. Lauterbach documented the taxonomy of some 150 birds and the sighting of crocodiles. Cassowaries were roaming in abundance on the Ramu Plains, but the explorers hardly sighted any mammals except for dogs and wild pigs. Inadequate transport restricted the collection and shipment of live animals with only two cassowaries and two dogs shipped to the Berlin Zoo.

Lauterbach, like Zöller, believed that the western tributaries of the Ramu would contain gold, but this required detailed exploration. The party concurred that the vast area of fertile land stretching from the Sepik to the Ramu River Valley would be suitable for crop cultivation. Of particular interest to them was the alpine region of the Bismarck Range because of its European-friendly climate. They believed that plantations, to be established on the wide expanse of the lower lying valley, could be managed from this vantage point. Lauterbach concluded: 'the foothills of the Bismarck Range 'open up fresh, undreamt-of prospects for the utilisation of KWL'.⁶⁴

The ill-fated Ehlers adventure

Otto Ehlers, a newspaper correspondent and professional traveller arrived in GNG in 1895 to trek across East New Guinea from east to south. Despite being warned by administrator Rüdiger not to attempt the precipitous crossing, Ehlers set out confidently on the journey from the Huon Gulf to the Gulf of Papua. Accompanied by Friedrich Wilhelmshafen Police Officer Wilhelm Piering, the two Germans were supported by 43 carriers and one servant. Ehlers calculated that his expedition would average 6 km a day, therefore reaching the south coast of BNG in 30 days. Other than rations for 5 weeks and some trade goods, eight government-supplied rifles and two shot guns, the explorers carried no more than the clothes on their backs. Geographical instruments were left behind as was photographic and other scientific equipment: these were regarded as unnecessary baggage.

The party started inland from the mouth of the Francisca River on 14 August 1895. Nothing was heard or seen of them until a 20 members of the party were picked up by the

⁶³ C. v. Beck, 'Neu Guinea Compagnie', *Südseebote* (1918) p. 49.

⁶⁴ *NKWL*, 1896, pp. 36–44; *Jb* (1895/96) pp. 9–10; Sack & Clark (1895–96) pp. 123–4.

Mobiabi tribe on the Lakekamu River in BNG on 21 October, 67 days after they had began the journey overland. Ehlers and Piering were not among them. Rain had set in before they reached the only inland village on their track, with the first carrier dead within the first 10 days. After 5 weeks exposure to rain and cold fog, cutting their way through dense rain-forest, up and down steep mountains and across precipitous ravines, wading through leech-infested creeks, Ehlers and his men had run out of food. Reduced to eating grass and leaves and distressed by dysentery and other ailments, fewer than 35 men reached a tributary of the Lakekamu River around 30 September. They hacked their way along the river for 9 days before the waterway could be negotiated by raft. After another 6 days of navigating rapids and narrow waterways full of snags 20 men reached the village Motumotu. When one raft capsized two Buka police on the expedition, Ranga and Upia, shot Ehlers, Piering and several carriers, to make room for themselves and their mates on the remaining raft. When interviewed by Mr Kowald, the government agent for the Mekeo district, they concocted a story that the Germans had drowned. Only after the British administration in Port Moresby returned the survivors to Friedrich Wilhelmshafen did the truth emerge.

The story of Ehlers' reckless behaviour did not end there. Imprisoned for murder, Ranga and Upia escaped and shot dead the newly appointed Administrator Curt von Hagen when pursued. Also dead were the two escapees. Speared to death by the Gogol people, their heads were severed and taken to Stephansort as evidence for the reward set by NGC.⁶⁵

The second Ramu expedition

Lauterbach's assumption of the presence of gold-bearing quartz and the discovery of alluvial gold on the Upper Mambare in BNG in 1896 persuaded Hansemann to reverse his decision on scientific exploration.⁶⁶ The NGC's chairman saw the future of his New Guinea venture in the discovery of gold. Oddly, he informed the shareholders of the requirement for new funds to equip a new scientific expedition to GNG in 1897. Rather than disclosing the sole purpose of the expedition as a gold exploration venture, Hansemann spoke of the need to confirm that the Otilie and Ramu Rivers was one river system. Also, before gold exploration would commence the mapping of the central region of the Ramu Valley was to be completed, a station in the central region built and friendly relations with the local people established. The exploration efforts were to include an inland crossing from the Ramu to the Markham River with exit at Huon Gulf.⁶⁷

Hansemann gave Tappenbeck – the leader of this expedition – a free hand to select his team, equipment and provisions.⁶⁸ In this, Tappenbeck considered the construction in Germany

⁶⁵ *NKWL*, 1895, p. 53; AR-BNG (1895/96) p. xxxiv. H. Rüdiger, 'Bericht über den Verlauf der Ehlersschen Expedition', *DKBl* 1896, pp. 448–53. See Hiery, 'Die Deutsche Verwaltung Neuguineas 1884–1914', in H.J. Hiery, (ed.) *Die Deutsche Südsee 1884–1914*, p. 292.

⁶⁶ *NKWL*, 1894, p. 53 reported in 1894 that Australian prospectors found gold in the riverbed of the Mambare and that 40 to 50 Europeans were working goldfields in the Sudest and Misima Islands and the Louisiade Group (Jb [1896/97] p. 12; Sack & Clark [1896–97] p. 136; A. Hahl, *Gouverneursjahre in Neuguinea*, p. 74).

⁶⁷ *NKWL*, 1897, pp. 52–3.

⁶⁸ Jb (1896/97) p. 12; Sack & Clark (1896–97) p. 135.

of a flat bottom paddle-wheel steamer a priority if the investigations of the shallow riverbeds of the Upper Ramu and its tributaries were to be successful.⁶⁹

Rather than relying on geologists, Tappenbeck hired two gold prospectors from Australia; the architect-turned-gold fossicker Hans Klink from Sydney and Robert Philipp, who had worked the Palmer River goldfields, from Cooktown. Tappenbeck completed his European team with the engagement of Hans Blum and Hans Rodatz. Two Chinese cooks, six Javanese tradesmen and 36 Melanesian carriers provided support. The exploration barge was crewed by a Chinese machinist, a stoker and a boat steerer from Singapore and 10 Melanesian deckhands. Tappenbeck procured geological instruments, assaying tools, guns and dynamite which, together with sections of the paddle steamer and pre-fabricated houses, were shipped to the Protectorate on NGC's *Johann Albrecht*. The provisioning of the expedition was completed in Singapore where rice, dried fish, building material and goats, pigs, domestic fowls and ducks were loaded.⁷⁰ Following his arrival in Friedrich Wilhelmshafen Tappenbeck assembled the *Herzogin Elisabeth* and briefed his team on the task ahead.

Engine failure delayed the departure from Friedrich Wilhelmshafen until 3 April 1898. Then the venture went no further than Cape Croisilles. The river barge was not designed to handle the stormy weather in the Bismarck Sea and had to make for Adalberthafen, some 70 km northwest of Friedrich Wilhelmshafen, while the *Johann Albrecht* sailed for the *Ottilien Fluß* to unload the stores. The much larger steamer was able to cope with the heavy roll of the sea; however, the livestock was much the worse for it. Captain Sanders was forced to return to the calm water of Adalberthafen and unload the few goats, pigs and fowls that had not perished.

When the weather had calmed Sanders journeyed to the *Ottilien Fluß* by negotiating the sandbar at the mouth of the river on 13 August, with the paddle steamer remaining in port at Adalberthafen. After the *Johann Albrecht* journeyed some 300 km, never much further than 140 km from the coast, Sanders confirmed Lauterbach's discovery of 18 April 1896: the Ramu and Otilie were the same rivers. Because the ship could not continue further for lack of water, the explorers disembarked on the riverbank with their stores and equipment on 19 April. The *Johann Albrecht* returned to Adalberthafen to provide assistance to the *Herzogin Elisabeth* so that the investigations proper could proceed as quickly as possible. It became a long lonely stay for the team left behind, though. The *Johann Albrecht* was shipwrecked on a Hermit Island reef on 15 May 1898.⁷¹

While the *Herzogin Elisabeth* rode anchor in Adalberthafen,⁷² Klink and Rodatz, a Javanese hunter, two Javanese dissectors, three Javanese carpenters, a Chinese cook and a boy, and 21 Papuans (including four women) set up NGC's first inland station on the foothills of the Hagen Range. August weather provided the first opportunity for Tappenbeck, Philipp, the plantation assistant Ernst Schirmer and a fresh team of labourers to reach Ramu Station on the

⁶⁹ For information on the specification of the paddle steamer see Chapter 8.

⁷⁰ NKWL, 1897, p. 55.

⁷¹ NKWL, 1898, p. 55.

⁷² NKWL, 1898, pp. 39–41 and 57.

paddle steamer unassisted. During his involuntary stay on the coast, Tappenbeck established Ramumünde Station on the mouth of the river and prefabricated building and roof sections for the Ramu Station. In the meantime Klink and Rodatz cleared some 5,000 m² of rainforest to build makeshift houses for themselves and huts for the workers. Expecting that the wait would not have been long, the explorers traded mirrors and pearls with the local people for taro, yam, coconuts and sugar cane rather than setting up their own garden. They also built canoes to explore further afield or attempt a 300 km escape to the open sea if required.⁷³ Building canoes was different from building houses. Whilst the use of steel tools was an advantage, it took some time to master the selection of the right trees, to become skilled in hewing and to learn the fire treatment for water tightness. Despite the newly gained mobility, Klink and Rodatz found upstream canoeing too demanding and too dangerous. The headwater of the Ramu was, therefore, not investigated nor was an attempt to go overland to the Markham River made.⁷⁴ The 4-month wait produced several scientific results, however. Rodatz collected insects, plants and artefacts. He recorded air temperatures, dew points and precipitations daily. He also took regular readings on the water level of the Ramu which, according to his report varied considerably with the amount of rain that had fallen. Klink examined rock faces and panned the riverbed for gold.⁷⁵

Monsoonal rain in September and October made further prospecting impossible. It was also the end of Tappenbeck's employment with NGC. Even though the last 2 months of the expedition produced some gold on the banks of the Upper Ramu between latitudes 5° 33' and 5° 45' south, Klink was handed responsibility to bring the expedition to a close.

The third Ramu expedition

With the provisional transfer of NGC's powers to the Reich on 7 October 1898, scientific investigations in GNG became the domain of the Reich. On 1 April 1899 the government granted NGC exclusive prospecting rights in the Ramu Valley. Under this agreement NGC was obliged to pay the government of GNG a royalty of 10% on the net income derived from mining activities.⁷⁶ Spurred on by the successes of the gold miners in BNG, Hansemann sent the experienced Carl Lauterbach back to GNG to lead a new Ramu expedition. Unsuccessful in the search for a 'notable mining engineer' who would continue to prospect for gold,⁷⁷ Hansemann rehired Klink. Before proceeding to Stephansort Klink travelled to Germany to procure gold-assaying apparatus from Fritsch & Benator in Magdeburg. On his return trip to GNG he stopped in Australia and hired the experienced gold prospector Herr Holst.⁷⁸

So that he would not be left stranded again, Klink decided to build a 15 km track from Stephansort to the foothills of the Bismarck Range. Holst, who was in charge of the track-

⁷³ *NKWL*, 1898, pp. 58–9.

⁷⁴ *NKWL*, 1898, pp. 51–9; *Jb* (1896/97) p. 12; Sack & Clark (1898–97) p. 136

⁷⁵ *ibid.*

⁷⁶ *Jb* (1901/02) p. 20.

⁷⁷ Hansemann to shareholders, *Jb* (1897/98) pp. 9–10; Sack & Clark (1897–98) p. 146.

⁷⁸ *Jb* (1899/1900) pp. 22–3.

building, completed two-thirds of the track in less than 8 months. At that point he had to be taken off the project because of blackwater fever which hospitalised him in Friedrich Wilhelmshafen and ultimately forced his repatriation to Australia. The German construction engineer Peter Behrendt who, like Klink and Holst, had been gold prospecting in Australia, completed the track in late 1900 which made it possible to reach the Ramu Station from the coast in 10 days (barring delays from frequent landslides).⁷⁹

Lauterbach met Klink, Rodatz, Philipp, a European seaman and 51 labourers at Ramu Station on 4 October 1899. Fourteen days later the third Ramu expedition was underway. The party commenced the journey upstream in 19 canoes. The investigations started with the re-examination of the eleventh tributary on the left side of the river. Lauterbach was able to confirm the occurrence of small quantities of gold here and further upstream of the Ramu.

Some 100 km upstream past the point of the 1896 expedition the river became a narrow unnavigable rapid. Unable to reach the headwater of the Ramu Lauterbach returned to Germany on 9 January 1900. Klink and Rodatz went on leave, presumably to Australia, with Philipp leaving NGC for good in April. Left behind was Ernst Schirmer with 12 labourers who manned the Ramu Station until the company had decided on its next move.⁸⁰ Undaunted Hansemann promoted further investigation of the region for gold. In March 1900 he reported to his shareholders that valuable discoveries were made by Lauterbach:

- 1) During the wet season the Ramu is negotiable by barge from the coast to latitude 5°45' south or even further when the currents are moderate.
- 2) The Upper Ramu station is reachable from Stephansort and Friedrich Wilhelmshafen via a land route.
- 3) The river flows in sections through, picturesque, flat, arable, land.
- 4) Despite the presence of highland swamps, the climatic conditions in this part of KWL are conducive to a European way of life.
- 5) The Ramu Valley contains auriferous soil. An extensive ridge, containing alluvial gold, was discovered. Gold was also discovered in the tributaries. Evidence of gold traces heightens the probability of discoveries, with soil samples brought from the area presently undergoing examination in Germany.⁸¹

Klink returned to GNG in May 1901. He set up a camp on the northeast side of the Ramu in the vicinity of the most promising gold indication made the previous year. Yet again the preparatory work was not without serious setbacks. In the course of ferrying equipment the *Herzogin Elisabeth* struck a snag which rendered the barge unserviceable. Thus, it took 6 months before the necessary equipment and buildings were in place.⁸²

Taking time off gold-prospecting Klink, accompanied the botanist Rudolf Schlechter from 10 to 24 January 1902 on an exploration of the Bismarck Range. Commissioned by the *Kolonialwirtschaftliches Komitee* of the KA-AA, Schlechter found what he was sent for: the

⁷⁹ Jb (1900/01) p. 27; RKA 1001:3113, p. 19.

⁸⁰ Jb (1898/99) pp. 19–20; Sack & Clark (1898–99) pp. 167–8.

⁸¹ *ibid.*

⁸² Jb (1900/01) p. 28.

white, milky latex of the rubber trees for which the German electrical cable industry had an increasing demand.⁸³

The end of January into early February presented Klink with considerable difficulties. Behrendt proved unable to deal with the tough conditions and had to be replaced with Wilhelm Dammköhler.⁸⁴ The skipper and the engineer of the *Herzogin Elisabeth* took ill and returned to Germany. A heavy storm, dumping 200 mm of rain washed away most of the provisions and two canoes. Shortly after this, three labourers were killed by tribesmen.⁸⁵

The Klink expedition prospected an area of some 5,000 km² up and down the Ramu and its tributaries. The traces of gold found in the sandy riverbeds were never deeper than 15 cm and many of the quartz samples turned out to be pyrites. In June 1902 Klink was relieved by the mining engineer Johannes Schlenzig. Together with Dammköhler, Ludwig Sommer and two new recruits (prospector Gundlich and Frank Bradley) Schlenzig confirmed much of what Klink and Lauterbach had reported over 5 years: the Bismarck Range contained gold, most likely buried under detritus, accumulated over millions of years, in the riverbeds, with gold-containing quartz also likely to be found in the inaccessible high mountains.⁸⁶ However, the delineation of goldfields required more time and money, the latter of which Hansemann and his board had not the stomach to request from their shareholders. Because the Ramu concession was *in perpetuity* the board decided in early 1903 to transfer the knowledge gained on the Ramu Valley to the *Huon Golf Syndikat*.⁸⁷ In the Board's opinion NGC could again engage in speculative exploration when the company made a profit. For now directors directed NGC's efforts to the coconut plantations on the Gazelle Peninsula and on the Astrolabe Plain.⁸⁸ The accumulated expenditure for the 1899 to 1902 Ramu expeditions was RM475,538. This sum was written off in the 1903/04 financial accounts with the few movable assets sent to the stations.⁸⁹

The Huon Golf Syndikat

After the government had taken over responsibility for GNG on 1 April 1899 the administration embarked on an agenda of speedy economic development. In the opinion of the *Reichskanzler* and more to the point, Kaiser Wilhelm II, NGC had been slow in establishing the economy of GNG. During an audience on 8 January 1901 Wilhelm II let the new governor of GNG, Albert Hahl, know that he was disappointed with the economic progress of the German colonies.

⁸³ Jb (1901/02) p. 21; Sack & Clark (1901–02) p. 233. The 'Kolonialwirtschaftliches Komitee' funded the botanist F. Schlechter to search for gutta-percha in GNG from October 1901 to Aug. 1902 and from April 1907 to Oct. 1909, (F. Schlechter, 'Die Guttapercha- und Kautschuk-Expedition des Kolonial-Wirtschaftlichen Komitees nach Kaiser Wilhelmsland 1907–1909', *Kolonial-Wirtschaftliches-Komitee* [1911] p. 171; *DKZ* 25 [1907] pp. 521–2 and 537–8; 'Kautschuk', *OAL* [1910] pp. 478–9).

⁸⁴ Dammköhler worked as a recruiter for NGC on the schooner *Otti*, but was better known for his exploits in the Dutch East Indies as a pearl fisher and in Western Australia as a gold prospector (W.C. Dammköhler, 'Im Innern von Deutsch-Neuguinea', *Kolonie und Heimat*, 20 [1907–08] pp.6–8).

⁸⁵ Jb (1901/02) p. 21.

⁸⁶ *ibid.*, pp. 22–4

⁸⁷ Sack & Clark (1902–03) p. 242.

⁸⁸ Jb (1901/02) p. 24.

⁸⁹ Jb (1901/02) pp. 36–7; Jb (1903/04) pp. 15–16.

'Germany had embarked on developing its overseas economy at the eleventh hour, perhaps too late', he told Hahl: 'it was therefore imperative to make progress quickly and come up with results'.⁹⁰ In reply to Hahl's concerns that the economy of GNG would develop slowly because of the vast area under his administration, the impenetrable terrain of the mainland and the low cultural and economic level of the indigenous people, Wilhelm pointed to the importance of discovering precious metals: 'the gold-bearing country near the border with BNG should be explored and exploited quickly', he demanded of Hahl.⁹¹

Equipped with good advice but no budget to implement the Kaiser's wishes, Hahl would have been pleased to find that Hansemann had facilitated a joint venture between Disconto Gesellschaft, Deutsche Bank, Norddeutsche Bank, Sal. Oppenheim jr & Co., Berliner Handels-Gesellschaft and NGC for the purpose of exploring the hinterland of the Huon Gulf south of Cape Arkon to the British border.⁹² For the purpose of exploring beyond the Ramu River, the *Huon Golf Syndikat* received an exclusive government concession on 17 June 1901 for platinum, gold and silver, precious and semi-precious stones, lignite, anthracite, petroleum and other minerals of industrial value.⁹³

The 20-year mining agreement obliged the syndicate to form one or several colonial companies within the first 5 years.⁹⁴ The total authorised shareholder capital for any of these companies was mandated at RM10,000,000, with a paid-up capital of no less than RM5,000,000.⁹⁵ Under the agreement the government was required to waive tariffs on materials and equipment required for the construction of harbour and marine facilities, housing and mine infrastructure. It was also obliged to approve the lease of unoccupied land which was required for mining developments and to support the syndicate or companies in the purchase of land owned by the local people. In the event of the combined leaseholds exceeding 200 km² or 10 km of coastal strip, the lessor was entitled to a fee of RM1/ha after 5 years.⁹⁶ In return the GNG administration would receive a 20% royalty on profits when dividends in a financial year exceeded 5%.⁹⁷

The syndicate re-engaged Hans Rodatz to lead the expedition. With an initial budget of RM500,000 the veteran explorer was able to assemble a team of experts. An NGC employee (Dauben) became Rodatz's assistant and a Sydney-based Englishman (Ellington), a Dane (Nissen) and a German (Gode) were hired as prospectors. A German seaman (Burmeister) was hired to skipper the 20 t schooner Rodatz acquired in Friedrich Wilhelmshafen. Responsibility for the steam launch he bought in Sydney for this expedition was handed to a

⁹⁰ Hahl, *Gouverneursjahre in Neuguinea*, p. 165; see Sack & Clark, Albert Hahl, *Governor in New Guinea*, p. 95.

⁹¹ Hahl, p. 166, Sack & Clark, p. 96.

⁹² Letter of intent, syndicate members to KA-AA, 9 April 1900 and Hansemann to KA-AA, 11 April 1900

'Konzession zum Bergbau im Hinterland des Huongolfs' (RKA 1001:2347-8, pp. 1-4 and 61-8, §1, p. 1).

⁹³ Beck, 'Neu Guinea Compagnie', p. 50.

⁹⁴ RGBI. 1900 (p. 813) §5, p. 5.

⁹⁵ *ibid.* §6, pp. 5-6.

⁹⁶ *ibid.* §§9-10, p. 9.

⁹⁷ *ibid.* §7, p. 7. Royalty payments on other mineable minerals were 10% where dividend payments to shareholder ranged between 5% and 8%, increasing to 20% on payments above 8%.

Norwegian (Uhr). Further Rodatz decided to re-open Finschhafen and make use of this former central station as a depôt for recruiting Jabbim people.⁹⁸

The preparatory work was completed in the Lugama district near the mouth of the Markham River and in October 1901 the explorers set off with a team of about 160 labourers to explore the creeks and rivers feeding into the Huon Gulf from the Rawlinson Range. They found that the rock formations in this region were of recent volcanic origin. With little prospect of discovering minerals and metals, they abandoned Laguma Station soon after in favour of Salamaua Station on Samoahafen. What happened during the next 2 years is not clear. NGC informed its shareholders in 1902 that Rodatz progressed under great difficulties along the Franziska River in a southwesterly direction to reach the British border. He planned a survey of the Markham and Adler Rivers but took ill in late 1902. In 1903 NGC reported that Johannes Schlenzig had assumed responsibility for the Huon Gulf expedition.⁹⁹ Which area Schlenzig prospected is unclear. NGC reported in 1904 that traces of gold and other useful minerals had been found in several locations, but that the significance of the discoveries could only be confirmed after the samples had been assayed: 'Herr Schlenzig is currently preparing a full report which will be circulated to the syndicate members as soon as it becomes available'.¹⁰⁰ Without further clarification NGC declared that 'the Huon Gulf expedition was brought to a conclusion at the end of November 1903 and the expedition terminated'.¹⁰¹

NGC's investment in the short-lived syndicate was RM187,500, which was shown as an expense in the 1903/04 accounts. Because the syndicate was not transformed into a colonial company, as stipulated in §5 of the agreement with the government, Colonial Secretary Bernhard Dernburg terminated the concession on 7 February 1908. He informed D-G's directors that he was only prepared to discuss an extension of the agreement if the syndicate put in place an appropriately funded colonial company. Failing this, 'the *Fiskus* of GNG will, in accordance with §93 of the Mining Act of 27 February 1906, also assume the exclusive mining rights in the area'.¹⁰²

Gold prospecting in GNG

Dernburg may not have taken this step without first informing himself on the gold-bearing potential of the Huon Gulf region. Governor Hahl solicited a report from Rodatz on his findings on the Huon Gulf Expedition.¹⁰³ Rodatz was careful not to divulge drawings and details of his report to NGC without first receiving permission from his former employer. But he volunteered that as leader of the expedition he had conducted a detailed survey of the land from Cape Arkona to the British border and only discovered valuable minerals southeast of the Markham River, with 'gold only discovered southeast of the Herculesfluß (Waria River)'. Rodatz, who

⁹⁸ Jb (1901/02) p. 28.

⁹⁹ Jb (1902/03) p. 26.

¹⁰⁰ The German Mines Department records were destroyed during WW II.

¹⁰¹ Jb (1902/03) p. 26.

¹⁰² Dernburg letter to D-G, 7 Feb. 1908 (RKA 1001:2349, p. 12).

¹⁰³ Rodatz was manager of Aitape station, Hahl to Dernburg, 11 Oct. 1907 (ibid., pp. 3–5).

visited the English government station Tamata situated on the Mambare–Tamata River on several occasions, was shown a drawing by Resident Magistrate Archibald Walker with locations where gold was being panned. According to Rodatz, Walker readily admitted that ‘several of the gold-bearing districts, marked in a red circle, were situated on German territory’.

All the gold discoveries on the map were in the Waria River and the Mambare district. The fields on the German side were only accessible by climbing the steep ridges of the many peaks leading to the headwater of the Waria. ‘The river itself was only navigable for short distances and the path along the riverbank mostly cut off by steep rock faces, plunging almost vertically into a continual chain of rapids’. Rodatz claimed that the geology of the area indicated the existence of gold ‘which would only be found in pockets and therefore only be profitable to a prospector’. The occurrence of large gold veins, which was also likely according to Rodatz, could not be exploited by small operators because of the requirement of substantial mining equipment. In his opinion, ‘even financially strong companies could not mine these deposits because heavy mining equipment could not be transported and set up in the rugged mountain’. Rodatz considered that the miners in BNG were successful because they were self-reliant and not tied up by bureaucracy.

The opening up of this area can therefore never be undertaken by large expeditions, financed by companies, because the money will be wasted and the investment will never return a profit. An expedition which is told by Berlin how to proceed and which area to investigate is too handicapped to operate successfully in this difficult terrain. The logistics for a large exploration team’, according to Rodatz, ‘are difficult and slow and would encounter insurmountable obstacle with every step taken, while two miners with four carriers would find a way through the most difficult landscape. The self-denial of these tough men guarantees their successes.

Based on the British experience and his perception of the situation Rodatz advised Hahl not to award an exploration concession to a large company: ‘the development of GNG would suffer and the company will lose its money’. Instead Rodatz suggested: ‘the *Fiskus* should use its exclusive mining right by opening up GNG to the individual prospector and miner and award a company the privilege of supplying these fearless men with goods and services and providing them with the required labourers’.¹⁰⁴

The El Dorado that Hansemann, Hahl and the Kaiser hoped for never materialised. It was, however, not for want of trying. In 1907 Hahl marched from Astrolabe Bay through the Minjen valley to the Middle Ramu, therefore penetrating the Great Range beyond the watershed of the Ramu and to the Markham River. One year later Hahl, together with station manager Rudolf Karlowa, surveyor Karl Warnicke and Captain Carl Möller of the SS *Seestern*, made the strenuous climb to the Waria Valley and surprised miners at Pio, Waria and Jatuna. At the village Ugo, the governor met a village chief who had been appointed by Walker, and a party of gold prospectors and caoutchouc collectors. Hahl claimed that the magistrate and the prospectors believed that they were still on British territory, thereby confirming Rodatz’s report

¹⁰⁴ Rodatz report to Hahl, 27 Aug. 1907 (RKA 1001:2349, pp. 4–5).

12 months earlier. Hahl requested the prospectors to pan for gold at a point on the river selected by him, 'with the result that every pan contained gold'.¹⁰⁵

The confirmation of gold prompted the German authorities to press for clarification of the exact colonial boundary in this gold-producing area. Both the Australian and German governments believed that delimiting the territories would benefit their colony's respective economic interests. For this reason few difficulties stood in the way for Governor Hahl and Papua's Lieutenant-Governor Murray to establish an Anglo-German Boundary Commission in 1908. Captain Förster and the government geologist Artur Stollé were appointed to lead the German team; Chief Government Surveyor, Gustavus Sabine, together with Owen Turner (RM for the Eastern Division) led the Australian contingent. A licensed surveyor, a surveyor assistant, 20 armed native police and 20 indentured Papuan carriers (who were engaged to also clear the lines) completed the Australian party. The Australian deputation, including Murray, landed at Warsong Point near the mouth of the Gira River on 27 December. On 7 January 1909 the German cruiser *Condor* arrived with Hahl, Förster and Stollé. After receiving last-minute instructions on the best method of carrying out the undertaking from their respective governors, the expedition set off in the second week of January. .

The boundary to be marked followed the 8th parallel of S. latitude from the east coast to its intersection with the 147th meridian of E. longitude. After 6 months hard work the two teams had only set survey markers to longitude 147° 25' 48.28", a distance of approximately 30 miles from the east coast. Förster became so ill that he had to leave the expedition. Labour problems, sickness, incessant rain and the sheer impenetrability of the mountainous terrain, forced the decision to determine the remainder of the Anglo-German boundary by triangulation.¹⁰⁶

Before Stollé transferred to the delimitation of the German-Dutch territory,¹⁰⁷ he had followed the Waria to its upper basin as far as the Unu River. There he discovered traces of alluvial gold in many of the creeks, which he said were worked extensively by Australian miners.

Gold traces were also confirmed by Wilhelm Dammköhler who, with Rudolf Oldörp,¹⁰⁸ attempted to confirm the existence of gold deposits from the Ramu Valley. Starting the expedition from Astrolabe Bay in early 1909 the pair advanced to the Upper Ramu without finding any gold. Dissatisfied with their findings they crossed the watersheds of the Ramu and

¹⁰⁵ *ibid.*, pp. 205–6.

¹⁰⁶ 'Delimitation of the Boundary between Papua & German New Guinea', 1899–1910 (NAA Series A1–1914/4329; AR-Papua [1908/09] pp. 17 and 127; Sack & Clark [1909–10] p. 305).

¹⁰⁷ The German-Dutch Border Expedition commenced in June 1910. It followed the Sepik on land for some 900 km and by canoe for the last 60 km before reaching the Dutch border (Sack & Clark [1909–10] p. 305). Thereafter Stollé was engaged by the Imperial Museum of Berlin and the Kolonialgesellschaft to join C. Ledermann, J. Bürgers, A. Roesicke, W. Behrmann and R. Thurnwald and explore the Sepik region further (March 1912 to Oct. 1913). Behrmann noted a large labour reservoir on the Middle and Upper Sepik (W. Behrmann, *Im Stromgebiet des Sepik. Eine deutsche Forschungsreise in Neuguinea*, pp. 346–7; A. Stollé & W. Behrmann, 'Expedition zur Erforschung des Kaiserin-Augusta-Stromes', *DKZ* [1912] pp. 743–4 and 793, and *DKZ*, 30 [1913] pp. 6ff).

¹⁰⁸ Hahl refers to Ohldorp rather than Oldörp in E. Wagner, ed. *Gouverneursjahre in Neuguinea*, p. 210.

Markham Rivers in July 1909 to enter the Herzog Range. On the Watut and most likely the Bulolo, a tributary of the Markham River, they discovered promising gold deposits. Fatigued and aided by only a few carriers who were still with the explorers, they were attacked by the Watut people, which Dammköhler and several carriers did not survive. Oldörp, who managed to escape the attack, rafted down the Markham River to find safety at the Neuendettelsauer Mission at Cape Arkon. To validate his discovery Oldörp made a further attempt in April 1910 together with Captain Bröker of the schooner *Lettie*. This time the expedition did not make it to the Watut. The ship sank and took the man and his knowledge of the location of the gold to the bottom of the Huon Gulf.¹⁰⁹

In 1909 a group of German/Australian miners arrived in Friedrich Wilhelmshafen on the SS *Prinz Sigismund*, among them August Aubry, Jacob Fox, J.H. Reinhardt, Cornelius Runk and George Sievers. They formed a company to explore for gold. Hahl granted the party and the Frenchman Joubert and the Australians, Tooth and Ivory, prospecting rights in the area.

The establishment of a station on Morobe Harbour in September 1909 by Klink served to support the joint border commission. Morobe Station was set up to pacify the aggressive tribes in the highlands and also to function as a base from where the British gold prospectors on German territory could be overseen. Despite rumours in Samarai that the Germans would not let Australian prospectors reach the Upper Waria from the mouth of the river, Hahl took a leaf out of Zöllner's book and told new arrivals in 1909 that they were free to use the Waria for transport where it passed through German territory.¹¹⁰ Further, he told the Australian veteran gold miners Frank and Jim Pryke: 'the impression is wrong that we want to hunt the Australian prospectors. We have good geologists, but we know that the Australian prospectors are the best in the world to open up new country. And we want this country opened up'.¹¹¹ On another occasion, shortly after, William (Sharkey) Park, Matt Crowe and Jim Preston were caught on the German side of the Waria but they were told by the GNG official:

You can enter the country as bird of paradise shooters as well as prospectors. Your boys can be shooting the birds while you are prospecting. Then if you find no gold, you will still make money out of your trips, by the sale of the bird's skins. If you find gold, you will make a fortune; never fear that we will be hard on you. You can peg out prospectors' claims just as you would in BNG (Papua). And the gold you will win will be yours, less a very small royalty such as you are charged in BNG (sic). We are thinking of adopting the Queensland or BNG Ordinances in the event of discovery of a goldfield. Whether or not, you men, as the prospectors, can rest assured that whatever you may find will be yours.¹¹²

Whilst some Australians accepted Hahl's invitation but found it wise to keep new discoveries to themselves, in a letter to Townsville's *North Queensland Register* Frank Pryke believed that Hahl permitted the miners into GNG because he knew they were 'the best class

¹⁰⁹ R. Oldörp & W. Dammköhler, 'Bericht über eine Reise in Neuguinea 1908–09' (*ABI* [1909] pp. 135–6; Hahl, 'Der Aufbau der Station Morobe auf Kaiser Wilhelms-Land', *DKZ*, 47 [1935] p. 237).

¹¹⁰ H. Nelson, *Black White & Gold*, p. 141.

¹¹¹ Ion Iddriess cited an interview with Hahl, *Gold-Dust and Ashes*, p. 16.

¹¹² Iddriess, p. 13; A.M. Healy, 'Ophir to Bulolo: The History of the Gold Search in New Guinea', *HS*, XII (1965) pp. 112–13.

of people to open up new country'.¹¹³ Hahl would not have disagreed with this comment. He held the view that Germany had the better scientists and Australia the better practitioners.

In 1910 the Australian government reported total revenue from gold exploitation in the neighbouring Gira, Yodda and Lakekamu fields of £237,207, £258,950 and £11,250 respectively.¹¹⁴ This led Hahl to believe that of the 400 men goldwashing in these fields, many were prospecting on German territory.¹¹⁵ During 1911 and 1912 Hahl issued prospecting licences to several individuals for the Upper Waria. A syndicate promoted by Rudolf Wahlen claimed in 1912 that the German government had awarded it exclusive mining rights to an area previously held by the Huon Golf Syndikat. It banned the Australians Park and Preston from prospecting the Waria and Markham River area any longer.¹¹⁶

In 1913 the German government granted a mining concession to Emil Kempf from Alsace. After some wildly adventurous experiences on the Upper Waria, Kempf located what looked like a dredging proposition.¹¹⁷ At last it seemed that GNG would produce gold on a large scale, leading Eduard Haber, then deputising for Hahl, to cable Berlin in 1914: 'the Upper Waria contains several billions of gold and much platinum, for the exploitation of which only equipment and access to the mine sites are missing'. The AA–KA dismissed Haber's telegram with *Katzengold* (fools gold).¹¹⁸ Whilst the Australian prospectors, who had worked sections of the Waria extensively since 1906, recovered 'real' gold, it was in modest quantities.¹¹⁹

The German bureaucrat in the Colonial Office in Berlin was correct: the major gold discoveries were not made on the Waria. Sharkeye Park returned to the Bulolo Ridge during World War I to find alluvial gold in Koranga Creek near Wau.¹²⁰ Although forbidden to him and all like him, he was the only prospector in all inland GNG during that period under Australian military occupation.¹²¹ Park, joined by Jack Nettleton, relocated to the area in 1922,¹²² and worked it secretly until 1923 when a new Mining Act came into force. The rich alluvial goldfields of Edie Creek were discovered by William Royal and Dick Glasson in 1926. If the Kaiser had not been so eager to participate in World War I, his wish for a major gold discovery in a German protectorate would have been confirmed. Whether the Germans would have been able to drive a road beyond the watersheds of the Waria/Ono and Watut and Bulolo Rivers to reach the major gold sources at the time is doubtful. The Australians in conjunction with the

¹¹³ Draft of the letter by Pryke to the editor of the *North Queensland Register* (NLA MS 1826, mfm PMB 913).

¹¹⁴ AR-Papua (1909/10) p. 118.

¹¹⁵ The New Guinea Handbook, (1927) p. 220

¹¹⁶ Healy, p. 113.

¹¹⁷ Indriess, p. 29.

¹¹⁸ Haber, 27. Aug. 1914; 'Der Krieg in New Guinea' (RKA 1001:2612). Stollé rendered the area uncommercial. He estimated the Upper Waria contained 800,000,000 m³ of wash, yielding only RM4/m³, H.H. Taylour & I. Morley, 'The Development of Gold Mining in Morobe, New Guinea', *The Australian Institute of Mining & Metallurgy*, 89 (1933) p. 5

¹¹⁹ See Chapter 14.

¹²⁰ The prospector Edward (Teddy) claimed that Preston went back to the Watut/Bulolo district in 1913/14 to be the first one to discover payable gold on the Koranga Creek; 'Death of "Sharkeye" Park: Extraordinary Man who found New Guinea Goldfield', *Pacific Islands Monthly*, X, 15 March 1940, pp. 22–3 (E. Auerbach, 'N.G. Goldfield Pioneers', *Pacific Islands Monthly*, X, 15 July 1940, pp. 59).

¹²¹ Iddriess, p. 36.

¹²² Healy, p. 115, fn. 52, Nelson, pp. 255–7.

Canadian Placer Development eventually solved the access problems by buying the big German Junker aircraft G-31. Bucket dredges weighing in total some 4,000 t were flown from the coastal port of Lae to the Bulolo site. However, this did not occur until 1930–31 when more airfreight was moved to the Wau and the Bulolo than in the rest of the world combined.

Save for the reckless adventure that took the lives of Ehlers, Piering and 26 indigenous carriers in 1895 the early exploration successes and failures of NGC were less related to the quality of European personnel. The explorers were generally capable, experienced, well equipped, and committed to the task. While Hansemann was initially keen to assess ‘the lay of the land’ and make scientific discoveries, he soon moved to explore for gold, coal, phosphate and other valuables. Given that the minerals could be discovered, this required a patient and careful approach to pacification, attributes Hansemann did not possess, and an issue GNG struggled with throughout its existence.¹²³

The chronic lack of sea transport considerably hindered successful expeditions in the territory. Hansemann realised this from the outset. In the absence of any shipping service to the north coast and the Bismarck Archipelago he acquired three steamships for his new venture even before the government agreed to award NGC an imperial charter. The uncharted waters of the region, the coral reefs in the Bismarck Archipelago and the strong currents along the mainland coast, led to many ship losses. How NGC dealt with the fundamental requirement of shipping is addressed in the following chapter.

¹²³ Other explorations in GNG: The auxiliary cruiser SMS *Möve* worked in GNG from 1895 to 1905 primarily as a survey vessel. The ship was replaced with the hydrographic vessel SMS *Planet* until 7 Oct. 1914. The naval surgeon, E. Stephan, later Augustin Krämer, led the German Naval-Expedition of 1907–09. The charter for this joint venture of the *Reichsmarine* and the *Königlich Preußischen Museen* was to explore the Bismarck Archipelago; *Marine-Rundschau*, *Zeitschrift für Ethnologie*, *DKZ*, and *DKBl*. The anthropologist R. Thurnwald used photography, cinematography and phonographic cylinders to record his findings in the Sepik district and on Bougainville (1906–09) (‘Forschung of Dr. Thurnwalds’, *DKZ* [1914]). The geographer and vulcanologist, K. Sapper and the anthropologist G. Friederici explored New Ireland for the *Landeskundliche Kommission für Erforschung der Schutzgebiete* (April– Sept. 1908). The Hamburgische Südsee-Expedition (1908–11) was the most comprehensive expedition ever undertaken in GNG. Led by F. Fülleborn of the Institut für Schiffs- und Tropenkrankheiten in Hamburg, the expedition included the anthropologist O. Reche, the linguist W. Müller, painter, H. Vogel, natural scientist, G. Ducker, Professor Krämer and Elisabeth Krämer-Bannow, anthropologists P. Hambruch & E. Sarfert. The discoveries of some 18,000 ethnographical and anthropological objects were published by Thilenius in ‘Eine Durchquerung des Gebietes Zwischen dem Kaiserin-Augusta Fluß und der Küste von Neuguinea’, *Mitteilungen aus den Deutschen Schutzgebieten* (1913) pp. 357-63.

CHAPTER 8

SHIPPING

A prerequisite for the development of any overseas dependency was transportation. As early as September 1880 Hansemann had proposed the establishment of a government-subsidised steamer connection between Apia and Mioko. After many *Reichstag* debates and subcommittee sittings the Mail Shipping Subsidy Bill was passed on 26 April 1885.¹ The subsequent agreement on 4 July 1885 between the Reich and Norddeutsche Lloyd (NDL) provided for a regular service from Hamburg and Bremen to Hong Kong with a connection to Japan and a second service from Hamburg and Bremen to Sydney via Singapore with a link to Apia. Until then no regular German steamship had called on any port in the southwest Pacific.²

The New Zealand Union Steamship Co. commenced the first regular service between Auckland, Tonga and Samoa in 1885. The colonial government of New Zealand had commercial interests in Polynesia and subsidised this service. A North American shipping line provided a Samoa–San Francisco connection at the same time.³ The two services benefited DHPG in Samoa; they did not, however, assist NGC and companies in GNG.

In 1885 the only regular steamship connection between GNG and Europe was via Cooktown and Brisbane. The British-Indian Steam Navigation Co. of London maintained a monthly service from Batavia through the Torres Strait to Brisbane with a connection to London. Subject to the availability of cargo and passengers, ships would call on Cooktown from where NGC vessels transhipped to GNG.⁴ In 1886 it took 66 days for cargo, 56 days for passengers and 42–49 days for mail to make the Hamburg–Finschhafen journey.⁵ When NGC commenced its operations in GNG it depended entirely on this service.

Whilst Captain G. Inhülsen delivered the first cargo of building materials to GNG on his brig *J.H. Lübken* on 18 October 1885,⁶ most of the early consignments were shipped from Hamburg or Bremen to Sydney or Brisbane by a regular shipping service. Onward delivery to Cooktown was generally carried out by coastal vessels and from there to Finschhafen by NGC.

NGC's monthly Cooktown–Finschhafen service rarely met the needs of the administration; it most definitely did not meet the requirements of Hansemann's ambitious mobilisation schedule.⁷ With a top speed of 7.5 knots, the *Samoa* (114 BRT) could, at best, make the trip from Finschhafen to Cooktown in 4 days and 18 hours and return in 5 days and 5 hours.⁸

¹ H. Münch, *Adolph von Hansemann*, p. 226; M. v. Hagen, *Bismarcks Kolonialpolitik*, pp. 73 and 108.

² P. Neubauer, 'Die wirtschaftliche Bedeutung der deutschen Kolonien', *Marine Rundschau* 12 (1895) p. 194

³ Gallus, 'Schiffsverbindungen mit unseren Kolonien' in *Jahrbuch über die Deutschen Kolonien* (1908) pp. 149ff

⁴ *DKZ*, 1889, p. 75; *Jb* (1887) p. 8; P.G. Sack & D. Clark (1886–87) pp. 7–8.

⁵ *DKZ*, 1888, p. 21; W. Treue, *Die Jaluit-Gesellschaft auf den Marshall-Inseln 1887–1914*, p. 92.

⁶ *NKWL*, 1885, Heft i, pp. 6 and 22. Owner/skipper L. Janssen called on Mioko with his barque *Bessel* on 2 June 1884. It is not clear whether the goods shipped by Janssen were for NGC, the government or DHPG.

⁷ *NKWL*, 1885, Heft i, p. 2.

⁸ *NKWL*, 1886, Heft iv, p. 102.

However, apart from shuttling between Australia and the Protectorate, the scientific explorers, pioneers and, soon, the station managers in GNG required this vessel's service. Under these circumstances, one steamship was simply not enough.

A dearth in cargo and passenger space was made worse by the *Samoa's* poor performance. Hull, boiler and engine were barely held together by the crew during the Finsch expeditions. In June 1885 Captain Dallmann sailed the *Samoa* to Sydney to drop off Finsch. Whilst the steamer was in dock, Dallmann enjoyed a well-earned rest in Sydney and GNG was without marine transportation for the best part of 5 months.⁹

Hansemann was well aware that a fleet of ships was required to develop and service his Protectorate.¹⁰ The *Consortium* shareholders therefore committed to the purchase of five additional ships at a cost of RM607,500 before NGC received its charter for GNG from the government. The keels of SS *Papua* (170 BRT)¹¹ and her sister ship the *Ottillie* (171 BRT) were laid on the slipway of Devrient & Co. in Danzig on June 1884 and March 1885 respectively.¹²

Twelve months later, the directors proudly took delivery of their first steamship in Bremen. Then, on 9 July 1885, Captain Pfeiffer set the course of NGC's flagship for Finschhafen with a full load of building material and one passenger.¹³ After a smooth voyage, the *Papua* met up with the overhauled *Samoa* in Cooktown to depart together for Finschhafen on 28 October.

The *Ottillie* underwent sea trials in March 1886 and left the Danzig port of Neufahrwasser for New Guinea on 2 April 1886. Her departure was delayed until 18 April 1886 because of foul weather in the Skagerrak, forcing Captain Rasch to head for Bremerhaven for emergency repairs. Strong currents and head wind in the Torres Strait slowed down the *Ottillie* further and it was not until July that the secretary to the administrator, H. Fischer, the surveyor P. Schneider and the missionaries J. Flierl and T. Braun disembarked in Finschhafen. The arrival of the *Ottillie* was welcomed to by Administrator G. von Schleinitz who had arrived a few weeks earlier and was keenly waiting for the delivery of his personal goods.¹⁴

In 1885 and early 1886 Hansemann purchased three wooden-hulled square-riggers at a cost of approximately RM107,000.¹⁵ The barque *Norma* (645 BRT), procured in September 1885, was NGC's first vessel to deliver prefabricated houses and passengers to GNG.¹⁶ The primary function of the ship was to serve as temporary accommodation during the early construction phase of Finschhafen. Then, after the central station was sufficiently established, the vessel was converted to a 'hulk' for coal and other stores. When Finschhafen was

⁹ *ibid.*, 1886, Heft i, p. 2.

¹⁰ Sack & Clark (1886–87) p. 8; Jb (1887) p. 7.

¹¹ The loading capacity of the *Papua* was stated 141.84 BRT (*NKWL*, 1885, Heft ii, p. 2). Sack & Clark translated BRT with 'Brit. Reg. Tons'; the term is contradictory (Sack & Clark [1886–87] p. 8). The German 'Brutto Register Ton' (BRT) is equivalent to the British 'Gross Register Ton' (BRT) (K.J. Rawson and E.C. Tupper, 'Ship Dynamics and Design' in K.J. Rawson *Basic Ship Theory*, pp. 620–3).

¹² The loading capacity of the *Ottillie* was stated at 262 BRT (*NKWL* 1886, Heft ii, p. 60).

¹³ *NKWL*, 1886, Heft ii p. 2. The NGC employee Otto Elle was on board.

¹⁴ *NKWL*, 1886, Heft i, p. 3; Heft iii, pp. 60 and 79, Heft iv, p. 114; Sack & Clark (1886–87) p. 8, Jb (1887) p. 7. The German missionaries Flierl and Braun embarked in Cooktown.

¹⁵ Sack & Clark (1886–87) p. 8, Jb (1887) p. 7.

¹⁶ *ibid.* *NKWL*, 1885, Heft i, p. 2, *NKWL*, 1886, Heft ii, p. 60 and Heft iii, p. 80.

abandoned in 1891, the *Norma* delivered dismantled houses and equipment to Stephansort. Before unloading was started the barque broke her mooring and foundered.¹⁷ The cargo was salvaged by 18 May with the loss of the vessel recovered through insurance.¹⁸

The *Florence Denver* (492 BRT) was purchased in May 1886 for approximately RM25,000.¹⁹ The vessel left Hamburg under the command of Captain Hutter on 17 July 1886 with another load of prefabricated houses and two new NGC employees, the retired Prussian Army officers Ludwig and Blady. According to the logbook, the barque arrived at Sydney on 12 November to load (building) timber and take on provisions.

The barque proved cumbersome in shifting winds and the strong currents and shortly after her arrival in GNG she was taken off local work to haul coal from Sydney or Brisbane to Finschhafen.²⁰ In 1891 the vessel was laid up in Friedrich Wilhelmshafen to serve as coal hulk,²¹ and then in December 1892 she was beached and stripped for spare parts.²²

The barque *Esmeralda* (788 BRT), purchased in December 1886 for approximately RM47,500, was the largest of NGC's vessels.²³ The square-rigger left Cuxhaven for Finschhafen on 20 December 1886 with four Swedish houses, machinery, equipment and 600 tonnes of coal. Captain Dücker, who had returned to Germany after delivering the *Norma*, sailed the *Esmeralda* directly to Finschhafen where he arrived on 10 May 1887.²⁴ Dücker returned to the *Norma*, and Harbour Master R. Weller took control of the *Esmeralda*.

Like her sister ships the *Norma* and *Florence Denver*, the windjammer shuttled the 2500 nautical miles between Finschhafen and Sydney shipping building material, coal and provisions.²⁵ Shareholders were informed in 1890 that the *Esmeralda* had loaded approximately 1,000 t of phosphate on Mole Island in the Purdy Group and valuable timber logs at Finschhafen.²⁶ Shortly after leaving for Hamburg on 19 September 1890, Captain Weller and two deckhands died of fever whilst the rest of the crew were gravely ill.²⁷ The few remaining able hands took the *Florence Denver* to Brisbane for an emergency stop-over. Then under the command of her First Mate Wagner and a new Australian crew, the *Esmeralda*

¹⁷ *NKWL*, 1891, Heft i, p. 7.

¹⁸ *NKWL*, 1891, Heft i, p. 28. The *Norma* was written off. Insurance recovery was not identified in the accounts, nor was the transferred Finschhafen fixed assets.

¹⁹ *NKWL*, 1886, Heft ii, p. 61; Sack & Clark (1886–87) p. 8, Jb (1887) p. 7. The opening balance of the capital account shows an entry of RM24,715 for the *Florence Denver* (Jb [1887] pp. 23 and 27).

²⁰ *NKWL*, 1887, Heft i, p. 4, Heft iv, p. 129.

²¹ The 'hulk' was destined for Hatzfeldthafen but it was redirected to FWH because of the imminent closing of the station (*NKWL*, 1890, Heft i, p. 46; *NKWL*, 1892, Heft i, p. 22; Jb (1887) p. 7; Sack & Clark [1886–87] pp. 7–8, [1888–89] p. 41 and [1889–90] p. 55; Jb [1889] p. 10; the value of the *Florence Denver* was written down to RM1,000 in the 31 March 1891 accounts [Jb 1890/91] p. 32).

²² *NKWL*, 1893, Heft i, p. 61.

²³ Sack & Clark (1886–87) p. 8, Jb (1887) p. 7. The opening balance of the capital account showed an entry of RM46,854 for the *Esmeralda* (Jb [1887] p. 23).

²⁴ The usage of cargo space for coal was unusual. Coal destined for the NGC was usually loaded in Australia (*NKWL*, 1887, Heft i, p. 4, Heft iv, p. 129).

²⁵ *NKWL*, 1890, Heft i, p. 46.

²⁶ Jb (1889) p. 5; Sack & Clark (1889–90) p. 49. The specific gravity of phosphate mineral is greater than water. With a holding capacity of 788 t or 2.23 m³ the *Esmeralda* would not have been able to take 1,000 t of phosphate; 40 logs of *Calophyllum Inophyllum* and two logs of *Malawa* were loaded in Finschhafen (*NKWL*, 1890, Heft ii, p. 76, *NKWL*, 1891, Heft i; p. 14; Jb [1888] p. 11; Sack & Clark [1887–88] p. 30).

²⁷ *NKWL*, 1891, Heft i, p. 17. Weller's crew was hired in Finschhafen where a virulent influenza had infected an already malaria weakened European population.

continued on to Hamburg where the phosphate was sold at the low price of RM40 per tonne. This disappointing result led the board to enter into negotiation with the Sydney firm Rabone, Feez & Co for farming out the phosphate deposits on Mole Island.²⁸ However, the commercial discussions came to an abrupt end when a cyclone destroyed the island's mooring and mining facilities. The only positive from this exercise was the keen interest shown for New Guinea timber, also sold in Hamburg.²⁹

The operation of the large square riggers proved expensive. In contrast to the steamers, where Chinese and Javanese stokers, cooks and stewards made up the crew, the sailing ships were manned entirely by Europeans.³⁰ The complement of a barque typically comprised a captain, first and second mate and 18 sailors. It was no surprise that the *Esmeralda* was sold in Hamburg.³¹

The German navigators did not like the narrow shipping lanes in the Coral Sea, nor were they taken by what they regarded as substandard harbour facilities at Cooktown. The skippers rarely chose the alternative shipping lanes to Brisbane or Sydney because of the time it took to make the return trip.³² In any event, the treacherous waters of the Coral Sea had to be negotiated whichever course was set and this is where NGC lost most of its ships.

On her first return voyage from Finschhafen to Cooktown, the *Papua* was shipwrecked on the evening of 9 December 1885.³³ The incident occurred when Captain Pfeiffer struck the Osprey Reef, 60 nautical miles east of Cooktown, on high tide. Efforts to free the ship were unsuccessful and the hull broke up the following morning. The crew of 15 and two passengers made it safely to Cooktown with little more than the clothes on their backs. The water-soaked mail for Germany was saved but the entire cargo of copra was lost.³⁴ Although insured, the loss was a blow to Hansemann's ambitious development timetable. The company's first major ship acquisition was wrecked after only 34 days in New Guinean waters, with NGC again down to one steamer.³⁵ Further the company dismissed Pfeiffer after the captain was severely reprimanded by the *Hamburger Seeamt* (Maritime Court) for reckless conduct.³⁶

Until the *Ottillie* arrived in GNG, the SS *Truganini* (130 BRT) was chartered from the Steam Ship Co. of London for 6 months at an approximate cost of RM50,000.³⁷ The replacement for the *Papua* was the SS *Ysabel* (524 BRT). Built by Blohm & Voss in Hamburg for RM212,500

²⁸ Jb (1890) p. 9; Sack & Clark (1890–91) p. 65.

²⁹ *ibid.* Furniture made from New Guinea timber attracted considerable interest at the 1890 Berlin furniture exhibition.

³⁰ Jb (1890) p. 12; Sack & Clark (1889–90) p. 55.

³¹ The book value in 1890/91 of the *Esmeralda* was RM43,491. It appears that this was the approximate amount realised on the sale of the barque (Jb [1890/91] p.32; Jb [1891/92] pp. 36–7, n. 38). The Australian crew would have been returned to the point of hire by a regular service.

³² Gallus, p. 158; H. Blum, *Neu Guinea und der Bismarck-Archipel*, p. 56.

³³ Jb (1887) p. 7; Sack & Clark (1886–87) p. 8; NKWL, 1886, Heft ii, p. 61.

³⁴ NKWL, 1886, Heft i, p. 2. O. Schellong, *Alte Documente aus der Südsee*, pp. 14–15.

³⁵ Schellong, p. 16.

³⁶ The *Seeamt* found on 28 April 1886 that 'the unprofessional conduct of the captain is reprehensible; however, his licence shall not be revoked' (P.M. Pawlik, *Von Sibirien nach Neu Guinea*, p. 192, n.50).

³⁷ NKWL, 1886, Heft i, p. 3. The *Papua* and cargo were insured. Salvage and incidental costs came to RM38,513; the charter for the *Truganini* amounted to RM49,819. These sums were not recovered from insurance.

and commissioned in November 1886, the *Ysabel* became NGC's most expensive, but also the company's longest serving steamship.³⁸

The *Ottillie* did not fare much better than her sister ship the *Papua*. Apart from the early problems encountered in the North Sea, the copper-clad timber hull suffered damage on the outward journey, requiring the vessel to be docked in Brisbane during May and June 1887.³⁹ Further, a catastrophic event occurred on a return voyage from Surabaya to Astrolabe Bay. On 14 March 1891 the *Ottillie*, commanded by a drunk Captain Budde, ran aground on Latent Reef in the Purdy Islands at high tide.⁴⁰ The crew and the three passengers were able to take to the life rafts and reach nearby Mole and Mouse Islands before the steamer broke up, spilling its cargo of rice and cattle.⁴¹ Luckily, the *Ysabel* was able to pick up the survivors a month later when passing the reef on her way to Surabaya. Whilst the crew and passengers of the *Ottillie* remained in GNG, her captain faced the *Seeamt* in Hamburg for gross incompetence. The Maritime Court's decision to revoke Budde's license was no compensation for the loss of NGC's second steamer⁴²

The ever-escalating repair bill for the *Samoa* came to a head when an unscheduled docking was estimated to cost in excess of RM30,000. Rather than facing an unbudgeted repair bill, the company decided to sell the steamer in Sydney in February 1890 and book a profit of RM17,000.⁴³

The increasing demand for plantation labour made it necessary to purchase a small, special-purpose, recruiting vessel. Preceding the sale of the *Samoa*, the schooner *Senta* (60 BRT) was ordered from Rabone, Feez & Co. in May 1888 at a cost of \$2,632.⁴⁴ The vessel arrived in GNG in the following May and immediately commenced labour recruiting in the Solomon Islands and the Bismarck Archipelago.⁴⁵

After losing six ships in the space of 5 years,⁴⁶ the company's fleet consisted of only the steamer *Ysabel*, the brig *Senta* and the steam-launch *Freiwald*. The launch was bought secondhand in Singapore towards the end of 1891 to provide transport for the administrator and to service the tobacco plantations Maraga, Erima, Stephansort and Konstantinhafen.⁴⁷ Passengers were charged RM15 for a return fare from Friedrich Wilhelmshafen to any of these

³⁸ Jb (1887) p. 23. The 'carrying capacity' of the *Ysabel* is stated at 600 t (*NKWL* 1886, Heft ii, p. 61, Heft iv, p. 113). The 1888 annual report specifies the vessel at 366 'Br. Reg. Tons' (Jb [1887] p. 7). According to the builder Blohm & Voss the displacement was 524 BRT.

³⁹ *NKWL*, 1887, Heft iii, p. 80; Heft iv, p. 129.

⁴⁰ *NKWL*, 1891, Heft i, p. 5.

⁴¹ Insurance recovery on the *Ottillie* was RM53,761 above book value (Jb [1890/91] p. 31).

⁴² Budde file, *Seeamt* Hamburg, 1 Sep. 1891; *NKWL*, 1891, Heft i, pp. 26–7; Pawlick, p. 192.

⁴³ *NKWL*, 1890, Heft i, p. 46; Jb (1889) p. 8 and (1890) pp. 12, 33, 40; Sack & Clark (1888–89) p. 40 and (1889–90) p. 55. The book value of the *Samoa* was RM69,516; the vessel was sold for RM86,000 (Jb [1889] p. 14).

⁴⁴ The company was founded by the Hamburg-born Adolph Feez and Johan Frederick in the 1850s in Sydney. It acted as a general supplier for NGC. The stated cost is confusing. The currency appears to be dollars but the amount is too low for dollars and possibly too high for Pound sterling. An amount of RM65,861 was booked to Herbertshöhe 'harbour and coastal vessel' (Sack & Clark [1888–89] p. 40; Jb [1889] p. 8 and [1890] p. 40).

⁴⁵ Sack & Clark (1889–90) p. 55; Jb (1890) p. 12; *NKWL*, 1890, Heft i, p. 46, Heft ii, p. 95.

⁴⁶ The losses were the *Papua* (1885), the *Ottillie* (1891), the *Norma* (1891), the *Florence Denver* (1892), as well as the sales of the *Samoa* (1890) and the *Esmeralda* (1891).

⁴⁷ *NKWL*, 1892, Heft i, p. 42.

stations and RM4 for travelling between the stations. *Freiwald* was also available for charter at RM100 per day.⁴⁸ It is doubtful that this little enterprise was profitable.⁴⁹ Nevertheless, until the *Freiwald* was wrecked at Erimahafen on 31 May 1895, the motor launch provided an indispensable service to A-C and NGC.⁵⁰

The reduction of the shipping fleet prevented NGC from continuing the important GNG–Southeast Asia or GNG–Australia runs. The *Ysabel* was taken off the Stephansort–Surabaya–Singapore leg to work primarily in the Bismarck Archipelago and the seaboard of KWL, while the *Senta* was working on labour recruitment for the Herbertshöhe depôt. To be successful with the new plan of developing a plantation industry on Astrolabe Bay, Hansemann was forced to rethink his transportation strategy. NGC could reinvest the insurance receipts and replace the lost ships or opt for the expensive but more reliable alternative and rely increasingly on chartering vessels.

Soon after the ‘Mail Steamer Subsidy Bill’ was passed in the *Reichstag* in 1885,⁵¹ NDL began its 4-weekly trunking Bremerhaven – Singapore service. In the absence of any government-assisted service to GNG, however, NGC’s board decided to charter a steamer for the regular delivery of mail, passengers, goods, coal and Chinese coolies. Brought into immediate effect with the loss of the *Ottilie* the service was started with the interim charter of the steamer *Nierstein* (948 BRT) from the Hansa shipping company of Bremen. Commencing in October 1891, the *Nierstein* left Singapore for Hatzfeldthafen, Stephansort, Friedrich Wilhelmshafen and the Bismarck Archipelago every two months; Surabaya was included in this service on-demand.⁵²

In early 1892 NGC entered into an exclusive agreement with NDL. After the expiry of the *Nierstein* charter in March 1892, the new NDL–NGC interconnecting service started with the departure from Singapore of SS *Schwalbe* (754 BRT) on 15 April 1892. ‘This arrangement,’ Hansemann told his shareholders, ‘has established the fastest and shortest service to the Protectorate possible at the present time’.⁵³ By embarking in the Adriatic Port of Brindisi, he said, ‘it only takes 37 steaming-days to reach the Protectorate of the NGC’. This, according to the 1891/92 AR, ‘compares with a travelling time of 62 days via Surabaya or 57 days via Cooktown’.

The regular shipping service from Europe came at an additional cost. The charter of SS *Schwalbe* amounted to RM276,000 annually, to which was added the annual running cost of

⁴⁸ The vessel worked mainly for A-C (*NKWL*, 1893, Heft i, pp. 60–1).

⁴⁹ NGC budgeted RM3,000 in 1893/94 for freight and passenger income (*Jb* [1892/93] p. 16; Sack & Clark [1892–93] p. 83).

⁵⁰ *ibid.*

⁵¹ The Bill was signed into law on 26 April 1885. It authorised the government to pay NDL an annual fee of RM4,000,000 for providing a 15-year monthly shipping service from Bremerhaven via Antwerp, Port Said, Suez, Aden, Colombo, Singapore and Hong Kong to Shanghai. The second service was routed from Bremerhaven via Port Said, Aden, Suez, Diego Garcia, Adelaide and Melbourne to Sydney. For an additional subsidy payment of RM200,000, NDL was contracted to a monthly return service from Sydney to Apia via Tonga. The new NDL steamship *Lübeck* commenced this service on 10 Sep. 1886 (*Hagen*, pp. 97–114).

⁵² *NKWL*, 1892, Heft i, p. 27.

⁵³ The 15 April departure date contradicts the 11 June 1892 date in *NKWL*, 1893, Heft, i, p. 59 and *Jb* (1891/92) pp. 14–15. Sack & Clark stated this activity in the 1890–91 report, pp. 67–8.

RM165,000 for NGC's three vessels. The high costs were of obvious concern to Hansemann. By 31 March 1891 NGC had incurred RM1,871,852 on its shipping account, with the offset in freight, mail and passenger income only marginally reducing the outlay.⁵⁴ 'Even if the increased business activities of the Astrolabe Compagnie bring to bear a boost in receipts from freight,' Hansemann cautioned his shareholders, 'the shipping cost is the enterprise's Achilles' heel'.⁵⁵

With the establishment of tobacco plantations on Astrolabe Bay in 1891, NGC chartered the steamer *Devawongse* (1057 BRT) from the Scottish and Oriental Steam Ship Co. Ltd for two voyages. On 5 December 1891 and again on 5 February 1892, the coolie transporter ferried Chinese, Javanese and other Southeast Asians, rice and building materials from Singapore and Surabaya to Stephansort. The approximate charter of RM95,000 was back charged to A-C with only minor costs for the deck cargo of the steam launch *Freiwald* borne by NGC.⁵⁶

Under agreement with NDL, NGC remained responsible for providing collier service for GNG. Since the coal depôts had to be replenished to meet both in-house requirements and those of the *Reichsmarine*, shipping coal from Australia was welcome income although some of the costs were back charged to NGC by NDL.⁵⁷ Yet, efforts by NGC to establish a profitable shipping business in the GNG never succeeded.

In light of the high shipping expenses, Hansemann was not prepared to establish docking facilities in GNG, whilst also remaining unsuccessful in convincing the government to make such an investment for its navy. Whilst dry docking in Sydney, Brisbane or Singapore was made expensive by transfer and high labour costs,⁵⁸ the wisdom of this decision is open to question. Not a year had passed without a ship being lost or in a ship-yard for repair. Short-term charters, if available, were expensive because the ships had to be mobilised from Singapore, Batavia, Sydney or Brisbane. Apart from the charter cost, the slowdowns in the development of the young Protectorate for want of materials, foodstuff and general transportation would have been the highest price for the aging Hansemann to pay.

NGC's transport pains were lessened when the government agreed to allow NDL to redirect its Sydney–Samoa service to Singapore–GNG.⁵⁹ The NDL steamer *Lübeck* (1815 BRT) started this new service in GNG on 21 April 1893. A consignment of 290 t of coal, cattle, salted meat, flour and other goods was unloaded at Friedrich Wilhelmshafen before the steamer continued her voyage to the homeport Singapore.⁶⁰ With the RM200,000 annual government subsidies in place,⁶¹ sea transportation was now cheaper and, importantly, eight-weekly services contracted by the government allowed better planning of the operations in GNG. Whilst the charter of SS *Schwallbe* could now be dispensed with, it did not reduce the number of NGC-operated ships in GNG. This meant a continuing drain on the company's funds as shown in Table 8.1.

⁵⁴ Estimated shipping revenue was stated at RM25,000 for 1891/92. This is at variance with the financial accounts (Jb [1891/92] pp. 14, 34, 36, 38, 39 and 42; Jb [1892/93] p. 56–8); Sack & Clark have attributed this activity to the 1890–91 report (p. 68); Table 8.1.

⁵⁵ Jb (1891/92) pp. 14–15. According to the financial accounts, shipping expenditures to March 1891 – excluding surplus receipts from insurance recovery – were RM1,711,422 against receipts of RM277,174.

⁵⁶ *ibid.*

⁵⁷ Jb (1892/93) p. 16; Sack & Clark (1891–92 and 1892–93) p. 83. NGC chartered the brigs *Buste* and *Vagabund* and other vessels for this activity (NKWL, 1890, Heft ii, p. 95).

⁵⁸ NKWL, 1892, Heft i, pp. 40–2.

⁵⁹ Jb (1892/93) p. 16; Sack & Clark (1892–93) p. 83.

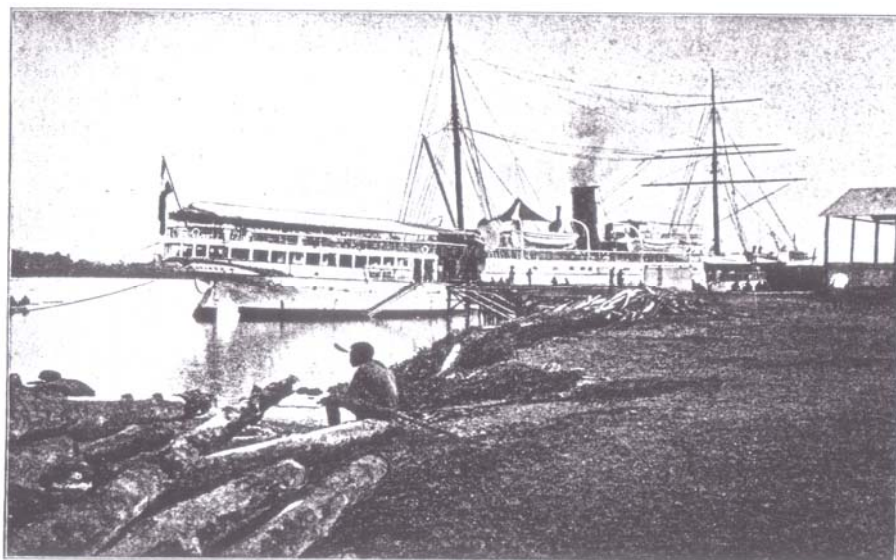
⁶⁰ NKWL, 1893, Heft i, pp. 60–1.

⁶¹ *Denkschrift*, 17 March 1914, RT 13 Leg., 1 Ses. 1914, Band 304, Nr. 1473, pp. 61ff.

The demand for inward-bound shipping space exceeded the capacity of the *Lübeck*, whilst the service to Singapore and Batavia was mainly used by NGC to repatriate coolies, and with some cargo from the independent growers and traders. Mail was the most profitable and in the eyes of the Europeans, the most important, freight. Despite a dearth in outbound cargo NDL replaced the *Lübeck* with the refitted sister ship the *Stettin* in 1893.⁶²

From 1898 the profitability of NDL's Singapore–Batavia–Herbertshöhe service was weakened by the entry of Australia's Burns Philp & Co. (BP). Over 2 years 2,175 t of cargo was shipped on the SS *Moresby* (1,763 GRT) in 13 voyages from Sydney to the newly established BP depôt at Herbertshöhe.⁶³ Australian-bound cargo of 1,549 t was mainly copra from the Ralum plantation of E.E. Forsayth.⁶⁴ Whilst NDL could not have been pleased with the entry of a competitor, it gained advantage from this situation: the BP service provided a better connection for NDL's passengers and cargo from Herbertshöhe to Australia. Rather than entering into fierce competition with the subsidised NDL, the pragmatic James Burns entered into a pooling arrangement with his German competitor. The agreement between BP and NDL split up the profits on the cargo shipped between Sydney and New Britain. After allowing 20–25% for cost, NDL received two-thirds and BP one-third of the revenue, whilst net receipts from coal shipped from Australia to New Britain were divided equally between the two companies.⁶⁵

NDL extended its Singapore–Batavia–Herbertshöhe service to Sydney in 1900. A Sydney–Hong Kong–Shanghai service via GNG and the Island Territory was started and withdrawn when the SS *München* (4,800 BRT) bottomed in Yap Harbour on her maiden voyage on 3 February 1901.⁶⁶



The mail steamer *Lübeck* berthing at Friedrich Wilhelmshafen, 1895

⁶² The *Stettin* was fitted with a new 17 m section which increased the shipping capacity to 2,230 BRT.

⁶³ K. Buckley & K. Klugman, *The History of Burns Philp*, pp. 83–4.

⁶⁴ *ibid.*

⁶⁵ *ibid.* Within 3 months of signing the agreement with NDL, Burns entered into an agency agreement with E.E. Forsayth. The agreement remained extant until Forsayth was acquired by R.H. Wahlen on 11 Feb. 1911.

⁶⁶ Drucksachen des Reichstages, 'Denkschriften zu den Gesetzentwürfen betr. Postdampferschiffsverbindungen mit überseeischen Ländern' (RT 13 Leg., 1 Session 1914, Band 304, Nr. 1473, p. 39).

Table 7.1 Income and expenditure of NGC ships

	Consignment	Income (RM)	Vessel	Activities	Expenditure (RM)
1886/87	Freight/Passengers	3,769	<i>Samoa</i> <i>Ottilie</i> <i>Ysabel</i> <i>Florence Denver</i> <i>Esmeralda</i> <i>Papua</i> Charter Insurance	Wages, Victuals, Coal, Habour Fees, Habour Pilots Lubricants, Repair and Maintenance, Sundries, Travelling of Crew to and from Protectorate Salvage cost- <i>Truganin i</i> Marine and General Insurance	138,128 22,179 17,817 3,521 3,362 38,514 49,819 107,717
		3,769		Total	381,057
1887/88	Freight/Passengers	13,206	<i>Samoa</i> <i>Ottilie</i> <i>Ysabel</i> <i>Florence Denver</i> <i>Esmeralda</i> Insurance	Wages, Victuals, Coal, Habour Fees, Habour Pilots Lubricants, Repair and Maintenance, Sundries Marine and General Insurance	48,880 67,169 39,693 16,795 8,244 65,173
		13,206		Total	245,954
1888/89	Freight/Passengers	23,103	<i>Samoa</i> <i>Ottilie</i> <i>Ysabel</i> <i>Florence Denver</i> <i>Esmeralda</i> Insurance	Wages, Victuals, Coal, Habour and Pilot Fees, Lubricants, , Repair and Maintenance, Sundries, Travelling of Crew to and from Protectorate Marine and General Insurance	63,132 89,373 94,516 1,162 54,190 59,362
		23,103		Total	361,735
1889/90	Passengers Freight Mail	46,476 79,943 981	<i>Samoa</i> <i>Samoa</i> <i>Ottilie</i> <i>Ysabel</i> <i>Florence Denver</i> <i>Esmeralda</i> <i>Senta</i> Insurance	Profit from Sale Wages, Victuals, Coal, Habour and Pilot Fees, Lubricants, Repair and Maintenance, Sundries. Travelling of Crew to and from Protectorate - included in <i>Senta</i> costs (RM18,401) Marine and General Insurance	-17,076 2,840 91,230 150,191 914 41,128 28,160 30,238
	Total	127,400		Total	327,625
1890/91	Passengers Freight Mail	57,132 52,272 292	<i>Ottilie</i> <i>Ottilie</i> <i>Ysabel</i> <i>Esmeralda</i> <i>Senta</i> Insurance	Profit from Sale Wages, Victuals, Coal, Habour Fees, Pilots, Repair and Maintenance, Sundries. Travelling included in <i>Senta</i> cost (RM12,872) Marine and General Insurance	-53,761 112,336 144,499 48,637 23,917 48,586
	Total	109,696		Total	324,214
1891/92	Passengers Freight Mail	29,745 20,241 576	<i>Ottilie</i> <i>Ysabel</i> <i>Esmeralda</i> <i>Senta</i> Insurance Charter	Wages, Victuals, Coal, Habour Fees, Habour Pilots Lubricants, Repair and Maintenance, Sundries. Travelling -included in <i>Senta</i> cost (RM10,667) Marine and General Insurance <i>Nierstein, Schwalbe</i>	459 131,860 132,319 23,919 18,771 54,258
	Total	50,562		Total	307,328
1892/93	Passengers Freight/Mail Charter	21,009 9,493 16,050	<i>Ysabel</i> <i>Senta</i> Charter	Operating cost RM900 write off <i>Florence D.</i> <i>Devaongse, Schwalbe</i>	154,148 24,438 94,748
	Total	46,552		Total	273,334
1893/94	Passengers/Freight	79,987	<i>Ysabel</i> <i>Senta</i> Charter	Operating cost Operating cost <i>Schwalbe</i> outstanding account	139,715 22,506 57,955
	Total	79,987		Total	220,176
1894/95	Passengers/Freight	99,827	<i>Ysabel</i>	Operating cost	176,424
1895/96	Passengers/Freight	125,413	<i>Ysabel</i>	Operating cost	161,138
1896/97	Passengers/Freight	21,890	General Shipping	Operating cost	69,269
1897/98	Passengers/Freight	32,775	<i>Johann Albrecht</i>	Operating cost	61,880
1898/99	Passengers/Freight	172,853	<i>Johann Albrecht</i> <i>Captain Coal</i>	Operating cost Charter	168,481 66,874
	Grand Total	907,033		Grand Total	3,145,493

The turn of the century also saw the introduction of a subsidised mail steamer service from Sydney to Jaluit, Yap and Palau. The service was the result of an agreement between the German government and the Marshall Island based Jaluit Gesellschaft (J-G) signed on 6 August 1900. For an annual government subsidy of RM120,000 J-G was contracted to deliver mail – free of charge – four times a year from various collection points in the islands to Yap for shipment by NDL to Sydney.⁶⁷

The service commenced on 1 January 1901 with the J-G steamer *Oceana* (684 GRT) which was purchased and refitted for this task in 1899 by the Scottish shipyard of S. McKnight & Co.⁶⁸ When NDL terminated the Sydney–Hong Kong run, J-G extended its service to the Gilbert Islands and included on-demand calls to Rabaul.⁶⁹ In a repetition of the problems that had beset NGC and NDL, the *Oceana* ran aground on a Jaluit reef on 23 December 1903.⁷⁰ Too expensive to repair, J-G ordered a new steamer, the SS *Germania* (1,096 BRT), from the Germania-Werft in Kiel.⁷¹ The *Germania* undertook sea trials on 12 September 1904 and the 12-weekly service from Sydney to the Bismarck Archipelago, Marshall Islands, Micronesian Islands and Hong Kong was recommenced in December 1904.⁷²

The new connection to Australia was not beneficial to everyone. The *Germania* was only calling on Rabaul subject to availability of cargo and the 8-week turnaround to Singapore by NDL's SS *Stettin* had to be changed to 12 weeks, because of the additional leg to Sydney.⁷³ Dissatisfaction with the schedule was remedied in 1903 when NDL replaced the *Stettin* with two steamers of the company's new *Feldherren* Class. The 11 knot SS *Prinz Waldemar* (3,227 BRT) and the *Prinz Sigismund* (3,302 BRT) then provided monthly Sydney – Singapore services via Rabaul.

When passenger demand called for the introduction of a shipping service from Australia to the Far East, NDL made a further change to the schedule. The Singapore–Sydney run was replaced in 1904 with a Sydney–Hong Kong service with connections to Kobe and Yokohama. The increasing volume of exports from GNG to Australia and Asia – by now exceeding exports to Europe – mandated that NDL would continue to call on Simpsonhafen (Rabaul) and later Friedrich Wilhelmshafen but bypass all other ports in GNG. The change from Singapore and Batavia to Hong Kong was of concern to NGC, with the slow development of KWL blamed on

⁶⁷ J-G was obliged to provide subsidised fares for government employees and exclusive freight rates to the Reichsmarine (W. Treue, *Die Jaluit Gesellschaft auf den Marshall Inseln*, pp. 87–8).

⁶⁸ The *Oceana* was built in 1891 by S. McKnight & Co. The vessel worked for its first owners out of Glasgow under the register SS *Harold* and in 1900 as SS *Oceana* (Lloyds Register of British and Foreign Shipping, 1895–1901; Jb-J-G [1900] p. 1; AGM, 15 June 1901).

⁶⁹ A. Friedemann, 'Friedemanns Philatelistische Berichte', iii (1912) pp. 893–7.

⁷⁰ The vessel made it to Sydney where it was found too expensive to repair and was sold for scrap metal (Jb-J-G [1903] p. 1, AGM, 23 April 1904; Treue, p. 91).

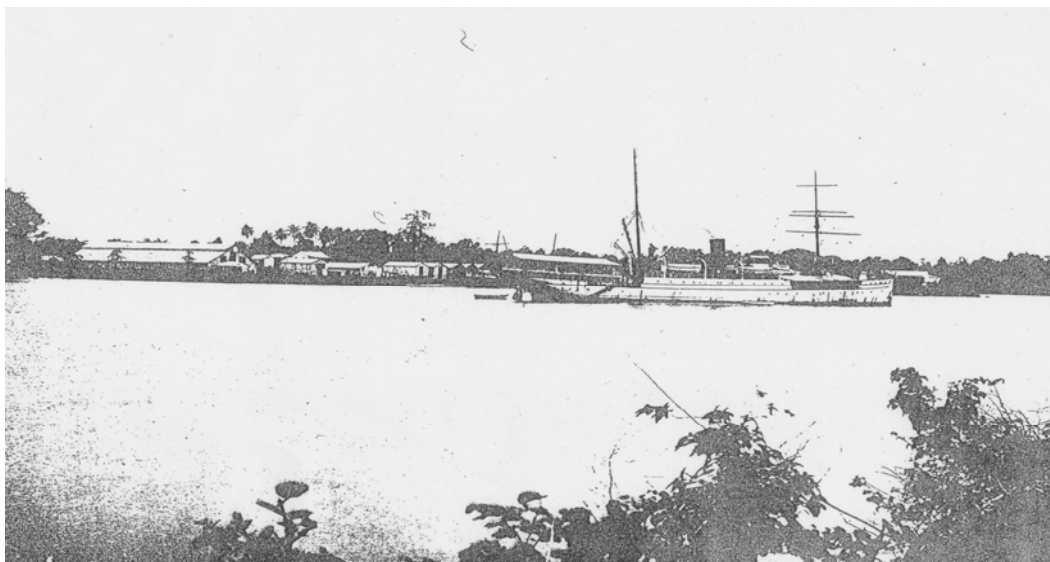
⁷¹ *ibid.* A. Hahl, *Gouverneursjahre in Neu Guinea*, p. 146.

⁷² J-G claimed the *Germania* to be the most modern and luxurious steamer in the South Sea. The vessel was 64 m by 9.95 m and 4.57 m draught. The 1000 h.p. engine provided a cruising speed of 11.25 kt. The *Germania* was built with six watertight bulkheads and was fitted with three lifeboats and a gig. The *Germania* accommodated 20 first-class passengers, 12 second-class passengers and 50 passengers on the upper deck. Treue, p. 91. 'Probefahrt des neuerbauten Dampfers *Germania* der Jaluit Gesellschaft' in *DKBl.* 15, p. 594.

⁷³ Under the agreement with the government NDL had to operate the *Stettin* at an average speed of 9.5 kt.

this new arrangement.⁷⁴ At this point only the company steamer *Siar* (325 BRT) was available to make the journey to Southeast Asia: a few pinnaces and schooners worked the KWL coast.

In 1903 NDL's directors decided on the construction of a 240 m deep-water pier with a 47 m long, 12.5 m wide and 4.5 m high shed complete with freshwater tanks and other amenities at Simpson Harbour on the north side of the Gazelle Peninsula.⁷⁵ The work, including onshore facilities comprising houses, office buildings, roads and a narrow gauge railway were completed on 12 October 1905.⁷⁶ NDL could now berth safely its largest ships in the fleet and the cruisers of the *Reichsmarine*.



The NDL SS *Lübeck* and the NGC SS *Ysabel* riding anchor at Friedrich Wilhelmshafen, 1895

Coinciding with the completion of the harbour facilities, NDL started an inter-island service on 1 October 1905. Without receiving a government subsidy the SS *Sumatra* (584 BRT) sailed to a flowing time schedule from Simpsonhafen to Buka and Kieta in the Solomons, Namatanai on the central coast of New Ireland, Kaewieng, New Hanover, Admiralty and Hermit Islands, turning south to Aitape on the northern coast of KWL, to Friedrich Wilhelmshafen, across to Petershafen on the French Islands and back to Simpsonhafen.⁷⁷ Assisted by the tugs *Langeoog* and *Roland* and, later, by the steamer *Meklong* (175 BRT), an average 5,000 t of internal freight was handled by this service annually until 1914.⁷⁸ The service was discontinued shortly before the outbreak of World War I due to mounting losses. In the absence of a

⁷⁴ Jb (1903/04) p. 11; Sack & Clark (1906–07) p. 273.

⁷⁵ Jb (1906/07) pp. 9–10.

⁷⁶ E. HERNSHEIM, 'Der Pierbau des NDL in Simpsonhafen' (DKZ [1904] pp. 467–8; Jb [1904/05] p. 9).

⁷⁷ The SS *Sumatra* was built in 1889 at Howaldt in Kiel. Sack & Clark (1905–6) p. 264 attributed the steamer with 407 BRT; the register of the shipyard shows 584 BRT; Sack & Clark (1904–05) p. 255. Timetable *Sumatra* (DKBI, 1906, p. 369).

⁷⁸ The *Roland* was lost in 1912 and replaced by SS *Meklong* which had previously shipped rice on the Siamese River for NDL (Sack & Clark [1912–13] p. 369; S.S. Mackenzie, *The Australians at Rabaul*, pp. 200–1).

government subsidy, NDL laid up the *Sumatra* because NDL never returned a profit on the island service.⁷⁹

In 1909 government assistance to NDL was increased to RM700,000. The amount approved by the *Reichstag* made payment dependent on re-establishing the service to Singapore via the Netherlands East Indies.⁸⁰ NDL agreed and commenced the new service with the SS *Manila* on 4 April 1909 from Singapore. After calling on the Dutch ports of Batavia, Semarang and Surabaya on Java, Macassar, Ambionna and Banda Aceh, Berlinhafen, Potsdamhafen, Friedrich Wilhelmshafen, Stephansort and Finschhafen, the steamer arrived in Simpsonhafen some 4 weeks later. The ports of call and the schedule were adjusted to meet the requirements of NGC and other customers.⁸¹

NGC could finally be satisfied with the shipping arrangement. From 1909 until the outbreak of World War I, a fleet of five NDL steamers called on Friedrich Wilhelmshafen and Rabaul but also the smaller ports of Aitape, Potsdamhafen, Finschhafen, Morobe and Petershafen. Imports and exports were now shipped economically to the major ports in Australia, Asia, North America and Europe. Apart from the two trunkline services, NDL worked several tugs in Simpsonhafen and was given responsibility for the operation of the government steamers throughout GNG.⁸² In conjunction with privately operated vessels and the occasional visit by the war ships of the *Reichsmarine*, there was now little shortage of sea transportation or passengers and cargo alike.⁸³ For NDL it was a long-term investment. Notwithstanding an annual Reich subsidy of RM200,000 p.a., the Simpsonhafen–Singapore service only showed a small profit in 1913.⁸⁴

Until the government relieved NGC of the onerous task of providing marine services in GNG, the company continued to lose ships. The steamer *Ysabel* was the exception: rather than meeting her grave in the Coral or Bismarck Sea, she was sold to BP in October 1896 after 11

⁷⁹ Mackenzie, p. 201; Jb (1907/08) p. 6; Sack & Clark (1912–13) p. 369. Including a government subsidy of RM70,000 after 1909, the average annual loss by NDL's island service was RM81,000. The Austral–Hong Kong service received a government subsidy of RM500,000 and returned an average profit for NDL of RM16,000 p.a. The onward service to Kobe and Yokohama was a NDL cost (Å. Kludas, 'Deutsche Passagierschiffs-Verbindungen in der Südsee 1886–1914', in H.J. Hiery ed., *Die Deutsche Südsee*, p. 171).

⁸⁰ Budget committee meetings, 10 and 11 Feb. 1909, RT 9 Leg. 1 (1909 sitting).

⁸¹ *Denkschrift*, RT 13 Leg., 1 (1914 sitting), Band 304, Nr. 1473, p. 41 (P. Neubaur, ed., *Jahrbuch des Norddeutschen Lloyd*, p. 275).

⁸² A. Hahl, *Gouverneursjahre in Neu Guinea*, p. 67; P.G. Sack & D. Clark, eds., *Albert Hahl Governor in New Guinea*, p. 94.

⁸³ Vessels of various sizes were operated by E.E. Forsayth, Hershheim & Co., O. Mouton & Co., McDonald and the Christian missions (NKWL, 1895, Heft i, p. 46; Sack & Clark [1899–00] p. 191 and 194). The *Reichsmarine* stationed the light cruiser/hydrographer SMS *Möwe* in GNG from Sep. 1894 until 1905 when the vessel was replaced by the purpose-built SMS *Planet*. This vessel worked in GNG until scuttled by her crew off Yap on 7 Oct. 1914. Apart from scientific work, the two vessels carried out punitive expeditions and ferried government officials, passengers and cargo in GNG (Jb [1892/93] p. 18 and [1894/95] pp. 9, 13; Sack & Clark [1892–93] p. 84, [1894–95] pp. 114–15 and [1898–99] p. 172). G. Schott, 'Kapitänleutnant Lebahn und die Forschungsreise SMS. *Planet*' in *Annalen der Hydrographien und Maritimen Meteorologie* (1907) p. 145. The armoured gunboat SMS *Jaguar* was stationed at Herbertshöhe from 1899. The cruiser SMS *Falke*, the unarmed cruiser SMS *Condor* and the three masted auxiliary cruiser (Windjammer) SMS *Seeadler*, visited GNG regularly. NDL operated the government steamers *Delphin* (260 BRT), *Seestern* (589 BRT) and *Komet* (977 BRT) (Sack & Clark [1909–10] pp. 304–5. Mackenzie, pp. 131–9; Sack & Clark [1912–13] pp. 338 and 357).

⁸⁴ Accumulated losses for the first 3 years amounted to RM100,000 with profits of RM20,000 generated in the 1913 financial year; 'Norddeutscher Lloyd, Bremen' AR-NDL (1914).

years in GNG waters.⁸⁵ The purpose-built replacement vessel, *Johann Albrecht* (250 GRT), a state-of-the-art recruiting vessel ordered from Bremer Vulkan in 1896,⁸⁶ struck a reef near Mérit in the French Islands on her first voyage to the Bismarck Archipelago. Whereas this time the damage was minor and the vessel could be refloated after jettisoning the cargo,⁸⁷ the *Johann Albrecht* ran hard aground on Hermit Islands 6 months later.⁸⁸ The incident occurred on 13 May 1898 after Captain Sanders had been ordered to rush to the aid of the R&H brig *Welcome*, which had bottomed on the northwest side of the islands. Both the *Johann Albrecht* and the *Welcome* were beyond salvage, and after less than 6 months in GNG the latest NGC vessel was declared a total loss.⁸⁹ If the risky salvage attempt of the two vessels by the *Stettin* had also ended in the stranding of the NDL steamer, the development of GNG would have come to a complete standstill.⁹⁰

The urgent mobilisation in 1898 of the cutter *Baltic* and in February 1899 of the ketch *Alexandra* from Sydney provided little relief to the shipping bottleneck.⁹¹ Both sailing vessels were fair-weather boats, with the poor sea-keeping capability of the *Alexandra* marginally improving after a bilge keel and larger sails were fitted. In 1901 the administrator decided to cut his losses and sell the ketch. Yet again, before the decision could be put into effect the *Alexandra* sank near the island of Teripar on 13 July 1902.⁹²

Soon after the loss of the *Johann Albrecht*, NGC placed an order for a motorsailer⁹³ Built to high standards in only 12 months by the Tömingen shipyard of Schömer und Jensen, the new NGC flagship did not fare any better than her predecessor. On her way to GNG, Captain Buchal found it difficult to keep the *Herzog Johann Albrecht* on course in the heavy seas. The motorsailer unloaded her cargo of machinery and sawmill at Herbertshöhe and Warangoi station after a 7-month voyage, on 15 November 1899.⁹⁴ The strong currents and shifting winds in the archipelago proved an even bigger problem to the manoeuvrability of the motorsailer

⁸⁵ The company advised its shareholders that the *Ysabel* was too expensive to operate as a recruiting vessel. The vessel was fuel inefficient and expensive to maintain due to 11 years of operation (Jb [1895/96] p. 9, Sack & Clark [1895–96] p. 123; NKWL, 1896, p. 28). NGC realised a sales price of £5,000 or 40% of the original purchase price in 1887; (Buckley & Klugman, *The History of Burns Philp*, p. 71). The German explorer Wilhelm Joest gave an impression on the difficulty crew had in keeping the *Ysabel* on course. Embarking in Sydney for New Caledonia on 25 July 1897, he described the *Ysabel* as pitching and rolling in even calm waters, 'which was only tolerable after a few dozen bottles of Pilsner' (A. Baessler, *Neue Südsee-Bilder*, pp. 365-6). Under the command of the former NGC captain Carl Ettlting, the vessel shipwrecked in the Marshall Islands on 7 June 1907. Ettlting and three members of his crew survived, to be taken by islanders to Jaluit (C. Ettlting, *Unter Pflanzern und Goldgräber im Kanibalenland Neuguinea: Aus dem Tagebuch eines alten Südseepioniers*).

⁸⁶ Detailed technical and performance specification (NKWL 1897, p. 41–3).

⁸⁷ Jb (1896/97) p. 13; Sack & Clark (1896–97) p. 137.

⁸⁸ The incident occurred on 13 May 1898 (NKWL, 1898, p. 39–40).

⁸⁹ *ibid.*

⁹⁰ The only vessels working for the company at the time were the *Senta* at Herbertshöhe and for Seleo manager Paul Lücker, the chartered *Captain Cook* and the ketch *Seleo* (Jb [1897/98] p. 6; Sack & Clark [1897–98] p. 143).

⁹¹ The *Baltic* was mainly used for loading and unloading of seagoing vessels and for services to the nearby outstations on the Gazelle Peninsula (Jb [1898/99] pp. 13, 23–4 and [1902/03] p. 10; Sack & Clark [1898–99] pp. 156 and 163–4).

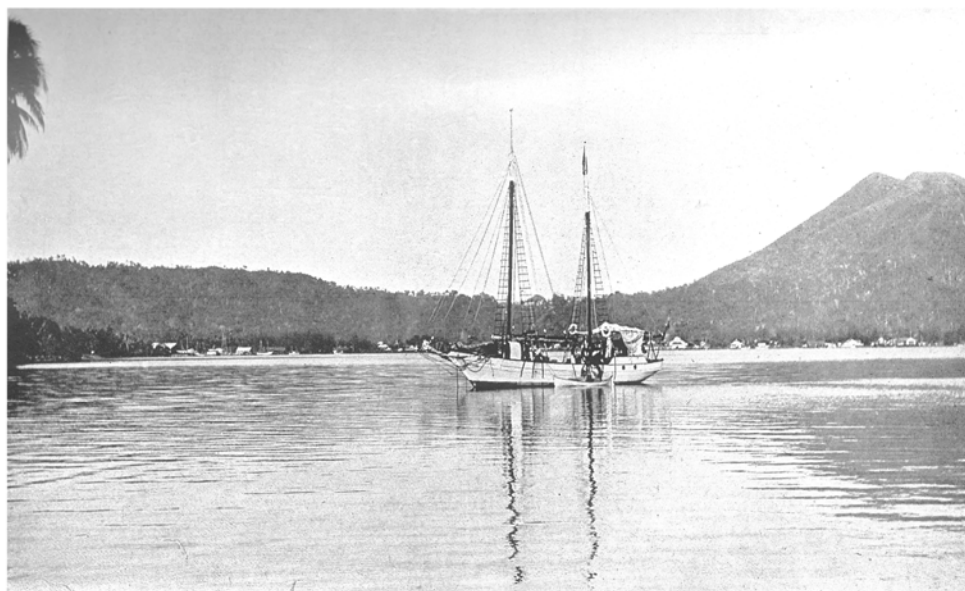
⁹² Shareholders were informed of the loss on 10 July 1902. Vessel and cargo was fully insured; no mention was made of the whereabouts of Captain Hermann Schmidt and the crew (Jb [1899/00] p. 9; Jb [1901/02] p. 15; Jb [1902/03] pp. 10 and 14).

⁹³ The vessel could load 200 t or take 300 labourers. Ship specification in NKWL, 1898, pp. 41–2; Jb (1897/98) p. 9; Sack & Clark (1897–98) p. 145.

⁹⁴ Jb (1898/99) p. 25; Sack & Clark (1898–99) p. 165.

than previously experienced. In 1901 the decision was made to take the vessel to Hong Kong for a refit. Whilst in transit, two typhoons damaged the ship to such an extent that towing assistance to Hong Kong was required. Repairs and modifications took almost 9 months and it was not until November 1902 that the NGC flagship recommenced work.⁹⁵

Nevertheless, the motorsailer remained difficult to operate along the treacherous north coast and the *Herzog Johann Albrecht* was reassigned to Herbertshöhe on 25 October 1902 to work solely as a recruitment vessel in the archipelago.⁹⁶ A cryptic message in the 1903/04 annual report read like a relief: 'the motorsailer *Herzog Johann Albrecht* was lost after bottoming on the north coast of New Hanover; vessel and cargo were fully insured. As a replacement, the schooner *Otti* (70 BRT), which was procured by the company in 1899, was transferred from Friedrich Wilhelmshafen to Herbertshöhe.⁹⁷ The vessel never operated to specification and insurance recovery was the cheapest way out.



Copra schooner off Rabaul, c. 1913

Fifteen years of maritime experience in GNG was taken into consideration when the steamer *Siar* was conceptualised. Built by Bremer Vulkan in 1901, the design was based on that of the *SS Johann Albrecht*, except for a strengthened hull and better accommodation. In the absence of a regular shipping service to Singapore, the 325 BRT *Siar* made this run until 1909 to deliver produce for shipment to Europe and return with passengers and goods for NGC.⁹⁸ When this service was taken over by ND L on 1 April 1909,⁹⁹ the ship was predominantly used for labour recruitment. In 1914 NGC deployed its two remaining steamers, the *Siar* and the *Madang*, to

⁹⁵ Jb (1900/01) p. 17 and (1901/02) pp. 14–15.

⁹⁶ Jb (1901/02) p. 14 and (1902/03) pp. 10 and 14.

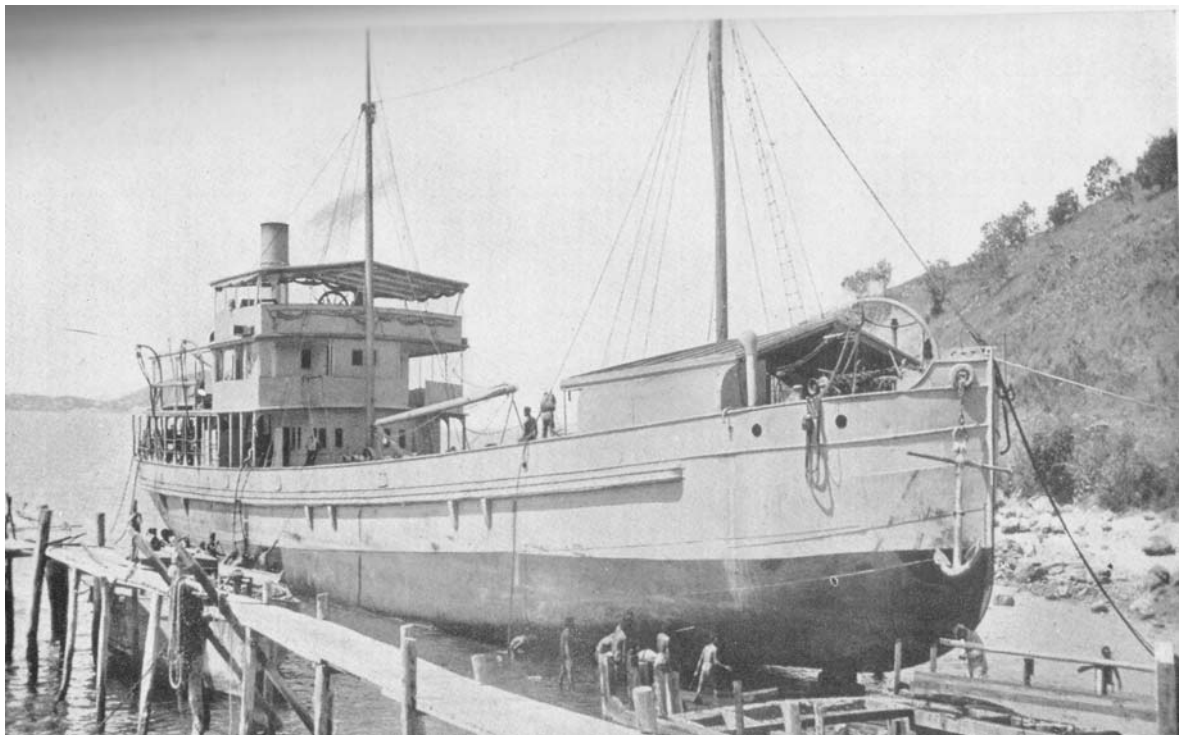
⁹⁷ The *Otti* worked as a recruiting vessel out of Berlinhafen. With diminishing labour resources in the region the vessel was transferred to Friedrich Wilhelmshafen and then to Rabaul from where she worked as a recruiter until outbreak of the World War I (Jb [1900/01] p. 17, Jb [1903/04] p. 11; Sack & Clark [1899–1900] p. 191).

⁹⁸ Jb (902/03) pp. 14 and 23.

⁹⁹ Jb (1908/09) p. 5 and (1909/10) p. 7.

ferry passengers, to ship goods to and from the stations and deliver copra to Simpsonhafen or Friedrich Wilhelmshafen for shipment by NDL or to provide transportation for renewed exploration activities. Labour recruitment from then was conducted with motor schooners which were purpose built in GNG.¹⁰⁰

The only other noteworthy ship acquisitions during Hansemann's tenure were the paddle-steamer *Herzogin Elisabeth* and the small steamer *Meto*. The *Herzogin Elisabeth* was built for the second and third Ramu expedition by Bremer Vulkan in 1897. The flat-bottom barge was constructed in only 8 weeks. The sections were shipped as deck cargo to Singapore and from there by SS *Stettin* to Friedrich Wilhelmshafen for assembly. The boiler, engine and other appurtenances were delivered by the *Johann Albrecht* on her maiden voyage from Germany. The deckhouse and accommodation module were built in the GNG. The teak superstructure was designed to accommodate four Europeans, 60 labourers and victuals for a 200-day voyage.¹⁰¹ The *Herzogin Elisabeth* maintained the line of communication between the explorers and gold prospectors on the Upper Ramu River and Ramumünde at the mouth of the River for just over 3 years.¹⁰² The vessel found her grave on the Ramu River when she struck an underwater log in November 1901. Attempts to repair the barge were unsuccessfully and she was left stranded on a mud-bank.¹⁰³



The former NGC SS *Meklong* on Port Moresby slipway, c. 1917

¹⁰⁰ Jb (1913/14) p. 7; Sack & Clark (1908–09) p. 293.

¹⁰¹ Jb (1896/97) p. 12; Sack & Clark (1896–97) p. 136.

¹⁰² Jb (1897/98) p. 4 and (1899/00) p. 16; Sack & Clark (1897–98) p. 140; (1899–00) p. 207.

¹⁰³ Jb (1900/01) p. 28 and (1901/02) p. 21 (RKA 1001:2419, pp. 33–6).

The *Meto* was purchased from Peter Hansen's establishment at Petershafen when NGC completed the acquisition of the Witu Islands in 1902.¹⁰⁴ The vessel served primarily as a copra trader and recruiter in the Witus. Her length of service with the company is unknown.

With Hansemann's death in 1903 major ship acquisitions by NGC also came to an end. Only when the company was advised in 1909 that NDL would not renew the agreement for freight rates and passenger fares did NGC place an order for a steamer, the wooden-hulled *Madang* (194 BRT).¹⁰⁵ Built in Hong Kong the ship took over from the *Siar* on the north coast of KWL on 8 August 1910, with the latter transferred to Herbertshöhe.¹⁰⁶ The long service of the *Senta* came to an end when the brig demasted near the French Islands in February 1911. The motor schooner *Witu* was then ordered from the same Hong Kong yard.¹⁰⁷ When she wrecked on a reef 12 months later,¹⁰⁸ a vessel of the same name and size was ordered from a shipyard in the Bismarck Archipelago.¹⁰⁹ At that time NGC had come to the conclusion that wooden hulls were cheaper to build and maintain. Before the NGC enterprise ended in 1914, three motor schooners were built in Rabaul and another smaller yard in the archipelago for Kaewieng, Aitape and Herbertshöhe; further, the pinnace *Maski* was built to provide a regular passenger service between Herbertshöhe and Rabaul. The *Madang*, *Siar* and *Witu II* were redeployed to ferry cargo to and from the main stations of KWL and the archipelago. Before GNG was shut down, the long-serving ketch *Frida* sank whilst riding anchor off Aitapé and the cutter *Tamberan* was scuttled due to old age.¹¹⁰

In summary, the ship acquisition and running costs relative to the overall expenditures was significant only during the first 3 years of GNG.¹¹¹ The 31 March 1887 balance sheet showed an amount of RM595,279 in the fixed asset account for ships.¹¹² This compared to 'Total Assets' of RM883,391. Twenty years later, the March 1914 accounts disclosed the total value of ships at RM139,512 against total assets of RM12,818,859. NGC treated ship assets conservatively in the accounts. Apart from depreciation of 10–15% p.a., future ship losses of RM70,000 were expensed in the P&L accounts from 1887 to 1891. In addition, a provision of RM60,000 was booked to the special reserve fund in the March 1903 balance sheet, increasing to RM200,000 by March 1912.¹¹³

¹⁰⁴ Jb (1902/03) p. 16.

¹⁰⁵ The agreement for low freight rates between NDL and the planters expired on 1 Oct. 1910 (Jb [1909/10] p. 7 and [1910/11] p. 7).

¹⁰⁶ Jb (1909/10) p. 7.

¹⁰⁷ Jb (1911/12) p. 8.

¹⁰⁸ Jb 1912/13) p. 13.

¹⁰⁹ Sack & Clark (1898–99) p. 153. A shipyard was owned and operated by the Chinese entrepreneur, Ah Tam in Matupi (Sack & Clark [1905–06] p. 263; David Y.H. Wu, *The Chinese in Papua New Guinea, 1880–1980*, p. 52). A Japanese ship builder operated a yard in Simpsonhafen from 1911 (Sack & Clark [1912–13] p. 370).

¹¹⁰ Jb (1902/03) p. 14 and (1913/14) pp. 7–8.

¹¹¹ A significant recurrent expenditure was the insurance premium which escalated from 1.5% to 7% due to the high ship and freight losses (Treue, p. 29).

¹¹² The opening balance of the 1887 NGC accounts showed the carrying value of the *Ottilie* as RM171,851. The acquisition cost of the *Papua* was recovered from insurance in its entirety (Jb [1887] p. 23 pos. 3 and 7, p. 26, note 7). The *Papua* was salvaged on 16 Dec. 1884 and sold by the insurer for £50.

¹¹³ Table 17.

Because ships and cargo were usually insured, losses only translated into opportunity costs for NGC, which were substantial. Hansemann's plan to commence the development of his colony with three steamships may have worked if the ships had stayed afloat and were better suited for the prevailing sea conditions. The frequent, unscheduled maintenance and repairs were expensive. The inability to get on with the job for lack of transport was a substantial burden on the company to develop GNG. It took NGC 25 years to learn what other operators had long known: smaller sailing ships were more effective in GNG waters. That NGC was not alone in suffering ship losses would not have placated the impatient Hansemann.¹¹⁴ Ships lost by NDL, Hensheim, DHPG, Forsayth and others also impeded the development of his colony.

¹¹⁴ For instance, the NDL steamer *München* (4,802 BRT) ran aground on a reef at Yap on 3 Feb. 1901 and could only be salvaged at great cost; the NDL-operated government steamer *Seestern* was lost between Brisbane and Samarai on or about 3 June 1909. The R&H *Welcome* struck a Hermit Island reef in 1898, the *Else* stranded in the Admiralty Islands in 1899, the *Arima* disappeared in 1901, and the motor schooner *Mascotte* caught fire in the König Albert Strait between Bougainville and Buka in July 1901. The E.E. Forsayth *Eudora* stranded in Jan. 1892 on the Gerrit Denys Island, the *Nukumanu* grounded in the Duke of York Group in 1899. The DHPG sailing schooner *Suga* ran aground off New Hanover in Aug. 1901. Also in 1901, the O. Mouton & Co *Minna* stranded on the north coast of New Britain, and in March 1902 the company's other two-master sank on the west coast of New Ireland.

CHAPTER 9

THE ESTABLISHMENT OF PLANTATION ENTERPRISES

Administrator Georg von Schleinitz visited Richard Parkinson on Ralum on the Gazelle Peninsula of New Britain in 1887 and saw the first plantation in New Guinea.¹ Parkinson did not believe that Hansemann's plan of acquiring native land with the intent of selling it to European farmers would be successful. Rather, he encouraged Schleinitz to diversify NGC into a plantation enterprise based on the E.E. Forsayth model, set up and managed by him for the American-Samoan Emma Coe.²

The first attempt by NGC to establish two large coffee plantations on New Britain in early 1888 was shattered by a tsunami.³ Station managers C. Hunstein and P. Below, four Javanese and 12 Melanesians from Mioko were pegging an area on the west coast of the island when a 15-m high wave took their lives on 13 March 1888. Also lost were imported agricultural equipment, building materials and a boat.⁴

The tsunami caused a more significant setback for NGC than Hansemann first realised. Rather than taking Parkinson's advice and persevering with the development of plantations on the fertile soils of the Bismarck Archipelago, he sold NGC land on the mainland to subsidiary companies for cash crop plantations. Experimental tobacco fields had proven successful in Butaueng, Constantinhafen and Hatzfeldthafen. The soil quality, predictable weather pattern, low indigenous resistance to large-scale plantations and the availability of labour locally were assessed as providing a better opportunity than other locations, including the Gazelle Peninsula. It proved to be a costly misjudgement.

When German enthusiasm for colonies in the South Sea did not translate into the sale of land, Hansemann changed his intended *modus operandi* for GNG as a settler colony. NGC sought help from the government in November 1888 to take over the general administration of the Protectorate so that it could concentrate its managerial resources on the development of a plantation industry. He now considered that small planters did not have the means to set up large-scale tropical enterprises in tobacco, coffee, cacao and cotton. And regardless of low land prices, the start-up costs would exceed the financial capacity of the settlers who were

¹ DKZ, 1887, p. 693; see R. Parkinson, *Dreißig Jahre in der Südsee*, pp. 26–7.

² NKWL, 1887, Heft ii, pp. 60–3.

³ *ibid.*, 1888, Heft ii, p. 71.

⁴ *ibid.*, pp. 76–7, Heft iii, pp. 147–9; Jb (1888) p. 2; P.G. Sack & D. Clark, (1887–88) p. 22. O. Schellong claimed (*Alte Documente in der Südsee*, p. 195; E. Tappenbeck, *Deutsch Neu Guinea*, p. 18) that Captain Hutter of the *Ottillie* found evidence of 45 m high waves generated by the tsunami. This should have read 45 ft or 15 m

leaving Germany for economic reasons in the first instance.⁵ Even when financing was available, Hansemann believed that their lack of knowledge in tropical agriculture was the key element affecting the development of plantations. Thus, settlers became less critical to the development of GNG: 'they [the settlers] should start with the cultivation of rattan or similar fibres, which were successfully produced in the Philippines', Hansemann commented apathetically.⁶

Hansemann concluded an agreement with the Reich on 23 May 1889 under which imperial officials henceforth carried out governmental responsibilities.⁷ The costs of the new arrangement were to be covered with the receipts from taxes, fines and customs duty. Any shortfalls were to be borne by NGC, while any (unlikely) surpluses were to NGC's benefit. On 21 August 1889 the Reich appointed Friedrich Rose Acting Imperial Commissioner in KWL. The sudden resignation of *Landeshauptmann* Reinhold Kraetke in August 1889 and the death of his successor, Hans Arnold, on 31 January 1889, brought into effect this agreement: from 1 February 1889 Rose combined the positions of imperial commissioner in KWL and administrator NGC.⁸

The restructure

The creation of a plantation colony now began in earnest. In June 1890 NGC established two plantation companies. The business of the Kaiser Wilhelms-Land-Plantagen-Gesellschaft (KWLPG) concentrated on coffee and cacao plantations, while Neu-Guinea Tabak-Gesellschaft (NGTG) focused on growing and marketing of tobacco. The formation meeting of KWLPG took place in the offices of the Deutsche Ost-Afrika-Linie (DOAL) in Hamburg on 13 November 1890. The principal of DOAL, A. Woermann, became the chairman; other members of the board of directors included A. Hansemann, A. Lent and C. Beck. The board appointed C. Bohlen to be the general manager and approved the 'General Conditions of the Articles of Associations' (its statute).⁹ The principal activities of KWLPG – spelled out in §2 of its statute – was the growing of coffee and cacao on land acquired from NGC in KWL. Prior to submitting the statute to shareholders for adoption, government approval was required for the

⁵ According to Eduard Hensheim the original settlers were disinclined and not in a financial position to pay RM5/ha in the Bismarck Archipelago 'so that for an area of say 100,000 ha, the fee, including the surcharge for establishing the *Grundbuch* folio (land register), would come to all of 75,000 Marks' (P. Sack, *Eduard Hensheim*, p. 212). Mouton claimed to have sold approximately 445 ha plantation land from his 2,000 ha holding at Kinigunan to NGC at RM20/ha (P. Biskup, 'The New Guinea Memoirs of Jean Baptiste Octave Mouton', *Pacific History*, 7, (1974) pp. 89–90). No outlay for land of this magnitude is shown in NGC annual accounts. If Mouton's claim is correct, the transaction had to be in kind (copra in exchange for land).

⁶ *NKWL*, 1890, Heft i, p. 18.

⁷ Hansemann to Bismarck, 22 Nov. 1888 (RKA 1001:2939, p. 5–10). The Reich could terminate the agreement at any time, by NGC only after 3 years (*NKWL*, 1889, Heft ii, pp. 31–2).

⁸ *NKWL*, 1890, Heft i, pp. 7 and 9. For details on the executive powers of Rose see P. Sack, *Phantom History: The Rule of Law and the Colonial State*, pp. 321–2.

⁹ 'Die Kaiser Wilhelmsland-Plantagen-Gesellschaft' (RKA 1001:2425, pp. 5–7).

establishment of an incorporated organisation in a German protectorate: Hansemann sought this from the AA-KA on 26 June 1890.¹⁰

The company issued 1,000 partly paid shares with a nominal value of RM500. Thirty-five individuals and companies made up the share register.¹¹ Shareholders were eligible to vote at meetings subject to the shares held being paid up to a minimum of 10%. At the discretion of the directors, shareholders were committed to inject up to 100% additional capital into the company if requested by the board.¹² Shareholders who fell into arrears with payments on called up equity would forfeit their shares. Under its statute, KWLPG had the right to take legal action for the recovery of unpaid calls, including legal costs and accrued interest.¹³

Rather than reporting failure, Hansemann told NGC shareholders at the 1890 annual meeting that his aspiration of attracting financially strong companies to KWL was finally realised: 'a colonial company was established in November of this year in Hamburg with the purpose of cultivating cacao and coffee in KWL'.¹⁴ Shareholders also learnt of the incorporation of KWLPG. Following the successful trials with coffee and cacao by NGC, it exchanged 3,000 ha of prime agricultural land for 12.5% equity in the new venture.¹⁵

NGC met the government's requirement for it to be the guarantor of KWLPG.¹⁶ In addition to the equity held by NGC, Hansemann underwrote 24% (RM120,000) of the capital, with his bank D-C taking up 3.4%. Other substantial shareholders were NGC directors Russell and Lent (6% each), Eckardstein-Prötzel (4%) and Woermann (2%). The large shareholding by related parties gave the minority shareholders a measure of security provided the company traded successfully. This, however, did not materialise.

Cacao plantations

The first attempt by NGC to operate a major plantation enterprise ended within 6 months of its legal formation. Hansemann had hired the Trinidad-based German cacao expert, Ludwig Kindt, because of his impressive credentials.¹⁷ A cacao grower for many years, Kindt convinced Hansemann that Ceylon cacao was the best in the world. He suggested starting the enterprise with a product he would procure *en route* to the Protectorate. Kindt expected these seeds to germinate in his Wardian Case (terrarium) so that he could commence planting immediately on his arrival in GNG in September 1890. To ensure a prompt start, Berlin instructed the administration in Finschhafen to provide Melanesian and New Guinean labourers whilst Kindt

¹⁰ Hansemann to Krauel, 26 June 1890. Colonial company approval was given in accordance with §8 of the Protectorate Act of 15 and 19 March 1888 (RGBl. pp. 71–5; H. Schnee, ed., *Deutsches Kolonial-Lexikon*, vol. iii, p. 317; Jb [1890] p. 7; Sack & Clark [1889–90] p. 50).

¹¹ Share Register 1892, RKA 1001:2425, pp. 45 and 51–2. A prospectus has not been located.

¹² A call on shareholders could not exceed 30% of the share face value at any given time (Statute of the KWLPG, §9, R1001:2425, p. 3).

¹³ *ibid.* §12, p. 4.

¹⁴ Jb (1890) p. 7; Sack & Clark (1889–90) p. 50; R1001:2425, pp. 5–63.

¹⁵ This computes to RM20/ha (*NKWL*, 1890, Heft i, p. 18 and Heft ii, pp. 76–7).

¹⁶ Hansemann's file note, 17 May 1890 (RKA 1001:2425, p. 3).

¹⁷ Through his shipping activities, Adolf Woermann would have had connections with Trinidad and he, rather than Hansemann, could have been the person who interviewed and engaged Kindt.

stopped in Surabaya to recruit Javanese workers.¹⁸ Hansemann decided on the fertile soils of the Astrolabe and Gogol Plains and issued instructions to start setting up a cacao plantation immediately near the village Gorima. According to the *NKWL*, 'all efforts were made to ensure a successful launch of the venture by filling in the mosquito infested mangrove swamps and by planting the shade providing *Erythrina*'.¹⁹

The extensive preparatory work did not produce the desired results. NGC had no expertise in tropical plantation work and the wrong corporate culture. Inexperienced executives in Berlin selected, interviewed and appointed nearly all senior employees for GNG during the first few years. Kindt was the wrong choice. So as not to miss the first planting season, the new manager's priority was the clearing and tilling of the land rather than completing the work on labour accommodation. But many of the seeds procured in Ceylon did not germinate and unseasonal high rainfall destroyed the rest.²⁰ Kindt blamed the failure of the first crop on the workers. Rather than acknowledging their inexperience in symmetrical agriculture, he punished what he saw as obstinacy, hunger and sickness by providing ever-smaller food rations. Rather than seeking the respect and cooperation of his workers, he earned instead their hatred and disobedience.²¹

Labour conditions

On 2 December 1890, 10 workers out of group of 15 New Irelanders – who had arrived in Gorima 7 days earlier – found their way to Finschhafen on 7 December 1890.²² They had fled Gorima station because the 'master belong glass' (the bespectacled Kindt) punished them 'by tying their hands behind their backs, forcing them to the ground and, with his boot in their neck flogged them'. The ringleader who organised another 40 workers to escape to Finschhafen 14 days later received the same harsh treatment.²³ Kindt denied the accusations. In particular, he rejected any involvement in the death of a worker. 'All I did', he told the newly appointed Imperial Commissioner Rose, was to deliver a 'clip behind the ear or a few smacks to their backs'.²⁴ Kindt seemed more concerned with his own predicament than becoming familiar with the rules and regulations of the NGC. The grief for the loss of his child to malaria and his eagerness to get the plantation started would have left him with neither time nor inclination to

¹⁸ Kindt recruited 18 Javanese in Surabaya. Experience has shown that the coastal Jabbim tribe near Finschhafen supplied the most resilient workers (Jb [1894/95] p. 8; Sack & Clark [1894–95] p. 113). On the Jabbim tribe see Hollrung's ethnographical report on the Papuans in *NKWL*, 1888, Heft iv, pp. 223–33.

¹⁹ *NKWL*, 1890, Heft i, p. 77.

²⁰ *ibid.*, 1891, Heft i, p. 22; on the unseasonal high precipitation in Nov. and Dec. 1890, see Table 10.

²¹ Rose memo written on board SS *Ysabel*, 15 Dec. 1890 (RKA 1001:2425, pp. 37–40).

²² Rose to AA-KA, 27 Jan. 1891 (RKA 1001:2425, pp. 30–2). The Gorima people live on the Gogol Plains along the Gogol River. The main village 'Gorima' lies at the mouth of the river.

²³ *ibid.*

²⁴ *ibid.*, p. 32.

study the tedious labour regulation that had come into force 2 years earlier.²⁵ The ordinance for corporal punishment was only to be applied when admonishing the culprit proved futile, and then only to a maximum of 10 lashes a week. Kindt would have regarded these regulations as 'pathetic' in any event. He belonged to a generation of planters that was more in keeping with the Dutch *Cultuurstelsel* in the East Indies of the 1830s. As a 'real planter', he believed in the God-given right to exploit indigenous labour without having to demonstrate empathy or kindness or to pay them a great deal for their work. Kindt's Caribbean labourers were accustomed to corporal punishment. 'Why should the Papuans, Javanese or Chinese be treated any differently?' he would have asked.²⁶

Rose disagreed with such an attitude. He was now in charge of GNG and determined to assert the independence of his administration. Answerable to the *Reichskanzler*, it mattered little to him that he received his salary from NGC. Hansemann had agreed to the appointment of the 34-year-old Rose; in effect, it was his idea.²⁷ He also expected Rose to be a subservient manager of NGC. However, the inexperienced man who arrived in Finschhafen on 1 November 1889 was anything but subservient. Rose set to work on improving the general health conditions of Europeans and workers alike and on upholding the law. He was also determined to curtail the callous treatment of labourers by the Europeans.

Circumstances led to the merging of the positions of imperial commissioner for the Bismarck Archipelago and NGC's administrator when Schleinitz's replacement, Kraetke, left GNG at short notice. His hurried replacement with NGC's office manager in Berlin, Hans Arnold, was also short lived. He died from malaria on 31 January 1890, less than 3 months into the job.²⁸ Imperial Commissioner Rose took charge of government and company affairs in GNG by agreement between the AA and NGC. While briefly relinquishing the responsibility for NGC to Arnold's replacement, Eduard Wißmann, on 17 July 1890, Rose was again responsible for all of GNG when Wißmann died – also of malaria – on 28 February 1891. The far-reaching authority enabled him to amend the labour regulations and remove Kindt from the position of plantation manager with little resistance.²⁹ For NGC the appointment of an imperial commissioner was unsuccessful and expensive as the following corollary demonstrates. When Rose's contract expired on 31 August 1892 Hansemann reverted to the *status quo* of

²⁵ *Geltende Verordnungen für Deutsch-Neu-Guinea*, p. 73; 'Regulation regarding the maintenance of discipline among the native and coloured workforce' of 21 Oct. 1888 (enacted 1 Jan. 1889). The government amended the regulation on 20 June 1900. The total number of lashes increased to 25, minors were permitted to be punished with the cane, adult males with a wooden stick. The agreement between the Dutch and the German governments of 11 July 1900 did not permit coolies from the Dutch East Indies to be subjected to corporal punishment except where a serious crime had been committed. The law was amended again on 28 Oct. 1908, when corporal punishment was restricted to the use of a rope-end rather than a stick and was confined to labourers' buttocks (Köbner & Gertsmeier, *Die Deutsche Kolonialgesetzgebung*, vol. vi, no. 157, 1909).

²⁶ *NKWL*, 1891, Heft i, p. 22; 'Rechtsverhältnisse im Schutzgebiet der NGC' (RKA 1001:4781); see P. Hempenstall, *Pacific Islanders under German Rule*, pp. 165–6; S. Firth, *New Guinea under the Germans*, pp. 30 and 33; H.J. Hiery, *The Neglected War*, pp. 80–5.

²⁷ *NKWL*, 1891, Heft i, pp. 3, 5 and 63–4, 1893, p. 15; *Jb* (1890/91) pp. 2–5; Sack & Clark (1890–91) pp. 56–60.

²⁸ *NKWL*, 1889, Heft ii, p. 32; *Jb* (1890) p. 2; Sack & Clark (1889–90) p. 46.

²⁹ Rose amended the Labour Act, requiring indentured labourers to register with the government in Finschhafen. Rose enforced mandatory medical check-ups and ongoing medical supervision of recruits because of rampant venereal infections in Finschhafen; Rose to Caprivi, 21 Oct. 1890 (RKA 1001:2301, pp. 79–82).

appointing the administrators, while the government continued to appoint the judges and commissioners for GNG.

In January 1890 Rose informed the AA-KA in Berlin of his misgivings about Kindt while also advising KWLPG and NGC of his reservations about the manager's shortcomings: 'the example set by the company's General Manager', he informed Woermann, 'will pervade the management of the NGC'.³⁰ Rose feared that labour abuse would lead more workers to abscond and, once the onerous employment conditions became widely known, make it increasingly difficult to attract new workers. Therefore, he imposed a financial bond on Kindt for every worker under his care, which he would forfeit in case of proven mistreatment.³¹ Predictably, Kindt ignored Rose's instructions, leading to his dismissal on 30 April 1891, which in Rose's view was 'in the best interest of NGC and the government'.³² The Gorima plantation had not progressed to anyone's satisfaction. The workers and European staff alike were sick, had died, had abrogated their employment contract or were generally disillusioned.

Hansemann was in two minds regarding the dismissal of Kindt. He had complained previously that Rose's moralising was damaging the company's interests and that the responsibility of the government was to further NGC's interests. In January 1891 he demanded that the government instruct its imperial commissioner 'to avoid, as far as possible, all measures which were likely to impede on the company's enterprises'.³³ In this instance, however, he agreed to the dismissal of Kindt as it provided a useful explanation as to why KWLPG did not thrive.³⁴ 'The success of a plantation', according to the *NKWL*, 'depends entirely on the competency of the plantation manager'.³⁵ Kindt stood accused of having procured poor quality cacao seeds. His dismissal was, however, primarily based on his uncivilised behaviour towards the Javanese and local workers.

Kindt responded with indignation. *En route* to Germany he wrote to *Reichskanzler* Caprivi:

Before I got married in 1884, I had been around the world and had seen many new and established colonies. The hopeless conditions, as they exist in New Guinea in every respect, I have not experienced anywhere else ... In New Guinea, my colleagues and I have never enjoyed two consecutive days without a fever and all this because of the poorest of standards in food. The Administration cares for the workers as badly as it cares for the Europeans and complaints are discouraged. I blame the directors of NGC in Berlin for making promises on accommodation and food, which they knew, could never be fulfilled, and because of it, my child had to die. I write this letter so that decent German families are spared a similar fate to that my family and I had to endure in KWL.³⁶

Kindt also took his grievance to the Higher District Court in Hamburg. The statement of claim sought compensation of RM70,000 for breach of contract. The directors of KWLPG and

³⁰ Rose to Woermann, 27 Jan. 1890 (RKA 1001:2425, pp 28–33).

³¹ Rose to Kindt, 27 Jan. 1890 (RKA 1001:2425, pp. 28–33). It is not clear how this would work. Under the charter, NGC was the recipient of the security deposit and the fine.

³² NGC to AA-KA, 10 Feb. 1891, RKA 1001:2409; Rose to Caprivi, 27 Feb. 1891 (RKA 1001:2980); AA-KA to Woermann, 1 April 1891, KWLPG to AA-KA, 30 April 1891 (RKA 1001:2425, pp. 39–41).

³³ Hansemann to AA-KA, 4 Jan. 1891 (RKA 1001:2301, p. 57); AA-KA to Rose, 13 Jan. 1891 (RKA 1001:2939, pp. 86–7); NGC to AA-KA, 10 Feb. 1891 (RKA 1001:2409, pp. 125–9).

³⁴ Hansemann claimed in 1895 that the most severe setback to its finances had come between Feb. 1891 and Sep. 1892, while Rose was in charge of GNG (NGC to AA-KA, 5 Jan. 1895, RKA 1001:2939, p. 98).

³⁵ *NKWL*, 1891, Heft i, p. 22.

³⁶ Kindt to Caprivi, 2 Sep. 1891, RKA 1001:2410; see 'Die Deutsche Verwaltung Neuguineas 1884–1914' in H.J. Hiery, ed., *Die Deutsche Südsee*, p. 285.

Commissioner Rose, who testified at the trial, did not dispute Kindt's 10-year employment contract and his annual salary of RM12,000 plus expenses. However, the directors submitted to the court that the company was entitled to give 6 months' notice for termination of employment if: (a) KWLPG was insolvent, (b) went into voluntary liquidation, (c) plantations did not develop to expectation, (d) the plantation manager demonstrated incompetence or negligence in the performance of his duties. The court found in favour of the now defunct KWLPG and dismissed the claim.³⁷

Far from solving the problem of labour relations by dismissing Kindt, Rose now had to deal with the murders of two Malay overseers and six labourers on Gorima plantation in June and July 1891. When NGC acquired the area, the agreement was with the village elders of Maraga, not the various landowners of the Gorima and Bogadjim tribes.³⁸ The landowners believed that the Europeans had stolen their land and were particularly affronted at the intrusion of other Papuan and Melanesian tribes on their territory.³⁹ Rose tried to hunt down the culprits – who were the injured Gorima people – with little success. When evidence of stolen goods from the Gorima plantation surfaced in Myou village, he instructed the burning of the houses with the villagers' livestock and food supplies.⁴⁰

The Hatzfeldthafen and Gorima actions created a confrontational mood that spread through GNG and lasted for many years. Rose had to deal with major disruptions to establishing plantations in KWL, the Gazelle Peninsula and the northeast coast of New Ireland. He requested more police to deal with the unmanageable hostilities. Hansemann impressed on the government its obligation to provide safety in GNG in accordance with its charter and therefore rejected Rose's request.⁴¹

The German government, however, had its hands full in Africa. It refused to engage militarily in GNG, except for the occasional visit by the light cruiser from its East Asian squadron in Tsingtao. Setting aside the problem of how to deal with hostile tribesmen, the NGC board decided to establish a large plantation on the Astrolabe Bay. To appease KWLPG's shareholders, NGC offered to acquire all of the partly paid shares, thus avoiding recognition of any losses.⁴² It also offered to convert KWLPG into A-C shares. A-C was Hansemann's next great venture, and for the shareholders who took up the offer much worse was to come.⁴³

In search for workers

NGC'S decision to become an agriculturalist rather than a pure land developer resulted in a need for experienced plantation staff. German-Australians were no longer encouraged to

³⁷ Kindt appealed the decision which was also unsuccessful; *Hamburgischer Correspondent*, vol. 899, 25 Dec. 1895 (R1001:2425, pp. 62–3).

³⁸ M. Krieger, ed., *Neu-Guinea*, pp. 125–6. Maraga village lies approximately 2 km south of Gorima village.

³⁹ Rose to AA-KA, 27 June 1891 (RKA 1001:2980).

⁴⁰ *ibid.*, 1 Sep. 1891.

⁴¹ AA-KA to NGC, 9 Nov. 1891; NGC to AA-KA 22 Dec. 1891 (RKA 1001:2980).

⁴² RM166,666 was paid for the partly paid shares, NGC auditors to NGC Board, 6 Feb. 1892, KWLPG to shareholders, 29 Mar. 1892, Hansemann advised the AA-KA of the KWLPG liquidation on 8 Aug. 1893 (RKA 1001:2425).

⁴³ *NKWL*, 1891, p. 22.

migrate to GNG; instead, Hansemann now targeted the German and Dutch coffee and tobacco planters in Java and Sumatra.⁴⁴

The company expected the local people of KWL to meet its labour needs, with artisans from Java to fill the gap in carpenters and other trades. However, with a few exceptions, Papuans were unwilling to engage outside their village districts and were not interested in engaging in any long-term indentures.⁴⁵ In addition, there were not many of them. By 1889 the NGC workforce was overwhelmingly Melanesian, engaged from the Bismarck Archipelago and on the Solomon Islands, with only a few Javanese and Java-Chinese employed at that time for special tasks.⁴⁶ The smallest group of workers came from the Papua tribes in KWL. Here, only the Jabbim people from around Finschhafen met the expectations of the demanding Germans.

The move into large-scale tobacco farming in 1891 introduced a radical change in NGC's labour policy. Tobacco cultivation required skills that were not available in GNG. Accordingly, Hansemann instructed his plantation staff in 1889 to engage experienced coolies from Java, Sumatra and Singapore. The well-known expertise of the Sumatran coolies was in particular demand for the careful harvesting, curing, grading and packaging of the tobacco leaves.⁴⁷ To obtain this skill, Hansemann requested assistance from the AA to gain approval from Batavia and the Straits Settlements for the importation of coolies on a large scale.⁴⁸

Coolies from The Netherlands East Indies and the Straits Settlements

According to Dutch statistics, 469,534 Chinese lived in the Dutch East Indies in 1890.⁴⁹ The Dutch East Indies was the obvious choice from where to attract such workers. A collapse of the price for Sumatran tobacco wrapper provided NGC with the opportunity to engage experienced coolies, *tandils* (overseers) and plantation managers from the Dutch colony.⁵⁰ However, before the Dutch agreed to the German request, NGC needed to meet the requirements of Dutch colonial law. The NGC 'Ordinance regarding the Maintenance of Discipline among the Coloured Workforce of 22 October 1888' did not satisfy the requirements of the Batavian administration.⁵¹ The Dutch demanded that the rates of pay applicable in Java and Sumatra be applied to coolies on indenture in GNG. Conditions such as category of work, contract duration, rates of pay, hours of work, messing, accommodation, transportation and repatriation had to be

⁴⁴ Approximately 1,100 Germans lived in the Dutch East Indies in 1893; Reichsamt für Statistik, 'Die Deutschen Schutzgebiete', *Statistisches Jahrbuch*, 1894, pp. 195-9.

⁴⁵ Deutsche Kolonialgesellschaft, *Koloniales Jahrbuch*, vol. ii, 1889, p. 278.

⁴⁶ *NKWL*, 1886, Heft ii, pp. 6, 83 and 133; *ibid.*, 1887, Heft ii, p. 80 and Heft iii, p. 80.

⁴⁷ Finschhafen manager, R. Hindorf, wrote a paper regarding the importation of Javanese and Chinese coolies: see 'Einige Vorschläge für die Praktische Kolonisation im Schutzgebiet der Neu-Guinea-Kompagnie' (*DKZ* [1890] pp. 9-12, 102-5 and 19-23).

⁴⁸ Hansemann to Bismarck, 18 March 1889 (RKA 1001:2299, pp. 137-40).

⁴⁹ *Statistisches Jahrbuch* 1894; Centraal Kantoor voor Statistiek, 'Jaaroverzicht van den in- en uitvoer van Nederlandsche-Indië'; see H. Blum, *Neu Guinea und der Bismarck-Archipel*, p. 167; V. Purcell, *The Chinese in Southeast Asia*, p. 386.

⁵⁰ *NKWL*, 1891, Heft i, p. 21. Starting in 1864, thousands of Chinese coolies were recruited for the tobacco plantations. Until 1888 the labourers were obtained through coolie brokers (crimping agents) in Singapore. Between 1888 and 1931, some 305,000 Chinese landed in Belawan-Deli. The great majority came from Swatow or Hong Kong where the Association of Deli Planters had recruiting offices. From 1890 to 1914 NDL transported the majority of coolies to and from Belawan and south China (K. Pelzer, *Die Arbeiterwanderungen in Südostasien*, pp. 90-6; Purcell, p. 434).

⁵¹ *Jb* (1891/92) p. 12; Sack & Clark (1890-91) p. 66.

completed on Dutch contract forms. Each labour contract required validation by a Dutch government official before embarkation. Employment compliance with the contract conditions – whether the labourer was subcontracted to another party or worked directly for NGC – remained the responsibility of the NGC administration in GNG.⁵² A further condition of employment was the renunciation of corporal punishment. In compliance with Dutch law, the Batavian administration sought assurance from NGC that workers from its colony would not be subjected to flogging.⁵³ With the implementation of this requirement by NGC on 19 December 1889, the Dutch Colonial Secretary Pieter E. Keuchenius recommended to Governor C.P. Hordijk of the Dutch East Indies to permit the recruitment of coolies for GNG. Authorisation was provided on the condition that NGC make an advance payment of 10% on wages to be lodged with the Batavian government as surety, prior to the departure of any coolie.⁵⁴

The first of 25 Javanese carpenters and other artisans arrived in Finschhafen from Surabaya in April and May 1890 on 2-year indentures.⁵⁵ Between July and September 1890 approximately 100 Javanese arrived to work on the tobacco fields in Hatzfeldthafen.⁵⁶ Before the former Sumatran planter Lutz left for Hatzfeldthafen in October 1889, he indentured 79 Chinese coolies, 1 Chinese *tandil* and 5 Kalimantan Malays in Singapore.⁵⁷

The importation of coolies was expensive, both in cost and in human life. Of the first ‘cargo’ of Chinese workers, the *tandil* and three coolies died before they embarked in Singapore, five died on the steamer *Ysabel* and 13 died after landing in KWL. In addition, 15 Melanesian and Javanese workers died from the cholera-infected new arrivals.⁵⁸ Of the 57 Chinese who commenced work in GNG, few were capable of carrying out their tasks because of their opium addiction, which heightened their susceptibility to infectious diseases.⁵⁹ The few coolies who survived the cholera epidemic returned home before their contracts were

⁵² ‘Labour Ordinance for the East Coast of Sumatra no. 138/139’ 15 July 1889 (*NKWL*, 1893, p. 37). Dutch Ambassador to Bismarck 25 May and 29 June 1889, NGC to AA-KA, 1 June 1889, AA-KA to NGC 3 July 1889 (RKA 1001:2299, pp 184, 187–88, 199 and 203). ‘Verordnung betreffend die Erhaltung der Disciplin unter farbigen Arbeitern’; Enacted by the NGC on 22 Oct. 1888; amended to accommodate the Dutch request by Acting Administrator Arnold on 19 Dec. 1889 (RKA 1001:2300, p. 99 and RKA 1001:8133, vol. i).

⁵³ P. Biskup made the distinction between Chinese and ‘Malay’ coolies. By citing Stefan Kotze’s (doubtful) interpretation on corporal punishment, he argued that Chinese coolies were administered five strokes by company officials for the smallest misdemeanour. Whereas this unlawful act could have happened, it is unlikely that the Dutch ordinance differentiated between Peranakans, Totoks or Javanese (Malays) or coolies; see P. Biskup, ‘Foreign Coloured Labour in German New Guinea: a study of economic development’, *Pacific History*, 5, p. 91; S. von Kotze, *Aus Papuas Kultur morgen*, pp. 15–6.

⁵⁴ W. van den Doel, ‘Kulis für Deutschland’ in H.J. Hiery, ed., *Die Deutsche Südsee 1884–1914*, pp. 777–8.

⁵⁵ *NKWL*, 1890, Heft ii, p. 85, section 9, NGC Recruitment Ordinance ‘Die Anwerbung und Ausführung von Eingeborenen des Schutzgebietes der NGC als Arbeiter, vom 15 Aug. 1888’, prescribed a maximum indenture period of 3 years (DKG, vol. 1, p. 535).

⁵⁶ Jb (1889/90) p. 8; Sack & Clark (1889–90) p. 51.

⁵⁷ *NKWL*, 1890, Heft ii, p. 85; NGC to AA-KA, 23 Dec. 1890, RKA 1001:2301, p. 16; Jb (1890) p. 5; Sack & Clark (1889–90) p. 48.

⁵⁸ *NKWL*, 1891, Heft i, p. 13.

⁵⁹ Rose informed *Reichskanzler* Caprivi on 21 Dec. 1890 that 31 out of 57 Chinese were addicted to opium (RKA 1001:2301, p. 109).

completed. Station Manager Schoevers complained that they were of no use at Hatzfeldthafen as they had never worked on a tobacco plantation.⁶⁰

The revelation of opium addiction did not come as a surprise to NGC. Since the early days of the Vereenigde Oost-Indische Compagnie (VOC) the importation of opium and the cultivation of *Papaver somniferum* (opium poppy) by specially licensed Peranakans had been a major source of income for the Batavian administration.⁶¹ When Hansemann advised Bismarck of the company's intention to commence large-scale tobacco cultivation in KWL, he drew attention to the indispensability of Chinese coolies and to the related opium problems. 'To attract more Chinese to GNG', he told the AA, 'a continuing ban on the importation of opium may not be maintainable if a black market is to be avoided and if some level of labour output is to be achieved'.⁶² Two years later, the government issued NGC with a restricted licence for the importation and distribution of opium in KWL.

The number of Javanese and Chinese coolies for GNG increased moderately in 1891. On 27 October Wilhelm Puttkamer transferred 250 Chinese from Sumatra and Java to Singapore for onward transportation by the NDL steamer *Nierenstein* to Stephansort. NGC chartered the Scottish steamer *Devawongse* to deliver 436 Singapore coolies and 12 Sumatran planters to Stephansort on in December. A similar number of planters and coolies arrived on the second voyage of the *Devawongse* during February 1892. A new agreement with NDL saw the Scottish vessel replaced by the SS *Schwalbe* and SS *Lübeck*. With the increased shipping capacity, 1,085 Chinese and 757 Javanese arrived in Stephansort from Batavia, Tanjungbalai and Singapore between June 1891 and March 1892.⁶³ A-C was now awash with coolie labour and NGC informed its shareholders with a measure of confidence, 'work has been energetically started on the plantations with the intention of harvesting a crop from all fields in 1892'.⁶⁴ The optimistic forecast by NGC was short lived. A malaria and dysentery outbreak in 1891 had a devastating effect on both the Europeans and the Asian workforce. A European-introduced influenza epidemic affecting the Melanesian workers was equally devastating.⁶⁵

Notwithstanding efforts to bring the mortality and morbidity rates under control, the toll escalated.⁶⁶ While smallpox had been common in New Guinea for some time, a new outbreak

⁶⁰ Herzog to AA-KA, 23 Dec. 1890 (RKA 1001:2301, p. 16; *NKWL*, 1890, Heft i, p. 85). A standard indenture for overseas labour was 3–5 years; similar conditions applied for Melanesian labour recruited in the archipelago and Salomons. Local labour was often hired on a daily basis or, if from a different district, rarely for longer than 2 years (S. Firth, 'German Recruitment and Employment of Labourers in the Western Pacific before the First World War', p. 97).

⁶¹ The VOC was a major exporter of opium to The Netherlands. The contribution of the 'Opium Regie' to the government budget in the Dutch East Indies until 1918 averaged 12% of total receipts. The profit margin to the government was never less than 75% (P. Creutzberg, ed., *Public Finance 1816–1939*, pp. 43–4; J. Rush, *Opium to Java: Revenue Farming and Chinese Enterprises in Colonial Indonesia 1860–1910*; Purcell, p. 431).

⁶² 'Opium Handel Deutsch Neu Guinea 1890–1914', RKA 1001:2535/6, Hansemann to Bismarck, 18 March 1889.

⁶³ For instance, two Mandors, 10 Sikhs, 48 Chinese and 54 Javanese embarked in Singapore; and nine *tandils*, 10 Chinese woodworkers and 263 Chinese coolies with experience in tobacco cultivation embarked in Sumatra (*NKWL*, 1891, Heft i, pp. 20–1 and 1892, Heft i, pp. 31–2 and 40–1; Jb A-C, Dec. 1892, RKA 1001:2427, p. 6).

⁶⁴ *NKWL*, 1891, Heft i, pp. 20–1.

⁶⁵ *ibid.*, Jb (1891/92) p. 12–3, Sack & Clark (1890–91) pp. 66–7.

⁶⁶ Jb A-C 1 Oct. 1892 – 30 Sept. 1893, p. 10; Jb A-C (1893/94), p. 6, and (1894/95), p. 3; RKA 1001: 2428–29.

occurred in GNG in June 1892. Introduced by a Javanese stoker on the *Lübeck*,⁶⁷ the infectious disease first attacked the Melanesian workers at Stephansort and then spread to Erima village, Constantinhafen, the Maraga and Jomba plantations.⁶⁸ This epidemic on A-C's plantations killed 351 workers.⁶⁹ Mortalities in the native population were even more severe, with the local population of Kelana Island all but wiped out.⁷⁰

Influenza became endemic during the wet season; beri-beri was continuously present in the Chinese population and spread to the Melanesian indentured workforce. Malaria and dysentery affected most workers and had an equally devastating effect on the white population. Other ailments of concern were elephantiasis, tinea, framboesia, intestinal parasites and the European-introduced smallpox, rubella, tuberculosis and venereal diseases.⁷¹

After the catastrophic losses of European life at Finschhafen in early 1891, Hansemann became particularly concerned at the loss of three experienced managers at Erima and the station manager at Maraga a few months later.⁷² Influenza and dysentery severely affected the workforce from December 1891 to March 1892. During this period 1,085 Chinese and 757 Javanese had arrived in KWL.⁷³ On 30 June 1892, the company accounted for only 950 Chinese.⁷⁴ The high loss in life was a severe setback for A-C; it was also a slap in the face for Hansemann, who had warned his shareholders 12 months earlier that the well being of the staff and the workers was the most important issue for A-C if the tobacco grower was to become successful.⁷⁵

NGC and A-C were often remiss in recording the number of arrivals, departures, morbidities and mortalities of its coolie workforce. The available data for Jomba station indicates that 313 Chinese arrived in the second half of 1891. Of these, 110 were capable of performing some kind of duty 8 weeks later. By Christmas 83 had died.⁷⁶ The decision to defer planting on two out of four stations until the 1893 season highlighted the impact of mortality and

⁶⁷ Jb (1892/93) p. 14, Sack & Clark (1892–93) p. 81.

⁶⁸ *ibid.*, Krieger, ed., *Neu-Guinea*, p. 178; *NKWL*, 1894, p. 23. When NGC formed A-C the Gorima plantation was renamed after Maraga village. Erima station lay approximately 4 km inland, 15 km south of Gorima. Yomba plantation lay on the Yomba River, 4 km northwest from Friedrich Wilhelmshafen.

⁶⁹ *ibid.*

⁷⁰ Dr Georg Pilhofer of the Neuendettelsauer Mission claimed that in some coastal parts of KWL, entire villages were wiped out through smallpox (D.G. Pilhofer, *Die Geschichte der Neuendettelsauer Mission in Neuguinea*, p. 116).

⁷¹ *ibid.*, pp. 177–8; B. Hagen, *Unter den Papuas: Beobachtungen und Studien, Land und Leute, Thier- und Pflanzenwelt in Kaiser-Wilhelmsland*, pp. 34–7. The Rev. Isaac Rooney was particularly concerned about the 'disease-ridden natives returning to the archipelago from Queensland' as he wrote on July 5 1887 to Rev. George Brown: 'The return of many men from Queensland, Fiji and Samoa has not been an unmixed blessing ... Contagious and Epidemical diseases have been introduced by them and have carried off large numbers both on New Britain and New Ireland ... The dysentery has been a frightful scourge' (Rooney to Brown, 5 July 1887; cited in Firth, *New Guinea under the Germans*, p. 51, n.10). Firth (p. 125) argued that there was a connection between New Ireland women on indenture to Madang and Samoa, and the spread of gonorrhoea in New Ireland.

⁷² The Sumatra planter H. Rohlack was engaged to set up the KWLPG plantation Gorima for tobacco. Rohlack died of heart failure (a NGC euphemism for malaria) in June 1892, 4 months after his arrival. *NKWL*, 1892, p. 32; and 1893, p. 33.

⁷³ *ibid.*, 1893, p. 31.

⁷⁴ Rose report to AA, 30 June 1892 (RKA 1001:6512. pp. 45–52).

⁷⁵ Jb (1890/91) p. 12; Sack & Clark (1890–91) p. 66.

⁷⁶ Rose to Caprivi, 24 Dec. 1891 (RKA 1001:2980, p. 196; *NKWL*, 1882, Heft i, p. 32). Jomba was named after the native village on the Jomba Island in Astrolabe Bay.

morbidity of labour on A-C's plantations. Blum accounted for 1,842 coolies who arrived from Singapore and Sumatra in 1892 – a year later only 950 were registered with NGC.⁷⁷ A similar trend was recorded by A-C. In April 1892 the company reported a 2,396 strong workforce on its four Astrolabe Bay plantations; only 1,570 labourers registered with A-C's labour supplier NGC the following year.⁷⁸ Whether the death rate of around 35% was the full extent of the situation is not verifiable; it may have been considerably worse.⁷⁹ Taking into consideration the number of recruits repatriated because of ill-health and the number of Chinese who absconded because of the harsh treatment at the hands of staff,⁸⁰ the death rate of 60% reported by the *Reichsmarine* in 1903 may not have been far off the mark.⁸¹ This catastrophic death rate occurred despite the commissioning of a new European hospital on Beliao Island and a new hospital on Kutter Island for the Asian, Melanesian and Papuan workers. The number of physicians, nurses and orderlies was also increased. Dr R. Hagge transferred to A-C from NGC in early 1892 and Dr P. Emmerling arrived in Stephansort on 22 June 1891.⁸² Dr B. Hagen had worked in Sumatra for 13 years – including as government surgeon – before joining NGC on 12 November 1893. His knowledge in Chinese and Javanese customs qualified him to address dietary and sanitary requirements in the workforce.⁸³ In addition, Dr W. Frobenius, who worked at the nearby Rhenish Mission, acted as locum in Stephansort. In order to prevent communicable diseases from overseas, all indentured workers were inoculated for smallpox before embarkation. In addition, NDL employed a surgeon on its steamers on the Singapore–GNG run,⁸⁴ while four orderlies and four nurses, including Sister Auguste Hertzler, staffed the native hospital on Kutter Island.⁸⁵

Whilst the Berlin officials were gravely concerned, the new administrator and former imperial judge in the Bismarck Archipelago, George Schmiele, did not seem overly troubled with the situation. He claimed that the Dutch suffered a much greater loss of life in their coolie workforce than was the case in GNG. In stating that 'to maintain a constant number of labourers over the period of one year, five times as many coolies had to be employed [by the

⁷⁷ Blum, p. 155.

⁷⁸ A-C, 'Voranschlag der Ausgaben und Einnahmen für 1892/93, RKA 1001:2427, pp. 167–8. See Firth, 'German Recruitment and Employment of Labour in the Western Pacific before the First War', p. 105, n. 3.

⁷⁹ The epidemic was so severe that 'the sick lay with the pigs underneath their huts as they were too weak to climb the few steps to their bunks. The corpses were left for a considerable time with sick coolies before they were carried off to makeshift graveyards (W. von Hanneken, 'Eine Kolonie in der Wirklichkeit', p. 134). This account is not corroborated or supported by data. Blum provided a census on Chinese and Malay (Javanese/Sumatran) coolies for 1884–98. In the absence of more accurate data, Blum's Table ix (p. 155) has been used. NGC and A-C employment figures were taken from *NKWL*, 1890, Heft i, pp. 13–14, 17, 27–38 and Heft ii, pp. 81, 85–8; *ibid.*, 1891, Heft i, pp. 12–13, 16 and 22–25; *ibid.*, 1892, Heft i, pp. 32 and 37–8; *ibid.*, 1893, pp. 22, 31–4 and 37–8; *Jb* (1890) pp. 8–9; *ibid.*, (1891/92) p. 14; *ibid.*, (1892/93) pp. 13–4; Sack & Clark (1889–90) pp. 48 and 52–3; *ibid.*, (1890–91) pp.65–7; *ibid.*, (1892–93) pp.72 and 80–2; A-C, 'Voranschlag der Ausgaben und Einnahmen für 1892/93, RKA 1001:2427, pp. 167–8; *Jb* A-C (Dec. 1892) pp. 4–6; *ibid.*, (Dec. 1893) pp. 6–7.

⁸⁰ 'Many Chinese fled into the jungle where they lived by looting and pillaging which was of great concern to the management' (W. Wendland, *Im Wunderland der Papuas: Ein deutscher Kolonialarzt erlebt die Südsee*, p. 25).

⁸¹ Oberkommando der Marine, 8 Feb. 1893 (RKA 1001:2982, p. 95; *NKWL*, 1893, Heft i, pp. 62–63).

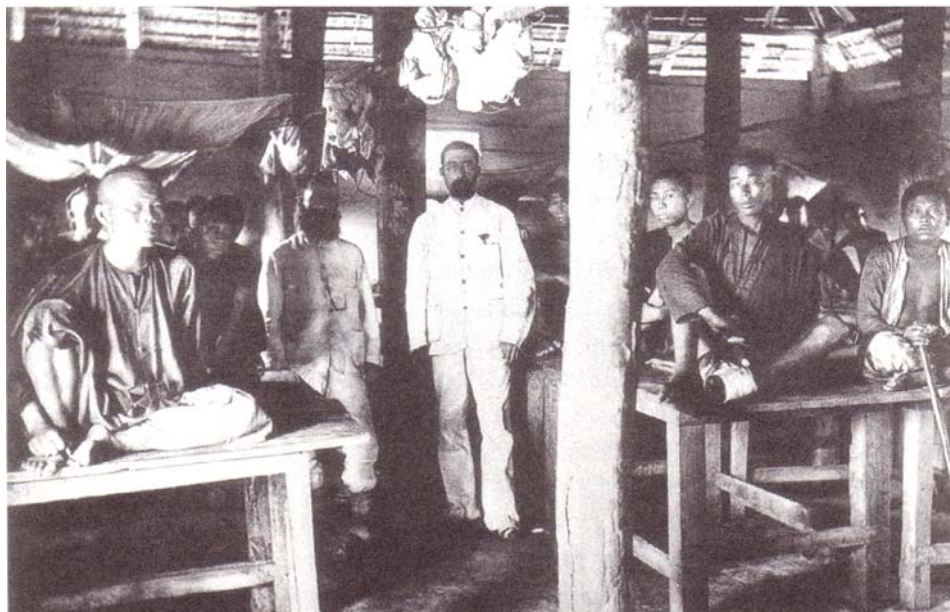
⁸² Emmeling died in Friedrich Wilhelmshafen of 'fever and nephritis' on 20 Feb. 1893; Hagge left the company in 1893 (M. Davies, *Public Health and Colonialism*, p. 203).

⁸³ *NKWL*, 1893, p. 34.

⁸⁴ *ibid.*

⁸⁵ *Jb* (1891/92) p. 13; Sack & Clark (1890-91) p. 67.

Dutch] for the same period',⁸⁶ Schmiele signalled his indifference to the human suffering. Whilst the company admitted to the poor sanitary facilities on its stations which 'were not designed to cope with gravity of the situation',⁸⁷ Schmiele put the casualty rate down to the poor quality of coolies A-C received from the Dutch and the British colonies in Southeast Asia.⁸⁸



The 'Native Hospital' at Stephansort, c. 1896

Notwithstanding Schmiele's view, the high mortality rate in KWL prompted the Batavian administration to enforce an embargo on the recruitment of coolies for GNG. Articles by embittered former NGC/KWLPG employees Dr Herrmann, L. Kindt and R. Rohde ensured that no coolies would leave Java for the Protectorate from October 1892. The Dutch wanted to ensure the embargo was effective by requesting the co-operation of the Straits Settlements government.⁸⁹ The Colonial Office was willing to oblige because the Dutch request facilitated the demand by the Australian colonial governments to prevent Chinese migration to GNG.⁹⁰

When tensions between England and France escalated over Siam in 1893, the political atmosphere favoured NGC. The British government sought support from Germany for its actions in Southeast Asia and offered to lift the export embargo on Chinese to GNG. On the conditions that 'coolies who did not wish to remain in the protectorate of NGC would be returned to Singapore and that coolies would be prevented from entering the ports of BNG or

⁸⁶ *NKWL*, 1892, Heft i, pp. 45–7 and *DKBI*, 1892 pp. 470–1.

⁸⁷ *NKWL*, 1892, Heft, I, p. 32. A-C also admitted that 'insufficient medication was available at Jomba and the hospital in Stephansort needed expanding' (*RKA* 1001:2427, A-C 'Generalversammlung' Dec. 1892, pp. 4–5).

⁸⁸ *NKWL* 1892, Heft, I, p. 32.

⁸⁹ *Jb* (1891/92) p. 12.

⁹⁰ The Australian prospectors and miners were concerned that Chinese coolies would migrate from GNG to BNG and to mainland Australia.

Australia',⁹¹ NGC signed a 3-year agreement with the Straits government for the export of 800 coolies to GNG.⁹²

Whilst the German consul in Batavia, Dr H. Gabriël, was successful with his application to allow 180 coolies leave for Stephansort on March 1893, Resident Administrator J.C. Kroesen in Surabaya ensured the reinstatement of the embargo on 24 April 1894. When Gabriël applied for the recruitment of a further 200 Javanese in late 1893, the Dutch administration wanted to find out about the living and working conditions of their subjects in GNG before agreeing to this request. The Dutch official, H.B. Schmalhausen, visited Friedrich Wilhelmshafen in June 1894 to gain first-hand impressions of the conditions under which Javanese and Sumatran coolies worked.⁹³ The outcome was a 'clean bill of health'. Schmalhausen did not detect any mistreatment of coolies and concluded that the reports by Herrmann and Kindt were overstatements. 'No doubt coolies receive a clip behind the ears from time to time', he reported to his superior. 'However, even I, who cannot recall having beaten a Javanese since 1879, was tempted to hand out a few slaps in their face'.⁹⁴ A subsequent visit to Stephansort in October 1894 by Prince Hariman of Tidore and Dr Horst also produced strong approval. In their meeting with A-C's Acting General Manager Carl Weydig the Dutch expressed surprise at the 'unexpected scale of development' found on Astrolabe Bay. NGC reported in 1893/94 that the Dutch commissioner, Dr van der Horst, expressed complete satisfaction with the arrangements made by A-C for its labour force in GNG. 'The hospitals in Friedrich Wilhelmshafen and Stephansort have surprised because of the high standard, [with] the conditions on Astrolabe Bay being declared exemplary, especially as regards coolie accommodation and medical amenities'.⁹⁵ With only a 9-hour working day and a diet prepared to suit the physical and cultural needs of the coolies, Horst concluded that 'the hitherto experienced high mortality rate was entirely due to the unhealthy and feeble state of the Javanese at their point of departure'.⁹⁶ This was particularly so 'since experience has shown that the climate of KWL suits strong Javanese better than the Melanesian labourers from the eastern districts'.⁹⁷ Administrator Schmiele and Manager Weydig had evidently impressed Schmalhausen and Horst because their glowing report was at odds with NGC's own account of the situation in Stephansort.

Following the Dutch commissioner's visit to Friedrich Wilhelmshafen, A-C's senior medical practitioner, Dr B. Hagen, left for Deli to study the prevailing health conditions on the Dutch tobacco plantations. Rather than finding exemplary conditions, Hagen concluded that the malaria-infected coolies in GNG arrived weakened from previous attacks of fever in Sumatra.⁹⁸

⁹¹ Hatzfeldt to Caprivi, 18 Oct. 1893 (RKA 1001:2304, pp. 69–73).

⁹² Schmiele announced the British decision in Friedrich Wilhelmshafen in Jan. 1894 (ibid., pp. 129–30). Whilst negotiations were underway, the Singapore government agreed to 466 coolies embarking for GNG (German Consul in Singapore to Caprivi, 14 Aug. 1893 (RKA 1001:2303, p. 182).

⁹³ Jb A-C, Dec. 1893; RKA 1001:2427, p. 6; *NKWL*, 1893, p. 31.

⁹⁴ Doel, 'Kulis für Deutschland', p. 781.

⁹⁵ Wendland, *Im Wunderland der Papuas*, pp. 24–7; Jb (1893/94) p. 14; Sack & Clark (1893–94) p. 97.

⁹⁶ ibid.

⁹⁷ Jb (1894/95) p. 13; Sack & Clark (1894–95) p. 115.

⁹⁸ *NKWL*, 1894, p. 27.

The German physician observed that working conditions in GNG were generally better than in Deli. All Hagen could recommend from his visit to Sumatra was to improve health screening before embarking for GNG.⁹⁹

A-C General Manager Curt von Hagen closed Jomba and Maraga stations in the belief that the recruitment of coolies from the Dutch East Indies would not resume in the near future.¹⁰⁰ The decision remained firm when the Straits government agreed unexpectedly to permit some coolies to leave for GNG during a 3-year trial period. The rethink in Singapore found also resonance in Batavia. From December 1894 to October 1895 Dutch officials signed 897 coolie indentures for GNG, while the agreement with Britain delivered 503 Chinese during the same period.¹⁰¹ Yet, sickness, death and early repatriations left A-C with only 308 Chinese and 406 Javanese in May 1896.¹⁰² Even though the company reported the permanent settlement on its stations of more than 100 Chinese and 50 Javanese,¹⁰³ the low number of Chinese coolies on the plantations led to the discontinuation of recruitment from the Netherlands East Indies and the Straits Settlements in 1896. After 5 years of quasi-independent operation, NGC closed the books on A-C on 1 November 1896 and took over the financial and operational control of the plantations.¹⁰⁴

Even though the 1895 tobacco season suffered from lack of rain during June–October 1895, NGC's directors laid the blame for the failed harvest squarely on the inferior quality of the coolies.¹⁰⁵ Because of the persistently high mortality rate they urged A-C in 1895 to 'repatriate all Chinese and Javanese who were unfit for regular work and not expect new arrivals for the foreseeable future'.¹⁰⁶ Moreover, when NGC had to report 494 worker fatalities to the AA-KA in May 1896, the directors blamed all that was wrong in GNG on the feeble state of the Chinese coolies.¹⁰⁷

By the time NGC was in managerial control of A-C in 1897 nearly all coolies had been replaced with Melanesian workers and the highly regarded Jabbim people.¹⁰⁸ Schmieles belief that KWL could only become economically viable with the mass migration of a people who were 'culturally further advanced than the uncivilised autochthones of KWL' was no longer true. As a self-proclaimed expert on 'native' labour he claimed that the Javanese, Sumatrans and Ceylonese workers were more resistant to tropical diseases and, when engaged on piecework,

⁹⁹ *NKWL*, pp. 27–8.

¹⁰⁰ Jb A-C (1894/95) p. 6.

¹⁰¹ NGC to AA-KA, 20 Aug. 1896 (*NKWL*, 1895, p. 32; RKA 1001:2305, p. 121).

¹⁰² Jb A-C, (1894/95) p. 6; *NKWL*, 1896, p. 23.

¹⁰³ Many Chinese and Javanese stayed in GNG as independent tradesmen or shop owners (*KWL*, 1995, p. 33).

¹⁰⁴ *NKWL*, 1896, p. 4; and 1897, p. 12; Jb (1896/97) p. 1–2; Sack & Clark (1896–97) p. 127.

¹⁰⁵ *NKWL*, 1896, pp. 23–4.

¹⁰⁶ *ibid.*, p. 24; Jb (1895/96) p. 6; Sack & Clark (1895–96) pp. 120–1.

¹⁰⁷ It is not clear when the tally was taken. Given a labour force averaging 1,939 in 1895/96, the mortality rate was 25.6%, NGC to AA-KA, 29 May 1896 (RKA 1001:2985, p. 109).

¹⁰⁸ *NKWL*, 1895, p. 36; see Table 2. Krieger, *Neu Guinea* (pp. 260–1) believed that expensive Asian workers would be replaced with Melanesians and Papuans as soon as friendly relations had been established with the indigenous population.

cheaper than the Melanesians and Papuans.¹⁰⁹ Whereas Schmiele adhered to Hansemann's 'Java template', his generalisation on the economic value of indentured labour from Asia was erroneous. The decision by A-C and NGC to discontinue with Chinese coolie labour was based on economics. The Dutch tobacco planters had a large reserve of coolie labour. Unfit workers with recurring ailments were recorded (by tattoo) as unemployable. The Germans did not have this luxury. The directors of A-C advised shareholders in 1895: 'all endeavours to recruit capable people had been unsuccessful because of the particular restrictions under which recruited labourers are processed in Singapore'.¹¹⁰ It blamed the venal conduct of the Chinese crimping agents,¹¹¹ sham medical screening and switching of recruits during embarkations with worn-out, morally corrupt coolies from Sumatra for not meeting the company's profit expectation.¹¹²

Yet Hansemann valued the entrepreneurship of the Chinese. He sought agreement from the British to allow Chinese from the Straits Settlement to settle in GNG if they so wished.¹¹³ For reasons probably to do more with Germany's position on Zanzibar than on New Guinea and with the position taken by the Australian colonies on Chinese immigration, the British government did not oblige.¹¹⁴ It did not permit Chinese from the Straits Settlements to migrate to GNG, and Britain did not extend the agreement beyond 1896.

Whilst the self-imposed ban reduced the number of Chinese coolies in GNG from a high of 1,085 in 1892/93 to a temporary low of 156 in 1898/99, NGC was unable to operate tobacco plantations entirely without them. Forty-six Chinese coolies and *tandils*, 84 Javanese workers and *mandurs*, and 40 Maeassars from the South Celebes arrived in 1898. Moreover, with the opening during the same year of a NGC agency in Hong Kong, 266 Chinese recruits arrived from the mainland for the first time.¹¹⁵ Difficulties with the authorities in Swatow (Shantou) kept the recruitment numbers low. According to the statistics, NGC employed 372 Chinese in 1899/1900. An attempt to recruit coolies in Singapore for renewed tobacco planting failed and the number of Chinese fell to 178 the following year; but rose again to 306 in April 1901 with the arrival of 270 Swatow Chinese for the Jomba tobacco plantation.¹¹⁶ The discontinuation of tobacco cultivation in 1901 virtually ended the use of indentured coolies from Southeast and East Asia.¹¹⁷ By 1913 NGC indentured a mere 43 Chinese and 35 Javanese, whilst the

¹⁰⁹ NKWL, 1893, p. 48; G. Schmiele, 'Charakteristik des Schutzgebietes der Neu-Guinea-Compagnie' (*DKBI* (1892) pp. 469–73).

¹¹⁰ Jb A-C (1894/95) p. 4.

¹¹¹ 'Once in a ship coolies were kept for thirty to forty day voyages in a space as little as eight square feet per man before delivered to a collection agent' (Purcell, p.286); and, 'if not exposed to cholera on the transportation vessel they were likely exposed to malaria on the plantations' (D.R. Snodgrass, *Inequality of Economic Development in Malaysia*, p. 36).

¹¹² Jb A-C (1894/95) p. 4; RKA 1001:2429. On coolie treatment during embarkation, see H. Cayley-Webster, *Through New Guinea and the Canibal Countries*, p. 19.

¹¹³ NGC to AA-KA, 6 Aug. 1896 (RKA 1001:2305, pp. 116–17).

¹¹⁴ Britain felt aggrieved by Germany's decision to grant Khalid bin Barghash Al-Said refuge in Dar es Salam after he failed on 25 Aug. 1896 to seize the throne and proclaim himself Sultan of Zanzibar (RKA 1001:2305, p. 146).

¹¹⁵ NKWL, 1898, pp. 24–5; Jb (1898/99) p. 23 and (1899/1900) p. 24; Sack & Clark (1898–99) p. 164.

¹¹⁶ Sack & Clark (1899–1900) p. 208 and (1901–02) p. 233. See Table 2.

¹¹⁷ Jb 1899/00, pp. 23–4 and 1901/02, pp. 5, 9, 15 and 38–9.

Chinese population in GNG had risen to 1,377 men women and children.¹¹⁸ In the same year, the now German company E.E. Forsayth GmbH tried to contract 1,000 coolies from Java, but the Batavian government rejected the application. When Berlin lodged a complaint with The Hague, the Dutch government reacted by ending the coolie transport to GNG altogether. It instructed Batavia not to engage in any new labour negotiations with GNG.

The cost of coolie labour

Apart from the human dimension, NGC was acutely aware of the costs it incurred in recruitment and transport of coolie labour and for medications, hospitalisation and early repatriation. A-C's directors informed shareholders in December 1893 that the 'improvement of health is not only important; rather it is central to the survival and ongoing development of our enterprise'.¹¹⁹

The 1893 smallpox epidemic became manageable by vaccinating every employee and surrounding population with a smallpox serum obtained from the *Niederländische Kuhpockeninstitut of Batavia*.¹²⁰ In addition to quarantining workers before travelling to the port of embarkation, every recruit was screened again before embarking for GNG.¹²¹

Chinese from the Straits Settlements and later from Hong Kong and Swatow were paid generally less than the Javanese; however, both groups were remunerated up to six times the benefits received by Melanesians and even higher than that paid to Papuan workers. Grabowsky paid the first group of Javanese carpenters and cooks hired by him in 1885 RM76–102/month and coolies RM20.50/month.¹²² Coolies earned considerably higher wages when performing 'start and finish' work in tobacco farming. Preparing fields, planting, weeding, harvesting and curing formed part of such activities. An industrious coolie could earn up to four times the daily wage, often in much shorter working hours and it was, therefore, much sought-after work.¹²³ As outlined in Table 9.1, apart from wages, NGC had to pay for recruitment fees, sea transport, food, medical and housing costs. Independent recruiters received RM80–120/person – NGC agents in Singapore, Swatow and the Dutch East Indies received RM50–60/person delivered to GNG.¹²⁴ Approximately RM40 (10%) of the annual wage of the indentured worker had to be paid in advance at the point of engagement.¹²⁵ Dutch or British and German (government) officials witnessed the indenture and ensured that payments were

¹¹⁸ AB, 1 May 1914.

¹¹⁹ Jb A-C (1892/93) p. 7.

¹²⁰ NKWL, 1894, p. 23.

¹²¹ NKWL, p. 24.

¹²² Jb (1887) p. 19; Sack & Clark (1886–87) p. 19.

¹²³ The working hours varied. Until acclimatized new recruits worked for 2 hours in the morning and 2 hours in the afternoon. The working week was from Monday to Saturday from 0600 to 1100 hours with a 2-hour lunch break and then until 1800 hours; Sunday was a rest day (P. Preuß, *Die Kokuspalme und ihre Kultur*, p. 557; *Koloniales Jahrbuch*, vol. ii, 1889, pp. 278–9; *ibid.*, vol. vi, 1893, p. 272).

¹²⁴ After 1 April 1899 a licence fee of RM30 was payable to the government for each person recruited from overseas on a 2-year indenture contract.

¹²⁵ Jb A-C (1893), pp.13–17. On the SS *Lübeck* from Batavia to Friedrich Wilhelmshafen H. Cayley-Webster (*Through New Guinea and the Cannibal Countries*, pp. 19–20) observed in September 1893: 'Immediately after the vessel had left port, the Chinese contractor who had come from New Guinea to engage the coolies on board proceeded to open a gambling saloon, acting himself as the banker. By the time the thirty dollars which each coolie had received as an advance of wages, was speedily transferred to his pocket'.

made in Dutch Gulden or Straits dollars respectively.¹²⁶ All money owed to the workers at the completion of their contract had to be paid in the presence of a NGC official (after 1898, a German government official). The payout was to include the interest accrued. In the event an indentured worker went missing or died, the company paid all money accrued to either the next of kin or an official of the country from where the person was hired.¹²⁷

The charter of a steamer of the class of the *Lübeck* cost RM20,000–25,000/month. For the passage of a coolie not to exceed RM100, NGC calculated 500 coolies on each of the six annual return voyages to Southeast Asia.¹²⁸ The company often released coolies from their contract if they were incapable of performing the work. This untimely repatriation increased utilisation space on the recruiting vessels albeit at a net cost to NGC. Deceased coolies were cost savings of a sort: their burial was no more than a hole in the ground.¹²⁹

NGC attained a minor benefit by retaining two-thirds of the wages paid to the Malays and Chinese in an interest-bearing account with D-C in Berlin. Until the introduction of German currency in 1887, NGC derived a significant benefit by paying Papuans and Melanesians in kind (axes, hoop iron, fabric, smoking pipes and tobacco).¹³⁰

Table 9.1 Pay package (RM/month) of indentured and casual labour in KWL in 1889.

Position	Wages	Provision	Sundries	Medical	Travel	Annual Total
Chinese <i>tandil</i>	30–40	8	0.5	0.5	20	708–828
Chinese coolie	15–60	8	0.5	0.5	20	528–1,068
Journeyman	30–40	8	0.5	0.5	20	708–828
Javanese	27	8	0.5	0.5	20	671
Javanese woman	21	8	0.5	0.5	20	600
Melanesian	6–10	6	0.5	0.5	10	276–324
Papuan	3–8	6	0.5	0.5	5	180–240

The eating, living and working habits of the Javanese differed from the Peranakans and the Sumatran Chinese coolies; they varied further from the coolies recruited in Singapore, Hong Kong and Swatow. The company provided wooden-framed houses with plaited bamboo walls, atap roofs and earth-tamped floors for family units. Single Javanese or Chinese lived in large Malay houses.

¹²⁶ Neu Guinea Compagnie und Astrolabe Compagnie Geschäftsreglement für die Vereinigte Verwaltung im Schutzgebiet, 1896', §§6 and 18, pp. 5–6, 17 (RKA 1001:2422, p.17; *NKWL*, 1886, Heft i, pp. 1–3; DKG, vol. 1, p. 511); 'Verordnung der NGC betreffend die Reichsmarksrechnung und die gesetzlichen Zahlungsmittel vom 19 Jan. 1887', *Geltende Verordnungen für Deutsch-Neu-Guinea*, p. 50.

¹²⁷ 'Recruitment Ordinance', §9, section C. The ordinance was drawn up for Melanesian and Papuan labour. Conditions imposed by the British and Dutch governments would supplant the rulings laid down in this regulation (*NKWL*, 1888, Heft iii, p. 125).

¹²⁸ Minimum space of 1.5 m³ was mandated per coolie onboard ship ('Recruitment Ordinance', §12, *NKWL*, 1888, Heft iii, p. 125 p. 126).

¹²⁹ P. Preuß, *Die Kokospalme und ihre Kultur*, pp. 557–8; F.M. Sieben, 'Über die Aussichten von tropischen Kulturen in Ost-Afrika und Neu Guinea', *Koloniales Jahrbuch*, 6, (1893) p. 18–19; Tappenbeck, *Deutsch Neuguinea* (p. 175) assessed the cost of a Chinese cook in 1898/99 at RM60–80/month and a Chinese boy at RM40–60/month; Blum, p. 164; E.E. Forsayth to Hahl in 1909 (RKA 1001:2311, pp. 44–5).

¹³⁰ This method of payment was then common in the region (*NKWL*, 1888, Heft iv, p. 125 and 1891, Heft I, pp.34, 54 and 61; *Koloniales Jahrbuch*, vol. li, 1889, p. 278; T. Helmreich, *Das Geldwesen in den deutschen Schutzgebieten, Teil I: Neu-Guinea*, pp. 23–8).

Initially, NGC provided 30 cattles (15 kg) of rice and 1 cattie (500 g) of salt, supplemented with tuber, taro corn and yams per month.¹³¹ Increasing labour demands mandated the 'Labour Ordinances of 15 and 16 August 1888'.¹³² This NGC regulation prescribed the recruitment, transportation, accommodation, medical care and victuals of coolies in minute detail. For example, bunks had to be 1.8 m long, 0.75 m wide and 1 m above ground. Headroom was not to be less than 1.25 m. Each labourer received a sisal mat, a blanket, pannikin, soup bowl and soap (25 g). The daily food ration during the voyage was 500 g rice, 1.5 kg yam or root crops and 4 L of drinking water. In addition, 750 g of salted meat or dried fish, a clay pipe and 60 g of tobacco were handed out weekly. The same rations were applicable in the labour depôts of Finschhafen, Friedrich Wilhelmshafen and Herbertshöhe and, although not regulated by the ordinance, on the plantation stations.¹³³ For variation, coolies could request bread, corn, fresh coconut and corn flour in lieu of rice, with tea, sugar and biscuits issued on special occasions. Each compound had a plot of land that was available for workers and families to grow their own vegetables and fruits.¹³⁴ However, A-C informed its and NGC's shareholders in 1893, 'in general, the coolies will have to look after themselves. Rice is the staple of their diet and is provided by the company, as is dried fish and conserves of vegetables, all of which are imported'.¹³⁵ The supply of fresh fruit and vegetables was the responsibility of the workers. The more enterprising Chinese and Javanese established co-operatives or *Kadehs* on company-provided land where produce was grown for their own requirements and sold 'at prices which are agreed and supervised by the station manager'.¹³⁶ In ignorance, A-C discharged its responsibility for providing a balanced diet by stating that 'Chinese and Malays could purchase a hearty meal at 15 cents per serve'.¹³⁷ It was a service the gambling-prone, opium-smoking coolie would not have availed himself of readily, and once on the sick list he would not have had the means to pay for extra food.¹³⁸

In 1901 Acting Governor Hahl mandated a medicine cabinet for every recruiting vessel and station. Thermometers, scissors, band-aids, cotton wool, bandages and slings were standard items. Other medical supplies, including tincture of iodine, opium, quinine sulphate, hydrogen peroxide, Epsom salt, hydrochloric acid, petroleum jelly, antiseptic, lime and cognac, had to be available in quantities commensurate with the number of labourers.¹³⁹

¹³¹ Jb (1887) p. 19; Sack & Clark (1886–87) p. 19.

¹³² 'Verordnung betreffend die Arbeiter-Depôts im Schutzgebiet der Neu Guinea Compagnie vom 16 Aug. 1888', (Labour Depôt Ordinance) §§3 and 6, DKG, vol. 1, p. 549; *NKWL*, 1888, Heft iii, pp. 140–1; Preuß, *Die Kokuspalme und ihre Kultur*, p. 558

¹³³ 'Recruitment Ordinance', §13, DKG, vol. 1, p. 535; *NKWL*, 1888, Heft iii, p. 127.

¹³⁴ The NGC Recruitment Ordinance was – with some minor amendments – adopted by the German government in 1901, 'Verordnung des Gouverneurs von Deutsch-Neuguinea betreffend die Ausführung und Anwerbung von Eingeborenen als Arbeiter in Deutsch Neuguinea' of 31 July 1901' (DKG, vol. 6, p. 363).

¹³⁵ *NKWL*, 1893, pp. 37–8.

¹³⁶ More than 100 self-employed Chinese and 50 Javanese had set up their businesses permanently: 'They are artisans, tailors or cobblers, and grow vegetables and tropical fruits, supply goods and services to the *Kadehs*' (*NKWL*, 1895, Heft iii, p. 33).

¹³⁷ Krieger, *Neu Guinea* (p. 237) calculated the cost of a hearty meal at RM0.40 (S\$0.18).

¹³⁸ Krieger (p. 261) claimed that 60% of all Chinese entering GNG were addicted to opium, increasing the susceptibility to infectious diseases.

¹³⁹ *ibid.*, p. 128.

NGC made much of its caring for the workforce. An article in *Der Tropenplanzer* by the long-serving NGC director Paul Preuß boasted: 'the much improved physical condition after only a few months was proof of the quality and quantity of food the local people received on the stations. It is considerably better than what is customary in their home villages'.¹⁴⁰ However, the company and other planters did not adhere to the mandated requirements as vigorously as Preuß would have it. Whereas the atrocious health conditions prevalent on the tobacco plantations during the 1890s were largely a result of feeble recruits, an unbalanced diet and opium addiction, the local management often reduced the quantity and quality of food because of stringent budgetary requirements.

When the government physician Dr Wendland demanded a change to the diet of workers in 1908 because 'each company provided rations that it considered appropriate, even if this meant poor quality salt meat or rotten dried fish',¹⁴¹ NGC joined a chorus of dissenting planters. The company protested that higher quality and larger food rations would increase its operational costs substantially.¹⁴² However, Wendland and his colleague Dr Born rejected NGC's complaint on the grounds that a lack in nutritional values in the diet would lead to the spread of dysentery and pneumonia.¹⁴³

With the promulgation of the 1909 Labour Ordinance the GNG administration was seeking to balance the demands of the planters with the minimum requirements set by the surgeons. From now on food rations for workers became a function of body weight. The minimum ration for a worker was now 625 g rice or 3 kg root crops plus a weekly allowance of 750 g of meat or fish. Workers with a body weight exceeding 60 kg received additional provisions.¹⁴⁴ Although Born argued that the rations for labourers performing moderately heavy work required 760 g rice and 150 g of meat daily, the problem was not an increase in calorific requirements but one of nutritional values. The connection between polished rice and malnutrition was only started to be understood when the Polish-born medical researcher Casimir Funk made the discovery of thiamine (vitamin B1) in 1911. The true understanding of the nexus between beri-beri and folic acid deficiency took another 20 years. Until then empirical evidence was largely restricted to hospital cases where doctors changed the diets of beri-beri sufferers to predominantly legumes as early as 1903.¹⁴⁵ The German doctors in GNG incorporated Funk's discovery in the draft report on the 'Labour Ordinance of 1914'. The 1913 GNG government submission by Dr Wick

¹⁴⁰ Preuß, p. 558.

¹⁴¹ Wendland to Hahl, 3 Dec. 1908(RKA 1001:2312, p. 30 ff and RKA 1001:5769, p. 178).

¹⁴² E.E. Forsayth & Co. petitioned the government to maintain the existing food regulations: the cost per labourer of RM96 increased to RM124/year costing the company RM37,500 annually for its 1,340 workers, Kolbe to Hahl, 16 Feb. 1909 (RKA 1001:2311, pp. 43 ff). The *Bismarck-Archipel-Gesellschaft* estimated cost increases per head of worker at RM14,400 p.a. or RM6 for each of its 400 employees (RKA 1001:2311, pp. 44–5).

¹⁴³ Born to Hahl, 25 Oct. 1909 (RKA 1001:2311, p. 202).

¹⁴⁴ 'Verordnung des Gouverneurs von Deutsch-Neuguinea betreffend die Ausführung und Anwerbung von Eingeborenen', 4 March 1909, enacted on 1 Jan. 1910 (DKG, vol. 13, pp. 147–57).

¹⁴⁵ Margrit Davies has researched the *Medizinal-Berichte über die deutschen Schutzgebiete* (Medical Reports) and established, *inter alia*, that Dr Hoffmann changed the diet from polished to cured rice in 1903 with startling results (RKA, MB 1903/04, p. 235). Dr Runge noticed an improvement in beri-beri patients when the diet was yams, taro, fish, coconut and some rice (R. Runge, 'Beriberifälle in Käwieng', *Amtsblatt*, 1 (1909), pp. 138–40). See M. Davies, *Public and Colonialism*, pp. 119–27; Firth, *New Guinea under the Germans*, pp. 123–4.

recommended a 50% reduction in the daily intake of rice, while increasing the daily intake of root crops and fresh fruits to 1 kg and 125 g respectively. In addition, Wick regarded the weekly intake of tea, biscuits, some sugar, lard and 500 g of meat as essential.¹⁴⁶ This time Preuß protested the loudest. By claiming the proposed legislation would cost it annually RM218 per worker (RM872,000 p.a. based on 4,000 employees), NGC advised the government that 'if implemented it would favour labourers over plantation owners'.¹⁴⁷ Preuß need not have worried: World War I intervened and the legislation was never enacted.

Melanesian and Papuan labour

On 8 June 1885 the German government enacted the imperial decree, prohibiting the recruitment of Papuan and Melanesians for work outside GNG.¹⁴⁸ NGC was the beneficiary of this decree. Under its charter, it had the sole right and obligation to recruit indigenous labour in GNG. Whilst Hensheim lobbied the *Reichskanzler* to prevent Queenslanders from recruiting in the Melanesian archipelago, the enactment of the decree disadvantaged all companies operating in GNG other than NGC. To meet the requirements in GNG, companies and individuals were now obliged to hire all indigenous labour through NGC. Excluded were the requirements of DHPG for Samoa. Under the supervision of NGC, DHPG could continue recruiting Melanesian labour for its plantations in Polynesia at no or little additional cost. While Queensland and other foreign countries were now prevented from recruiting in GNG, workers did not return to their villages until the expiry of their indentures.¹⁴⁹

NGC proclaimed the government's 'Ordinance regarding the enlisting and exporting of Native Labourers in the Protectorate of German New Guinea' on 15 August 1888.¹⁵⁰ This strengthened the imperial decree of 8 June 1885 and provided NGC with the sole right to recruit labour in GNG. When Chinese and Javanese coolies proved too expensive and the tobacco industry faltered, the importance of Melanesian and Papuan labour came to the fore. From August 1888 to 30 June 1892, New Ireland and the Solomons provided 3,930 local people to the labour depôts of NGC. Of these, 1,905 went to KWL:¹⁵¹ some went to the independent planters and traders Forsayth, Hensheim and Mouton, with the balance going to DHPG plantations on Samoa.¹⁵²

¹⁴⁶ Wick to Hahl, 1913 (RKA 1001:5773, pp 29–39 and 52–64).

¹⁴⁷ Herzog and Preuß to KA, 29 July 1914 (RKA 1001:2314, pp. 8ff).

¹⁴⁸ 'Erlaß des Reichskanzlers' in *NKWL* 1885, Heft i, p. 5. The 21 Aug. 1886 amendment prohibited the recruitment of natives from the northern part of New Ireland altogether (*NKWL*, 1886, Heft ii, p. 59).

¹⁴⁹ Eduard Hensheim initiated the implementation of the law with the *Reichskanzler*. Although not an active plantation farmer at the time, he relied on the local people to grow and collect coconuts for him. DHPG was almost entirely reliant on Melanesian labour for its plantations in Samoa.

¹⁵⁰ 'Verordnung betreffend die Anwerbung und Ausführung von Eingeboren als Arbeiter des Schutzgebietes der NGC vom 15 Aug. 1888', amended on 18 Oct. 1894 (*NKWL*, 1888, Heft iii, pp. 121–34; *ibid.*, 1893, p. 2; *ibid.*, 1895, pp. 4–6).

¹⁵¹ The total number sent to the depôts of Finschhafen and Friedrich Wilhelmshafen reached 2,163 by March 1893 (*NKWL*, 1894, pp. 24–5).

¹⁵² *Jb* (1891/92) p. 12; Sack & Clark (1890–91) pp. 65–6.

NGC opened a labour depôt in Finschhafen in March 1890. One month later, a second depôt was set up in Herbertshöhe on the Gazelle Peninsula.¹⁵³ NGC doctors examined all newly registered labourers in these compounds before work commenced. The Friedrich Wilhelmshafen administration attached the specially built recruiting brig *Senta* to Herbertshöhe in April 1890 to hasten the labour supply for the new plantation on the Gazelle Peninsula.¹⁵⁴ However, past methods used by Queensland recruiters and the abuses committed on the indigenous workers by settlers made recruiting difficult.¹⁵⁵ The coastal Tolais of the Gazelle Peninsula would not work for the Europeans and resisted any further encroachment on their land. Whilst many men from the coastal regions of New Ireland and the Duke of York were permanently affected through the consumption of copious amounts of rum on the Queensland sugar plantations, the knowledge they gained in the use of firearms made them dangerous warriors.¹⁵⁶

Administrator Kraetke believed that the veteran planter Richard Parkinson was the only person who could deal with this uncontrollable, yet indispensable, human resource. The veteran planter joined NGC in June 1889. Whilst Parkinson called the native hostilities 'a permanent state of war',¹⁵⁷ he was successful in recruiting 764 Tolais, New Irelanders and Bukamen in the first few months of his engagement. The following year, Parkinson recruited 1,044 men in New Hannover, 130 in the Duke of York Group and 99 in Buka to satisfy both the Herbertshöhe plantation and Finschhafen depôt requirements.¹⁵⁸ When Parkinson commenced planting at Herbertshöhe Captain Böhmermann of the *Senta* continued recruiting. During 1891 he engaged 1,064 Melanesians, 760 of whom went to Stephansort to work for A-C, with the balance distributed to other plantation companies.¹⁵⁹ With the *Senta* in dry dock for much of 1892,¹⁶⁰ Captain Dallmann worked the Huon Gulf and the Solomon Islands on the *Ysabel* and hired valuable Jabbim people. During the same year, he took his ship to the Le Maire Islands, along the north coast of KWL, and in June back to Finschhafen and into the Huon Gulf. In July he resumed recruiting on several smaller islands north of Dallmannhafen.¹⁶¹ The haul was poor. The first expedition tallied four men on short-term indentures. On the second voyage along the coast, Dallmann succeeded in engaging 132 men from the Bertrand (Tarawai) and other nearby islands, and from around Berlinhafen (Aitape).¹⁶² The number would have been larger, according to Dallmann, if five illegal sailing ships had not visited the area during the preceding

¹⁵³ The Finschhafen depôt was transferred to Friedrich Wilhelmshafen in Oct. 1892.

¹⁵⁴ Jb (1890) p. 3; Sack & Clark (1889–90) p. 47.

¹⁵⁵ British colonials (Australians), Scandinavians, Dutchmen, Frenchmen, Belgians, Spanish and Portuguese outnumbered Germans by more than 5:1 in the Bismarck Archipelago during the 1880s and 1890s. There were no Europeans to speak of in KWL other than Germans. See Table 1.

¹⁵⁶ On native resistance and labour recruitment in the Bismarck Archipelago see R. Parkinson, *Dreißig Jahre in der Südsee*, pp. 77–140; Firth, *New Guinea under the Germans*, pp. 47–65.

¹⁵⁷ Parkinson, p. 77.

¹⁵⁸ NKWL, 1890, Heft ii, p. 85 and 1891, p. 16; Jb (1889–90) p. 8; Sack & Clark (1889–90) p. 51.

¹⁵⁹ NKWL, 1891, p. 16; *ibid.*, 1892, p. 30 1893, p. 28.

¹⁶⁰ NKWL, 1891, pp. 28–9.

¹⁶¹ Jb (1892/93) p. 14; Sack & Clark (1892–93) p. 80.

¹⁶² NKWL, 1893, p. 28.

months.¹⁶³ Due to the barter conditions established by the Queenslanders previously, Dallmann found recruiting on Bougainville equally difficult.¹⁶⁴ The chiefs demanded guns and ammunition in exchange for strong young men; beads, hoop iron and other trinkets offered by the Germans would no longer suffice.¹⁶⁵ Across the Buka Strait, the local people were more responsive and 144 Bukamen signed on to work for NGC.¹⁶⁶ With the return of the *Senta* to the GNG, Ludwig Kärbach joined Böhmermann to work the northeast coast of New Ireland and Buka Island, engaging 731 Melanesians in August–December 1892.¹⁶⁷ In contrast, 312 Melanesians were recruited from January to September 1893. Whilst Böhmermann took the *Senta* to New Ireland, the outlying Gerrit Denys Islands, New Hanover, the Sandwich, French and Solomon Islands during this period, the main purpose of these voyages was the return of indentured workers to their villages.¹⁶⁸

In July 1893 Kärbach left NGC to set up his own trading and plantation company in Berlinhafen on the island of Sainson (Seleo).¹⁶⁹ He was willing to assist NGC with his own sailing vessel *Dora* while the company's recruiting vessels were laid up or engaged on other work for much of 1894 and 1895.¹⁷⁰ The *Ysabel* sailed to Sydney on 22 March 1894 for a 6-week unscheduled docking and worked as a collier from 30 October to 13 December 1894 and again from 1 April to 27 May 1895. Soon after she resumed recruiting, the *Ysabel* struck a reef on the north coast of the Gazelle Peninsula. The steamer had to return to Sydney for repairs and did not resume service until 16 November 1895.¹⁷¹ The *Senta* also underwent urgent repairs. During docking in Sydney, the addition of new labour accommodation kept the vessel out of commission from December 1894 to June 1895.¹⁷²

The hard-nosed recruiting practices of Kärbach brought some relief to the labour-starved A-C during this period.¹⁷³ Of 633 indigenous recruited in 1893 and 1894, A-C received 526 labourers. In April 1895 the company employed 646 workers on its Stephansort and Erima plantations. It hired 268 new recruits during the course of the following year and lost 363 men who either had been returned home, had absconded or had died. The tally of 551 A-C workers

¹⁶³ *ibid.*

¹⁶⁴ In view of renewed recruiting by the Queenslanders, Rose issued an ordinance on 12 July 1892 reiterating that the Solomon Islands of Bougainville, Buka and adjacent islands were part of the Protectorate of NGC. Penalties as prescribed under ordinance of 3 Nov. 1887 (up to 3 months jail or fines of up to RM3,000) remained extant, and were also valid for the German possessions in the Solomons (*NKWL*, 1892, pp. 15–6).

¹⁶⁵ *NKWL*, 1893, p. 28.

¹⁶⁶ *ibid.*

¹⁶⁷ *ibid.*, p. 29.

¹⁶⁸ Other than 27 men who had been returned to Buka and six men to New Ireland, the number of repatriated labourers was not given (*NKWL*, 1893, p. 29).

¹⁶⁹ The island was named after Louis Auguste de Sainson, the principal artist on board *L'Astrolbe*. The name of the island was changed to the native 'Seleo' in 1894 (*NKWL*, 1894, p. 33).

¹⁷⁰ *NKWL*, 1893, pp. 27–8; Jb (1892/93) p. 14; Sack & Clark (1892–93) p. 80. The report was silent on Kärbach's fee (*NKWL*, 1893, p. 27).

¹⁷¹ The grounding occurred on 28 August 1895 (*NKWL*, 1895, pp. 36 and 44).

¹⁷² *ibid.*, p. 44.

¹⁷³ Firth *New Guinea under the Germans* (p. 40) cited the 'kidnapping' episode by the company recruiter Ludwig Kärbach as recounted by the Lutheran missionary George Bamber. The anecdote appears to be at odds with Kärbach's Catholic faith. In 1896 he facilitated the setting up of the first Catholic mission in KWL on the neighbouring island of Tumleo; P. Steffen, 'Die Katholischen Missionen in Deutsch-Neuguinea' in H.J. Hiery, ed.), *Die Deutsche Südsee 1884–1914*, p. 361.

in May 1896 included 187 Jabbim people who, according to A-C's management, were the most efficient workers. The other major employer of Melanesian labour, the DHPG, signed 826 new indentures in 1895. Private operators delivered these recruits to the company's new labour depôt on Mioko Island from where they were transhipped to Samoa.¹⁷⁴

In 1896/97 recruitment came to a virtual standstill. The *Ysabel* had been sold to BP in October 1896 and Kärnbach had died in February 1897. Missionary P. Bormann continued with some recruitment until the purchase of Seleo station by NGC toward the end of that year. However, the intake was minor and served only the mission's requirements.¹⁷⁵ The new NGC manager, Paul Lücker, arrived on the island with three Chinese *tandils* and two Javanese *mandurs*, two Jabbims and six Melanesians in June 1898. His immediate concern was the construction of a new, larger station on Seleo.¹⁷⁶ Lücker put on hold the labour recruitment for the NGC depôts because the sparsely populated district yielded only '14 strong men' from the Lemiang area, and because his only means of transport was the *Seleo*.¹⁷⁷

Although largely unsuccessful in recruiting workers for NGC, he was doing well in procuring large tracts of land on islands around Berlinhafen for the company. According to Albert Hahl, Lücker acquired 165,000 ha and was credited with the discovery of the valuable *Calophyllum* tree for medicinal oil extraction.¹⁷⁸ He also set up six trading stations in the vicinity and planted some 7,000 coconut palms on Seleo, Tarawai and Rabuin stations. The Chinese *tandils* and Javanese *mandurs*, who were in charge of the trading stations, supplied Lücker with copra, trepang and pearl shells, which he exported on behalf of NGC to Singapore. Paul Behse took over from Paul Lücker in 1899. At that time, 34 Melanesians and 2 Chinese worked on Seleo station, with all trading stations manned by independent Chinese and Javanese.¹⁷⁹

When the shift from tobacco to coconut plantations started after 1896 the number of Melanesians employed by NGC in the archipelago rose from 556 (October 1897) to 706 (July 1898). Meanwhile, the number of Chinese coolies employed by NGC in KWL declined from 518 in 1895 to 168 in 1897.¹⁸⁰ Notwithstanding a temporary increase in coolie labour from 1898 to 1900, indigenous labourers made up 75% of NGC's workforce by the turn of the century. By 1906 NGC employed 3,370 Melanesian and Papuan workers compared to only 95 Chinese and 39 Javanese.¹⁸¹

Labour shortages and inferior labour resources were the root causes of A-C's failure according to NGC. The agreement to provide the Chinese with opium was a curse, not a cure. Most of the 2,000 or so coolies recruited for the tobacco industry on Astrolabe Bay in the first 2

¹⁷⁴ It is not known which recruiting vessels were used. In addition to Kärnbach, NGC contracted R&H, DHPG and other private operators for recruitment activities (*NKWL*, 1895, p. 36).

¹⁷⁵ Jb (1896/97) p. 6; Sack & Clark (1896–97) p. 130; (*NKWL*, 1897, p. 23).

¹⁷⁶ *ibid.*

¹⁷⁷ It is likely that the company purchased the small cutter *Dora* from the Kärnbach estate and renamed it the *Seleo* (Jb [1897/98] p. 6; Sack & Clark [1897–98] p. 143).

¹⁷⁸ Hahl to AA-KA, 22 Nov. 1898 (RKA 1001:2278).

¹⁷⁹ Jb (1898/99) p. 21; Sack & Clark (1898–99) pp. 166–7.

¹⁸⁰ The company employed only one Chinese and one Javanese in the archipelago since the establishment of the first station there in 1891 (*NKWL*, 1897, p. 25 and 1898, p. 23).

¹⁸¹ See Table 2.

years died either during transportation or shortly after their arrival in the Protectorate. The main causes of death were cholera or malaria. The nexus between beri-beri and polished rice was not understood at the time. Instead, doctors diagnosed opium addiction as the chief reason for the feeble state of many Chinese and their ultimate demise.¹⁸² That coolies worked harder when provided with a measure of opium was a short-lived gain. No matter how well they worked while under the influence of the opium, the resultant higher death rate was no compensation for the higher work output derived from the drug. Opium was a moral as well as a financial dilemma for the company.¹⁸³

W.E. Maxwell summed up the sorts of problems encountered by NGC in a paper delivered to the Royal Colonial Institute in 1891: 'there is first the difficulty of managing Chinese labour', he told his audience, 'The Chinese were unruly and difficult to control, and did not make an acceptable worker who would subordinate himself to the will of a foreign employer'. Maxwell also mentioned that British scorn was balanced by an admiration for the Chinese instinct for capitalism and profit.¹⁸⁴ The British experience mirrored NGC's. Whilst Hansemann recognised the economic benefits of mass migration, NGC's policies did not make use of the industriousness and artisanal skills of the Chinese to their advantage. The German traders were generally opposed to Chinese immigration because independent Chinese traders bought copra from the local people at prices they were unwilling or unable to match. In 1911 the *Amtsblatt* wrote that GNG had 'more than enough Chinese' and their immigration should be stopped.¹⁸⁵ The Australian colonial governments prohibited Asian migration to Papua because it was concerned that the Chinese could migrate from Papua to Australia. Towards the end of German colonial rule Governor Albert Hahl became a strong advocate for Chinese migration. He, like Hansemann before him, encouraged the Chinese presence for economic reasons. Hahl believed that the entrepreneurship of the Chinese would make GNG self-supporting. He almost succeeded in persuading the government to give the Chinese equal status as the Europeans, a privilege the Japanese in GNG had from the outset.¹⁸⁶

¹⁸² *NKWL*, 1894, p. 37.

¹⁸³ Import revenue tripled from 1890 to 1894 (NGC to AA-KA, 18 June 1895, RKA 1001:29040, p. 16).

¹⁸⁴ W.E. Maxwell, 'The Malay Peninsula, its Resources and Prospects', *Proceedings of the Royal Colonial Institute*, 23.

¹⁸⁵ *AB*, 1911, 3.

CHAPTER 10

TOBACCO: AN UNPROFITABLE START TO A PLANTATION INDUSTRY

Hansemann started his Protectorate in 1884 on the premise of establishing a settler colony. This first period lasted until 1889. When the expected settlers did not arrive, NGC started its second stage of economic development of GNG. The company now planted coffee, tobacco and cotton – more or less successfully, but unprofitably – at three locations in KWL and on the Gazelle Peninsula. The difficulty of managing three stations nearly 1000 km apart in KWL and a new enterprise in the Bismarck Archipelago was part of the reason for concentrating a large-scale plantation industry on Astrolabe Bay in 1892. This started NGC's third and most costly phase in GNG. The focus on tobacco and cotton increased the cash flow; it also increased the financial losses. A combination of high labour costs, dearth of coolies, epidemics, pests, unfavourable weather patterns and weak tobacco prices ended this experiment in 1902. After 12 years of unsuccessful toiling with tobacco and cotton agriculture, NGC settled on large-scale coconut plantations with copra becoming the mainstay of its business enterprise.

The precursor to large-scale tobacco agriculture

In 1863 the Dutch trader Jacobus Nienhuys started to plant tobacco in the small Sultanate of Deli in northeast Sumatra. By 1872 his company, the Deli Maatschappij, exported 1,000,000 Gulden worth of tobacco, increasing to 2,500,000 Gulden the following year. By 1889 Deli produced 182,399 bales of tobacco worth more than 40,000,000 Gulden.¹ It allowed the company to pay sustained annual dividends of around 75% on the issued capital.² Such impressive results encouraged Hansemann to aim for similar success in GNG.

Whilst acquiring land remained an important factor in colonising the Protectorate, cultivating tobacco became central to NGC's commercialisation program. A fervent cigar smoker, Hansemann understood the value of a good quality leaf: from the outset he instructed his scientific explorers, station managers and Administrator Schleinitz to identify suitable land for cultivating tobacco. Station Manager Fritz Grabowsky reported the first positive signs with the discovery of substantial quantities of 'wild' tobacco that grew well on the rich loam of the Kunai Plains west of Hatzfeldhafen. 'The tobacco grown around Hatzfeldhafen', the former explorer noted in his February 1886 report to Hansemann, 'has a first-class aroma; the leaves are slim and elastic and with appropriate cultivation the tobacco grown in this region would promise to supply a valuable product for the European market'.³

¹ Sieben, F.M., 'Über die Aussichten von Tropischen Kulturen in Ost-Afrika und Neu Guinea', *Koloniales Jahrbuch* (1893), p. 39; H. Blum, *Neu Guinea und der Bismarck-Archipel*, p. 175.

² Sieben, p. 39; J.B. Killebrew and H. Myrick, *Tobacco Leaf: Its Culture and Cure, Marketing and Manufacture*, pp. 383–5.

³ *NKWL*, 1886, Heft ii, p. 63.

The moderate plan Hansemann had in mind for the Neu-Guinea Tabak-Gesellschaft (NGTG) developed into a new grand vision for his Protectorate by 1891. NGC was to withdraw from operating commercial plantations and sell its plantation interests in KWL to a new shareholder company in which he held the controlling interest. A-C was founded on 27 October 1891 to cultivate and manufacture tobacco on the Astrolabe Bay.⁴ After a heart-breaking 5 years A-C was insolvent with its assets and liabilities taken over by NGC. After another 5 years Hansemann's dream to grow the world's best tobacco on Sumatra's scale in GNG ended in disaster, in both financial and human terms.

The plantation industry of the Dutch East Indies was Hansemann's paradigm. He believed that what thrived on Java and Sumatra would also grow well in GNG. Cacao seemed a good idea to him. However, its cultivation was slow to generate profits because seeds took 4 years to grow into fruit-bearing trees. Wild sugar cane grew in abundance in New Guinea; but NGC's board regarded its cultivation as an unattractive proposition. The harvesting of plantation cane was labour intensive; and for it to compete with European beet required major investment in industrial plant. Hansemann, therefore, gave preference to cultivating tobacco. Although demanding high labour input, the cash crop could be harvested within 4 months of planting, yielding a much higher return than other crops.

Hansemann appointed Jacob Weißer director of the Central Station at Mioko in the Bismarck Archipelago in August 1886. Weißer was also to investigate tobacco cultivation in GNG.⁵ A former purser with the *Reichsmarine*, the 'old salt' with South Sea experience was instructed to visit Deli for 3 months to acquire knowledge in tobacco cultivation and fermentation.⁶ Weißer returned and settled on Mioko Station in December 1886: by then Hollrung had reported the discovery of wild tobacco along the Sepik River.⁷ The samples procured from the natives, who claimed ownership of the crops, were sent to Germany for assessment. Even before the results were known, Hansemann took the next step. Weißer died from malaria within 8 months of his arrival in GNG, and the task of identifying suitable sites fell to others.⁸ As Hansemann considered that tobacco could be grown anywhere in KWL, land identification was no longer a prerequisite. What was needed were experienced managers and planters: 'for the purpose of acquiring the services of experts from other countries negotiations are under way with several personnel experienced in managing plantations', said NGC's 1887 annual report.⁹ There was no shortage of respondents. The agricultural scientist, Dr Richard Hindorf, who worked in Ceylon, Java, Sumatra and Australia, applied for a position in tropical

⁴ *Bundesrath* approval, 22 Dec. 1891, *NKWL*, 1891, pp. 18-21; *ibid.*, 1892, p. 30-1.

⁵ H. Münch, *Adolf von Hansemann*, pp. 238-9. Hansemann expressed concern at the high establishment costs and the slow progress made on deriving income from the sale of land. Therefore, 'income producing enterprises under our management, in particular with the cultivation of tobacco, are uppermost on my mind', he wrote to Weisser on 7 May 1887. 'With the knowledge you have gained in Sumatra we believe you are best suited to carry out the task of managing the intended tobacco enterprises'.

⁶ *NKWL*, 1887, Heft i, p. 4 and 1886, Heft iv, p. 113; *Jb* (1887) p. 22; Sack & Clark (1886-87) p. 21.

⁷ *ibid.*

⁸ Weisser contracted malaria on Sumatra. He died while in transit to Australia on 15 Aug. 1887. P.M. Pawlik, *Von Sibirien nach Neu Guinea*, p. 133; *NKWL*, 1887, Heft iii, p. 130.

⁹ *Jb* (1887) p. 22; Sack & Clark (1886-87) p. 21.

cultivation with NGC in June 1887.¹⁰ In December 1887 the German farmer Philipp Leiby left his tobacco farm in the State of Baden to work for NGC in KWL.¹¹ Others like Adolf Hermes (1888) and Franz Koch (1889) transferred from German East-Africa to GNG.¹²

Whilst NGC hired tobacco experts from overseas, Grabowsky continued his solitary path. He set up an experimental garden on Tschirimotsch to germinate local tobacco seeds, whilst a request by head office in Berlin to send soil samples to Germany for analysis was followed reluctantly.¹³ The evidence was already at hand: tobacco thrived at Hatzfeldhafen. Without waiting for the results from Berlin, he returned to Surabaya to recruit 50–60 ‘Malays’, four Chinese and bullocks in order to prepare tobacco fields for the coming season.¹⁴

Grabowsky and his 95 workers planted a 10 ha plot with the first commercial quantity of tobacco on the hills outside Hatzfeldhafen in June 1887.¹⁵ The move away from the safety of the island was premature, though. Under constant attacks by the Dugumor, Tombenam and Tschiriar tribes, it was difficult to keep the workers on the job. A call in July for a warship to avenge the murder of a plantation worker went unanswered.¹⁶ The *Reichsmarine* showed little interest in chasing tribesmen in the hostile terrain of mainland New Guinea. Grabowsky had to wait for the arrival on 27 August of the steamers *Otilie* and *Samoa* with complements of armed sailors and tribal people from the Finschhafen district to try and put an end to the hostilities.¹⁷ It was a temporary calm. The tribes resumed their harassment as soon as the ships left. Unable to harvest the first plantation tobacco of GNG, a frustrated and disappointed Grabowsky resigned in November 1887.¹⁸

Ernst Schollenbruch transferred from Finschhafen to Hatzfeldhafen to continue Grabowsky’s work.¹⁹ He cut, looped and dried the first NGC leaves from Deli seeds in May 1888. By June quality cured leaves had been selected for grading and batching, and sent to Germany for evaluation.²⁰ In September Schollenbruch cleared a hectare of rainforest on the river flats of the Daigun for the second 1888 tobacco harvest. In this he consolidated all farming activities – tobacco, yams, sorghum and grazing – within the vicinity of the station. It provided for better protection against the harassing tribes and rationalised the scarce labour resource.²¹

¹⁰ *NKWL*, 1888, Heft ii, p. 79 and 1889, Heft ii, p. 33.

¹¹ Leiby returned to his farm in St Ilgen, Baden in 1892 (K. Baumann, *Biographisches Handbuch*, p. 221).

¹² *NKWL*, 1888, Heft iv, p. 179 and 1890, Heft i, p. 9.

¹³ *Jb* (1887) p. 16; Sack & Clark (1886–87) p. 16.

¹⁴ It is not clear whether Grabowsky procured seeds on this trip or whether he planted the seedlings he had grown from native tobacco. *NKWL*, 1887, Heft ii, p. 32; O. Schellong, *Alte Documente aus der Südsee*, p. 114.

¹⁵ *NKWL*, 1888, Heft iii, pp. 150–1, Heft iv, pp. 181–2.

¹⁶ *NKWL*, 1887, Heft v, p. 192.

¹⁷ *NKWL*, 1887, Heft v, pp. 192–4. The *Reichsmarine* was reluctant to perform the duties of the police (see P.G. Sack, *Phantom of History*, pp. 533–37).

¹⁸ *ibid.*, 1887, Heft v, p. 163.

¹⁹ Schollenbruch, previously in charge of the experimental garden at Butaueng, was on an excursion in the Huon Gulf, when he was ordered to Hatzfeldhafen to fill the position of station manager. After completing his 3-year contract he returned to Germany in March 1889.

²⁰ *NKWL*, 1888, Heft iii, p. 150; *Jb A-C* (1892) p. 7.

²¹ *NKWL*, 1888, Heft i, p. 19

Wilhelm von Puttkamer, who had joined Grabowsky at Hatzfeldthafen as assistant manager in 1886, took over from Schollenbruch in the first quarter of 1889.²² The quantity and the quality of the harvests were not as high as had been hoped. Inferior seeds and excessive ground moisture, which led to earthworm and caterpillar infestations, affected the second 1888 harvest.²³ Yet, according to an 'expert report', the quality of the first cigars made from Hatzfeldthafen tobacco was above expectations: 'The elasticity of the leaves was exceptionally high, of firm structure, sticky and therefore most suitable for cigar-wrappers'.²⁴ Hansemann and his colleagues would have praised the first cigars from their Protectorate regardless. The first fully cured tobacco was sold in Bremen in 1889. Although the batch was badly graded and bundled, the sale considerably exceeded the NGC break-even price of RM1.05/lb. While Hansemann should have been pleased with the mean price of RM1.51/lb (excluding duty) for the lot on offer, he was unhappy that inferior local seeds had been mixed with Sumatran tobacco seeds.²⁵

It did, however, whet the appetite of the directors to commence planting on a larger scale. For this to succeed, NGC required experienced managers and planters. Such personnel, however, were difficult to secure. The extensive German tobacco industry employed few, if any, personnel with tropical experience and the German and Dutch planters in Sumatra and Java had secure positions. So Hansemann decided that NGC would train its managers. Franz Koch, who had farming experience in German East Africa, retired Lieutenant-Commander Ernst Rodig and Commercial Manager Ernst Wegner headed for the Dutch East Indies in September 1888 to learn about planting, picking, curing and grading tobacco. But the signs were ominous for Hansemann's ambition to create a second Deli in GNG. A viral fever infected most passengers and crew on the Hamburg Kinsin-Line steamer which was to take the party to Singapore. Rodig died and Wegner was hospitalised in Singapore for weeks before being sent home to Germany. Only Koch, who had been taken off the ship in Penang, recovered sufficiently to visit Sumatra; he arrived in GNG in 1890.²⁶

Inexperience at Hatzfeldthafen resulted in the use of inferior seeds. Amongst other starting problems, the tobacco fields were not properly drained and the location of the fields changed on three occasions. To remedy the situation Hansemann turned his attention to the Dutch, German and other European planters who had established themselves in Deli. Hansemann informed his shareholders in 1890:

for success to be assured events thus far have shown that the management of tobacco plantations in New Guinea can only be entrusted to properly qualified tobacco growers who are familiar with Sumatran tobacco cultivation.²⁷

²² *NKWL*, 1888, Heft v, pp. 164–78. Puttkamer was in charge of Hatzfeldthafen from March 1889 to Jan. 1890.

²³ *Jb* (1889) p. 3; Sack & Clark (1888–89) p. 35; *NKWL*, 1889, Heft ii, p. 35–6 and 1890, Heft i, p. 14.

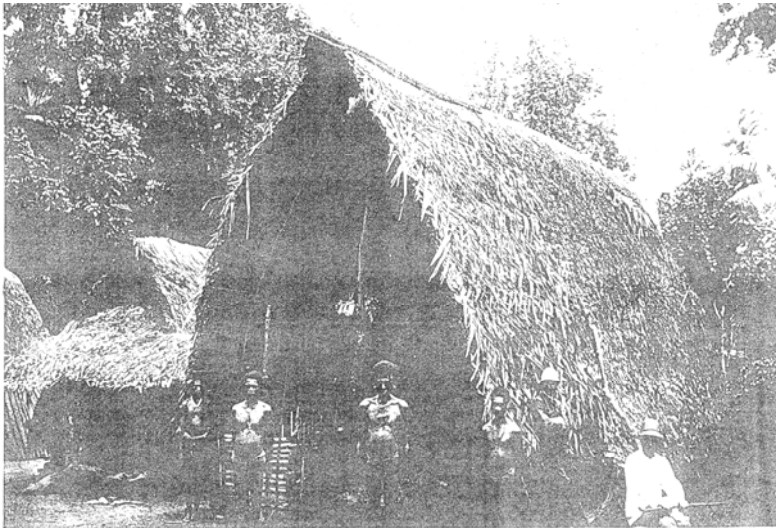
²⁴ *NKWL*, 1888, Heft iv, p. 179.

²⁵ *ibid.*, 1889, Heft ii, p. 33. The records of NGC differ with Hemsheim's view who claimed that 'tobacco appears to have none of the characteristics of the highly priced Deli leaf ... and experts have estimated it to be worth RM0.25/lb on the European market' (P.G. Sack, *Eduard Hemsheim*, p. 201).

²⁶ *Jb* (1889) p. 6; Sack & Clark (1888–89) p. 38.

²⁷ *Jb* (1890) p. 4; Sack & Clark (1889–90) p. 48.

In this context Hansemann argued for using Chinese coolies to plant, harvest, bundle, cure, ferment and grade the tobacco. Subsequently the company recruited Johan Schoevers from Sumatra whilst Puttkamer was sent to the Dutch East Indies to learn more about tobacco cultivation.²⁸



Accommodation huts for unmarried local workers, c. 1891



Chinese accommodation on the AC Stephansort tobacco plantation, c. 1895

Schoevers prepared the next 20 ha immediately east from Hatzfeldthafen, where first-class tobacco soil was available on a wide expanse.²⁹ Much improved results were expected from the move inland as the impact of the onshore wind, which Schoevers believed inhibited growth and the aroma of the tobacco, was mitigated.³⁰ With 163 local people and 15 Javanese Schroeover harvested approximately 7,800 kg of tobacco from some 200,000 plants in 1890. Excessive rainfall interfered with the second planting in 1890.³¹ The 120 bales from this harvest arrived in Bremen on 9 September 1891 and were auctioned with 115 and 75 bales

²⁸ *NKWL*, 1890, Heft ii, p. 73 and 1891, Heft i, p. 19; *Jb* (1890) p. 5.

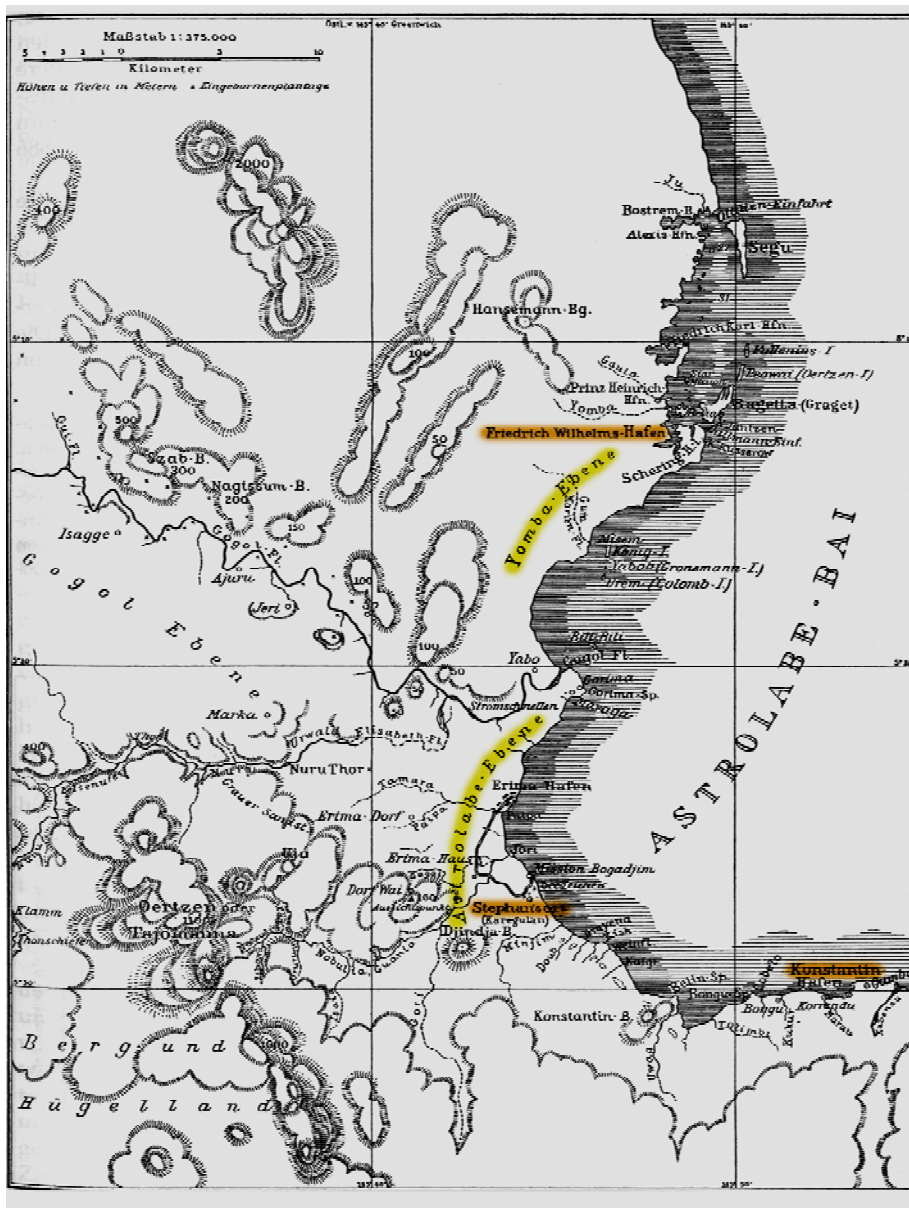
²⁹ *Jb* (1889) p. 3

³⁰ *NKWL*, 1891, Heft i, p. 13.

³¹ *NKWL*, 1891, Heft i, p. 12.

respectively from the new Stephansort and Erima Stations to achieve the best price.³² In late 1890 Schoevers was temporarily joined by the Sumatran planter Lutz who, in conjunction with Puttkamer, indentured 79 coolies, one Chinese *tandil* and five Banjurese, in Singapore at the end of October 1890 for the 1891 Hatzfeldthafen planting season.³³ In January 1891 Schoever had sufficient workers to plant 343,000 seedlings of tobacco. While selective picking was delayed until April due to high wind and heavy rain showers,³⁴ the harvest was never completed and the leaves never sorted. At short notice Hansemann ordered Hatzfeldthafen to be closed. Following the hasty evacuation of Finschhafen in March 1891, the administration was temporarily moved to Stephansort, while the Hatzfeldthafen buildings were dismantled and sent to Friedrich Wilhelmshafen, NGC's new headquarters from September 1892.³⁵

Map 5: Tobacco land on the Astrolabe and Yomba Plains



³² NKWL, 1892, Heft i, pp. 27–8 and 31–7. The weight of a bale of tobacco ranged from 30 to 40 kg.
³³ NKWL, 1890, Heft ii, p. 85; Jb (1890) p. 8; Sack & Clark (1889–90) p. 48.
³⁴ NKWL, 1891, Heft i pp. 12–13.
³⁵ NKWL, 1892, Heft i, p. 21; *ibid.*, 1893, Heft ii, pp. 18–21; see Chapter 5.

The former German East African farmer Adolf Hermes founded Stephansort in August 1888. He was authorised to clear approximately 500 ha for tobacco cultivation and to set up appropriate facilities.³⁶ Within 11 months he had 19 ha of dense rainforest cleared, and a leaf drying and curing shed, accommodation for four Chinese *tandils* and their families, and living quarters for Jabbim people built. A jetty, causeway paths, Hermes' house, a prison and a further tobacco barn were completed by end of the year so as not to miss the early season in the following year. In January 1889 Hermes planted 14 ha with tobacco and, like his colleague in Constantinhafen, 5 ha with maize, yam, taro, bananas and sweet potatoes for his workers and himself. The start Hermes hoped for did not eventuate. Pest infestations similar to those in Hatzfeldthafen affected the first planting and an unseasonal dry spell in July – August affected the second. The workers' inexperience showed up in the slowness of picking and preparing the tobacco; and despite the use of Chinese *tandils*, sorting and packaging was inconsistent. The first Stephansort tobacco, 151 bales of approximately 56 kg each, left GNG in November 1889 and was sold off-market in Bremen in February 1890 at undisclosed prices.³⁷ The problems of the 1889 seasons were overcome in 1890. Of a total of 45 ha farmed, 14 ha were planted with cotton (yielding 10 t); cereal and vegetables were planted on 15 ha (producing 30 t maize); and the 16 ha of tobacco yielded 158 bales of 79 kg each of 'the finest tobacco yet produced in GNG'. The Bremer tobacco experts praised the richness of the essential oils in the tobacco, and the width and texture of the leaves. Free from heavy veins, the tobacco leaves had fine elasticity, were lustrous and had a smooth, silken surface. In their view the tobacco was ideally suited for binders and wrappers. The average price attained at auction in Bremen for the 1890 crop was RM3.26/lb, with 'prime cut' leaves fetching RM5.20/lb.³⁸ The high-quality tobacco, which the merchants regarded as superior to Deli's and coming close to the exceptional products of Mexico and Havana, would fetch even higher prices provided the large, finely structured leaves could be produced in a lighter, even tan.³⁹

On the back of the tobacco produced by Hermes in Stephansort, Franz Koch started his assignment in GNG with the setting up in March 1890 of the nearby Erima Station.⁴⁰ Within 3 months of his arrival a Malay house with a community kitchen,⁴¹ an accommodation block for 100 Chinese, one for 200 Melanesians, and a boatshed were built from local timber. Koch's residence, completed in early November 1890, stood in Papuan tradition on 2 m stilts. The 50 m jetty was near completion, with the 50 m connecting causeway finished in August ahead of the marine work.⁴²

³⁶ *NKWL*, 1889, Heft i, p. 24, Heft ii, p. 35; *Jb* (1888) p. 4 and (1889) p. 4; Sack & Clark (1887–88) p. 24 and (1888–89) p. 36.

³⁷ *NKWL*, 1890, Heft i, p. 13, Heft ii, pp. 71–2; *Jb* (1889) pp. 3–4 and (1890) p. 4; Sack & Clark (1888–89) p. 48.

³⁸ *NKWL*, 1891 Heft i, pp. 9–10; *Jb* (1890/91) p. 10; Sack & Clark (1890–91) p. 63.

³⁹ *NKWL*, 1891, Heft i, p. 10

⁴⁰ Erima was named after the nearby native village by the same name (*NKWL*, 1890, Heft ii, p. 72).

⁴¹ *ibid.* Malay houses were typically built on 2 m stilts, 6 m wide and 13.5 m long.

⁴² *NKWL*, 1890, Heft ii, p. 73.

The transfer of Lutz shortly after his arrival in Hatzfeldhafen enabled Koch to set up camp near Gorima village on the Gogol River and prepare for the establishment of a tobacco plantation at Maraga.

In the tradition of a Deli planter Lutz went to work on Erima by having 5.5 km of trenches dug to ensure that the fields were properly drained. He also oversaw the completion of the accommodation blocks. Lutz demonstrated his experience by building the roofs of the fermentation and drying sheds with locally produced atap, which was quicker and cheaper than having it cut in Southeast Asia.⁴³ In May 1891 Lutz planted the first 100,000 seedlings. He did not see these harvested: after 18 months in GNG a severe fever hospitalised him in Finschhafen where he died in July 1891.⁴⁴ Hermes, presumably with the assistance of Koch, oversaw the first picking of Erima tobacco and 75 bundles readied for shipping to Bremen.

Erima might have had superior loam, but in health terms it was one of the deadliest places in GNG. Like Lutz, Koch and Hermes did not live to see how the Erima tobacco was received in Germany. Koch could not cheat death a second time; he succumbed to malaria fever on 26 December 1891, 8 days after Hermes died of influenza.⁴⁵

The first Erima tobacco was despatched in May 1892 by Erima's fourth manager in 12 months, Woldemar von Hanneken.⁴⁶ When the consignment was auctioned in Bremen in September, together with the Stephansort and Hatzfeldhafen harvests, the results exceeded the expectations of Hansemann and his directors. The Erima tobacco was remarked on by the Bremer auctioneers as being of a finer quality than the Stephansort leaf. It led Hansemann to tell his shareholders that 'the tobacco was once more beautifully grown, had exceptional burning properties – evenly and snow-white – was of exceptional quality and sufficiently flavoured for today's taste'.⁴⁷ The *NKWL* reflected the chairman's view by telling its readers that 'the tobacco was extraordinarily beautiful, which proves that growing conditions in Erima were even better than those present in Stephansort'.⁴⁸ Hansemann condemned the use of high-quality Erima wrappers and binders with inferior fillers from other tobacco regions: it did not meet with the approval of many smokers. The directors decided, therefore, to market NGC's own brand of cigars, rolled exclusively from its tobacco. By selling these cigars to the company's shareholders, employees and a small circle of acquaintances, the quality of the tobacco would come into its own. Although the sales were small, the cigars sold quickly and the company returned a modest profit.⁴⁹

Notwithstanding the high quality of the tobacco grown in Hatzfeldhafen and on Astrolabe Bay, the harvested quantities were small and the costs high. Already in 1889/90 Hansemann

⁴³ Atap was imported from Sumatra at considerable expense until then. The local product was manufactured from the abundant nipa-palm leaves. *NKWL*, 1891, Heft i, p. 12; *Jb* (1889) p. 3-4; Sack & Clark (1888–89) p. 48.

⁴⁴ *Jb* (1891/92) p. 12; Sack & Clark (1890–91) p. 66.

⁴⁵ NGC claimed that Koch was unable to carry out his duties due to a heart condition (*Jb* [1891/92] p. 12; Sack & Clark [1890–91] p. 66).

⁴⁶ *NKWL*, 1892, Heft ii, p. 36.

⁴⁷ *Jb* (1890/91) p. 10.

⁴⁸ *NKWL*, 1892, Heft ii, p. 28.

⁴⁹ *Jb* (1891/92) p. 13.

advised shareholders that the management of tobacco plantations in New Guinea could only be entrusted to experienced planters. Hiring Sumatran tobacco planters in 1890–91 should have satisfied this.⁵⁰ As to tobacco workers, NGC also employed Chinese coolies who were experienced in preparing tobacco fields and in picking, stacking, curing and sorting leaves.

The scale of the problems was not immediately recognised: pests, inferior seeds and unseasonal rain. The greatest asset was the soil. Different samples sent to Germany for analysis confirmed that the humus, nitrogen, potash and lime contents were superior to Deli soil.⁵¹ The mean price of RM3.26/lb cif European port attained for Stephansort tobacco in 1890 was RM1.25 above the upset price set by Berlin.⁵² A year later Erima harvest auctioned in Bremen averaged only RM2.10/lb cif. Although the result compared favourably with the mean price of RM2.17/lb for Sumatran tobacco sold in Amsterdam,⁵³ it was not nearly high enough. Whilst some 26,000,000 lb of Deli tobacco fetched Hfl33,128,000 in Amsterdam in 1888, NGC sold 106,705 lb of its tobacco in the first 4 years for RM242,666 (Table 10.1).⁵⁴ Although the mean price of RM2.28/lb was slightly above the upset price, the quantities were too low to return a profit. The income statements for the periods under review show the cost of salaries and wages far exceeded the value of sales, with one notable exception – Stephansort in 1891/92.⁵⁵ The quantity of tobacco produced in Sumatra in 1888 was built on 25 years' experience and is, therefore, a skewed comparison. But NGC's forward projections are not clear. In the short term the company planned a harvest of 400,000 lb in the 1897.⁵⁶ Even at that production rate the revenue would not amount to RM1,000,000 p.a. Unless the price of tobacco increased substantially and production costs were lowered considerably, tobacco would remain a loss-making venture at this level of production.

Table 10.1 Import of NGC tobacco (in metric pounds) through the port of Bremen.

	Hatzfeldthafen	Stephansort	Erima	Total
1888	1,600	0	0	1,600
1889	3,704	16,952	0	20,656
1890	12,878	24,994	0	37,872
1891	18,499	16,744	11,334	46,577
	36,681	58,690	11,334	106,705

⁵⁰ During this period Schoevers, Lutz, Bluntschli, Ettlting, Hanneken, Schmidt, Pfaff, Rohlack, Maschmeyer, Brückner, Baumann, Dall Abaco and others were engaged by NGC (*NKWL*, 1892, Heft i, p. 32).

⁵¹ Soil samples were taken from the Jomba, Astrolabe and Gorima Plains; along the Bubui and Sepik Rivers and around Hatzfeldthafen. For a detailed soil analysis see *NKWL*, 1890, Heft ii, pp. 77-81.

⁵² Berlin set the upset price at RM2.01/lb. *Jb* (1891–92) p. 9; Sack & Clark, (1890–91) p. 63. No details are available on how the price was calculated.

⁵³ Sieben, p. 40.

⁵⁴ *Jb* (1890/91) p. 9; Sack & Clark, (1890–91) p. 64; *NKWL*, 1892, p. 30.

⁵⁵ *Jb* (1890) pp. 22-27, *ibid.*, (1890/91) pp. 22-7, *ibid.*, (1891/92) pp. 28-33 provide the following figures. Labour costs at Stephansort in 1889/90, 1890/91 and 1891/92 were RM22,806, RM46,461 and RM39,890 respectively; income from tobacco was RM10,121, RM75,285 and RM38,127 respectively. Labour costs at Erima over the same period were RM640, RM35,989 and RM18,836; income was nil, nil and RM15,190. Labour costs at Hatzfeldthafen were RM25,907, RM87,090, and RM31,116; income was RM3,683, RM7,647 and RM36,534. Note: the 1890/91 sales for Erima were included in the Stephansort and Hatzfeldthafen sales.

⁵⁶ *Jb A-C* (1894/95) p. 4. Note: the AGM was held in September 1896 with reports covering the period up to the day of the meeting.

The first initiative to lower costs was to consolidate all plantations in a region where unlimited highly fertile land was available and harbour facilities could be constructed quickly at a reasonable cost. Such an area existed in Astrolabe Bay near Stephansort and Erima.

The Astrolabe Compagnie

Hansemann's modest plans for NGTG now shifted to a more ambitious scheme. NGC informed its shareholders on 9 December 1892 that not enough suitable tobacco land was available at Hatzfeldthafen and that the quality of tobacco grown there was of inferior quality to the Astrolabe Bay product. That station would be closed and tobacco activities consolidated on the Jomba and Astrolabe Plains under A-C.⁵⁷ Investors in NGTG were advised that their applications for shares in NGTG were transferable to A-C. Similarly, shareholders in KWLPG were encouraged to subscribe shares in the new company.⁵⁸

Hansemann skirted around the collapse of the international tobacco market. Rather than letting it upset his plans, he took the view that the McKinley tariff of 1890, which set in train a crisis for non-United States of America tobacco producers, would benefit his new enterprise.⁵⁹ More than 1,000 Germans were estimated to work in the 100,000,000 Gulden Sumatran tobacco industries. The collapse of the tobacco price made many of the sought-after Deli planters and Chinese coolies available for GNG.⁶⁰ The existing market conditions dictated that these planters and coolies could be engaged at competitive wages to bring about greater productivity and improved tobacco leaf quality in GNG.⁶¹ What Hansemann failed to realise was that the quantity and desirability of the Dutch East Indies tobacco had taken many years to attain, and that an untold number of Chinese coolies had paid for it with their lives.⁶²

On 25 March 1891 the draft statute of A-C together with a company prospectus was sent to the Foreign Office for review; it was also sent to potential shareholders to inform them that:

- 1) A-C is constituted in accordance with *Reichsgesetz* of 15 March 1888.
- 2) The nominal capital will be RM2,400,000 (4,800 shares with a face value of RM500)
- 3) The activities of the A-C will be tobacco cultivation in the Astrolabe and Jomba Plains of New Guinea.
- 4) NGC offers to sell 14,000 hectares of prime land, including existing harbour installations, for a consideration of 12.5% of the nominal capital.
- 5) The climatic and soil conditions of the Astrolabe district are conducive to tobacco cultivation.

⁵⁷ *NKWL*, 1891, Heft i, p. 14 and 1892, Heft i, p. 21; *Jb* (1890/91) p.5; Sack & Clark, (1890–91) p. 60. Puttkamer advised Hansemann in 1890 that hundreds of hectares were available at Hatzfeldthafen and they could be worked on 8-year rotations (*NKWL*, 1889, Heft ii, p.45 and 1890, Heft i, pp. 21 and 26). Blum and Tappenbeck regarded the closure of Hatzfeldthafen as a waste of a well-established resource (H. Blum, *Neu Guinea und der Bismarck Archipel*, pp. 174–76; E. Tappenbeck, *Deutsch New Guinea*, pp. 31–2).

⁵⁸ The meeting was held nearly 18 months after the balance date of 31 March 1891. The death of the administrator and the closure of Finschhafen were given as the reasons for the delay. *Jb* (1890-91) pp. 1–2, 7-8, 10 and 42; Sack & Clark, (1890–91) pp. 56, 61–2 and 64; *NKWL*, 1890, Heft ii, pp. 77-81 and 1891, pp. 18-22.

⁵⁹ Deli wrapper leaf which sold as high as Hfl.1.40/lb crashed to Hfl.0.73 when the protectionist tariff came into force. The high price was driven by USA importers who stockpiled large quantities of Deli tobacco before the McKinley Bill imposed a protection tariff of US\$2/lb (Sieben, p. 40).

⁶⁰ According to Blum, at least 30% of all staff working on the Deli plantations were Germans. The total number of people with German origin in the Dutch East Indies is difficult to estimate. Blum (*Neu Guinea und der Bismarck Archipel*, p. 175) speaks of 15,000 Europeans in the Dutch East Indies who had German roots. During the Java and Aceh wars (1825–30 and 1873–1903) over 150,000 men left Europe to serve in Java and Sumatra (R. Cohen, ed., *The Cambridge Survey of World Migration*, pp. 21–2).

⁶¹ *NKWL*, 1891, Heft i, p. 21 and 1892, Heft i, p. 31.

⁶² Sieben, pp. 1 and 38.

- 6) Soil probes were taken during the year 1887 in nine different locations. The Jomba and Astrolabe Plains from Friedrich Wilhelmshafen to Stephansort and six hours distance inland were assayed. A report issued by Professor Märker identifies six probes which are rich in humus, nitrogen, saltpetre, limestone and phosphates. The analysis compares favourable with soil analysed by the Moor Laboratories for the tobacco growing region of Deli in northeast Sumatra. With the exception of three probes nutrients exceed those of Deli by between 3% and 35%. The Astrolabe soil is particularly rich in lime which averages 2.5% compared to 0.3% in Deli.
- 7) The latest investigation by Dr Lauterbach has amended the geographical perception of the Astrolabe Bay region. Expansive plains break up mountain ranges, stretching from the shores of Astrolabe Bay, to at least 75 km inland.
- 8) NGC has established the stations Konstantinhafen, Stephansort and Erima on the coast of the Astrolabe Bay. Sea Island cotton and tobacco have been trialled successfully on these stations.
- 9) Cotton can be successfully grown close to the sea, tobacco should be planted further inland.
- 10) NGC harbours on the Astrolabe Bay are Friedrich Wilhelms-Hafen, Friedrich Carl-Hafen, Prinz Heinrich-Hafen and Alexishafen. They constitute a strategic asset for the A-C. The NGC established its Central Station in Finschhafen because of the short shipping connection with Australia. The station will be closed because a new shipping connection has been commenced by the NGC to Surabaya. Alexishafen has been given preference over Friedrich Wilhelms-Hafen for the new Central Station because of its favourable geographic position in regard to this new plantation industry. Both Friedrich Wilhelms-Hafen and Alexishafen will be available to A-C.
- 11) NGC will be responsible for the supply of native labour suitable for the clearing of jungle, road construction and other simple tasks. The best workers come from the Bismarck Archipelago and the Solomon Islands. The NGC operates a purpose-built recruitment vessel which takes the recruited workers to depots in Herbertshöhe and Finschhafen. From here they will be hired on a three-year contract to A-C. The NGC will also be responsible for the recruitment of Javanese and other labour from the Dutch East Indies.
- 12) Chinese coolies have proved indispensable for the planting, fermenting and grading of tobacco in the Dutch Indies. A-C will be responsible for procuring coolies from China for its requirements.
- 13) For the recruitment of coolies, the NGC has entered into preliminary arrangements with agents and government officials in China. To be cost competitive with Sumatra, a minimum of 500 Chinese coolies and *tandils* will have to be shipped on each voyage to New Guinea.
- 14) For the cultivation of a 0.60 ha tobacco field, one coolie plus 20% to 30% redundancy is required. Until coolies are trained and acclimatised the required redundancies may be higher.
- 15) Six Europeans are required to supervise 400 tobacco fields.
- 16) The long-term projections are four to five plantations of 400 fields each. One plantation of 200 fields is planned for the 1891/92 season. Until the activities of Stephansort and Erima are transferred further inland, the surplus of recruited Chinese coolies and *tandils* will be absorbed by NGC.
- 17) NGC will withdraw from the cultivation of tobacco. The company offers to transfer its Deli tobacco planters to A-C.
- 18) Herr H. Herring of the company Herring & Co, Bremen, who has many years experience of successful tobacco cultivation on Sumatra, has agreed to join A-C in Berlin as an adviser.
- 19) Generally, a tobacco field will only be productive for one, maximum two seasons. Experience in East Sumatra has shown that tobacco fields need to lie fallow for eight to nine years before planted with tobacco again. The 14,000 ha from NGC will therefore not be sufficient for the planned number of stations and additional land will have to be acquired by A-C in the future.
- 20) The unsatisfactory shipping connections between German New Guinea and Europe require attention. A petition to the government for a shipping subsidy has not been given favourable consideration to date. NGC must establish a speedier and more frequent shipping service between the Protectorate and Surabaya. The successful establishment of plantations in the Astrolabe/Jomba Plains may expedite this requirement.
- 21) The trials with tobacco conducted in Hatzfeldthafen and Stephansort from 1887 to 1889 provide important lessons. The colour and length of the tobacco leaf produced to date has impressed the experts. It is expected that a wrapper leaf quality can be grown on the Astrolabe/Jomba Plains that will match or exceed the quality of the leaves from the Deli Plains once the inland plantation, Erima, is established. The engagement of additional experts from Sumatra and the recruitment of coolies from China are essential to achieve this objective.
- 22) Deli and the neighbouring east coast of Sumatra produced 4 t of tobacco in 1864 which was sold for Hfl.0.48/lb; in 1888 the region produced 12,840 t, selling at a mean price of Hfl.1.29/lb cif Amsterdam. The production costs for Sumatran tobacco are estimated to be RM1.30/lb plus RM0.30 for freight, insurance and port charges. A selling price of RM2.10 to RM2.80/lb is achievable in Amsterdam. This would generate profits of 30% to 75%.

23) High quality tobacco should always command high prices because agricultural land required for growing wrapper leaves is declining relative to the increasing demand for the product.⁶³

Despite the optimistic contents of the prospectus the float did not generate the interest expected, requiring 80% of the issued shares to be placed with related parties.⁶⁴

Wilhelm von Puttkamer was positive though; he bought 100 A-C shares. The confidence he conveyed to Hansemann on the prospects of New Guinea tobacco must have impressed the chairman because he appointed him A-C's general manager when he visited NGC's office in Berlin in early 1891.⁶⁵ Curt von Hagen, who would replace Puttkamer at the beginning of 1893, was not as upbeat. Evidently much the wiser from the failure of his own tobacco plantation on Sumatra he only subscribed to 1 share.⁶⁶

The *Bundesrath* approved of A-C commencing business on 22 December 1891.⁶⁷ The overall administrative and legal responsibilities for GNG remained with Imperial Commissioner and NGC Administrator Friedrich Rose until Georg Schmiele was appointed administrator of GNG on 2 September 1892. Puttkamer, who recommenced his work in GNG by joining Koch on Maraga Station on 15 July 1891, took up the appointment as A-C's administrator on 1 June 1892. The legal transfer to A-C of Erima Station took place on 1 January 1892 and that of Stephansort on 1 March 1892. Under the shareholder agreement NGC transferred to A-C 14,500 ha of prime tobacco planting land on the Astrolabe and Jomba Plains in early 1892. Included in the conveyance were the new Maraga and Jomba Stations, with the latter planned 6 km northeast of Friedrich Wilhelmshafen on the Jomba Creek.

Tobacco plantations on Astrolabe Bay

The availability of Sumatra's tobacco planters changed A-C's intentions.⁶⁸ Rather than limiting planting in the first year to Stephansort and Erima Stations, A-C decided to plant tobacco on the Maraga and Jomba Stations. NGC chartered the Scottish SS *Devawongse* in December 1891 to assist its regular service to Southeast Asia and transport the required coolies, rice and materials from Singapore and Sumatra to GNG to meet the company's ambitious plan. In two voyages 1,085 Chinese and 757 Javanese coolies, *tandils* and *mandurs* with supposed experience in growing and manufacturing tobacco arrived in KWL in January and March 1892.⁶⁹ However, the hasty start-up had problems immediately. The coolies had been poorly selected and the living conditions on the plantation were inadequate to deal with the large

⁶³ RKA 1001:2427, pp. 5–6. The prospectus remained silent on a number of salient points. The health problems experienced in GNG, in particular in Finschhafen, were not addressed, nor was the resistance at Hatzfeldthafen. Whereas favourable soil conditions were emphasised, the unpredictable weather pattern, a factor in the failure of KWLPG, and the cause for a reduction in the Stephansort tobacco harvests, did not rate a mention.

⁶⁴ NGC took up 37.5% of the nominal capital, Hansemann 24%, DC 0.625% and A-C's directors Russel, Lent, Achelis, Eckardstein-Prötzel, Hammacher, Krafft zu Hohenlohe-Oehringen, Ravené, Herzog, Schinckel, Woermann, Herrings; Puttkamer and Hagen 20%. It is noteworthy that the experienced businessmen Woermann, Schinckel and Herrings only subscribed to a combined holding of 1.375%. 'Verzeichniß der Zeichner der "Astrolabe Compagnie", Berlin 27 Oct. 1891' (Jb A-C [9 Dec. 1892] p. 1; RKA 1001:2427, pp. 5-6 and 64-6).

⁶⁵ Jb (1890) p. 5; Sack & Clark (1889–90) p. 48; *NKWL*, 1991, pp. 8 and 19, and 1892, p. 31; Jb A-C (1892) p. 7.

⁶⁶ *ibid.*

⁶⁷ RKA 1001:2427, 'Generalversammlung' Dec. 1892, p. 1, *NKWL*, Heft i, p. 31.

⁶⁸ *NKWL*, 1991, Heft i, p. 21; also assistant planters D. Geppert, R. Wolff and E. Küchenthal, trader R. Kleine, overseer W. Wagenbrett and legal clerk F. Jung were transferred from NGC to A-C (*NKWL*, 1892, p. 20).

⁶⁹ *NKWL*, 1892, Heft i, p. 31.

influx of people. Often opium addicted, the coolies' health deteriorated quickly with malaria attacks and dysenteric infections. A workforce at first thought to be too large was soon a workforce so small that barely 120 tobacco fields could be planted at Stephansort and Jomba. Planting at Erima and Maraga had to be postponed until 1893 because most of the coolies had died shortly after their arrival and many Melanesians had succumbed to the influenza epidemic which had been partly responsible for the abandonment of Finschhafen a few months earlier.⁷⁰ The hurried mobilisation of workers, their demise and the reduced farming output accelerated a negative cash flow. By December 1892 the paid up capital of RM1,200,000 was spent. In addition A-C had incurred debts of RM312,764 which forced the directors to call up the remaining 50% of the nominal capital.⁷¹

Stephansort

Until NGC moved its headquarters from Finschhafen to Friedrich Wilhelmshafen in late 1892, Stephansort was the administrative centre for NGC and A-C.⁷² Even before the government approved the new venture, administration buildings, staff residences and a hospital for Europeans were completed. Between October 1891 and April 1892 four accommodation quarters for Chinese, two Malay houses for 80 Javanese, one house for 20 Klingalese (Javanese Tamils), a kitchen and an isolation hospital for dysentery-infected workers were constructed. By the time Puttkamer assumed responsibility for the Stephansort plantation in addition to his administrative responsibilities for A-C in June 1892, 100 ha of land were cleared for tobacco. The old tobacco fields had been planted with maize and sweet potatoes, yielding enough of those staples to feed the plantation workers for 3–4 months. Also, 60 fields had been prepared, including the digging of the all-important drainage trenches. The out-planting of seedlings had started on 1 April. In July Puttkamer reported an estimated 60,000 lb harvest of better quality than had been grown before in GNG.⁷³



Stephansort tobacco fields, c. 1894

⁷⁰ RKA 1001:2427, 'Generalversammlung', Dec.1892, p. 4.

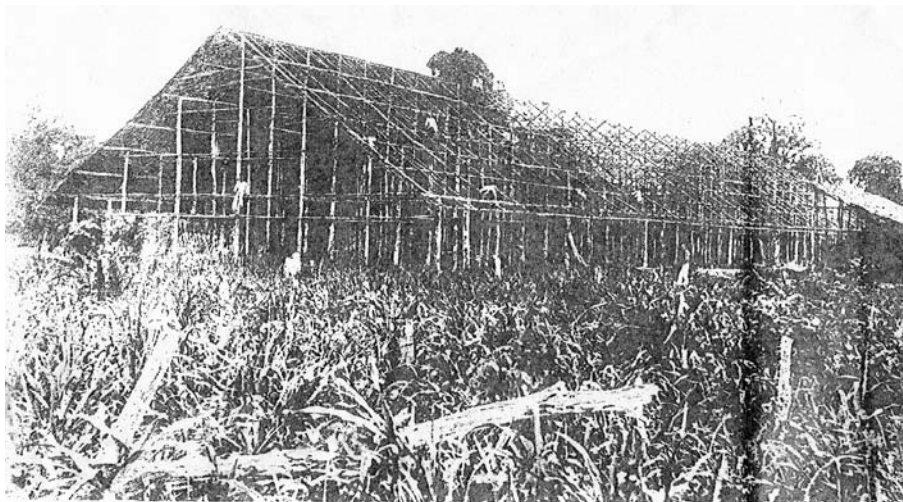
⁷¹ *ibid.* pp. 8-9.

⁷² *ibid.* p. 18; on the establishment of Friedrich Wilhelmshafen see *NKWL*, p. 1893, pp. 18–21.

⁷³ *ibid.* p. 33; *Jb* (1892/93) pp. 10–11; *Jb A-C* (1892) pp. 6-8; Sack & Clark (1891–92) p. 77 and (1892–93) p. 77.

Maraga Station

The planter Rohlack arrived from Sumatra on the *Devawongse* with 150 Chinese and Javanese in March 1892 to assume responsibility for Maraga. The work on this plantation, started by Franz Koch, had been continued after his death by Puttkamer when he returned from Germany in the first half of 1891. Workers quarters, complete with a *kadeh*, the manager's residence and the houses for European staff were complete. However, hardly any rainforest had been cleared for the tobacco fields. The Finschhafen influenza epidemic had reached Stephansort by December 1891. The contagious virus took many Melanesian lives, while the outbreak of dysentery, coinciding with the arrival of the coolies, affected mostly the Chinese and Javanese. Combined with the ubiquitous malaria fever, work came to a virtual halt from December 1891 to March 1892.⁷⁴ With little possibility of planting tobacco at Maraga in 1892, Rohlack made the remaining Chinese coolies available to other stations and carried on preparing 60 to 80 tobacco fields for the 1893 season using the Javanese and Melanesian workers.⁷⁵ But he died of malaria after less than 5 months in GNG. As a result, little work was done at Maraga in 1892.⁷⁶



Tobacco drying shed under construction, c. 1893

Erima Station

A similar situation beset Erima Station. No work of substance was done until March 1892 because of problems similar of those experienced at Maraga. With the early planting season missed and only a few coolies left,⁷⁷ Hanneken addressed the important issues of improving the sanitary facilities and built a 48-bed hospital. The drainage of the plantation land was improved by separating the field from the rainforest by a deep trench. A corridor was constructed through the plantation with lateral paths providing better access to the fields.

⁷⁴ On morbidity and mortality in GNG see Tables 1 and 2, and Chart 10.

⁷⁵ *NKWL*, 1892, Heft i, pp. 35–6.

⁷⁶ *NKWL*, 1893, Heft i, p. 33. Rohlack died on 22 July 1892.

⁷⁷ *NKWL*, 1892, pp. 32 and 36.

Because the tobacco had to be transported to Stephansort by bullock or horseback, Hanneken cut a 5 km riding path through the rainforest to connect Erima and Stephansort.⁷⁸

Jomba Station

The Jomba plantation was started by Georg Pfaff and his assistants Ernst Küchenthal, Rudolf Wolff and Herr Bolle. First assessed by Puttkamer and his surveyor E. Kleist in July 1891, approximately 3,500 ha of the Jomba Plains – immediately to the west of the Schering Peninsula – had been chosen for the fourth tobacco plantation. The undulating ‘middleveld’ was interrupted with tall-standing timber forest on 0.3–0.4 m of humus and a deep layer of loam. The responsibility for Jomba was given to Pfaff. Highly recommended by A-C’s adviser Herr Herring for whom he worked for several years on Sumatra, Pfaff arrived in Friedrich Wilhelmshafen in early September 1891 on the NDL steamer *Schwalbe*. He brought with him with two *mandurs* from Singapore, 54 Javanese coolies and artisans, 48 Chinese and 10 Sikhs from Java, 9 *tandils*, 263 Chinese coolies and 10 Chinese timber workers from Sumatra.⁷⁹ The company’s plan to have 150 fields ready for planting in February 1892 was unachievable. Heavy rain slowed tree-felling and prevented scrub from being burnt. Despite influenza, beriberi, dysentery and malaria, the workers were kept busy cutting atap and digging trenches. Pfaff’s residence, houses for his assistants, worker accommodation, two drying sheds, a boat shed and several shelters were completed. A hospital for coolies and a *kadeh* were finished by the end of the year. Before planting could begin, Pfaff germinated his tobacco in 120 seedbeds. After a late planting, he reported proudly in July that his tobacco stood nearly as well as the 6-week older Stephansort crop.

The 1892 harvest for Jomba amounted to 261 bales and for Stephansort 422 bales. Weighing in at 108,630 lb, the Stephansort lot was sold in Bremen in 1893 at a much lower price than the RM3.26/lb attained for the 1890 crop. Pfaff’s judgement on the quality of his tobacco did not translate into earnings. No acceptable bid was received for the Jomba tobacco at auction in Bremen: the consignment remained unsold at the end of 1893.

The poor reception of New Guinea tobacco in Germany in 1892 did not deter Puttkamer from predicting a much-improved result for 1893.⁸⁰ When submitting his plan to Berlin for 1893 he forecast a harvest of 265,000 lb from 410 to 420 fields, with tobacco to be planted on all four stations. Leading by example, Puttkamer projected 150 to 160 fields for Stephansort alone, the station for which he was directly responsible, but only 60 fields for Maraga where a replacement for Rohlack was required. Hanneken and Pfaff projected 100 fields for Erima and Jomba respectively.⁸¹

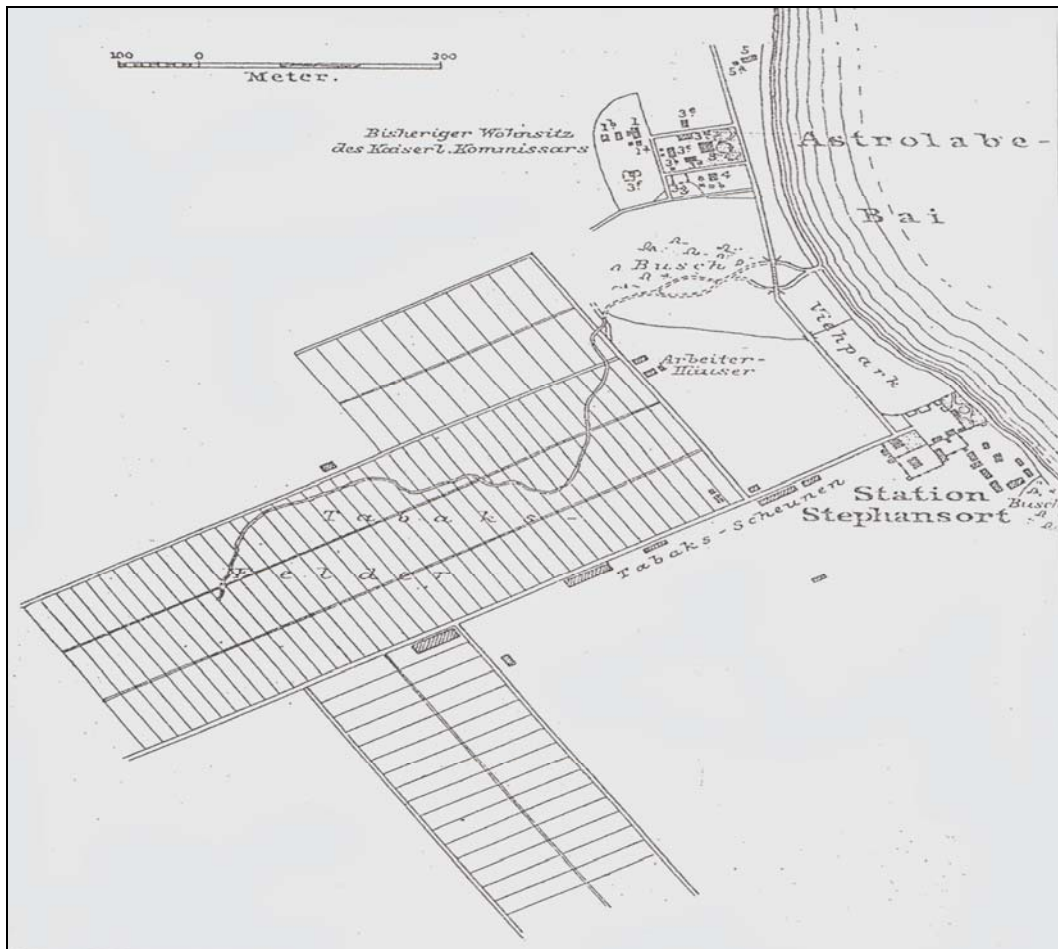
⁷⁸ *ibid.*

⁷⁹ *NKWL*, 1891, pp. 20–1.

⁸⁰ Whilst NGC was talking up the sale’s receipts without mentioning any sums of money, A-C was much more subdued in its reporting (Jb [1892/93] p. 10; Jb A-C [1893] pp. 5–6).

⁸¹ Jb A-C (1893) p. 6.

Map 6: Layout of tobacco fields Stephansort Station (1892)



1 Prison, 1a police officer residence, 1b Chinese and Javanese prison, 2 manager residence, 2a annex, 2b bathhouse, 2c fowl enclosure, 2d kitchen, 2e servants' quarters, 2f pig pen, 2g vegetable garden, 3 staff quarter 3a bathhouse, 3b visitors' accommodation, 4 kitchen.

The forecast was again optimistic. Mortality and morbidity amongst the workforce and European staff had not been brought under control as expected. Apart from malaria and beriberi, which affected the Chinese in particular, many workers fell to the smallpox outbreak in June 1892.⁸² The vaccination program, which included all inbound passengers and coolies, slowed the rate of new infections. But the sick were slow in rejoining the workforce, and the deceased could not be replaced in time for Puttkamer to meet his planting objectives. Not surprisingly, Stephansort and Erima suffered the largest reduction, with only 99 and 54 fields respectively planted with tobacco in 1893, whilst Maraga had 40 fields. The lower contagion in Jomba enabled Pfaff to meet his forecast.

Puttkamer was spared from influenza, smallpox and possibly also from malaria; he was not spared, however, by an impatient chairman. Hansemann, who was eager to see a return on his considerable investment, told shareholders in December 1892 that A-C was seeking to employ a person with considerable experience in tropical tobacco agriculture. In December 1893 he informed the shareholders that Puttkamer had handed over the administration of A-C to Hagen in 1893. After barely a year in the job a laconic message from the Berlin office said

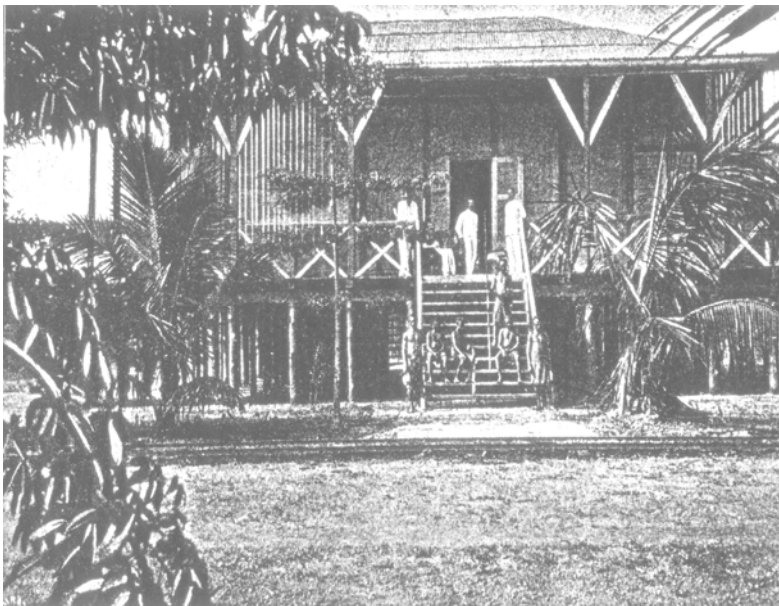
⁸² See Chapter 9.

'Herr W. v. Puttkammer has returned to Germany ... The Company is currently negotiating the severance conditions for his [5-year] contract'.⁸³

The infrastructure established whilst Puttkamer was in charge was impressive, however. With 23 staff and a workforce of approximately 1,600 more-or-less able bodies, 146 structures of various kinds were built 'to high standards' from local timber and atap.⁸⁴ These included:

- a) Native hospitals at Erima, Maraga and Jomba.
- b) Buildings for Europeans: residence, office and amenities for the General Manager, two houses for station managers, seven houses for assistant managers – all inclusive of amenities and one club house.
- c) Workers Quarters: the compound for 140 Melanese consisting of two accommodation blocks for 40 men, one block for 60 men, two *tandil* cottages, one communal kitchen inclusive of accommodation for the cooks; two Malay houses for around 75 men each, four Malay houses for 60 men – including two kitchens, three Malay houses with two kitchen for 80 men, one Malay house for 15 men one *mandur* cottage, two cottages with kitchen for 70 men, 6 cottages with a kitchen for 50 men, three cottages with a kitchen for 40 men; four *kongsies* for 40 men.
- d) Tobacco sheds: 12 drying and 3 fermentation barns.
- e) Barns: one horse stable with eight boxes, one cow and bullock shed for approximately 100 head.
- f) Other buildings: two Chinese *kadehs*, one Malay *kadeh*, three sheds for rail-carts and six warehouses.
- g) Two atap storage and one boat shed.⁸⁵

A 7.5 km thoroughfare, connecting Stephansort with Maraga via Erima and Erimahafen and the clearing of a path for a 600 mm light-rail track was also completed,⁸⁶ with rails and carts due to arrive from Germany in late 1893.



Typical European accommodation on the tobacco plantations, c. 1896

The establishment of a plantation industry was expensive. By December 1892 Puttkamer had spent the then available shareholder funds, requiring the company to procure debt finance (Table 10.2) for the four plantations and the Central Administration.⁸⁷ Included in this amount of RM1,512,764 are the NGC expenditures prior to transferring its Astrolabe Bay assets to A-C.

⁸³ Jb A-C (1893) p 4. According to the 29 Dec. 1893 auditor's report (p. 2), Puttkamer received a severance payment to 1 April 1894.

⁸⁴ Jb A-C (1893/94) pp. 9–10.

⁸⁵ Jb A-C (1893) pp. 7 and 8.

⁸⁶ The wagons were to be drawn by bullocks (*NKWL* [1893] p. 35; Jb A-C [1893] p. 3).

⁸⁷ The debt finance was mainly in form of aged creditors.

While agricultural and establishment activities were not separately shown in the accounts, the high labour costs for the June 1891 to December 1892 period was largely as a result of the continuing capital work on the plantations. It also reflected the high replacement costs for deceased and sick coolies. Until Hagen relieved Puttkamer in mid 1893, A-C incurred additional expenditures amounting to RM318,179. This sum includes RM7,857 in bank interest and RM20,094 back charges by NGC for incurred administration costs.⁸⁸

Table 10.2 A-C expenditures (in RM) from June 1891 to December 1892.

	Jomba	Erima	Maraga	Stephansort	Administration
Salaries	2,783.75	0	308.85	0	736.00
Staff expenses	12,887.41	3,508.90	10,339.20	1,586.00	2,751.10
Labour costs	141,768.38	83,913.63	66,783.38	17,396.74	6,379.68
Equipment	14,990.68	21,175.01	10,014.65	2,407.68	24,369.16
Houses/infrastructure	0	3,350.00	0	0	0
Livestock	1,315.38	3,513.98	3,847.63	1,590.98	4,960.00
Provisions/trade goods	130,117.26	102,679.18	80,256.74	27,167.22	129,286.85
Sundry expenses	5,974.09	1,640.48	2,869.74	1,842.31	5,118.80
NGC costs	117,311.43	44,953.02	36,034.63	36,333.44	23,958.70
Land purchase	0	0	0	0	300,000.00
Administration Berlin	0	0	0	0	24,541.47
Total	427,148.38	264,734.20	210,454.82	88,324.37	522,101.76

Notwithstanding a reduction in planting, the tobacco yield of 159,440 lb in 1893 was 47% higher than the 1892 harvest. However, only one consignment (44,160 lb) arrived in Amsterdam during the European selling season: it was sold for a mean price of approximately Hfl1.50/lb.⁸⁹ Despite the small quantity, A-C was happy to compare its sale with the Deli batch auctioned in the same period as it only averaged Hfl1.23/lb.⁹⁰ A second batch of 70,600 lb was shipped to Bremen for auction in the last quarter of 1893: this consisted of Erima (17,352 lb), Stephansort (7,324 lb), Jomba (37,100 lb) and Maraga (8,824 lb). The company reported that Stephansort tobacco was 'far superior compared to the other products'. Without disclosing the results of the auction, the company lamented the dark colour of the Erima, Maraga and Jomba tobacco which 'coupled with a depressed market, resulted in less favourable results than what was attained in Amsterdam' a few months earlier.⁹¹ The balance of the 1893 harvest (41,600 lb) was shipped to Amsterdam in 1894 where it was auctioned with the first 1894 lot of Erima tobacco on 15 May for an apparently satisfactory result.⁹²

The Curt von Hagen administration

Curt von Hagen was not overly impressed with the situation on Astrolabe Bay when he arrived in June 1893. The layout of the plantations did not meet with his approval and he found the bookkeeping to be a shambles. Hanneken suffered from malaria fever and was mostly bedridden which left Erima leaderless, and Pfaff, who transferred from Jomba to Stephansort

⁸⁸ Jb A-C (1893) p. 8.

⁸⁹ Tobacco was sold in Europe from late May to early Oct,

⁹⁰ Jb A-C (1893) p. 4; Jb (1893/94) p. 12.

⁹¹ Jb A-C (1893/94) p. 3.

⁹² *ibid.*, pp. 3–4.

after Puttkamer's departure, left the company on short notice. The main concern, however, was the unsustainably high morbidity and mortality rates of the workers. Hagen told Hansemann 'the parlous state of health of the workers which will affect the very existence of the company if not brought under control'.⁹³ Hagen's immediate initiatives were to clear the land around the living quarters, fill in the mangrove swamps and compact the pathways with gravel. He also insisted on hiring a doctor who was knowledgeable in tropical diseases. When the experienced Dr Bernhard Hagen arrived in Stephansort from Sumatra 12 November 1893 he found that the improved sanitary conditions had not reduced the high death rate.⁹⁴ Whilst the Javanese were better able to deal with the conditions on Astrolabe Bay, the Melanesians and, in particular, the Chinese coolies were not. Dr Hagen changed their diet by increasing their intake of tuber roots and other vegetables relative to what they were used to in their home villages. He also demanded a reduction of 1 hour of work per day for new coolies until they had acclimatised.⁹⁵ Further, Dr Hagen promoted the construction of a central hospital on the high banks of the Gori River between Erima and Stephansort.⁹⁶

Given the low number of coolies available and their poor state of health, C. von Hagen decided on limiting the planting of tobacco in 1894 to 200 fields in Stephansort and 100 fields in Erima. On account of the weak 1893 sales, the Jomba soil was considered inferior to the Stephansort soil. The station was subsequently closed.⁹⁷ Maraga, where the fields lay fallow in 1894, was also closed, as were the atap factories in Maraga and Friedrich Wilhelmshafen. The cost of the closures was considerable. For the dismantling and re-erection of the stations buildings and barns, A-C booked losses of RM482,837 for Jomba and RM230,449 for Maraga in its 1892/93 and 1893/94 accounts.⁹⁸ In capital improvements, the light rail system was no longer required for Maraga. However, it proved most efficient for transporting tobacco, atap and other goods between Stephansort and Erima (3.5 km) and then northeast to Erimahafen (4 km). The success of the narrow-gauge railway was such that Hagen proposed to extend the system on the Erima and Stephansort plantations to a total of 16 km. Part-approval was received from Berlin and tracks for an initial 5 km were ordered in 1894 for the following year.⁹⁹ Also completed during 1894 were port facilities at Erimahafen, including a jetty for seagoing vessels, large storage sheds and a building for the re-located atap factory.¹⁰⁰

In order for A-C tobacco to become better known in East Asia and to generate local revenue, Hagen set in train the requirement to 'roll cigars made of genuine New Guinea tobacco in Stephansort' for local consumption and export.¹⁰¹ The implements for manufacturing cigars were sent from Berlin. With the assistance of the German consul-general in Manila,

⁹³ Jb A-C (1892/93) p. 7

⁹⁴ See Chapter 9, 'Coolies from the Dutch East Indies and the Straits Settlements'.

⁹⁵ Jb A-C (1892/93) p. 10.

⁹⁶ *ibid.* Report, p. 9; *NKWL*, (1893) pp. 33–5, and 37–8.

⁹⁷ Jb (1893/94) pp. 11–12; Sack & Clark (1893–94) pp. 95–6.

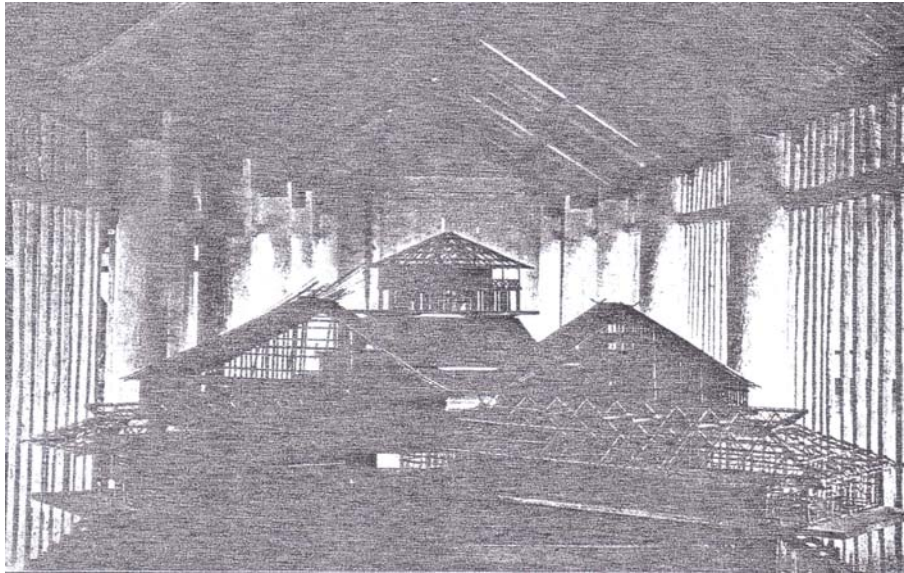
⁹⁸ Jb A-C (1892/93) p. 18; Jb A-C (1893/94) pp. 11 and 17.

⁹⁹ Jb (1883/94) p. 13; Sack & Clark (1893–94) p. 96; Jb A-C (1894/95) p. 7.

¹⁰⁰ *ibid.*, p. 13; *ibid.*, p. 96; *NKWL* (1893) pp. 35–6.

¹⁰¹ *ibid.*, p. 13

women with expertise in cigar making were brought to Stephansort in 1894. The Filipinos' stay was brief – they did not cope well with the environment. However, they imparted the skills of rolling a fine cigar to several Javanese women before returning to Manila. Cigars made in GNG were, apparently, so popular in KWL and the Bismarck Archipelago that demand outstripped supply.¹⁰² Whether the scheme was an indulgence or a commercial undertaking was not reported. The cost of sales for the tobacco was not reported nor was reference made again to the sale of cigars to East Asia.



Model buildings stored in tobacco drying shed, c. 1893

The 1894 harvest did not generate satisfactory sales results. Hagen left Stephansort for the Dutch East Indies and Singapore on company business on 7 June 1894. After a 1-month stay in Southeast Asia he reported to Hansemann and worked in the Berlin office. After taking some leave, he returned to Stephansort on 25 April 1895. Carl Weydig, who started as a plantation assistant on Erima in October 1891, deputised for Hagen during his absence.¹⁰³ He started in the top job with the optimistic report that the Stephansort and Erima harvests would deliver 153,000–155,000 lb of the best-quality tobacco yet produced in GNG.¹⁰⁴ The superior Stephansort tobacco had been grown exclusively from New Guinea seeds, whilst a mixture of New Guinean and Sumatran seeds produced a less favourable result for Erima.¹⁰⁵ Yet it was a small batch of 8,000 lb from Erima, arriving in Amsterdam in April 1895, which fetched the best price of the entire 1894 crop. The second batch of 24,000 lb (10,080 lb from Erima and 13,920 lb from Stephansort) arrived in Amsterdam 10 weeks later. In a dead market, it was held back to be auctioned with the remaining consignment which was due to arrive in September. Whilst the company advised that it intended to retain 'a not insignificant' amount of the 1894 harvest for the manufacture of cigars, it seems inconceivable that it was as much as 32,000 lb. For the remaining two batches were only 69,120 lb and approximately 20,000 lb rather than

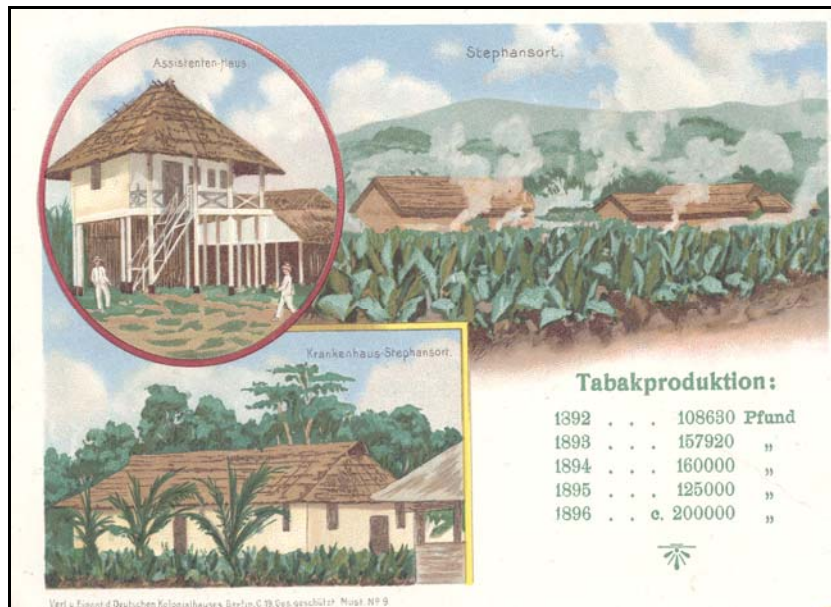
¹⁰² *ibid.*, p. 13; *ibid.*, pp. 96–7; Jb A-C (1893/94) p. 3.

¹⁰³ Jb A-C (1893/94) pp. 2 and 11; Jb A-C (1894/95) p. 4.

¹⁰⁴ Jb A-C (1893/94) pp. 3; Jb NGC (1893/94) p. 13; Sack & Clark (1893–94) p. 96, reported 180,000 lb; *NKWL* (1894) p. 30 reported a 190,000 lb harvest from 270 fields.

¹⁰⁵ Jb A-C (1893) report, p. 5 and (1893/94) p. 4.

121,120 lb as advised previously.¹⁰⁶ Whatever the difference, the tobacco did not attract an acceptable offer in any event. The first lot was sold privately at significantly below cost. The second lot sent to Bremen was sold for an undisclosed price.¹⁰⁷ Defiantly A-C informed its shareholders that the poor sales were not on account of the quality of the tobacco. Rather, they were attributable to circumstances which required further investigation: 'we intend to inform the esteemed shareholder of the necessary measures we need to undertake during an Extraordinary General Meeting', Hansemann commented at the 1893/94 AGM on 30 September 1895.¹⁰⁸



Stephansort (Neu-Guinea).

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Die Station Stephansort, welche im Jahre 1888 gegründet wurde, liegt im innersten Winkel der Astrolabe-Bai und ist eine vorzügliche, aussichtsvolle Anlage. Sie zerfällt in drei räumlich und wirtschaftlich getrennte Abteilungen: die Tabakpflanzung, die Baumwollkultur und die Liberia-Kaffeeplantung mit dem ihr angeschlossenen Versuchsgarten für andere tropische Kulturgewächse. Der Boden ist äusserst fruchtbar, es gedeihen fast alle Produkte, doch hat sich Tabak bisher am lohnendsten erwiesen. Die Kultur des Tabaks ist sehr schwierig und erfordert viele Arbeitskräfte, welche, da für die komplizierte Arbeit die Eingeborenen sich nicht gut eignen, von Chinesen und Javanen ausgeführt wird. Wenn die Pflänzlinge aus den Saatbeeten in das Feld verpflanzt sind, beginnt eine intensive Hackkultur, bis der Tabak reif zum Schnitt ist, was 60—90 Tage nach dem Auspflanzen in die Felder der Fall zu sein pflegt, und die Fermentation in der Fermentivscheuer und die weitere Behandlung des trockenen Produktes beginnen. Ausser mit Tabak beschäftigt sich die Neu-Guinea-Compagnie auch mit Gewinnung und Verschiffung der sehr schönen und geschätzten Nutzhölzer Neu-Guineas und den vorhin erwähnten Anbauversuchen, unter denen besonders gut mehrere Kautschuk liefernde Gewächse und Faserpflanzen gedeihen. Die zahlreichen und zum Teil sehr umfangreichen Gebäude sind in einiger Entfernung vom Meeresstrande errichtet. Neben dem Verwaltungsgebäude, Wohnhäusern der Beamten, Wirtschaftsanlagen und Lagerschuppen besitzt Stephansort ein Krankenhaus für Europäer, ein solches für Eingeborene und eine Apotheke. In neuester Zeit hat das Vorhandensein von Gold die regste Aufmerksamkeit auf dieses Schutzgebiet gelenkt.

The picture depicts the Stephansort plantation with curing barns, hospital and assistance manager residence. The process of growing and preparing tobacco is outlined in the text. NGC's 'successful' cotton and coffee plantations, the harvesting of tropical timber and caoutchouc are described. The promotion concludes: 'the discovery of gold recently has made this Protectorate a focus of attention'.

¹⁰⁶ Jb A-C (1893/94) pp. 3–4.

¹⁰⁷ NKWL, 1895, p. 31.

¹⁰⁸ *ibid.*, p. 12.

Shareholders at the EGM on 28 November 1895 were presented with further bad news and little hope for immediate improvement. Although considerable sums of money had been spent to complete the central hospital (with isolation and convalescing wards), the morbidity and mortality rates remained unacceptably high.¹⁰⁹ While the company reported that only one European had died during 1894 (the assistant planter Richter), the Melanesian workers again fell to influenza in great numbers when the infections increased during the rainy season of October to December. Smallpox, rampant earlier in the year, was reasonably contained. Fear of infection, however, slowed down the hiring of new recruits in the archipelago and the Huon Gulf area. The plight of the Chinese remained unchanged; weakened by opium consumption and a bad diet, their illnesses continued to be mostly dysentery, beri-beri or malaria fever – often all three ailments at the same time. According to Hagen 45% of all diseases were infectious, with 67% leading to death. The most resilient workers remained the Javanese who rarely took ill; if they did, they recovered more quickly.¹¹⁰

A dearth of able workers was not, however, the reason for the failed crops in 1895. A-C advised in early 1895 that the tobacco in Stephansort and Erima stood exceptionally well and that initially a harvest of approximately 340,000 lb – later revised to 200,000 lb – was expected. However, a severe drought from June to September put an end to this forecast result. Rainfall during this period was 271 mm in Stephansort and 179 mm in Erima, with the important months July and August receiving only 40 mm and 30 mm of rain respectively.¹¹¹ In Hagen's absence, Weydig tilled and raked 240 fields for 2,032,400 plants in early 1895, of which one-third fell to the drought. Further, the tobacco cut from the remaining 1,361,790 stalks was damaged by a pest that had been brought to Stephansort from Manila the previous year.¹¹² What started off as a highly promising tobacco crop, ended up with approximately 112,000 lb shipped to Bremen for auction. The result of the auction was not disclosed in the annual accounts. However, A-C informed its shareholders in September 1896 that the adverse climatic effects in 1895, combined with the poor sales in 1894 (much of which was brought to account in 1895) and the loss-making atap factory in Friedrich Wilhelmshafen, resulted in a loss of RM591,837 which was accounted for in the October 1894 to September 1895 accounts.¹¹³

A similar misfortune occurred in 1896. In December 1895 Hagen prepared 400 fields to atone for the previous year. In February 1896, the germination of 4,240,000 seedlings was completed in 2,120 beds. By the time planting out was completed in May drought had set in again. During June and July only 58 mm and 65 mm respectively fell in Stephansort; no data was recorded for Erima.¹¹⁴ Under the circumstances the harvest of 106,666 lb was higher than expected. Also better than expected was the price fetched at the auctions in Bremen. Rather

¹⁰⁹ *Die Nation*, 30 Nov. 1895; Jb A-C (1893/94) p.7; *NKWL*, 1895, pp. 32–3.

¹¹⁰ Jb A-C (1893/94) pp. 5–6; *NKWL*, 1895, pp. 32–3.

¹¹¹ *NKWL*, 1896, p. 58.

¹¹² It is questionable of whether the tobacco plants were counted to this degree of exactness. The pest, most likely the flea beetle, June larvae or cutworm, was brought to GNG by the female cigar makers (*NKWL*, 1896, p. 11).

¹¹³ Jb A-C (1894/95) pp. 9 and 11–13.

¹¹⁴ *ibid.*, p. 9; *NKWL*, 1896, pp. 11 and 67.

than producing a stunted, shrivelled leaf, the tobacco was delicate, of an even light-brown colour and had good burning qualities. It was, however, not of wrapper or binder-leaf quality. After curing, 606 bales with a total net weight of 93,629 lb were shipped to Bremen in four lots where it was auctioned in March, May, July and September of 1897. Without disclosing the prices attained, the company commented that the results attained under the circumstances were satisfactory.¹¹⁵

Merging A-C and NGC

The poor financial position of A-C forced the takeover of its plantation by NGC on 1 October 1895. Hagen was not blamed for the misfortunes of the company and was promoted to manage the combined enterprises while the employment of Administrator Rüdiger was terminated.¹¹⁶ Prior to the takeover being completed on 1 November 1896 Hagen's employment changed once again. On 9 October 1896 he became the managing director (Generaldirektor) responsible for all NGC and A-C operations in GNG.¹¹⁷ Saddled with new company regulations, 67 paragraphs in all, Hagen was commissioned by NGC's board to merge and restructure the management of the two organisations.¹¹⁸ As the legal representative of the two organisations in GNG, Hagen was to remain in Stephansort with the plantation managers of Herbertshöhe, Friedrich Wilhelmshafen and Stephansort reporting to him.¹¹⁹ The restructure was to be completed by 1 April 1897, when the new regulations came into force.¹²⁰ Hagen transferred the Central Station from Friedrich Wilhelmshafen back to Stephansort.¹²¹ Since the closure of the Jomba plantation in 1894, Friedrich Wilhelmshafen served principally as the administrative centre of GNG. Now that government administration and company operations were again conducted by one person, Hagen considered it inefficient and expensive to maintain two centres. With the exception of three staff, one doctor, and approximately 100 locals for harbour services and police work, all personnel was either released or transferred to Stephansort. The only activities maintained in Friedrich Wilhelmshafen were the labour depôt, sawmill and maintenance workshops, and the coal-bunkering facilities for the mail steamers and the navy. The small hospital for Europeans moved from Beliao Island to the former residence of Administrator Schmiele on the Schering Peninsula. Buildings no longer required were demolished and the cattle and pig pens moved to a new location on the nearby Yap Peninsula.¹²²

After experiencing two consecutive droughts, Hagen wanted to avoid the dry months of June and July by starting the 1896 tobacco planting season in February and completing a

¹¹⁵ *NKWL*, 1897, pp. 17–18.

¹¹⁶ Rüdiger had been on sick leave in Java since Aug. 1896 when he was given notice (Jb [1895/96] pp. 3–4; Sack & Clark [1895–96] p. 118).

¹¹⁷ *NKWL*, 1896, pp. 4–6. On the transfer of A-C share to NGC see Chapter 4.

¹¹⁸ 'Geschäftsreglement für die Vereinigte Verwaltung der Neu Guinea Compagnie und Astrolabe Compagnie im Schutzgebiet', 25 Aug. 1896 (RKA 1001:2422, 17ff).

¹¹⁹ *ibid.* §§1 to 4.

¹²⁰ Jb (1895/96) pp. 4–5; Sack & Clark (1895–96) pp 118–19.

¹²¹ *ibid.*

¹²² Jb (1896/97) *NKWL*, 1895, p. 16; *ibid.*, 1896, pp. 9–10.

maximum of 150 fields of tobacco by May. 'This', he claimed, 'would ensure with much greater certainty that 100,000 to 150,000 lb can be grown and harvested with fewer workers and staff'.¹²³ Rather than planting two seasons of tobacco on different fields, Hagen also decided to replant the same fields twice in one year before turning the land over to different crops. Cost savings were to be achieved by replacing Chinese and Javanese coolies with Melanesian workers who were to be supervised by Sumatran *tandils* and Javanese *mandurs*. Coupled with the availability of labour for much of the year the fallow tobacco fields were exploited with the experimental planting of coffee, cacao, nutmeg, ramie, gutta-percha and caoutchouc. By December Hagen intended to plant 80,000 seedlings on 60 ha which were germinated from imported Liberia coffee seeds. To increase cash flow, Sea Island cotton was planted on 150 ha in January 1897. As a long-term investment the planting of coconut palms was intensified in 1896 with 27,300 trees already planted.¹²⁴

Negative reports continued to reach Berlin. Rather than an expected 100,000 lb in fermented tobacco, only 79,300 lb were shipped to Bremen in 1898. The optimism displayed with the growing of coffee at Stephansort was also much more guarded now. Many trees did not develop as expected, though the experiment was continued for the time being. These latest setbacks earned Hagen his dismissal less than a year into his new appointment. Accused by Hansemann of worker mistreatment – an issue raised with Weydig but never with Hagen before – and 'irreconcilable differences of opinion on the economic management of the enterprise',¹²⁵ Hagen was due to leave NGC on 30 September 1897. Termination of another sort, however, occurred: Hagen was shot dead on 14 August by an escaped prisoner.¹²⁶

Until Imperial Judge Hugo Skopik (Stephansort) was confirmed as the new administrator on 11 September 1897 Albert Hahl, the 28-year-old Imperial Judge in Herbertshöhe, was acting in this position. The duties of the general manager were entrusted in Oscar Baumüller, who previously worked under Richard Parkinson at Herbertshöhe.¹²⁷

There followed some reversals in company policy. The first was the rehabilitation of Friedrich Wilhelmshafen 'from the inferior status to which it had been relegated by Herr von Hagen' to that of a self-sustaining station. The rebuilding of and extension to 60 m of the collapsed pier was emphasised: Friedrich Wilhelmshafen would again be the main port in KWL. Attention was given to refurbishing the European house, labour accommodation and planting coconuts along the foreshore and on the island of Beliao. Baumüller, who had transferred from Stephansort, decided on restarting the tobacco plantation on nearby Jomba on account of the 'high quality' tobacco grown there previously. He was convinced that the construction of a narrow-gauge railway connecting the plantation with Friederich

¹²³ Jb A-C (1894/95) p. 10.

¹²⁴ *ibid.* *NKWL* (1897) pp. 18–20; Jb (1895/96) pp. 5–6; *ibid.*, (1896/97) p. 6; Sack & Clark (1895–96) p. 121; *ibid.*, (1896–97) pp. 130–1.

¹²⁵ Jb (1896/97) p. 4; Sack & Clark (1896–97) p. 129

¹²⁶ For Hagen's participation in a punitive expedition to recapture or kill the escaped Bukamen who were held responsible for the murder of the explorer Ehlers and his party (*NKWL*, 1897, pp. 13–14).

¹²⁷ Jb (1896/97) p. 4; *NKWL*, 1897, pp. 16–18.

Wilhelmshafen was both necessary and financially justifiable. He also reversed Hagen's policy of replacing Chinese coolies with Melanesian workers. But a shortage in both coolies and Melanesians put his plan of tobacco at Jomba on hold until 1901. In the meantime Baumüller planted the corridor between Friedrich Wilhelmshafen and Jomba with coconut palms. It was a task continued by Joseph Loag who became the new manager for Friedrich Wilhelmshafen after Baumüller's death from blackwater fever on 5 May 1898.¹²⁸

Loag, the author of NGC's 1902 business plan for GNG, became Friedrich Wilhelmshafen's most successful manager. With a staff of six Europeans and 450 workers he completed the relocation of NGC's administrative centre from Stephansort in 1900. The port facilities were extended to take the largest mail steamers of NDL and the ships of the *Reichsmarine*. Loag oversaw the widening and deepening of the Gauta River which was now navigable for steam barges to Jomba. A large warehouse was built and a retail outlet for merchandise established. By 1900 Friedrich Wilhelmshafen was again the largest and most important trading station in KWL.¹²⁹ The plantations around the station and nearby islands were populated with 15,500 coconut palms and 5,000 Kapok trees. Cacao (4,714) and gutta-percha trees (2,293) were added to the existing 2,624 palms that had been planted on Jomba during the early 1890s. As regards tobacco, a lack of coolies prevented Loag from planting the crop on Jomba until then.

When the 1898/99 Stephansort harvest did not sell due to the depressed international tobacco market and when the consignment of 45,000 lb shipped on the *München* went to the bottom of Yap harbour, the die was cast for NGC tobacco.¹³⁰ Erima, elevated by Hagen in 1893 to the premier tobacco-growing area at the expense of Jomba and Maraga, would no longer grow tobacco; this also applied to the centre of tobacco growing in GNG, Stephansort. The only station excluded from this decision was Jomba. Loag was not about to waste the efforts expended by Baumüller on re-establishing the station as a tobacco producer. The fermentation sheds, the manager's residence and accommodation blocks for the workers were all in place and 140 fields prepared. Loag expected additional coolies to arrive from Hong Kong to supplement the small number of Chinese transferred from Stephansort which would enable him to increase the number of fields to 300.¹³¹ But the overseas arrivals did not eventuate and Jomba's much-heralded rebirth as a tobacco area all but ended with the planting of only 90 fields, yielding approximately 58,000 lb of tobacco.¹³²

Tobacco production continued in GNG for trading and personal consumption only. The export sales for 1899 and 1900 fetched a meagre RM45,878 and there was little hope of improvement.¹³³ The directors were still praising the 'beautiful tobacco' that the company grew on the Jomba Plains even after the decision had been made that NGC would discontinue with

¹²⁸ NKWL, 1898, pp. 10–11 and 12–13; Jb (189/98) pp. 3–4 and 6; Sack & Clark (1897–98) 140 and 142–3.

¹²⁹ Jb (1899/1900) p. 15.

¹³⁰ *ibid.*, p. 18. Although the *München* sank on 3 Feb. 1901, planting had stopped in 1900.

¹³¹ *ibid.*, p. 15.

¹³² *ibid.*, Jb (1900/01) p. 26.

¹³³ Jb (1899/00) p. 18; *ibid.*, Jb (1900/01) p. 39.

tobacco in GNG. Only after Hansemann had retired from executive duties in March 1900 were shareholders informed that the trend in cigar smoking had moved to light-grey wrapper leaf of exquisitely fine texture. This, the board advised, required each tobacco leaf to be picked carefully, dried, fermented and graded by specialised coolies. Even in the unlikely event that tobacco prices would increase substantially in the future, according to the new management of the NGC, there was no guarantee that a reliable source of coolies could be secured. The planting of 140 fields on Jomba in 1901 drew the curtain on tobacco for NGC.¹³⁴ The final consignment of 134,000 lb left Friedrich Wilhelmshafen on 25 January 1902: this included 50,000 lb from the previous year's harvest. The tobacco was again sold at well below production cost, and the board advised shareholders that it felt relieved to have closed the chapter on tobacco.¹³⁵

Summary

Hansemann's decision to engage in an agricultural plantation industry in 1889 at the exclusion of trading in copra put NGC's financial eggs in one basket. Cotton was expected to generate cash flow and early profits; cacao, coffee and coconut palms were long-term prospects. It was tobacco, however, that Hansemann determined would make the company: 14 years later it almost had broken it. Tobacco not only destroyed RM2,400,000 of A-C shareholder equity, it also destroyed most of NGC's financial, managerial and labour resources. The more prevalent malaria on the KWL coast and the spread of influenza and smallpox from Finschhafen and Stephansort respectively, killed more Europeans, Chinese, Javanese, Melanesians and local people during the height of tobacco activities from 1892 to 1896 than during the remaining 18 years of German administration in GNG.¹³⁶

It cost NGC dearly, morally and financially. NGC blamed the feeble condition in which Chinese coolies arrived on Astrolabe Bay as the downfall of its tobacco plantation venture. To support the claim the company produced statistics to prove that Chinese coolies were weaker than their Javanese counterparts. The 1900 Stephansort figures produced by NGC on morbidity showed that 3,737 sick days had been taken by 78 Chinese during that year compared to only 1,124 sick days taken by 69 Javanese during the same period. The company first thought that lethargy and the high death rate in the Chinese was a result of opium addiction and dysentery. When Robert Koch visited Stephansort in 1899 he drew attention to the strong prevalence of *anchylostoma duodenale* (hookworm) in the Chinese,¹³⁷ resulting in iron deficiency anaemia. 'Extreme weakness' in the Chinese, called beri-beri by the Sinhalese, was caused by an unbalanced diet of polished rice. NGC's doctors understood that beri-beri was an illness, not an excuse for not wanting to work. However, in the 1890s they had no cure.

¹³⁴ *ibid.*

¹³⁵ Jb (1901/02) p. 7.

¹³⁶ From 1892 to 1896 NGC/A-C employed on average 2,165 workers annually. The mortality rate was in excess of 20% (Tables 1 and 2; NGC to KA-AA, 29 May 1896, RKA 1001:2985, p. 109; Hahl to KA-AA, 4 Sep. 1904, RKA1001:2309).

¹³⁷ Jb (1899/00) p. 21 and (1900/01) p. 23.

NGC's managers and most of the European planters did not share the doctors' opinion: they regarded the Chinese as inherently lazy.

The failure of the tobacco industry in GNG was by no means the singular issue of the Chinese. Recognition had to be given to the vast majority of Melanesians who worked in the industry after 1897. A more selective employment policy, a better diagnosis of ailments, a balanced diet and better sanitary and hospital facilities improved health generally (and particularly that of the Chinese) after 1900. Unseasonable weather patterns and the lack of pest controls also contributed to the failure of tobacco. However, the fundamental ingredient for successful tobacco agriculture was present, with the soil of the Astrolabe and Jomba Plains as good as that found in Deli. Hansemann's error was not that he concentrated on tobacco; his and his successors' shortcoming was in not persevering with it. Earlier recognition that the Jabbim and Melanesian people could be trained to become capable tobacco workers would have increased labour availability and lowered operational costs substantially. There were also major issues with the management. A better working relationship between Hansemann and, for instance, Puttkamer, Pfaff, Hanneken and Hagen would have exerted less pressure on local management in an already stressful situation. A lower intake of foreign workers initially and a more gradual start-up of plantations would have been wiser. Even though higher capital outlays and stretched managerial resources do not reconcile with profitable expansion, four smaller plantations were easier to manage. Continuing this policy would have mitigated the risk of infectious diseases, limited plant infestations and spread the risk of inclement weather.

Hansemann was speculating in 1891 when he expanded into tobacco on Astrolabe Bay during a deeply depressed world tobacco market. The upbeat message in the A-C prospectus may have been relevant for hard-nosed Sumatran planters, who could rely on well-trained coolies and consistent weather patterns. The conditions were not applicable for GNG. Yet, tobacco could also have been grown commercially in KWL with a different mindset. It required patient capital and a better understanding of the local labour, climatic and environmental conditions. An improved tobacco market would have helped too: the tobacco industry in GNG needed more time to mature in the 1890s than the Dutch required for their industry in Sumatra in the 1850s. But Hansemann was a banker who had built a successful business with traditional corporate knowledge, on highly structured business processes, on historical banking values, and strong political and business connections. He possessed none of the expertise required to qualify him in taking on the tobacco growers of Sumatra, Mexico or Cuba. Adolf von Hansemann was no Jacobus Nienhuys; he most certainly could not match the ruthless single mindedness of Jan Pieterszoon Coen, the chief founder of the Dutch commercial empire in East India and the resulting 300 years of Dutch experience in colonial enterprises. That was the difference between the success and failure of his venture on Astrolabe Bay. The directors underscored this proposition by ruefully observing in 1902: if tobacco had been successful NGC would have been profitable almost immediately. Indeed it could have been. But it also

follows: if NGC had invested more strongly in coconut plantations as it started to do on the Gazelle Peninsula from the beginning it would have shown a healthy return on its investments by 1902. It would also have spared the lives of many employees. After all, the company admitted in 1895 that malaria, while of little concern in most parts of the Bismarck Archipelago, was a problem in KWL which was unlikely to be brought under control for years to come.¹³⁸

¹³⁸ Jb A-C (1892/93) p. 7.

CHAPTER 11

THE COTTON, COCONUT AND CAOUTCHOUC PLANTATIONS OF NGC

When the opportunity arose to engage Richard Parkinson on 25 June 1889, Hansemann heeded Administrator Schleinitz's advice two years earlier: NGC could be as successful as Ralum was for Queen Emma of Forsayth & Co. if it decided on establishing plantations on the Gazelle Peninsula.¹

With the employment of the experienced Parkinson, NGC's chairman was now prepared to establish cotton and coconut plantations on Gazelle Peninsula on Forsayth's model. Whilst maintaining priorities for the development of Hatzfeldthafen, Stephansort and Constantinhafen, the new station should also serve as a labour depôt for KWL and for the labour requirements of DHPG in Samoa.²

Schleinitz had visited Parkinson on Ralum in mid November 1887 and was surprised how well Sea-Island cotton, coffee Arabica and about any other tropical plant grew in the volcanic soil. He identified opportunities for NGC plantations in the Kokopo–Mt Varzin region on the Gazelle Peninsula of New Britain; however, protracted negotiations with landowners and Hansemann's priorities in KWL meant that the land was not secured until the second half of 1888.³ Then, on 3 January 1890 NGC's third administrator in as many years, Hans Arnold, presided over the foundation of Herbertshöhe. The new administration centre in the Eastern District (Bismarck Archipelago and Solomon Islands) was named after Herbert von Bismarck, with the name of the native village, Kokopo, also being retained. Herbertshöhe was situated on the peninsula, halfway between Cape Ralum and Cape Gazelle.

The experienced Parkinson found starting the plantation almost as difficult as NGC had with Finschhafen, Hatzfeldthafen and Stephansort. On the positive side, the fertile soil was ideal for establishing symmetrical plantations and the light breeze provided good living conditions for the Europeans. On the negative side, the coastal Tolai tribes were even more ferocious than were other tribes in KWL.

Parkinson's first task of clearing 600 ha of scrub for farmland was short-lived, but it was not as deadly as Arnold's: he died from malaria 3 months after arriving on 31 January 1890.⁴ Rather than recruiting workers and cultivating cotton and coconuts, Parkinson was relocating the central administration from Kerawara in the Duke of York Group to Kokopo in early 1890. He was also fighting the Tolais who rebelled against road construction from Kokopo to Ralum.⁵ Following the northern shore on the peninsula, the road cut through their fishing grounds and sacred places. The destruction of a village during this work led to the death by clubbing in April

¹ *NKWL*, 1887, Heft i, pp. 60–1. R. Parkinson, *Dreißig Jahre in der Südsee*, pp. 26–7 and 34; R.W. Robson, *Queen Emma*, pp. 167–9. *Jb* (1888) p. 3 and (1889) p. 5; P.G. Sack & D. Clark (1887–88) p. 33 and (1888–89) p. 37.

² See Chapter 8.

³ *Jb* (1889) p. 5; Sack & Clark (1888–89) p. 37.

⁴ *NKWL*, 1890, Heft i, p. 9, Heft ii, pp. 63 and 74–5; *Jb* (1890) pp. 2–3; Sack & Clark (1889–90) p. 46.

⁵ J. Forsayth to Schmiele, 29 March 1890; NAA G255–CS95; *NKWL*, 1890, Heft ii, p. 75.

1890 of the Filipino overseer John Moses. Swift European reprisals aggravated an already difficult situation. In the previous month a coalition of Tolais from the Vunamami, Keravi, Bitarebarebe and Tingenavudu districts attacked Ralum, which ended in an indiscriminate response from the Herbertshöhe and Ralum planters. Under Judge Schmiele's direction and Parkinson's leadership, five Europeans and more than 80 indentured workers drove the Tolais back into the interior, with the result that 80 warrior were killed and some 60 villages destroyed.⁶ A temporary stay in fighting permitted Parkinson to start farming at Herbertshöhe. It was not to last. Dissatisfied with life in general and working for the interfering Hansemann in Berlin, he abrogated his contract with NGC on 1 October 1891. Building on his existing knowledge of indigenous languages, working on improving relations with the local people rather than fighting them, collecting artefacts, and studying the region's flora and fauna had greater appeal to Parkinson than plantation work and the paperwork it involved.

When Administrator Georg Schmiele arrived in Herbertshöhe during November 1892, he found the labour depôt completed and 155 ha planted with cotton and some 8,500 palm seedlings planted.⁷ The gin and the cotton press buildings were operational and the quarters for the workers completed. The first two crops planted by Parkinson yielded 9,482 kg and 3,328 kg of scoured lint, which sold in Bremen for about RM1.28/kg. Parkinson had fenced grazing land for horses and cattle and the market garden was producing 5 tons of batata, yams and corn for the workers at Herbertshöhe and Friedrich Wilhelmshafen.

Following Parkinson's unexpected departure, the land surveyor August Rocholl returned to GNG to assume provisional responsibilities for Herbertshöhe. Inexperienced in plantation work and continually disagreeing with Schmiele over minor and pedantic matters, such as how to address the 'eminent' judge,⁸ Rocholl made little progress at the plantation through 1892. The drafting in September 1892 of manager Hubert Geisler⁹ and administration assistant Franz Boluminski to join Schmiele in avenging the death of Queen Emma's brother, John Coe, provided Rocholl with some respite from Schmiele, but it did little to achieve progress at the plantation.¹⁰ In February 1893 Hansemann relieved Rocholl from his responsibilities by appointing the retired Prussian Officer-cum-Hawaiian sugarcane planter Paul Kolbe to manage Herbertshöhe.¹¹

However, punitive missions also took much of Kolbe's time. For instance, on 6 and 18 July 1893 Tolais rampaged in Ralum, killing managers Robert Anderson and Georg Möller, and

⁶ *NKWL*, 1890, Heft ii, p. 75; Schmiele to AA-KA, 8 April 1890 (RKA 1001:2979, p. 69); see P. Hempenstall, *Pacific Islanders under German Rule*, p. 127; S. Firth, *New Guinea under the Germans*, pp. 58–61.

⁷ *NKWL*, 1891, p. 14 and 1892, p. 28; *Jb.* (1891/92) pp. 7, 24 and 35, and (1892/93) p. 7; Sack & Clark (1892–93) p. 74.

⁸ Rocholl arrived in GNG in early 1885. He undertook an expedition into the highlands of New Ireland with Graf Pfeil in May 1887. Appointed Provisional Administrator Bismarck Archipelago in Aug. 1887, Rocholl left NGC in early 1890. Hansemann rehired Rocholl in Sep. 1890.

⁹ The ornithologist Geisler travelled from Ceylon to Borneo before arriving in Finschhafen in 1890. He started work for NGC at Herbertshöhe in Nov. 1891 (*NKWL*, 1895, p. 20; *Jb* [1895/96] pp. 7–8).

¹⁰ The punitive expedition took place on the Fead Islands in September 1892. It ended with the death of Chief Soa'a, his son Pila and the expedition leader, DHPG's Captain A. Stalio (Robson, *Queen Emma*, p. 174).

¹¹ Kolbe worked 3 years in Hawaii. He also spent 3 months with the Australian cotton grower James Smith at Constantinshafen before arriving at Herbertshöhe on 1 Feb. 1893 (*NKWL*, 1893, p. 23).

went on to destroy cotton fields in Herbertshöhe.¹² A few months later, local tribes made an audacious attempt to storm Herbertshöhe and the nearby Kinigunan station of Octave Mouton. The defence included calling up the light cruiser SMS *Sperber* in December 1893. Kolbe's men and a party with Eugen Brandeis, Octave Mouton and Arno Senfft in it planned to drive the retreating Tolais to the coast where they would be in the range of the *Sperber's* heavy guns. It was Kolbe, however, who was bombarded: the eager 'soldiers' lost their way and were greeted by 'friendly fire' from the marines when appearing suddenly on the beach. An outcome was accomplished, nonetheless. The deafening noise of exploding ordnances frightened the villagers into submission and they agreed to cease hostilities.¹³

With so many retaliatory actions, Kolbe had little time for his main job. Yet, according to the *NKWL*, approximately 126,500 lb of cotton was picked from the two harvests in 1893. The scoured product at 26,000 lb weighed 114% more than the previous year's consignment to Liverpool. The company considered the mean sales price of 16d/lb satisfactory and hastened to add that the 19,085 lbs of scoured cotton from the 1894 harvest was of such high quality that it sold in Liverpool at considerably higher prices.¹⁴ By matching the cotton production of other firms on the peninsula, the achievement in such a short time was commendable. However, the well-established companies, R & H, Forsayth & Co. and DHPG were highly profitable, exporting some 2,000 t trade-copra in 1893. Herbertshöhe had been unable to secure reliable sources of the native product and instead had started tentatively with plantation copra.¹⁵

Herbertshöhe continued to trade at a loss. Commodities and related income from 1889/90 to 1891/92 amounted to RM9, 577, with the total income in the same period benefiting from NGC's labour hire monopoly which generated RM141,157.¹⁶ Labour hire generated RM68,860 revenue in 1892/93 thereby continuing as the major income source for Herbertshöhe with farming contributing only RM11,079 to the accounts. In 1893/94 labour hire decreased to RM35,093 with farm and sundry income increasing to RM26,221. From 1889 to 1894 the aggregate expenditure for Herbertshöhe amounted to RM546,384, including RM93,842 for depreciation, RM155,304 for labour and RM80,097 for operating the recruiting schooner. Total income for the same period was RM318,761, including RM2,464 for appreciation on equipment and buildings.¹⁷

A disagreement with Administrator Schmiele over the bungled punitive action of a year earlier was Kolbe's motive for offering to resign on 12 February 1894; his marriage to Queen Emma 2 weeks later was the more likely reason. Separately, Schmiele, who had been advised

¹² Jb (1892/93) p. 8; *NKWL*, 1894, pp. 17–19; Sack & Clark (1892–93) p. 75.

¹³ *NKWL*, 1893, pp. 67–8; *ibid.*, 1894, pp. 17–19; NGC to AA-KA, 11 Jan. 1894, RKA 1001:2983. The colourful exposés on how the Tolais fought under the medicine man Talarai (Tavalai), who 'invented' a bullet proof paint are described in B. Jinks, P. Biskup & H. Nelson, eds., *Readings in New Guinea History* pp. 112–15; R.F. Salisbury, *Vunamami: Economic Transformation in a Traditional Society*, pp. 79–80.

¹⁴ *NKWL*, 1893, p. 24 and 1894, p. 16. The sales figure cannot be reconciled with the annual accounts for 1893/94.

¹⁵ *NKWL*, 1893, p. 26; Jb (1893/94) p. 29.

¹⁶ Jb (1890/91) p. 29 and (1891/92) p. 35. It is not clear whether labour hire was solely to non-NGC entities. Account movements suggest that Herbertshöhe charged Finschhafen and Friedrich Wilhelmshafen for labour recruitment.

¹⁷ NGC recognised appreciation of equipment, buildings and plantations in the P&L account. This treatment is inconsistent with current accounting standards (Jb [1889/90] pp. 28–9, *ibid.*, [1890/91] pp. 28–9, *ibid.*, [1891/92] pp. 34–5, *ibid.*, [1892/93] pp. 54–5 and [1893/94] pp. 28–9).

by Hansemann that his contract would not be extended,¹⁸ vented his spleen on Kolbe by trying to foil his marriage to an older woman of mixed blood. The enraged Kolbe struck the administrator and imperial judge across the face with a horsewhip during an ensuing argument. This led to the manager's instant dismissal.¹⁹

Kolbe's departure brought NGC's fourth manager to Herbertshöhe in as many years. The construction engineer from German East Africa, Wasa Mende, assumed interim responsibilities for the plantations until Kolbe's replacement arrived in May 1894. The appointment of the new manager, former A-C tobacco grower Woldemar von Hanneken, was short-lived too: he suffered from severe fever soon after his arrival and was unable to take up his responsibilities.²⁰ Mende resumed charge of the plantations. Given his engineering skills, and with Hubert Geisler on leave in Germany until August 1894, Mende turned his attention to constructing a narrow-gauge railway from the wharf to the cotton warehouse. He also dug two wells, which he claimed provided an 'inexhaustible supply of cool, potable water'.²¹ In the meantime, the Berlin office was searching for an experienced cotton planter for the plantations. Reluctantly it seems, they settled for Geisler in April 1895. It proved to be one of Hansemann's soundest decisions on staff employment.

NGC and the AA-KA agreed in February 1894 to transfer the government administration in the Eastern District – police work, issuing and collection of fees and fines, collection of taxes and customs duty – to the imperial official in Herbertshöhe. The appointment in December 1893 of Imperial Judge E. Mellien included these additional tasks.²² It was a short-lived arrangement: Mellien quit his post 7 months into a 3-year contract. Wassa Mende again assumed responsibility temporarily. In addition to his duties at the Herbertshöhe plantations, he performed administrative and judicial duties until Albert Hahl relieved him in early 1895.²³

After NGC acquired A-C in November 1896, the Eastern and Western Districts were reorganised into three business units: Herbertshöhe, Friedrich Wilhelmshafen and Stephansort. Initially, Seleo and Berlinhafen in the north, Finschhafen in the south and the French or Witu Islands to the west of New Britain came under the management in Friedrich Wilhelmshafen. A general manager was responsible for the development and profitability of the districts under his responsibility, while the *Landeshauptmann* in Friedrich Wilhelmshafen remained in charge of GNG until April 1899. In 1907 NGC rationalised the administration in GNG. The 800.5 ha Finschhafen plantation was sold for RM82,714 and the Witu Islands became a separate administrative district with Peterhafen as the centre.²⁴

¹⁸ Jb (1893/94) pp. 4–5; Sack & Clark (1893–94) p. 90.

¹⁹ Subsequent disciplinary proceedings were dismissed by the Herbertshöhe court, appealed and upheld in a higher district court in Germany. The accusation of misappropriation by Kolbe's successor W. Mende was dismissed ('Beamte des Schutzgebietes 1885–1901', RKA 1001:2411).

²⁰ W. v. Hanneken gave a damning report on the living conditions in GNG after he had left the Protectorate in late 1894 ('Eine Kolonie in der Wirklichkeit: Illusionsfreie Betrachtung eines ehemaligen Stationsvorstehers im Schutzgebiet der Neu Guinea Compagnie', *Die Nation*, pp. 133–6 and 154–5).

²¹ Jb (1893/94) p. 10; Sack & Clark (1893–94) p. 94.

²² Jb (1893/94) p. 8; Sack & Clark (1893–94) pp. 89–90.

²³ Jb (1894/95) p. 6; Sack & Clark (1894–95) p. 108.

²⁴ Jb (1907/08) pp. 3, 6 and 10.

Albert Hahl: Imperial Chancellor at Herbertshöhe

Albert Hahl took charge of the 'Eastern Jurisdictional and Administrative District' on 14 January 1896: judicial responsibility was now in the emperor's name, not NGC's.²⁵ In administering general government business Hahl was accountable to Acting Administrator Captain (ret.) H. Rüdiger in Friedrich Wilhelmshafen.²⁶ General Manager Hubert Geisler of Herbertshöhe was accountable to both the administrator and, directly, Hansemann on all NGC plantation businesses in the Eastern District.²⁷ In practice, Hahl and Geisler were their own masters. Orders from Friedrich Wilhelmshafen often took as long as instructions from Berlin; and during Hahl's 3-year tenure four administrators, including Hahl for a brief period, were in charge of GNG.²⁸

Hahl was a man with similar qualities to those of Lieutenant-Governor William MacGregor in BNG.²⁹ At 27 years of age, he wanted a posting to German East Africa. Instead, he was given much greater responsibilities in Germany's less important colony. The experienced 41-year-old MacGregor was keen to make his mark on BNG. Hahl and MacGregor were intrepid explorers. The Scotsman surveyed more of BNG than Hahl's 11 predecessors did of GNG over a longer period. Both had a genuine concern for the tribes but they implemented the laws of their governments sternly and used force to suppress resistance. They ordered the local people to plant coconuts, built and maintain roads and other infrastructure, and used prisoners as *corvée* labour. From the beginning, Hahl had no doubts that the aim of German colonisation was to open the country to European planters, miners and traders: 'I see the value of the archipelago', he wrote in 1896, 'above all in its resources – copra, ivory nut, trepang, turtle shell – which make it possible to exploit the region by way of trading before plantation undertaking are established'.³⁰ To achieve this he needed onside the planters and, most importantly NGC, both financially and politically. MacGregor's brief from the Colonial Office and the Australian colonies was first to protect the indigenous population from unscrupulous European merchants, miners and planters. Only when he thought that the colony was 'pacified' sufficiently did he attempt to attract settlers.³¹

Albert Hahl and Hubert Geisler became close personally and professionally.³² Hahl often accompanied the NGC manager on foot or horseback to learn from Geisler's experience in constructing roads and bridges and plantation management.³³ Geisler, in turn, recognised Hahl foremost as a manager with considerable intellect and energy who got things done.

²⁵ Hahl's independence from NGC on judicial matters was limited. He was not empowered to proclaim new laws, which remained the prerogative of the Administrator.

²⁶ Captain (ret.) H. Rüdiger was appointed provisional administrator and judge GNG (Jb [1893/94] p. 6; Sack & Clark [1893–94] pp. 93–4).

²⁷ Jb (1895/96) pp. 6 and 8; Sack & Clark (1895–96) pp. 119 and 122.

²⁸ H. Rüdiger (Acting, 17 Feb. 1895–18 Aug. 1896), C. von Hagen (9 Oct. 96 to 14 Aug. 97), A. Hahl (Acting, 15 Aug. 1897 to 11 Sep. 1897), H. Skopnik (Acting, 11 Sept. 1897 to 31 May 1899).

²⁹ H. Blum, *Neu Guinea und der Bismarck Archipel*, pp. 53–5.

³⁰ Hahl to AA-KA, 25 Aug. 1896 (RKA 1001:2985, p. 141).

³¹ On MacGregor in New Guinea, see Chapter 12.

³² B. Pullen-Burry, *In a German Colony or Four Weeks in New Britain*, p. 127.

³³ Hahl and Geisler were next-door neighbours on Vunatali Heights above Herbertshöhe (A. Hahl, *Gouverneursjahre in Neuguinea*, p. 75; P. Sack & D. Clark, eds., *Albert Hahl Governor in New Guinea*, p. 29).

The Eastern District, or more precisely the Bismarck Archipelago, was prosperous compared to KWL. In 1896/97 it already accounted for 53 of the 58 plantations and trading establishments and cultivated 858 ha of cotton and coconuts compared to only 333 ha of unprofitable tobacco and some coconuts on the mainland of KWL. The population in the archipelago was also larger with 139 Europeans, including 64 Germans, 34 British and 13 Dutchmen. This compared to 121 Europeans in KWL, which included 44 Germans, 17 British and 7 Dutchmen. Twice as many workers were indentured in the archipelago (1,813 Melanesians) than in KWL (495 Papuans and Melanesians, 168 Chinese and 254 Javanese). The archipelago also exported more; in 1897/98 nearly four times as much as KWL (RM753,550/RM198,460), while importing nearly twice as much (RM569,000/RM304,000).³⁴

The AA-KA paid Hahl's salary; his clerk (Ferdinand Steusloff), police sergeant (Wilhelm Lindberger) and 24 'police boys' were paid by NGC. In his small office next to Geisler's, Hahl's workload was varied, albeit, not overly taxing: he was the imperial judge with consular powers to act for the Reich, and his responsibilities for public administration involved the Seamen's Registration Office, which only kept him busy when a steamer was in port and prior to its arrival.³⁵ He had time and opportunity to address the issues he had identified even before his arrival in Herbertshöhe on 14 January 1896. During the 2-month voyage to GNG, Hahl became reasonably well informed about his new territory. Administrator Schmiele's reports on the many skirmishes with the Tolais and his recommendation in 1891 – when he was still imperial judge – to appoint trusted agents from the local community to act as intermediaries, made sense to Hahl. He would also have agreed with the greatly unpopular Schmiele that the Tolais of the Gazelle Peninsula needed government protection from a complete loss of their land.³⁶

Hahl quickly realised that the economic exploitation of the Eastern District was limited to the northeast coast of the peninsula and that NGC rule had made little progress in developing the region. Some of his solutions were the same as Hansemann's: explore the country, build infrastructure, and provide GNG with a greater number of ships. But in a departure from NGC's policy, he recognised the need to empower the tribes with trade opportunities and to settle the issue of land ownership. His solution for the latter was to set aside 'native reserves'.

To make his mark, Hahl adopted a proactive policy of becoming acquainted with local customs. Within 3 months of his arrival he could converse with the Tolai people in the Kuanua language. Listening to their grievances, he became aware that the Tolais had no understanding of the meaning of the sale of their land. Protecting village land was, therefore, one of Hahl's first initiatives to make a difference in GNG. On 22 July 1896 he suggested to Acting Administrator Rüdiger that Schmiele's idea of setting up 'native reserves' would lessen Tolai discontent. Hahl was keen to ensure that European plantations would not intrude on sacred sites or any Tolai land where ownership could not be established. He was also keen to set up

³⁴ Table 11, Charts 22 and 23.

³⁵ Hahl, *Gouverneursjahre*, p. 48; Sack & Clark, *Albert Hahl*, p. 11.

³⁶ Hempenstall, *Pacific Islanders under German Rule*, pp. 131–2. H.J. Hiery, 'Die Deutsche Verwaltung Neuguineas' (p. 301) suggests that Schmiele's predecessor, Judge A. Geissler, first involved the local people in government affairs.

Schutzländereien für die Eingeboren (protected native land) so that the local people would become involved in the economy of their districts by growing produce. Hahl thought his scheme would advantage the settlers, in particular the biggest groups – NGC, Forsayth, DHPLG and Mouton. Keeping the Tolais near the coast would retain a ready supply of day labour for the plantations, and an important labour resource for road building. Whilst his ‘native reserve’ scheme would only take shape when he returned to GNG as acting imperial governor from 10 July 1901 he was given some early support by Hansemann. In a May 1898 despatch to Skopnik, Hansemann reminded him that land purchases by Europeans had to be in accordance with a valid NGC contract which included evidence that the sellers understood the implications of their actions. Hansemann also offered to have a clause in future contracts for the owner to retain usufructuary rights to the land for a specified period.³⁷ It was the latter point which Hahl fostered in particular. If the local people retained use of the land, he surmised, they could grow vegetables, fruits and coconuts for sale to the Europeans. This would provide them with a purchasing power, and over time a local economy would emerge on European terms.

Until 1888 Melanesians collected coconuts for Hensheim, Forsayth, DHPG and other traders in exchange for a few pieces of hoop iron, glass beads or tobacco sticks. Generally, the currency for buying coconuts from the locals was equivalent to RM1/t. From 1890 the coastal Tolais bought increasingly nuts from the inlanders to sell to the Europeans at considerable profit.³⁸ Because the trading currency of the Tolais was either *tabu*, *tapsoka* or *diwarra* shell money rather than *Reichsmark* – the legal tender in GNG since 1 April 1887 – or the *Neu Guinea Münze*,³⁹ circulated by NGC since 1 August 1894, they insisted on being paid in the local currency.⁴⁰ This was an expensive transaction for traders. To buy nuts they had to first procure shell money or, in the case of NGC, sell shell money it received for goods it sold to the Tolais. Therefore, to lessen transaction costs and to keep the coastal Tolais working, Hahl agreed with the major planters and traders to buy only copra and to transact in *Reichsmark* or NGC currency. This arrangement lasted for a year because of the low quality of the copra but it was the start of the Eastern District moving to a more regulated payment system.⁴¹ Initially NGC tried to reproduce Nassa shells in Germany, but were found out by the locals who had no difficulty in separating the genuine from the imitation shell. NGC also thought of mobilising a

³⁷ Hansemann to Skopnik, 4 May 1898(RKA 1001:2276, pp. 14f).

³⁸ O. Finsch, 'Über Naturprodukte der Westlichen Südsee', *DKZ* (1887) p. 525; see R.F. Salisbury, *From Stone to Steel: Economic Consequences of a Technology Change in New Guinea*, p. 337.

³⁹ To maintain liquidity in GNG – RM, £Stg, Mex.\$ left GNG with European or Southeast Asia-bound employees and traders – NGC was given approval by the *Reichskanzler* to have its own currency struck for internal use. The *Preußische Münzstätte Berlin* was given approval on 21 May 1894 to mint NGC gold coins (M20 and M10) to a total value of RM100,000, silver coins (M5, M2, M1 and M0.50) to a total value of RM400,000; bronze coins (10 Pf.) and copper coins (2 and 1 Pf.) to a total value of RM5,000. (DKBl. (1894) p. 420). Only RM50,000 gold coins, RM200,035 silver coins and RM20,000 were circulated. The NGC currency was discontinued when the Reich assumed control of the Protectorate in 1899 (Jb [1893/94] pp. 2–3; Sack & Clark [1893–94] pp. 86–8). See T. Helmreich, *Das Geldwesen in den deutschen Schutzgebieten, Teil I: Neu-Guinea*, pp. 53–9.

⁴⁰ *NKWL*, 1894, pp.4–6. *Tabu* was derived from the Nassa shell, mainly found in the Nakanai district of West New Britain. The *Tapsoka* shell was the currency of New Hanover and North New Ireland and was harvested on a few islands off New Hanover. The *Diwarra* shell was mainly found in the waters of the Duke of York Group (Parkinson, pp. 62–5 and 153–4). The value of one fathom *tabu* (6 ft of 400 shells) was generally RM2, but was traded higher where the Nassa shell was in short supply (Helmreich, p. 28–48)

⁴¹ Hahl, *Gouverneursjahre*, pp. 92–3.

dredge for harvesting the Nassa shell in West New Britain, but discarded the plan because of the cost and the inflationary affect that mass-produced shell money would have on the local community.⁴² With Hahl's involvement, the *Reichsmark* and NGC currency found better acceptance with the coastal Tolais in any event. When Hahl returned to GNG in July 1901, the indigenous population who dealt with Europeans generally accepted coin money. This enabled Hahl then to invoke the ordinance that prohibited the dealing in shell money by Europeans and Asians.⁴³

Road building was another aspect of Hahl's policy that would bring the Tolais into a money economy. Apart from plantation pathways and the few stretches of coastal road between Herbertshöhe and Ralum that caused so much trouble in 1890, only a bridleway from Bishop Couppé's Sacred Heart of Jesus Mission at Takabur (Utaulatawa district) to the coast was completed. Hahl's rapport with the Tolais permitted him to organise road building on a much larger scale. While NGC was constructing a 30-km pack-track from its sawmill site on the Warangoi River in the Massawa district to Herbertshöhe, and building a road from its Gunanur plantation inland,⁴⁴ Hahl used local people for road construction elsewhere on the peninsula, in Fissaua on New Ireland and the smaller islands where European traders were present. To finance these undertakings, NGC was prepared to forego the fines imposed by Hahl on workers and Europeans for misdemeanours, and other plantations donated shovels, spades, axes, wheelbarrows and tobacco. In addition, prisoners sentenced to hard labour were employed on road-building. Plantation owners made European and Asian staff available to oversee the construction when it cut through their area. Further, Hahl's good relations with the missions enabled him to make use of missionaries for supervising the workers.⁴⁵

When Hahl left GNG in 1898 roads initiated by him stretched from Herbertshöhe to Simpsonhafen (Rabaul) and as far inland as Mt Vunakoko. At a cost of a monthly fathom *tabu* and a daily meal, a road was built from Kokopo around Blanche Bay to a point opposite Matupi and to Nodup. Other roads led from Ralum via Herbertshöhe to Mt Varzin and from Herbertshöhe to Kabakaul and Tavui.⁴⁶ After 1899 the government and the missions 'continued vigorously' the construction of roads both in the Bismarck Archipelago and KWL.⁴⁷ After Hahl took up the position of Imperial Governor on 10 November 1902 he devoted a considerable amount of the annual budgets to roads and ports.⁴⁸

When he first arrived in GNG Hahl lacked a military support structure and an effective means of dealing with local laws and customs. Therefore, he engaged village elders (*luluais*) to

⁴² Helmreich, p. 51.

⁴³ Hahl issued the ordinance on 26 July 1901, assented on 1 April 1902. Fines of up to RM500 or 3 months gaol ensured compliance (Jb [1900/01] p. 83; Sack & Clark [1900–01] p. 220).

⁴⁴ Jb (1897/98) pp. 8–9 and (1898/99) p. 14; Sack & Clark (1897–98) p. 145 and (1898–99) p. 155.

⁴⁵ This is to Hahl's credit. Bishop Couppé was at loggerheads with the plantation owners on labour issues. His complaints concerning Schmieles's labour management to the *Reichskanzler* led to the administrator's recall.

⁴⁶ *NKWL*, 1897, pp. 49–50; Jb (1898/99), pp. 166–7; Sack & Clark (1898–99) pp. 177–8.

⁴⁷ The Catholic mission of Bishop Couppé was commended by the government in 1900 for 'the initiative and energetic co-operation in road building' (Jb [1900/01] pp. 77–9; Sack & Clark [1899–1900] p. 205).

⁴⁸ The various infrastructure projects in GNG are described in the 'Jahresberichte über die Entwicklung der deutschen Schutzgebiete in Afrika und der Südsee' from 1901 to 1914.

facilitate the administration of justice to the local people: three chiefs were appointed in August 1896 near Ralum, and others soon after in the Duke of York Group and the northern Gazelle Peninsula.⁴⁹ The empowered chiefs became Hahl's magistrates in deciding disputes involving quarrels about money, *tabu*, pigs, produce or property. *Luluais* were not to pronounce a divorce, exercise judgement in quarrels about land or boundaries, or matters involving inter-village warfare; these were left to Hahl. However, *luluais* could impose fines on behalf of the government.⁵⁰ Corporal punishment or other local customs were strictly forbidden. Hahl also determined that every charged person had the right to appeal the decisions of the *luluai* to his court in Herbertshöhe where proceedings were conducted in the native language of the accused or appellant. Apart from police and administrative duties, *luluais* were responsible for maintaining roads and bridges in their villages. They also ensured that people attended to their gardens and provided food for the villagers. When the Reich assumed responsibility for GNG, Imperial Governor Rudolf von Bennigsen (1 April 1899–10 July 1901) expanded Hahl's *luluai* system by empowering the chiefs to decide minor legal disputes involving property up to a value of RM25.⁵¹

Whilst Hahl succeeded in bringing the coastal Tolais into a trading relationship with the Europeans, the killings of settlers and cannibalism amongst the various tribes continued in the hinterland and, in particular, on New Ireland.⁵² Hahl's only answer to this was punitive expeditions. When attempts to raise his 24-strong indigenous police numbers by calling on the financial resources of NGC failed, he trained 75 volunteers from villages near Herbertshöhe and Ralum. Sharing the 36 rifles that made up NGC's entire arsenal at Herbertshöhe, the unpaid recruits never failed to turn up for the daily drill from 6 to 8 in the morning: in a short time he had a well-trained reserve in the hinterland to call on.⁵³

When pacification by persuasion failed, Hahl resorted to inflicting harsh punishment. He answered the frequent killings of Europeans by calling on the *Reichsmarine* in support of his punitive expeditions. Hahl also believed that NGC should deploy a large steamer in the archipelago and the Solomons with at least 100 trained troops 'in the interest and the safety of recruiting vessels and trade'.⁵⁴ Hansemann, of course, saw this as a government responsibility and passed on Hahl's suggestion to the AA-KA, with little success.⁵⁵

On the north of the peninsula, many coastal Tolais decided that they would gain from working for and trading with the European settlers. However, Hahl's influence was not felt 'on

⁴⁹ On Hahl's *luluai* system, see P.J. Hempenstall, *Pacific Islanders under German Rule, passim*.

⁵⁰ Hahl used fines to pay the *luluais* and other expenses that were not reimbursed by the government.

⁵¹ Until shell money was outlawed on 1 April 1902 payment of fines could also be made in *tabu* or Diwarra shells. RM25 converted to 10 strings of *tabu* or *Diwarra* (Sack & Clark [1899–1900] p. 195; P.G. Sack, *Land Between Laws*, p. 112, Hahl, *Gouverneursjahre*, pp. 41–4; C.D. Rowley, *The Australians in German New Guinea*, pp. 214–18).

⁵² 'Bericht betreffend die Unruhen am Varzin in 1902' (RKA1001:2989)

⁵³ Hahl, *Gouverneursjahre*, p. 56; Sack & Clark, *Albert Hahl*, p. 16.

⁵⁴ Hahl to NGC, 24 June 1898 (RKA 1001:2987, p. 7–9).

⁵⁵ NGC to AA-KA, 14 Oct. 1898, The *Reichsmarine* had little appetite for the mainly futile pursuits of wild tribesmen into the often-impenetrable jungles of the Bismarck Archipelago islands.

the edge of the colony'⁵⁶ – in the Solomons, New Ireland, Duke of York and New Hanover European 'intruders' were killed and eaten, and the Melanesian tribes continued to fight each other. Hahl also faced considerable resistance to his scheme from the European landholders and traders. They did not believe that an orderly administration among the tribal communities could ever be established. When Hahl's successor, Heinrich Schnee, found in favour of a 6,000 ha claim by the Tolais against NGC, the local people became much more co-operative in their dealings with the Europeans. From his desk in Berlin Hansemann could not recognise this benefit, however. He was furious that a German judge had upheld a claim by a wild, uncivilised tribe over valuable tracts of land. He remained insensitive to the fact that NGC gained the most from Schnee's judgement.⁵⁷

While some degree of co-operation was attained from the coastal Tolais, after being appointed governor of GNG, Hahl went further by conscripting Melanesians and Papuans into the workforce. The poll tax levied in other plantation colonies, including German East Africa, provided the framework for Hahl to draft similar legislation in 1905. By 1907 all indigenous able-bodied men from selected areas had to pay an annual tax of RM5 each, which was raised to RM7 and in some districts of the Bismarck Archipelago to RM10 in 1910.⁵⁸ Hahl targeted the desirable labour resources of northern New Ireland and New Hanover first, and extended the scheme gradually to areas where the government exercised control, first in the Bismarck Archipelago and in 1909 to KWL.⁵⁹ Hahl used his *luluais* to collect the taxes by paying them a handsome percentage (up to 10%) on the taxes collected.

The head-tax, whilst an important revenue-raiser, was introduced by Hahl to make the Melanesian and Papuan people work.⁶⁰ It was a tax on the local population that was designed to encourage villagers to become cash croppers and copra producers; it was also a tax to generate cheap short-term labour for the NGC and other plantation.⁶¹ Tax defaulters were 'collected' by the constabulary and forced to work off their debt on roads and other government infrastructure projects at RM1/week. The trading Tolais welcomed the tax as it relieved them from working on roads. Other village communities, who did not possess coconut palms or other tradable goods, resented it as it forced them to work for the Europeans.⁶²

⁵⁶ S. Firth, *Albert Hahl, Governor of German New Guinea* in J. Griffin ed. *Papua New Guinea Portraits*, p. 32.

⁵⁷ Schnee succeeded Hahl on 12 Dec. 1898. Schnee was a critic of NGC's performance in GNG. Before commencing with his work at Herbertshöhe, he toured KWL. His observations of idle equipment at Friedrich Wilhelmshafen and fields strewn with rusting ploughs did not endear him to Hansemann. His findings on land ownership against NGC made Hansemann a lifelong enemy that cost him promotion to deputy governor of German Samoa. Whilst equitable on native property, Schnee also participated in punitive missions (Sack, *Land Between Two Laws*, p. 152; H. Schnee, *Als letzter Gouverneur in Deutsch-Ostafrika*, pp. 26–34; Firth, *New Guinea under the Germans*, pp. 5, 25 and 70).

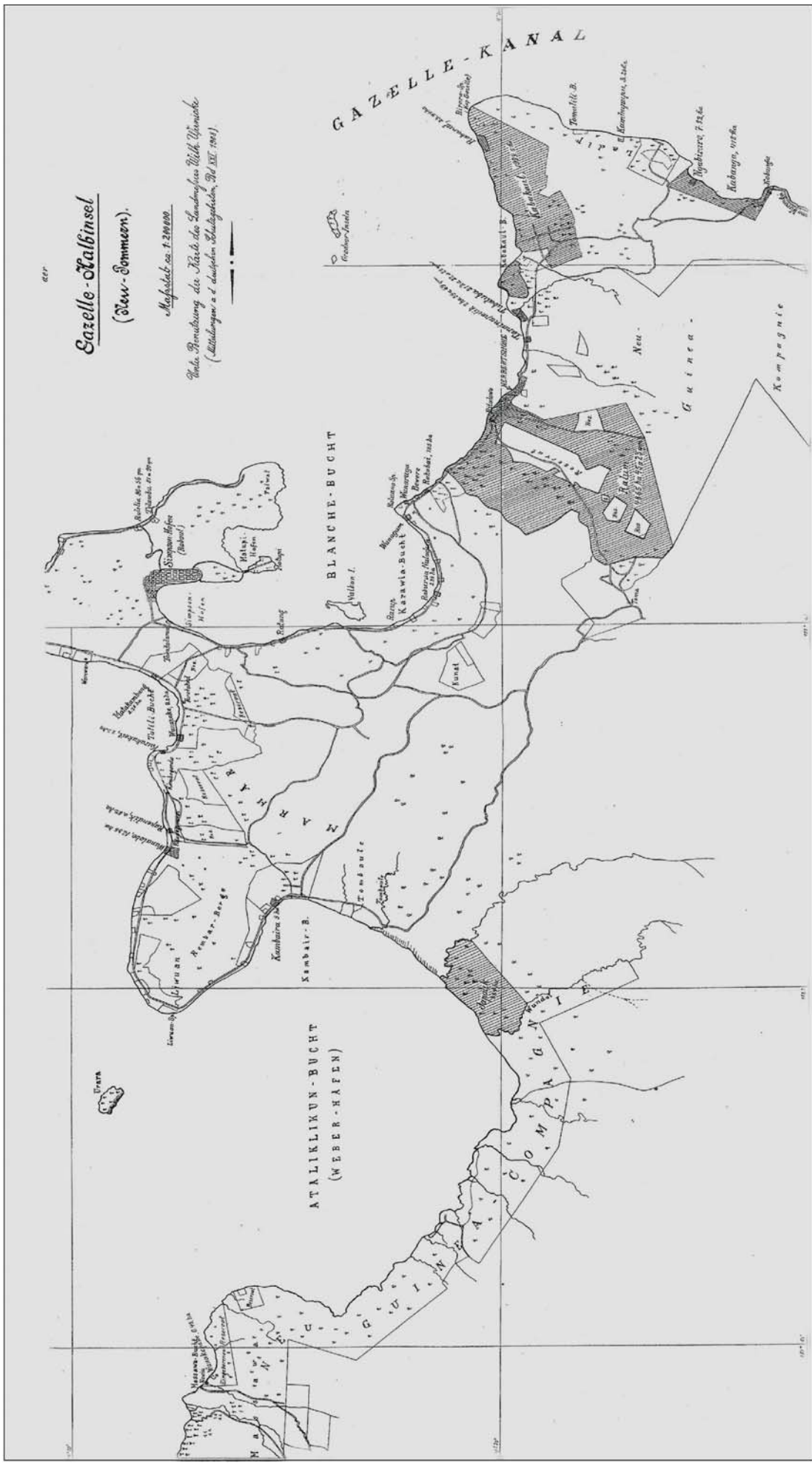
⁵⁸ Sack & Clark (1910–10) p. 320.

⁵⁹ Sack & Clark (1909–10) p. 308; (1911–12) p. 338.

⁶⁰ During 1907 tax amounting to RM15,272 was collected from 104 villages in southern New Ireland (Sack & Clark [1907–08] p. 278).

⁶¹ 'Steuerwesen in Neuguinea', 25 Jan. 1907(RKA 1001:2763.RKA 1001:2763); *Amtsblatt* 1 May 1910; Sack & Clark (1908–09) p. 289.

⁶² Hempenstall, *Pacific Islanders under German Rule*, pp. 142–3, and 187; R.F. Salisbury, *Vunamami: Economic Transformation in a Traditional Society*, 122–3; Firth, *New Guinea under the Germans*, p. 106.



Map 8: Plantations on the northeastern Gazelle Peninsula

The businesses: Herbertshöhe, Friedrich Wilhelmshafen, Stephansort and Peterhafen

No other manager determined the development of NGC's plantations as resolutely as Hubert Geisler did. Starting in 1891 as an assistant plantation manager in Herbertshöhe, he was in charge of the Eastern District for 14 years. When the government relocated the capital of GNG from Herbertshöhe to Simpsonhafen on 1 October 1909, NGC's head office followed 6 months later. Geisler was not in charge of this relocation; he had become NGC's general manager in Stephansort in May 1909, and only returned to Herbertshöhe in early 1913.⁶³

On his visit to New Guinea in 1897 the 'gentleman explorer' Wilhelm Joest described Herbertshöhe as almost city like compared to other stations he visited:

The buildings of NGC, with warehouses and cotton gins, outshone by the residence of the Imperial Judge and the Company Manager, the shops, several large sheds, accommodation for the European employees and the neighbourhood setting of spacious villas belonging to the relatives of Queen Emma, the establishment of the Catholic Mission with a small cathedral under construction ... find no comparison to the corrugated iron shacks which we saw in the Solomon Islands.⁶⁴

However, the success and wealth Joest depicted belies the time and considerable costs NGC incurred before the enterprise showed a profit. The 1897 growing seasons were particularly poor. Geisler had 431 ha under cotton and coconut palms, 12 ha were planted with coffee and the first monoculture of coconut palms was planted on a 5.5 ha experimental plot, but the station generated little revenue. The cotton planted in May had to be written off due to rain. The November harvest was not much better, yielding only 24,300 lb. The return of only 56.5 lb of cotton to the acre was less than half that expected and with no income derived from labour hire due to a lack in shipping, Herbertshöhe incurred a loss of RM74,555 in 1896/97.⁶⁵ The only positive in 1897 was the first export of plantation copra. Whilst the quantity of nuts converted to only 3.5 t in copra, their quality assured higher prices than generally obtained for trade-copra.⁶⁶ Further expansion of the existing coffee fields south of Herbertshöhe was abandoned in favour of Massawa Bay on the north coast. The rich soil of this area convinced Geisler to acquire tracts of land for a future coffee and cacao plantation. He authorised Ernst Kusserow, who had been with NGC since 1891, to set himself up on Massawa Island and commence a plantation.⁶⁷

Geisler also imported 35 cows from Java and a stud bull from Australia during 1897. He planned to make NGC independent from meat imports in the same manner he was going to replace Australian building material with a local product.⁶⁸ A fully mechanised sawmill was ordered from Germany to work the seemingly unlimited timber resource of the Upper Warangoi River. While NGC had exported timber logs since the late 1880s, this sawmill, in conjunction with the Friedrich Wilhelmshafen setup, was expected to 'meet the local demand for dressed timber and increasingly supply into the European market where tropical timber is in great

⁶³ It is not clear whether Geisler returned to Herbertshöhe for NGC or set up as an independent planter. Geisler established the plantation Palmalmal in East New Britain during World War I. Geisler was expropriated and deported from Rabaul in 1921 by the Australian administration.

⁶⁴ A. Baessler, *Neue Südsee-Bilder*, p. 359.

⁶⁵ Jb (1896/97) p. 30; *DKBl*, 1898, pp. 405–6.

⁶⁶ *NKWL*, 1897, p. 24, and 1898, p. 21.

⁶⁷ Jb (1897/98) pp. 6 and 7; Sack & Clark (1897–98) p. 144.

⁶⁸ *NKWL*, 1897, p. 24.

demand'.⁶⁹ NGC's first trading stations were established in 1897. A latecomer in trade-copra, Geisler set NGC on a slow and expensive, but important start to profitability. The archipelago produced more than 3,000 t of trade-copra annually, which R & H, E.E. Forsayth, DHPG and, more recently, Octave Mouton bought from the local people at around RM4/t. Before Geisler could buy at this competitive rate, he had to establish a trading network and a fleet of schooners. Until then he paid more than RM40/t for copra delivered to Herbertshöhe by independent traders, thereby aggravating the year's losses for the station.

The Spanish–American War of 1898 proved a turning point for the South Sea copra producers. The drying up of exports from the Philippines drove copra prices up for the first time in more than a decade. Trade-copra now fetched RM200/t cif Singapore with higher prices attained for the plantation product.⁷⁰ While the market for Sea-Island cotton was firm, the failed crop of 1897 set in train rationalisation at Herbertshöhe. NGC followed E.E. Forsayth, DHPG, and O. Mouton & Co. who had stopped planting cotton in 1899. Hansemann's dream to emulate the cotton-growing eastern seaboard of the United States of America was rejected as illusory by the Australian cotton grower James Smith as early as 1892. Engaged by NGC in January 1891 to set up broad-acre cotton farming on the Astrolabe and Jomba Plains, the experienced farmer realised within the first two seasons that cotton could not be grown reliably in KWL.⁷¹ That NGC persevered with this crop at Stephansort until 1901 extended an unprofitable experiment which also weighed on Herbertshöhe. While Geisler followed the other planters on the Gazelle Peninsula and switched from cotton to coconut monocultures in 1901, he continued processing, baling and exporting the fibre for his mainland colleague until 1902 because Herbertshöhe maintained the only operating gins in GNG.⁷²



Herbertshöhe, c. 1914

The drawn-out negotiations between the government and NGC for the handover of administrative and fiscal responsibilities gave Geisler the opportunity to set up infrastructure at

⁶⁹ *NKWL*, 1896, pp. 16–18 and 1897, pp. 24–25; *Jb* (1893/94) p. 9, *ibid.*, (1896/97) p. 10 and (1897/98) pp. 6 and 9; Sack & Clark (1893–94) p. 92, (1896–97) p. 134, (1897–98) pp. 142 and 145.

⁷⁰ *NKWL*, 1898, p. 22.

⁷¹ *NKWL* (1889) Heft ii, p. 33, *ibid.*, (1891) Heft i, pp. 11–12 and 14, *ibid.*, (1892) pp. 26–28 and (1893) p. 22; *Jb* (1893/94) p. 9; Sack & Clark (1893–94) p. 93.

⁷² *Jb* (1899/1900) pp. 7 and 19; Sack & Clark, (1899–1900) p. 208.

Herbertshöhe and remain independent from government installations. With the transfer of NGC's marine installations, Geisler constructed new moorings and a 30 m jetty at the eastern end of Herbertshöhe harbour well before the hand-over date of 31 March 1899. He completed a 1 km narrow-gauge rail track from the jetty to three new warehouses, built new dwellings for staff and extended the European hospital. Separate from the handover, Geisler installed a 17 km telephone network on the main stations, built 14 drying sheds on Kenabot, Raniolo, Gunanur and Tobera, and improved sanitary facilities, native kitchens, several warehouses and equipment sheds. He developed the Wunawutung, Wangaramut, Towakundum and Ungan outstations, and those on Schröder and Kabotheron Islands, progressively to plantation enterprises, and installed brick and limestone kilns at Massawa for the manufacture of building materials previously imported from Australia. For the same reason, he completed a large sawmill on the Warangoi River.⁷³ Also completed was a pack track from Herbertshöhe to Warangoi Station and a wharf at the mouth of the Warangoi River on the west coast of the peninsula. Geisler also expanded the Raniolo plantation by constructing a funicular system across the ravine that traversed the plantation.⁷⁴



Herbertshöhe harbour, NGC pier in the foreground, c. 1904

NGC's business model changed when it handed over responsibility for the Protectorate. No longer in charge of government business and rid of the financial burden of building infrastructure, NGC was able to concentrate its financial and human resources on developing plantations. After *Reichskanzler* Hohenlohe appointed Rudolf von Bennigsen, the first Governor of GNG took up residence in Herbertshöhe on 24 July 1899. With the centre of GNG

⁷³ The sawmill comprising a 10-h.p. steam engine, together with transmission equipment, tracks, steel frames, jinkers, one circular squaring saw, cylindrical planer and tongue and groove saw, was pre-assembled in Hamburg and shipped to Herbertshöhe in April 1898.

⁷⁴ Jb (1897/98) pp. 7–9 and (1898/99) p. 9; Geisler to Hansemann (1900/01 report, RKA 100:2419, pp. 23–6); Sack & Clark [1897–98] pp. 144–5 and [1898–99] pp. 152–3; *NKWL*, 1896, p. 18; *ibid.*, 1897, p. 25 and 1898, p. 21).

now in the Bismarck Archipelago and a *Landeshauptmann* no longer required, NGC moved its central administration from Stephansort to Friedrich Wilhelmshafen. Also effective from 1 April 1899 was a new NGC reporting structure. Predictably, Hansemann appointed Geisler general manager for the Eastern District, exclusive of the Witu Islands. NGC's Western District was divided into two economic zones. Friedrich Wilhelmshafen Manager Josef Loag, who previously worked for Geisler at Herbertshöhe and was area manager for the Stephansort and Erima tobacco plantations from 1897, became the general manager for Friedrich Wilhelmshafen, Peterhafen (Witu Islands), Purdy Islands, Finschhafen (Southern Region) and Seleo (Northern Region). General Manager Karl Müller, who replaced Loag at Stephansort, became responsible for the plantation activities in the southern region of Astrolabe Bay. The three general managers were directly accountable to Hansemann.⁷⁵

Tobacco and cotton dominated the commodity exports of the Western District until 1899. The end to tobacco in Stephansort and Erima, and the haphazard re-start of the crop on Jomba left KWL with very little to export in 1900 and 1901. Whilst the plantation area of NGC in KWL was greater than the company's holding in Herbertshöhe (1,441 ha vs 1,165 ha), most of the mainland plantations were unproductive in 1901. Friedrich Wilhelmshafen employed 233 Chinese, 83 Javanese, 308 Melanesians and 34 Papuans in October 1901 on plantations, company ships and in administration. Whilst this was a decline of some 125 workers over the previous year, it remained an expensive cost. Loag increased the coconut population between Friedrich Wilhelmshafen and Jomba from 15,500 to 20,113 palms and planted some 3,000 palms on the Beliao and Kalobobo outstations – a total of 8,115 trees. A similar situation existed in Seleo, where 61 plantation workers, one European planter and his assistant attended to 9,604 palms.⁷⁶ There was very little harvest coming from these trees as only 1,002 palms had reached early maturity. Loag directed greater efforts at Jomba with the preparation – for the last time – of 140 tobacco fields and the planting of some 17,000 gutta-percha trees.⁷⁷

NGC's circumstances at Stephansort and Erima were no better. The stations employed 73 Chinese and 47 Javanese in November 1901 – a reduction of nearly 40% over the previous year – to plant rubber trees and attend to the coffee plantation. The 30,000 Liberia coffee shrubs planted in 1895 on 20 ha were a year-by-year proposition. While 'bearing luxuriantly' when the soil moisture was moderate, many of the shrubs wilted with excessive rain leading to substantial write-offs.⁷⁸ The trial planting of *Ficus* and *Castilloa elastica* in 1897 was more successful. Botanist Schlechter oversaw the first tapping of the rubber trees in 1901 and had the latex sent to the Gummikamm-Compagnie and the Kautschuk-Firma Weber-Schärt, both in

⁷⁵ After Hansemann retired from executive duties on 14 March 1900, NGC general managers reported to C. Beck on administration and C. Lauterbach, later P. Preuß, on NGC plantations. In 1910 NGC was reorganised into four business units. Rabaul became the administrative and commercial centre. Herbertshöhe remained responsible for all plantations in the Eastern District other than Peterhafen, which was NGC's seat on the Witu Islands. Madang, the former Friedrich Wilhelmshafen, was responsible for the Western District (C. von Beck, 'Neu Guinea Compagnie', *Südseebote*, p. 51).

⁷⁶ Jb (1900/01) p. 15.

⁷⁷ *ibid.*

⁷⁸ Jb (1896/97) p. 6, *ibid.*, (1897/98) p. 5, *ibid.*, (1898/99) p. 20 and (1899/00) p. 19.

Hamburg, for market analysis. Whilst the result of RM4.60 to RM6/kg for either genus was not as high as expected,⁷⁹ Plantation Manager K. Müller decided to prepare the fallow tobacco fields for caoutchouc.⁸⁰ By November 1901 he had 42,869 *Castilloa elastica*, 1,050 *Hevea brasiliensis* and 3,296 *Ficus elastica* planted and 137,000 seedlings in various stages of germination.⁸¹ The reduction in the employment of coolies saw a corresponding increase in 270 Melanesian workers, attending mainly to the 34,218 palms planted at Stephansort and 5,733 palms at Constantinhafen. A-C and then NGC neglected Constantinhafen between 1892 and 1900 by directing labour and finances to the Stephansort and Erima tobacco plantations. During this period bushfires lit by the local tribes to clear land destroyed many of the planted coconut palms. To prevent this Müller planted 18,000 sisal stalks on the perimeter of the plantations and intermittently between palms. Apart from delivering a rope-making commodity for exports, Müller believed the agave had fire-retarding properties.⁸²

The only export revenue generated in KWL during 1900/01 was from 176 t of trade-copra, yielding a net income of RM24,989.⁸³ Fifty-eight head of cattle at Friedrich Wilhelmshafen and 178 head at Stephansort filled 20,014 milk bottles and produced 175.5 kg butter.⁸⁴ NGC booked RM13,143 to the 1900/01 accounts from the sales of meat, stores and dairy product. Similarly, the building timber cut at the Erimahafen sawmill was solely for domestic use.

Compared to the KWL plantations, Geisler was far ahead with the development of his plantations. The palm inventory in the Eastern District stood at 120,000 trees on 1,165 ha in November 1901. His 781 Melanesian workers planted 18,200 coconut trees and interplanted 2000 coffee seedlings on 187 ha during the year. The first 14.5 t of kapok was collected during the year, and 42,889 shrubs on 87.5 ha produced 455 kg, selling in GNG at RM1.60/kg in 1900/01. Geisler harvested 1,169 kg coffee from 4700 mature plants between April 1901 and March 1902.⁸⁵ At the ratio of 0.25 kg/tree it was a promising start which Geisler hoped to reproduce in 1902 with the proceeds from the experimental planting of cacao. The 1902 pepper planted on 0.75 ha in 1899/00 did not develop to expectations. Rather than abandoning the trial, Geisler covered young shoots with soil to promote greater root volume. The November livestock tally stood at 15 horses, 148 cattle and 27 goats. Herbertshöhe sold RM2,030 worth of milk in 1900/01 and RM2,429 in the following year, and set up butter churns in 1902. Like Friedrich Wilhelmshafen and Stephansort, the Herbertshöhe plantation workers grew their own food. In 1900/01 they harvested 1.2 t of beans, 8 t of corn, 13.4 t of yam, 146 t of cassava (manioc) and 7.7 t of taro on land made available to them by NGC.

⁷⁹ Jb (1900/01). pp. 20–1.

⁸⁰ *ibid.*

⁸¹ *ibid.*

⁸² *ibid.* p. 22.

⁸³ Jb (1900/01) pp. 16 and 37.

⁸⁴ *ibid.*, p. 22.

⁸⁵ Jb (1901/02) p. 4

The first comprehensive NGC business plan

Whilst NGC ploughed up its tobacco and cotton fields in KWL, the Bismarck Archipelago extended its economic dominance. In 1901/02 goods worth RM1,190,701 were exported through Herbertshöhe compared to a paltry RM292,106 from KWL and the Witu Islands. Even at the height of tobacco and cotton production in 1894/95 exports from the archipelago (RM597,350) were greater than that from KWL (RM433,163).⁸⁶ To address this imbalance the board of directors requested the general manager Loag, and his assistant, O. Häsner, to review NGC's plantation strategy and submit a 10-year operational plan for approval by 1902.⁸⁷

Loag started by projecting an increase of the total plantation area from 3,528 ha to approximately 8,000 ha by 1912, with most of this land to be dedicated to coconut plantations. Increased trading in copra and general merchandise were to make up the cash flow losses suffered from the discontinuation of tobacco and cotton. Coffee had not developed satisfactorily at Stephansort and the planting of cacao had not progressed much since the Kindt debacle.⁸⁸ Accordingly, Loag recommended extending the coffee trials Geisler had started in the early 1890s on the Gazelle Peninsula. The discovery in 1902 of gutta-percha and caoutchouc trees in KWL warranted systematic exploitation according to the botanist Rudolf Schlechter.⁸⁹



Tapping of Para-rubber

Loag heeded this advice in his business plan. He was particularly keen to build on the experience Müller had with gutta-percha in Stephansort and, with a booming international market for rubber, elsewhere in KWL, the Witu Islands and on the Gazelle Peninsula. Seeds

⁸⁶ See Table 13.

⁸⁷ Jb (1901/02) p. 1

⁸⁸ See Chapter 9. After the collapse of the KWLPG-venture cacao planting started on Jomba in 1898. Coffee was first introduced to GNG in 1887 by the former Java coffee plantation owner Paul von Below. Coffee plots set up by him in 1887 produced the seeds for the 12 ha Herbertshöhe and 20 ha Stephansort plantations (*NKWL*, 1888, Heft iii, p. 149, *ibid.*, 1896, p. 11, *ibid.*, 1897, p. 20 and 1897, p. 18; Jb p1897/98] p. 5, *ibid.*, [18999/1900] pp. 7 and 19, and [1901/02] pp. 4 and 8).

⁸⁹ Sack & Clark (1901–02) p. 223.

procured by Schlechter in Kalimantan and Singapore, in addition to locally produced seeds, were to provide him with a flying start.⁹⁰ Initially, Loag intended to plant caoutchouc with coffee, coconut palms and ceiba or kapok trees (*ceiba pentandra*) on the old tobacco fields of Jomba and Erima.⁹¹ He identified kapok as a suitable shade tree for the gutta-percha seedlings, and intended to export the brittle fibre from its pods for mattresses, low-cost blankets and other industrial applications.

Under the Huon Gulf concession of June 1901 NGC was awarded the exclusive right to exploit the minerals and metals it discovered in this region. NGC now planned to have this concession extended by the inclusion of an exclusive right to explore the region for gutta-percha and caoutchouc. The GNG government agreed to this request in 1904. For an annual payment of RM100 and a royalty of 5% on the gross income exceeding RM5,000 p.a. derived from the sale of latex, NGC was awarded an exclusive concession to exploit an area from the Franziska River to the English border and 50 km inland for 10 years.⁹² Finschhafen was re-opened as a support base for the Huon Gulf expedition in 1901 and NGC identified the small coconut and coffee plantations at Butaueng for redevelopment. The business plan foresaw the local Jabbim people working with the company and expanding this area into a large coconut plantation. Further, Finschhafen was to become an important trading station for NGC again.⁹³

Another major area of interest identified in Loag's plan was the Witu Islands which Queen Emma had purchased for £50 in 1881. The Danish seafarer Peter Hansen operated as independent trader on the islands from 1885. The eight major islands making up the group had an abundance of coconut palms growing in the rich volcanic soil. Hansen, who had previously worked for Finsch and Dallmann on the SS *Samoa*, had set up his own kingdom on Deslacs Island where he established Peterhafen. He taught the islanders how to make copra in order to buy it from them for trade goods at the equivalent of RM15/t. According to Robson, Hansen's exclusive arrangement with Forsayth & Co. earned him RM160–RM200/t in cash,⁹⁴ an unlikely high sum for copra at the time.

In the mid 1890s Hansen revived his connections with NGC. After a smallpox epidemic wiped out a large number of the islands' population in 1896–97,⁹⁵ NGC acquired the Witu Group, other than Unea Island which became the property of the German government.⁹⁶ In 1900/01 Hansen delivered NGC 176 t of trade-copra. The intake, more than the copra gathered on the mainland of KWL (134.5 t) during the year, would have been higher still if it

⁹⁰ DKZ 24 (1907) pp. 520–1.

⁹¹ Jb (1900/01) p. 15, (1902/03) p. 13.

⁹² Hahl to AA-KA, 11 Jun. 1904, NGC to AA-KA, 8 Jul. and 22 Aug. 1904; 'Ertelung einer Konzession an die Neu Guinea Compagnie im Gebiet vom Huon Golf' (RKA 1001:2423).

⁹³ Jb (1900/01) p. 16.

⁹⁴ Robson, *Queen Emma*, p. 202.

⁹⁵ M. Davies, *Public Health and Colonialism*, pp. 109–11.

⁹⁶ It appears that NGC or the German government never formally recognised the landholdings of Queen Emma or Forsayth. There is no evidence of any money being paid by NGC for the purchase of the islands. Hansen was recompensed by NGC for the infrastructure he had established on the islands. The sum paid for the transaction(s) is not known. The land, comprising seven islands, was registered in the German 'ground book' in the name of NGC in 1902 (Hahl to AA-KA, 15 Apr. 1904; 'Untersuchungen der NGC auf den Französischen (French) Inseln' (RKA 1001:2424; Jb [1900/01] p. 84).

had not been for two major attacks by the islanders on the trading stations in 1899 and 1900.⁹⁷ The removal of Hansen from Peterhafen by NGC in 1902 transferred all assets on Deslacs, (now Garowe) Island to NGC.⁹⁸ The board was so pleased with this purchase that it informed its shareholders in 1903: 'the secure ownership of the 4,600 ha island, with its abundance in coconut palms, will turn into one of the company's most valuable possessions'.⁹⁹

With that in mind, NGC turned its attention to the acquisition of Unea Island. It also set its sights on obtaining privileged concession from the German government for the Witu Group. The company estimated that exclusive trading here would generate 350 t of copra annually, increasing after a planned coconut-planting programme came to fruition. Further, NGC outlined plans to set up gutta-percha and cacao plantations on the islands. In order to complete the deal, NGC proposed a 30-year lease for land on all eight islands for setting up the *Schutzländereien* (native reserves) that Governor Hahl was keen to establish.

On 24 May 1904 the government agreed to lease NGC land free of charge for 30 years on Garowe, Mundua, Naraga, Undagu, Ngoru, Wambu, Unea and Chileng Islands for native reserves. Land for 12 reserves, totalling 908.5 ha, was set aside on Garowe Island, and 237 ha were set aside on Mundua Island for the same purpose. The GNG government intended to establish smaller reserves on the other six islands, which had a landmass of approximately 300 ha each, because fewer people lived on them.¹⁰⁰ The agreement stipulated that NGC would acquire Unea Island (500 ha) free of charge.¹⁰¹ Separately, NGC attained a 30-year exclusive trade concession from the government. Under this agreement NGC was entitled to acquire the annual harvests of coconuts from the Witu islanders as well as the copra they produced. It also acquired the privilege of being the sole supplier of goods to the islands' population. A third agreement, signed on 28 November 1904, awarded NGC a 30-year exclusive fishing concession for pearls, pearl shell and trepang in the island group. For these rights NGC paid the GNG government an annual licence fee of RM500 until 31 December 1914 and RM2,000 thereafter until 1 January 1934. For fishing rights, NGC was obliged to pay the government RM250 annually until 31 December 1934 and RM100/t annually for exported first-class trepang. NGC also agreed to grant government officers a 40% reduced fare when travelling on its ships to and from the islands.¹⁰²

The implementation of a new business direction

NGC's board approved Loag's plan in November 1902. One year later the company had 2,324 ha under cultivation in the Bismarck Archipelago (Table 11.1). This compared with

⁹⁷ Jb (1898/99) p. 25, (1900/01) p. 16; Sack & Clark (1900–01) p. 211.

⁹⁸ The German spelling of Petershaven changed to Peterhafen.

⁹⁹ Jb (1902/03) p. 15.

¹⁰⁰ The area of all eight islands was approximately 9,000 ha, with Garowe (4,500 ha) and Mundua (1,000 ha) the largest islands.

¹⁰¹ The agreement became effective on 1 Jan. 1905 (RKA 1001:2424, pp. 16–19).

¹⁰² The leasehold was changed to freehold tenure on 1 Jan. 1906. Setting the contract aside, Governor Hahl charged NGC RM2,444 retrospectively for Unea Island in 1908 (488.787ha x RM5). NGC treasury in Friedrich Wilhelmshafen paid the amount inadvertently, only to lodge a recovery claim on 26 June 1908 (correspondence between NGC, Hahl and the AA-KA in RKA1001:2424, pp. 4–119).

2,388 ha in the Witu Group and KWL (Tables 11.2 and 11.3). Ten years later NGC had implemented its long-term plan. The plantation area in the Bismarck Archipelago was 3,810 ha, in KWL 3,077 ha and in the Witus 1,401 ha, a total of 8,288 ha.¹⁰³ Coconut plantations covered an area of 6,920 ha, gutta-percha 1,011 ha, cacao 285 ha and the low-cost, low-margin sisal agave 62 ha. All other export crops had been discontinued by 1912.

Table 11.1 NGC plantation and trading stations in the Eastern District.¹⁰⁴

Location	Planted Area (ha)		Trees/Shrubs		Staff 1903	Workers 1903
	1903	1913	1903	1913		
1) Central Station Herbertshöhe					17	146
a) Plantation Kenabot – coconuts	323	319	31,945	28,112	1	183
b) Plantation Raniolo – coconuts	308	374	30,746	32,938	1	117
coffee			2,800			
caoutchouc	62		198			
kapok			7,440			
c) Plantation Gunanur – coconuts	332	438	33,250	38,553	1	165
coffee			19,651			
kapok			1,652			
caoutchouc	82		2,361			
pepper			1,693			
vanilla			90			
teak			1,072			
d) Plantation Tobera – coconuts	361	501	36,060	44,088	2	210
coffee	115		54,500			
2) North Coast Gazelle Peninsula						
a) Wunabugbug – coconuts	106	100.00	10,540	8,800	1	29
b) Wangaramut – coconuts	220	299	22,000	26,330	1	54
c) Towakundum – coconuts	63	173	6,327	15,206	1	44
d) Nonga – coconuts		36		3,212		
3) Northwest Gazelle Peninsula						
a) Brick Works – Massawa	117		13,319		1	39
b) Old and New Massawa – coconuts, caoutchouc, coffee and cacao		150 96		13,200		
4) East Coast Gazelle Peninsula						
a) Sawmill – Warangoi						
b) Plantation Matanakiau – coconuts	23	103	2,224	9,090	1	33
5) Northwest Coast New Ireland						
a) Plantation Kabotheron Is. Namanne – coconuts	126	0 373	12,562	32,824	2	64
Ungan – coconuts		108				
6) East Coast New Ireland						
a) Teripar – coconuts	58	117	5,866	10,349	1	32
b) Fissoa – coconuts	29	370	2,836	32,560	1	49
c) Zigaregare – coconuts		175		15,382		
d) Tomalabatt – coconuts		39		3,423		
e) Ungalabu - New Hanover coconuts		39		3,414		
Total (Coconut Palms)	2,325	3,810	181,794	317,481	31	1165

Trading stations: Boom, Fissoa, Nonga, Putputhafen, Siar, Schröder Isl. Taptavul, Urakukur, Ungalik, Ungalabu, Zoë

¹⁰³ Jb (1912/13) pp. 5–6.

¹⁰⁴ Jb (1902/03) pp. 6–7 and (1912/13) pp.5–6; R. Fitzner, *Deutsches Kolonial-Handbuch*, pp. 356–65.

Table 11.2 NGC's plantation and trading stations on the Witu Islands.¹⁰⁵

1) Witu Islands	Area (ha)		Trees, Shrubs		Staff	Workers
	1903	1913	1903	1913	1903	1903
Peterhafen on Garowe Island	80		8,400		2	99
Meto – coconuts, caoutchouc, cacao		260		22,880		
Langu – coconuts		245		21,560		
Lama – coconuts, caoutchouc, cacao		168		14,784		
Lilia – coconuts, caoutchouc, cacao		169		14,872		
Wue – coconuts		41		3,608		
Ndolle – coconuts		40		3,520		
Lagore – coconuts		43		3,784		
Balangori – coconuts		12		1,056		
Naraga – coconuts		17		1,496		
Ningau on Munduna Island – coconuts		220		19,360		
Bal on Unea Island – coconuts		187		16,456		
Total (Coconut Palms)	80	1,402	8,400	123,376	2	99

Table 11.3 NGC plantation and trading stations in KWL.¹⁰⁶

Location	Planted area (ha)		Trees, Shrubs		Staff	Workers
	1903	1913	1903	1913	1903	1903
1) Friedrich Wilhelmshafen						
i) harbour services and ship repair					6	25
ii) hydrographic services					1	15
iii) cooks, seamen, labourers, tradesmen					5	103
2) Station Friedrich Wilhelmshafen						
a) Modilon – coconuts	166	293	18,239	25,784	1	28
b) Jomba – coconuts	230	397	27,813	34,936	3	245
Hevea brasiliensi	208		81,340			
Castilloa elastica						
Ficus elastica						
Kapok	150		14,661			
fruit, vegetables, teak, cacao, tobacco	5		968			
3) Finschhafen – coconuts	123		13,200		1	124
4) Potsdamhafen – coconuts		254		22,352		
Rubia – coconuts, caoutchouc (1904)	217	343	22,820	30,184	2	113
5) District –Seleo – coconuts	61	61	7,342	7,342	2	188
a) Ballise (Walis) – coconuts	49	64	5,550	5,632		
b) Tarawai – coconuts	46	74	5,370	6,512		
c) Tadjji – coconuts	36	294	4,300	24,506		
Total (Coconut Palms) FWH District	1,291	1,780	104,634	157,248	21	841
1) Stephansort Station:						
i) storemen, servants, cooks, labourers					1	24
ii) cattle herder					0	10
iii) hospital services					1	3
a) Erima – coconuts and caoutchouc	382	319	38,105	28,072	3	448
b) Bogadjim – coconuts and caoutchouc	129	324	12,934	28,512		
c) Duai – coconuts and caoutchouc	0	319		28,072		
Erima/Bogadjim – Hevea brasiliensi	24	incl.	8,344			
Castilloa elastica	176	above	96,463			
Ficus elastica and coffee	121		25,678			
2) Plantation Constantinhafen:					1	85
a) Melamu – coconuts	176	230	17,510	20,240		
kapok/sisal	9		950			
3) Erimahafen – Sawmill – coconuts	81	105	9,192	9,240	1	70
Total (Coconut Palms)	1,098	1,297	77,741	114,136	7	640

Trading stations: Ramumünde and Potsdamhafen (Watam, Rubia, and Kajan), Seleo (Cham, Paub, Suwein, Tarawai, Balisse, Süssano, Lemieng, Rabuin, Muschu and Murik).

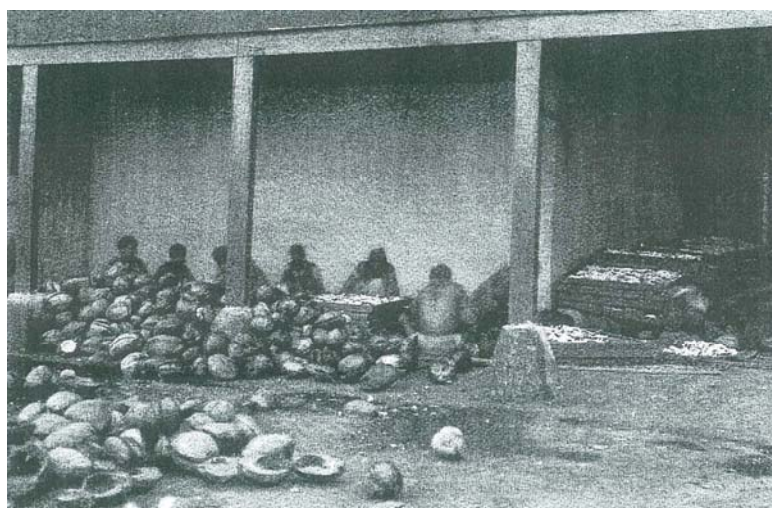
¹⁰⁵ Friedrich Wilhelmshafen administered the Witu Group until 1907.

¹⁰⁶ Jb (1902/03) pp. 11–12 and (1912/13) pp.5–6; Fitzner, *Deutsches Kolonial-Handbuch*, pp. 367–70.

For once, the decision to plant predominantly coconuts proved to be correct. The population explosion in Germany in the late 19th century and the introduction of vegetable oils to the American consumer at the turn of the century drove up the demand for palm oil. Prices for quality plantation copra rose from RM335/t in 1903 to RM655/t in 1913, which in turn encouraged NGC to accelerate the 10-year planting programme of 650,000 palms. The company achieved the plantation target by 1906 and exceeded it by 144,400 in late 1913.¹⁰⁷



Splitting coconuts



Husking coconuts

Although most of the palms would not reach full maturity until 1918, at an average production rate of 1/t of copra per 100 matured (13-year-old) trees, NGC could look forward to a healthy return on this investment if prices remained firm.¹⁰⁸ Whilst copra started to deliver good returns earlier than forecast, this was not the case with caoutchouc. Oversupply led to a collapse of the international rubber market in 1913. The population of 538,000 rubber trees on 839 ha in 1906 was thinned out as the trees grew older.¹⁰⁹ By the end of 1913 only 252,400 rubber trees grew on 890 ha, chiefly at Stephansort and Peterhafen plantations, delivering diminishing financial returns. The only other significant crops identified in the 1902 plan were cacao and coffee. Interplanted with coconuts and caoutchouc on the Witu Islands and the

¹⁰⁷ The tally includes 53,346 'wild palms' planted randomly on harbour foreshores, along waterways, roads and lanes (Jb [1905/06] p. 2, [1912/13] p. 7, [1913/14] p. 4).

¹⁰⁸ Preuß, 'Wirtschaftliche Werte in den Südseekolonien' (1916) p. 543.

¹⁰⁹ Jb (1905/06) p. 3 and (1912/13) p. 8.

Gazelle Peninsula, some 50,000 *criollo* and *forastero* trees became increasingly productive delivering 83.5 t cocoa in 1913.¹¹⁰ Coffee production reached its zenith in 1908 and 1909 when NGC sold 16 t and 10 t respectively in Hamburg. By 1910 the rubber trees choked the coffee shrubs and the commodity became uneconomic for exports.¹¹¹

The appointment of the African-experienced Paul Preuß to the position of joint managing director of NGC on 13 June 1903 was decisive for NGC. Preuß had considerable expertise in tropical agriculture, which he was putting to good use in GNG. During his first inspection of NGC's plantations from September 1903 to April 1904, he observed a dearth in experienced planters, labour and transportation. He halted plantation expansion for the time being and stopped planting kapok because the freight cost made the lowly priced fibre uncommercial.¹¹² Conversely, he decided to increase the planting of rubber. Caoutchouc was in demand at the time and he believed that the trend would continue.¹¹³ On his return to Berlin, Preuß summarised his ideas for a successful plantation industry in GNG:

- 1) Plantation activities are to be concentrated on coconuts, caoutchouc and cacao.
- 2) Plantation stations shall be established on a future stand-alone basis. The speed of the development is contingent on the availability of labour.
- 3) The existing coffee plantations are to be kept with no further expansion to be undertaken.
- 4) Kapok fibre shall no longer be exported.
- 5) No new plantations are to be started outside the established stations.
- 6) Interplanting of corn, rice, yam, fruits, vegetables and tobacco for domestic consumption is to increase.
- 7) New catch crops such as lemon grass and Sichuan pepper are to be introduced.
- 8) Plantation development and trade in the Witu Islands is to be intensified.¹¹⁴

Preuß saw profits in import and export trade. Until caoutchouc latex and plantation copra could be produced in meaningful quantities, revenue from trade-copra, trepang and European merchandise was to fill the gap left by the discontinuation of tobacco. The sale of food, tobacco, alcoholic beverages, household goods and building materials from the Herbertshöhe, Friedrich Wilhelmshafen and Stephansort warehouses exceeded RM1,000,000 in 1902/03. Whereas NGC employees made up the largest number of customer, Preuß believed that more European goods should be promoted to settlers and other commercial enterprises in GNG.¹¹⁵

When Preuß conducted his second inspection from July 1905 to March 1906, he found that the islands in the Witu Group delivered an immediate benefit to the bottom line of the balance sheet.¹¹⁶ He also found that tree planting had progressed much faster than was envisaged in 1902. The planting targets set in 1902 (Table 11.4) exceeded the plan in 1905 by more than 20% (Table 11.5).

¹¹⁰ *ibid.* p. 9.

¹¹¹ Jb (1907/08) p. 5, *ibid.*, (1908/09) p. 3 and (1909/10) p. 5.

¹¹² Jb (1903/04) p. 9. Kapok fetched RM0.25–RM0.63 cif Amsterdam in 1897 (*NKWL*, 1897, p. 19).

¹¹³ *ibid.* p. 8

¹¹⁴ Jb (1903/04) p. 6.

¹¹⁵ The turnover in merchandise reflected the number of employees on each station. It was in Herbertshöhe: 1898/99, (RM290,571), 1899/00 (RM351,104), 1900/01 (RM359,480), 1902/03 (RM515,331). In Friedrich Wilhelmshafen: 1898/99 (RM90,473), 1899/00 (RM192,988), 1900/01 (RM362,851), 1902/03 (RM509,331). In Stephansort: 1898/99 (RM228,322), 1899/00 (RM275,268), 1900/01 (RM314,973), 1902/03 (RM143,883), Jb (1902/03) pp. 23–4.

¹¹⁶ Jb (1902/03) p. 16.

Table 11.4 NGC coconut planting program from April 1903 to March 1905.¹¹⁷

Location	Minimum no.	Maximum no
Herbertshöhe	193,200	206,200
Friedrich Wilhelmshafen	114,500	114,500
Stephansort	77,300	77,300
Total	385,000	398,000

Table 11.5 NGC coconut palm tree population in 1905.

Location	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Older	Total
Herbertshöhe	22,892	25,430	64,909	27,665	21,010	18,015	10,400	54,289	244,610
F.W.-Hafen	34,853	41,782	55,619	6,282	2,757	8,682	1,955	12,409	164,339
Stephansort	20,143	26,324	10,655	4,910	6,728	426	1,353	26,695	97,234
Total	77,888	93,536	131,183	38,857	30,495	27,123	13,708	93,393	506,183

A data break-up of trade and plantation copra for the Eastern and Western Districts is only available until March 1907. The large quantity of plantation copra identified in 1905/06 includes copra from the Witu Islands (Table 11.6).

Table 11.6 NGC copra production in the Eastern and Western Districts.¹¹⁸

Year	Eastern District (Herbertshöhe)				Western District (KWL & Witu Group)			
	Trade-copra		Plantation Copra		Trade-copra		Plantation Copra	
	(t)	(RM)	(t)	(RM)	(t)	(RM)	(t)	(RM)
1902/03	342	99,180	165	55,275	384	111,360	6	2,010
1903/04	199	57,710	231	80,735	128	44,800	30	10,500
1904/05	306	100,062	237	85,320	210	68,670	90	32,400
1905/06	421	148,192	307	110,520	157	55,264	358	128,880
1906/07	359	145,395	321	158,895	127	51,435	168	83,160
Total	1627	550,539	1261	490,745	1006	331,529	652	256,950

From 1907 NGC accounted for native palms growing on or near its Witu Islands plantations as plantation produce. This tilted NGC copra sales in favour of the higher valued South Sea plantation copra, increasing to a ratio of two to one by 1914 (Table 11.7).

Table 11.7 NGC's copra and other revenue streams.

Eastern and Western Districts and Witu Group								
Year	Trade-copra		Plantation Copra		Other Trade		Other Plantation Crops	
	(t)	(RM)	(t)	(RM)	(t)	(RM)	(t)	(RM)
1902/03	726	210,540	171	57,285	n.d.	26,404	n.d.	133,314
1903/04	327	102,510	261	93,960	n.d.	189,694	n.d.	12,389
1904/05	516	168,732	327	117,720	n.d.	219,472	n.d.	114,707
1905/06	578	203,456	665	329,175	n.d.	187,617	n.d.	105,185
1906/07	486	244,902	489	251,835	n.d.	164,111	n.d.	115,619
1907/08	553	182,490	798	307,230	n.d.	251,873	n.d.	178,597
1908/09	594	225,720	1,044	480,240	n.d.	264,771	n.d.	128,089
1909/10	803	346,896	1,250	695,000	n.d.	139,285	n.d.	308,107
1910/11	1,119	469,980	1,571	887,615	n.d.	19,125	n.d.	520,632
1911/12	928	440,800	1,784	977,632	n.d.	109,418	n.d.	603,245
1912/13	1,191	535,950	2,279	1,481,350	n.d.	122,973	n.d.	802,506
1913/14	1,391	598,130	2,647	1,733,785	n.d.	19,475	n.d.	1,012,696
Total	9,212	3,730,106	13,286	7,412,827	n.d.	1,714,218	n.d.	4,035,086

NGC provided shareholders with detailed financial information on each major station until 1903. The large losses incurred by the tobacco and cotton enterprises were transparent as

¹¹⁷ Jb (1904/05) p. 6.

¹¹⁸ Prices are calculated from tonnages in Preuß, 'Wirtschaftliche Werte in den Südseekolonien', p. 541

were the considerable investments in stations, shipping and exploration.¹¹⁹ The annual reports after 1903 provided only activity highlights and consolidated financial reports. The discovery of unpublished trial balances prepared by the Friedrich Wilhelmshafen, Stephansort, Peterhafen and Herbertshöhe administrations allows a more detailed examination of the 1903, 1906, 1907, 1909 and 1912 accounts. On 31 March 1903, the end of the first financial year after the implementation of the business plan, the outlays by the Western District (RM439,358) were 30% higher than the outlays incurred by the Herbertshöhe administration. Peterhafen was profitable (Table 11.8). However, acquisition costs for the Witu Group are not transparent and the profits may be overstated. Conclusively, the Eastern District performed much better than the consolidated activities of all other commercial activities of NGC. The income and expenditure accounts suggest that the Herbertshöhe administration traded profitably from 1903, save for capital expenditure.

Another business activity – not part of NGC’s plantation industry – was livestock farming. NGC provided more and more fresh milk, meat and poultry for its employees, and produced draught bullocks for agricultural work. By 1914 the venture had grown to a significant size. Hansemann advised the shareholders in 1887 that ‘the Board has taken steps to import horses, cattle, pigs, sheep, goats and poultry from Australia or Java’. While sheep would not do well in the moist air, NGC managers believed that horses, cattle and pigs would thrive on the coastal pastures and ‘would cost almost nothing to look after’.¹²⁰ In 1894 Ernst Tappenbeck and friends issued a prospectus to raise RM150,000 for a cattle breeding venture in KWL. NGC spent RM53,000 on canned and salted meat in 1893, which Tappenbeck estimated was closer to RM100,000 when ship supplies and demands of other consumers in GNG were added. The Kabenau-Viehzucht-Gesellschaft entered into a 5-year provisional agreement with NGC to lease 2000 ha at RM2,000 p.a. on the Kabenau River near Constantinshafen. However, the promoters of the venture were unable to place the 750 shares on issue and the scheme collapsed.¹²¹

With growing European and local labour populations, NGC intensified cattle breeding after 1900. Experimentation with shorthorns and other breeds from Australia proved unsuccessful. The cattle had low resistance to heat, humidity and pests. When redwater fever affected the herds in the Gazelle Peninsula in 1897,¹²² NGC switched to the Javanese and Mandura ‘hump-cattle’. While more resistant to disease-carrying ticks, an outbreak of tuberculosis led to a large reduction in the Herbertshöhe herd in 1901.¹²³ Javanese and Manduran bullocks were also too small to perform heavy work over a sustained period and the cows did not produce enough milk. The introduction of Zebus (Brahman) and white Zebus from Siam and Bengal respectively met the requirements of NGC: they were strong, acclimatised and resistant to ticks.¹²⁴ However,

¹¹⁹ See Chapter 10, Table 16 and Chart 38.

¹²⁰ Jb (1887) p. 17.

¹²¹ Prospectus of the Kabenau Viehzucht-Gesellschaft (RKA 1001:2430).

¹²² Jb (1897/98) p. 8; Sack & Clark (1899-1900) pp. 188–9.

¹²³ Jb (1901/02) p. 4.

¹²⁴ Beck, ‘Neu Guinea Compagnie’, *Südseebote*, pp. 68–9.

breeding stock imported from Singapore in 1903 carried a malignant form of foot-and-mouth disease to the Stephansort and Friedrich Wilhelmshafen herds with catastrophic consequences. Within a few weeks 133 head were dead.¹²⁵ A further problem occurred in Herbertshöhe in 1905 when 68 head of cattle died during February and March from rinderpest.¹²⁶ A shortage in bullocks caused problems in plantation upkeep: 'the requirement for draught bullocks is particularly high', the company wrote in 1907 and 1908, 'to pull the mechanical grass cutters, specially designed to slash the hardy Alang-Alang (Kunai) thatching grass, which is rampant in the coconut plantations'.¹²⁷

Table 11.8 Income and expenditure statements at NGC's stations (in RM at March).

Location	1903	1906	1908	1909	1912
Herbertshöhe/Rabaul					
Plantation Income	90,948	253,071	257,691	309,368	983,498
Trade & Shipping Income	117,966	160,934	198,638	197,518	294,168
Expenditure	335,536	632,395	635,904	614,363	1,296,723
Cash flow	-126,622	-218,390	-179,575	-107,477	-19,057
Friedrich Wilhelmshafen					
Plantation Income	87,185	31,963	45,310	78,931	206,457
Trade & Shipping Income	29,900	57,685	63,059	82,671	170,203
Expenditure	272,359	288,880	289,398	363,650	309,865
Cash flow	-155,274	-199,232	-181,029	-202,048	66,795
Seleo/Potsdamhafen					
Plantation Income	5,009	10,155	19,729	26,162	29,552
Trade & Shipping Income	22,233	36,473	24,518	37,953	46,717
Expenditure	37,750	51,977	62,001	61,679	157,474
Cash flow	-10,508	-5,349	-17,754	2,436	-81,205
Peterhafen					
Plantation Income	0	114,627	105,590	105,021	236,136
Trade & Shipping Income	35,492	105,471	140,580	160,813	19,347
Expenditure	in FWH	122,090	172,292	163,307	313,002
Cash flow		98,008	73,878	102,527	-57,519
Stephansort					
Plantation Income	7,457	24,544	57,507	88,847	125,234
Trade & Shipping Income	31,353	30,511	7,568	11,536	19,783
Expenditure	129,249	242,379	241,549	276,463	239,495
Cash flow	-90,439	-187,324	-176,473	-176,080	-94,478
Σ Plantation Income	190,599	434,360	485,827	608,329	1,580,877
Σ Trade & Shipping Income	236,944	391,074	434,363	490,491	550,218
Σ Expenditure	774,894	1,337,721	1,401,144	1,479,462	2,316,559
Cash Flow	-347,351	-512,287	-480,954	-380,642	-185,464

NGC's cattle herds had risen from 308 head in 1905 to 1258 head in 1914. The natural increases were lower than the company had planned. The large increase in the European population and the workforce translated into higher meat and dairy consumption. For this reason NGC made increasing use of water buffalos for agricultural work and set up one island in the Witu Group exclusively for pig breeding.¹²⁸

¹²⁵ Jb (1903/04) p. 10.

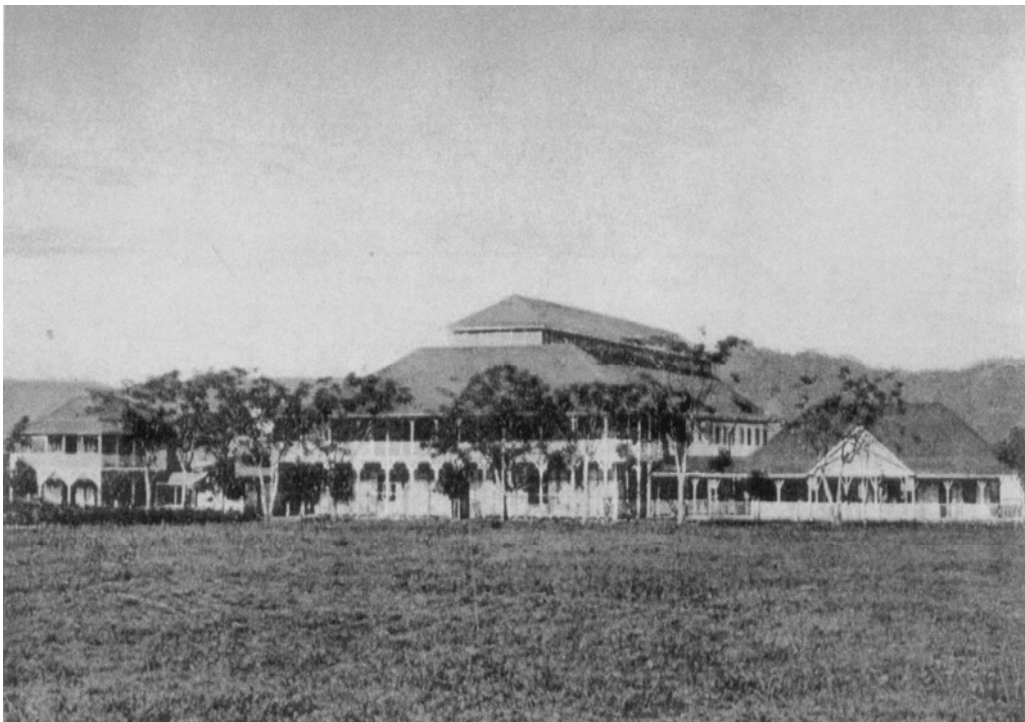
¹²⁶ Jb (1904/05) p. 8.

¹²⁷ Jb (1907/08) p. 5, Jb (1908/09) p. 4.

¹²⁸ Wambu Island (Jb (1913/14) p. 6).

Reconciliation

Many employees derided Hansemann as an inexperienced, procedure-driven, land-speculating autocrat. Hansemann attempted to copy Jacobus Nienhuys to become a tobacco baron rather than adopt the business templates of successful South Sea trading and plantation companies. He clearly failed to understand the time and the hardship it took for the Sumatran tobacco plantations to reach profitability; most importantly, Hansemann ignored, or had no knowledge, of the thousands of coolie lives it cost to produce the sought after Deli tobacco wrapper leaf. Under similar circumstances, the Dutch were equally successful in growing sugarcane on Java. New Guinea was rich in wild sugarcane from which plantation cane could have been easily propagated. Here Hansemann seemed to recognise that sugar prices fluctuated as strongly as tobacco on the international market in which Queensland, Fiji and Java were major players. However, the high labour input and the very high cost in capital equipment would have been the determining factors for Hansemann not to involve NGC in this industry. Southeast Asia and the Indian subcontinent grew fine cotton successfully for centuries; by the 19th century the east coast of North America was the major supplier of this fibre to the world market. Hansemann was keen to repeat the American success, albeit on a smaller scale. Unreliable weather pattern, pests and diseases closed down this option as well. Caesar Godeffroy, the Hensheim brothers and Queen Emma amassed a fortune from copra. It took NGC until 1909 before it traded profitably from results achieved almost entirely from the coconut plantations Geisler, Loag and Müller had established after it had given up on cash crops.



NGC central administration building at Rabaul, c. 1912

Increased production and high copra and caoutchouc prices ensured that the company became profitable without the government's 10 annual instalments of RM400,000 which ended in 1909. Hansemann's successors in NGC, Beck and Preuß, were focused and capable

managers. Would they have made similar mistakes? The answer is probably yes. Preuß was a qualified botanist with special interest in gutta-percha. His decision to plant predominantly *Castilloa*, *Ficus*, later, *kickxia* proved a mistake because of the trees' low production rate compared with *Havea*. The collapse of the caoutchouc market in 1912 was not foreseeable in 1903. Hansemann speculated that tobacco prices were near the bottom when he started with this culture on Astrolabe Bay. He and Preuß misread the market.



NGC central warehouse Rabaul, c. 1914

Few would have foreseen in 1885 or 1899 the collapse of the world market in 1929. Commodity prices had been steadily rising. By 1910 NGC's plantations, like most other established plantations in GNG, returned healthy financial returns. By the outbreak of World War I NGC employed 81 European staff, 4,236 Melanesians and Papuans, 43 Chinese and 35 Javanese on 47 plantation and trading stations. General advancements in medicine, better medication, improved hospitals, better sanitary facilities and a better nutritional regime had improved European health in GNG. Notwithstanding these improvements, mortality in the indigenous worker force remained unacceptably high in 1914.¹²⁹ Yet, much had been accomplished. The General Managers Loag and Müller had been with the company for a long time, whilst Geisler was in his fourteenth year with NGC. They presided over the establishment of infrastructure, including the construction of roads and bridges (including a 43 m suspension bridge crossing the Jori River). The harbour installations included 60 m piers at Herbertshöhe and Friedrich Wilhelmshafen, whilst the 41 km of narrow gauge railways at Friedrich Wilhelmshafen, Peterhafen, Stephansort, Erima and Herbertshöhe included two funicular systems, bullock-drawn bogie carriages, boats, and ships. In all, Geisler witnessed or oversaw the construction of 688 buildings, comprising offices, dwellings, sheds and warehouses.

¹²⁹ See Table 2.

The 44 coconut plantations of NGC grew 794,400 palms on 7,143 ha, producing 2,647 t of copra by 31 March 1914. NGC copra had gained a reputation for its high contents in vegetable oil for margarine whereas the lower valued trade-copra remained the ingredient for soap and detergents. With 1 t of copra equating to approximately 6,000 nuts, NGC workers harvested, husked, cut, dried and packaged the meat of 15,882,000 nuts in 1913/14. With only 29% of the plantation palms having reached maturity at that time, the company was gearing up to process some 50,000,000 nuts annually by 1919.¹³⁰ These were encouraging prospects for NGC.¹³¹

In 1914 NGC did not find itself in the same favourable position with gutta-percha. The most productive tree proved to be *Havea*, which, in some years, yielded twice the quantity of latex than other genera. The irregular shape of the *Ficus elastica* trunk increased time and therefore the cost of tapping. Only 14,547 kg of latex was tapped in 1913/14, a reduction of 5,128 kg over the previous year. While prices had dropped from a high of RM8.50 in 1911/12 to RM4.70 in 1913, the prolific latex flow of the *Havea* tree rendered gutter-percha still profitable at that price. The company valued a hectare with 10-year *Havea* at RM8,000 compared to a hectare of 15-year *Ficus* at RM3,000.¹³² Because of the oversupply in rubber, NGC decided in 1914 to replace *Ficus* and *Castilloa* with palm trees and only maintain a small plantation of *Havea*.¹³³

The NGC cocoa harvest reached its highest point with 135,263 kg in early 1914. Although producing better quality cocoa, *Criollo* was less resistant to fungus diseases and had been replaced with 140,000 *Forastero* trees. By 1916 NGC expected to harvest some 250,000 kg of cocoa earning it approximately RM320,000 annually. Whilst this sum was less than half the amount German planters generated in Samoa, it was, all the same, the second highest plantation income – after copra – for NGC. During the first quarter of 1914/15 NGC shipped 1218 t copra, 63 t cocoa, 53 t caoutchouc and 28 t of pearl shell, but not a tonne of these consignments reached the port of its destination due to the outbreak of the war. By September 1914 NGC's Berlin office had lost contact with the company's employees in GNG.¹³⁴

Hansemann's preoccupation with the cost of the government administration in GNG was an overreaction. It was an excuse for failure rather than representative of the facts. The cost NGC incurred for this responsibility until March 1899 was only marginally higher than the income it derived from taxes and other benefits. Measured by the excise and business taxes NGC had to pay the government after 1899, coupled with the loss of privileges, the company would have been better off financially by retaining the benefits and burdens of its original charter with the government.¹³⁵

¹³⁰ *Wirtschaftliche und Finanzielle Rundschau*, 1914 (p. 377) claimed that 38.5% of NGC coconut palm trees were 12 years old in 1914 and 33% of trees were 1–8 years old.

¹³¹ Copra prices remained relatively high until 1919 and then steadily declined to a level of unprofitability by 1929.

¹³² Preuß, 'Wirtschaftliche Werte in den Südseekolonien', p. 550.

¹³³ *DKBI* (1914) p. 286.

¹³⁴ NGC to AA-KA, 7 Sep. 1915, *Jb* (1913/14) pp. 3–15;

¹³⁵ See Table 17.

The businesses of J-G in the Marshall Islands and the DHPG in Samoa were commercially successful almost from the beginning. Both companies benefited from the experience of South Sea veterans Eduard Hershheim and Theodor Weber. Whilst J-G was primarily a successful trader rather than a plantation owner, DHPG and its predecessor Godeffroy built a highly profitable coconut and cacao plantation industry in Samoa.¹³⁶ Like NGC, J-G carried the costs of government administration. DHPG and J-G were constantly searching for labour, suffered numerous uprisings by the local people and had to deal with pests and natural disasters. This was no different from what NGC experienced. What Hansemann and his managers had not recognised, however, were the trading successes of DHPG and J-G. Before the companies commenced with the development of plantations they derived cash flow and financial liquidity from trading with the local communities. Importantly, the two companies did not risk their funds on cotton and tobacco plantations; rather they made copra the financial staple even when it was not greatly profitable.

Hansemann's concern that government administration took up too much of his managers' time does not hold true either. NGC parsimony on government administration was reflected in its accounts. With the exception of the judiciary and related administrative and capital costs, most NGC expenditures were connected with the company's commercial activities. Only Arnold (NGC's Berlin office manager) and Wißmann (Surabaya coffee trader) had a civilian background; all other administrators were either retired Army officers or had taken leave-of-absence from a government position in Germany. With the exception of C. Hagen, they were administrators rather than plantation managers. Contrary to Bismarck's view, Hansemann believed – at least initially – that such qualifications were best found with government bureaucrats or military persons. Again, comparing the situation with J-G, this company had accepted similar administrative responsibilities for the Island Territory of GNG, which it discharged successfully without incurring excessive financial costs.

Clearly, Hansemann was blinded by the success of the Deli tobacco planters; he rushed into a tobacco venture without first doing his homework on labour requirements, living conditions, weather cycles and tobacco pricing. Past his 65th birthday, he was impatiently chasing success in GNG when he decided on a tobacco plantation industry. A long-term investment in coconut palms would not have reconciled with his life expectancy at that time.

Whilst Hansemann must take responsibility for what went wrong in his Protectorate, he can take credit for the purchase of the Witu Group which proved to be a very profitable acquisition. After suffering sustained financial losses, the NGC chairman admitted failure by moving the company from cotton and tobacco into cacao, rubber and coconuts. By signing off on the fourth change in business direction in November 1902 Hansemann witnessed

¹³⁶ Until 1905 Western Samoa exported four times more copra and ten times more cocoa than GNG (O. Mayer, *Die Entwicklung der Handelsbeziehungen Deutschlands zu seinen Kolonien*, pp. 102ff.; Preuß, 'Wirtschaftliche Werte in den Südseekolonien', pp. 546 and 550).

considerable change in NGC's development in the last year of his life: he died on 9 December 1902.¹³⁷

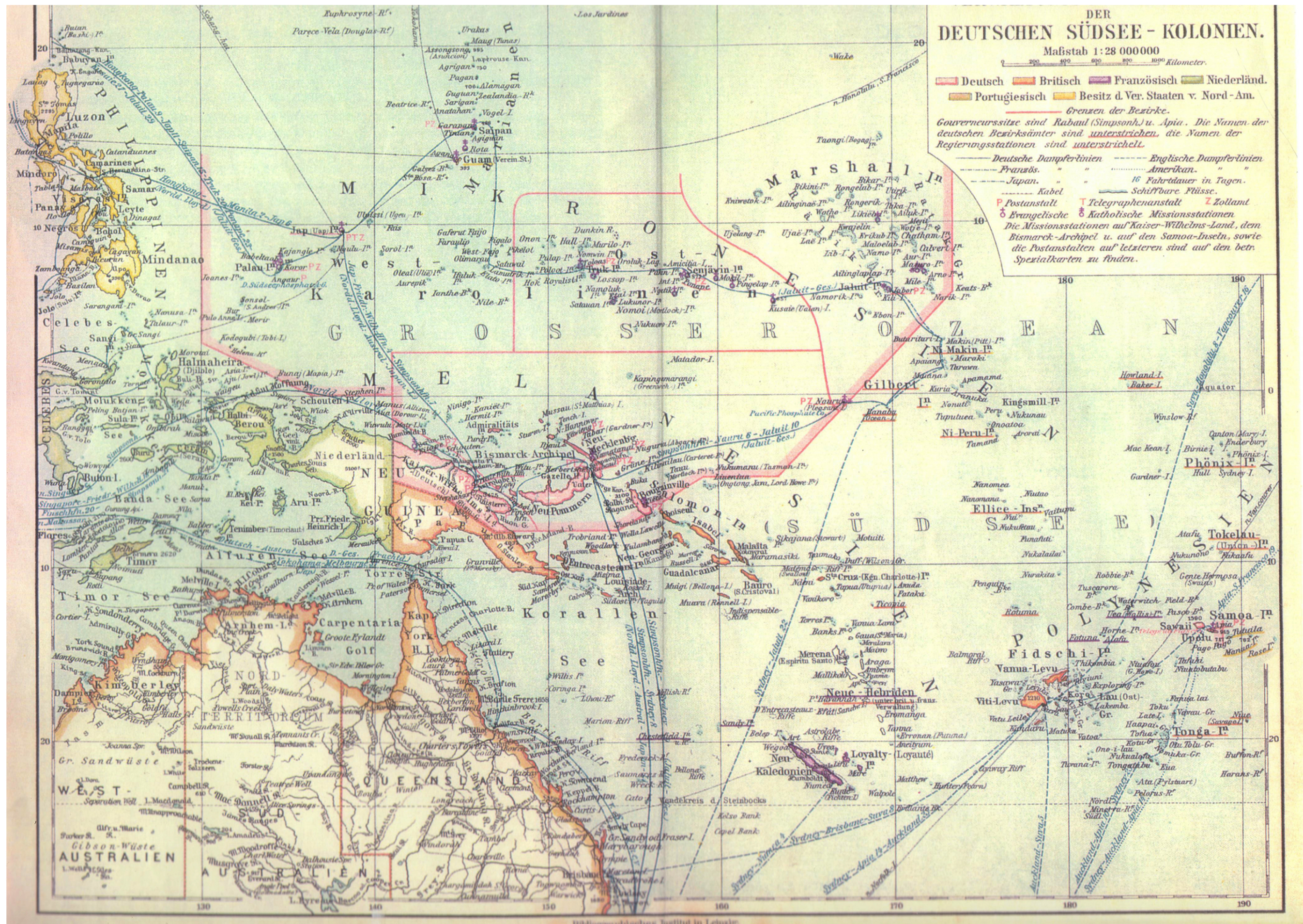
Then as now, investment in agriculture was risky. By 1914 NGC could ride out fluctuating market prices with the 40-year productive life cycle of its coconut palms. What NGC could not influence was a bellicose Kaiser Wilhelm II. The outbreak of World War I in August 1914 brought to an end a highly speculative, but ultimately financially rewarding enterprise. At that time, NGC owned 82,406 ha in Kaiser Wilhelms-Land and 54,738 ha in the Bismarck Archipelago, with an area of only 8,381 ha developed.¹³⁸ With enormous potential for expansion, NGC got its investment strategy right in the end. The company was bigger, better established and made more money in 1914 than any other enterprise in East New Guinea.

Economically, there was nothing worthwhile in the British colony that NGC should have emulated. Three Australian colonial administrations and the Colonial Office in London controlled this neighbouring colony until 1899. Gold mining was the only industry attracting interest in the British colony; it proved to be a marginal business at the best of times. Prohibited by law from indenturing Asian labour, prevented by the Australian premiers of Queensland, New South Wales and Victoria from selling land to plantation developers, BNG had no industry to speak of by 1907. Whilst the discovery of gold would have changed the business direction of NGC and possibly accelerated the development of GNG, if anything it impeded the development of BNG. Gold was the main attraction for Europeans venturing to this colony until 1907, coming at the expense of plantation development in that colony. Only when the richer alluvial fields had been mined out, and not before the Australian government assumed administrative responsibility for BNG in 1906, did agricultural development appear on the agenda of GNG's southerly neighbour.¹³⁹ The conclusion of the NGC in GNG with the outbreak of the war concludes the second part of this thesis. The third part of the thesis deals with the economic development of BNG and Papua.

¹³⁷ Hansemann died on 9 Dec. 1902

¹³⁸ Jb (1912/13) pp. 5–9, (1913/14) pp. 3–4. Land and plantation area: Tables 6 and Chart 13, Export from GN: Tables 13 and Chart 22; NGC balance sheet: Tables 16 and Chart 38.

¹³⁹ See Chapter 14



Map 9: German New Guinea including Island Territory

PART III

BRITISH AND AUSTRALIAN COLONIAL INTENTIONS AND PRACTICES IN
EAST NEW GUINEA

CHAPTER 12

BNG GOING NOWHERE UNDER SCRATCHLEY, DOUGLAS AND MACGREGOR

Theodore Bevan, intrepid trader and explorer, viewed the British Protectorate in southeast New Guinea as ‘one of the richest dependencies of the British Crown [that was] a failure in every sense of the word’.¹ Bevan was not alone in his opinion. Particularly during the first 4 years in the development of the British Protectorate,² a constant barrage of critical comments appeared in Australian newspapers. Sydney’s *Daily Telegraph* reported on 10 March 1888: ‘British New Guinea is the rankest commercial failure south of the line’. A week later the paper stated:

The German New Guinea Company has spent already £250,000 in starting the colonization of New Guinea and adjacent islands. They have erected a great many stations along the coast, started a local government, and surveyed all the harbours; besides, they have been having trials in agriculture, and now, after this experience, have started large plantations in New Guinea. This scheme, we believe will be the success of the country, owing to the cheapness and abundance of native labour. Already they have five hundred natives from the adjacent islands and two hundred Malays. They are employed in growing cotton, coffee, and tobacco. The company has forbidden home emigration, and has the country open now, wishing the emigration to come from Australia.³

Bevan’s view in 1888 that the colony was ‘an effete and meretricious system’ had changed little 10 years later.⁴ In a paper delivered to the Royal Geographical Society of Australasia in Melbourne, he warned of the ‘failure and disaster’ gold prospectors and settlers would face in BNG. The Protectorate ‘had no adequate Government machinery, no postal system, hospital, or hotel [and] no lines of rails or telegraphs’ 14 years after its proclamation,⁵ ‘New Guinea wanted a Cecil Rhodes’, he told the Society members, ‘with [land] concessions made on similar lines to that of British South Africa in Rhodesia’.⁶ Whilst Bevan struck a chord with the audience and with Burns Philp & Co.’s (BP) representative in Port Moresby, W. Gors and its chief accountant and chief inspector, P.G.T. Black,⁷ their views were coloured by their commercial interest in BNG.

There were participants on both sides of East New Guinea with contrary views, exaggerating the perceived successes and failures in BNG or GNG. For instance, the NGC employee, Hans Blum, saw only the positive side in what happened in BNG under MacGregor. Deriding his own company’s performance in GNG, he wrote in 1900:

The transparent and unswerving foresight of the British New Guinea Administration, whose architect set the framework with a steady hand and creative mind before he sketched out the vision, where the

¹ T.F. Bevan, *Toil, Travel and Discovery in British New Guinea*, pp. 272 and 284.

² BNG was a protectorate until 4 September 1888. In this thesis it is referred to as a colony or a possession thereafter.

³ *ibid.*, p. 291 cited in the *Daily Telegraph*, 17 March 1888,

⁴ Bevan, p. 283.

⁵ T.F. Bevan, ‘The Gold Rush to British New Guinea’, *Proceedings of the Royal Geographical Society of Australasia (Victoria)* 1896–97, XV, p. 18 (*SMH*, 10 March 1888).

⁶ *ibid.*

⁷ *ibid.*, pp. 19–23.

outline and colours are determined by the daily progression of consistent improvement, is contrasted on the eastern side by a canvas which, to put it mildly, would not even please a dilettante.⁸

Other disgruntled NGC employees shared Blum's view; however, it was hardly a commonly held belief by the explorers, traders and gold prospectors of BNG.

The inconspicuous start of BNG

The approaches adopted by Adolf von Hansemann and Lord Derby's government department in colonising East New Guinea could not have been more different. The German was impetuous, wanting to commercialise the northeastern territory within a few years, whilst Britain's Colonial Office took its time by declaring BNG merely an interim arrangement on 6 November 1884. Nearly 4 years were to pass before a final settlement was made and the annexation of BNG was effected. Much to the chagrin of the explorers, traders, collectors and gold prospectors, they were at first prevented from entering BNG because, according to Deputy Commissioner Romilly, no regulations had been framed for the admission of Europeans to the protectorate. Romilly issued a proclamation, confirmed by Commodore Erskine, which specifically referred to the protection of the New Guineans and banned settlement of any kind.⁹ To make his point, in Port Moresby he ordered Bevan and Ned Snow (a gold prospector) on 25 November 1884 not to disembark from the Chinese junk *Wong Hing* on which they had travelled from Cooktown.

Whilst Romilly allowed Bevan – the whereabouts of Snow is not known – to stay at or near Port Moresby for up to 6 weeks before he had to return to Australia,¹⁰ he deported two Europeans, Guise and Currie, immediately after it was brought to his attention that their 'seduction of native woman threatened to lead to trouble on the coast'.¹¹ The situation did not change much with the arrival in Port Moresby of Special Commissioner General Sir Peter Scratchley in August 1885. A veteran of the Crimean War, who also served in India before advising the colonial governments of Australia on their defence requirements, Scratchley took charge of BNG under the Western Pacific Orders in Council of 1877, 1879 and 1880 'until Her Majesty shall be pleased to make further provisions for administering law in the Protectorate'.¹² As a deputy commissioner for the Western Pacific Scratchley's powers were quite limited. He was unable to implement 'regulations having the force of law, or impose or collect any taxes or licence fees upon exports or imports, or otherwise to exercise any legislative or judicial functions in the Protectorate'.¹³ Scratchley was to do no more than make himself acquainted

⁸ 'Dem klaren einheitlichen Verwaltungsbild des Britisch-Neu-Guina-Government, dem sein Schöpfer mit sicherer Hand und künstlerischen Blicks erst den treffenden Grundton gab, bevor er an die Zeichnung der Linie ging, deren Formen und Farben in stetem Fortschritt täglich bestimmter sich prägten, hängt an der östlichen Wand ein Gemälde gegenüber, das, um nicht härtere Worte zu gebrauchen, nicht einmal einem Dilettanten Ehre machen würde' (H. Blum, *Neu Guinea und der Bismarck-Archipel*, p. 41).

⁹ *ibid.*, pp. 4–6, 9 and 11.

¹⁰ *ibid.*, p. 13.

¹¹ J.D. Legge, *Australian Colonial Policy*, p. 33.

¹² §3, Instruction, Herbert to Scratchley (BPP, C–4273, p. 29).

¹³ Legal opinion sought by Scratchley from Premier Griffith, 15 May 1885, enclosed in despatch to Derby, 28 May 1885; 'Sir Peter Scratchley: Correspondence and Notes' (NLA MS 1914–17, no. 761444); Great Britain: Special Commissioner for British New Guinea (Reports 1886–88, p. 5).

with the country, its harbours and general features, and enter into friendly relations with the natives. He reported directly to Secretary of State, Lord Derby, who accredited him with the discretionary powers within the limits assigned to a deputy commissioner of the Western Pacific.¹⁴ In particular, Scratchley was to uphold the regulations for BNG issued by the high commissioner in Fiji on 5 April 1884 which prohibited the supply of arms, ammunition or explosives, and liquor to the indigenous people.¹⁵

Special Commissioner Scratchley's loosely defined limited legal powers concerned him.¹⁶ He was not certain that Bevan and Snow could be barred from BNG, nor did he agree with Romilly's dismissal of commentary in Melbourne on white settlement in BNG as 'very delusive'.¹⁷ Scratchley thought that discouraging firms, foreign or British, who wished to conduct business in BNG, would be 'impolitic' as it would forego valuable sources of income. He requested Derby to confer on him the necessary judicial powers over foreigners. Until then, he told Romilly, he would not encourage prospective settlers.¹⁸

Consistent with the British government's position on colonial acquisitions, the Colonial Office was not prepared to accede to Scratchley's request until permanent funding of the administration in BNG was secured from the Australian colonies.¹⁹ This required protracted negotiation which Scratchley was only barely able to start: he fell ill soon after arriving in Port Moresby and died there on 2 December 1885. Until John Douglas, Queensland's government resident on Thursday Island, was appointed the next special commissioner in February 1886,²⁰ Romilly was again in charge of the Protectorate. Neither he nor Douglas were able to hasten the Australian colonial governments to act, the Protectorate was left without objectives other than the legislated protection of its indigenous population for another 2 years.

Once Britain had declared southeast New Guinea a British Protectorate, the Australian colonies showed little interest in its future. Whilst unhappy that their demand to annex all of East New Guinea had not been met, they appeared to accept that Queensland's major concern of a foreign power encroaching on its border had been dealt with. The Australians took particular umbrage at Commodore Erskine's speech in Port Moresby. Until the future control of BNG had been settled, he told the Hanuabada tribes of Port Moresby: 'you are placed under the protection of Her Majesty's Government, [so] that evil-disposed men will not be able to occupy your country, to seize your lands, or take you away from your own homes'.²¹

With this anti-European stance by the British government and with cheap South Sea labour no longer available to the Queensland sugar planters, the former interest of the

¹⁴ §4, Instruction, Herbert to Scratchley (BPP, C-4273, p. 29).

¹⁵ §§9 and 11, Instruction, Herbert to Scratchley (BPP, C-4273, p. 30).

¹⁶ Legge, p. 32.

¹⁷ *The Australasian*, (Melbourne) 18 Oct. 1884.

¹⁸ Scratchley to Romilly, 14 April 1885; Scratchley to Derby, 8 May 1885. G.S. Fort, 'British New Guinea, from the data and notes by the late Sir Peter Scratchley'; see Legge, pp. 33, 37 and 92.

¹⁹ See Chapter 3.

²⁰ Douglas arrived in Port Moresby in July 1886.

²¹ *SMH*, 15 Nov. 1884.

Melbourne, Sydney and Brisbane traders in New Guinea as a source of huge opportunities also fell away.

Finance was one of the main obstacles to BNG progressing from a protectorate to a possession. Derby was concerned that the Australian colonies had not agreed to permanent funding and instructed Scratchley to ascertain 'whether the Colonies will provide in subsequent years a sum adequate to the due maintenance of the Protectorate'.²² Derby maintained that the Protectorate was established at the desire of the Australian colonies and was not to be a source of expense to England.

Whilst the main Australian colonies – Victoria, New South Wales and Queensland – were prepared to recognise some responsibility, this was not the case for the other colonial agitators. In 1885 all Australian, New Zealand and Fiji governments contributed equally to an agreed fund of £15,000. South Australia and Fiji did not feel obligated to make a further contribution the following year, a position New Zealand and Tasmania adopted in 1887. West Australia continued to pay a token amount of £161 16s 9d.²³ This left the three eastern colonies to contribute equally the balance to meet the expenses for the administration.

From an Australian perspective, this financial arrangement remained provisional as long as the Colonial Office refrained from contributing (except for the Home Office's expenses and travelling costs for its officers) whilst exercising sole executive power in the Protectorate. Queensland's Premier Samuel Griffith reminded the Colonial Office in 1886 that Britain was not living up to the agreement reached at the Intercolonial Convention held in Sydney at the end of 1883. It was suggested that Britain's contribution take the form of a steamship, inclusive of the annual running cost. John Douglas was more sanguine. He suggested that the colonies might advance a loan of £75,000 if the sum was secured by Britain on the future revenues from European settlement in the Protectorate.²⁴ It was, of course, unfounded optimism, as it was obvious that in the near future BNG would not generate a profit. It took the gathering of the Australian governments at the first Colonial Conference from April to May 1887 in London to reach a final agreement. In line with the earlier proposal, Victoria, New South Wales and Queensland agreed to contribute £15,000 p.a. for 10 years. Britain was to supply the SS *Merrie England* at a cost not exceeding £18,500 and its maintenance for 3 years at £3,500 p.a.²⁵ Griffith's demand for budgetary and expenditure control over the colony's contributions was agreed. With a back-to-back guarantee from the other two colonies, his government passed

²² §5, Instructions, Permanent Under-Secretary of State at the Colonial Office, R. Herbert to P. Scratchley (BPP, C-4273, p. 29).

²³ AR-BNG (1888/89) p. 24.

²⁴ Douglas to Derby, 26 April 1886; see Legge, p. 47.

²⁵ The SS *Merrie England* (260 GRT) was built in 1883. The vessel left England on 2 March 1889, arriving at Port Moresby on 12 May. The book value, including the launch *Ruby* and transfer cost amounted to £15,121, leaving an unexpended balance of £3,879 (AR-BNG (1888/89) p. 20). The imperial grant was increased to £5,000 for 1889/90 because running costs and insurance was estimated to be not less than £7,000 p.a., with the balance picked up by the guaranteeing colonies (AR-BNG (1889/90) pp. 20–1, *ibid.*, [1890/91] p. xxiv, *ibid.*, [1891/92] p. xxx). In 1893/94 (AR-BNG, p. xxv), the imperial contribution was reduced to £4,000, in 1894/95 (AR-BNG p. xxiii) to £3,500, in 1895/96 (AR-BNG p. xxxii) and in 1896/97 (AR-BNG p. xxiv) to £3,000. The imperial grant ran out in Sep. 1897, leaving the full annual expenditure of approximately £7,000 to be borne by the guaranteeing colonies (AR-BNG [1897/98] p. xxxvi and [1898/99] p. xxvii).

the *British New Guinea (Queensland) Act, 1887* under which Queensland accepted the obligation of providing the agreed sum and making up the shortfall in the running costs for the steamship. With the funding of the Protectorate assured until 1898, the British government agreed with the three Australian colonies to commence drafting a constitution in preparation for the annexation of the territory. 'Letters Patent' were issued on 8 June 1888 and on 4 September 1888 BNG's first administrator, Dr William MacGregor, proclaimed Queen Victoria's sovereignty over the new British possession.²⁶

After 4 years of dithering, the Queensland government was practically in charge of a new British colony. The procedures of joint control were complicated; in practice, however, Queensland approved the BNG budgets, had the right to veto the employment and dismissal of the public servants, exercised supervision over its administration and received the despatches from BNG's administrator before copying them to the Colonial Office. While Britain retained reserve powers, she was patently not interested in the development of her latest colony. Only the influence of the Aborigines' Protection Society, Christian missions and humanitarian factions in the former Gladstone and current Salisbury governments saw to it that the Australian colonies were not given sole control over BNG. Apart from appointing the senior public servants and acting as the exchequer for BNG, the British government insisted that the Queensland government not enact the drafts of laws and regulations before the Colonial Office acquiesced. It also insisted that the protective rights of the indigenous population were written into law. Alienation of land, the local people's employment by Europeans and the supply of alcoholic beverages, guns, ammunition and explosives to 'natives' were Britain's concerns, not the development of a territory, which the British government always regarded as an Australian responsibility.

The early years were indeed lost years in the eyes of the few Europeans who chanced their luck in the territory. Andrew Goldie, who had lived there since the 1870s, was responsible for the first (futile) gold rush to New Guinea in 1878. The territory's only storekeeper, he was a man of few words: 'the protectorate', he told Bevan when the two met for the first time in Port Moresby, 'had so far been a blow to the country, as the missionaries wished to prevent settlement'.²⁷ Bevan shared Goldie's sentiments.²⁸ Yet he returned to explore BNG on four occasions. On 12 August 1885 he was granted a permit 'to explore and trade in BNG' only because Scratchley 'had not the power to keep traders out of New Guinea'.²⁹

Bevan took full advantage of the opportunity offered to him by the government by exploring the western part of the territory and setting up profitable trading stations. He wrote extensively of his exploits, while the BNG administrator recorded his achievements in the

²⁶ Letters Patent for 'Erecting Certain British Territory in New Guinea and the Adjacent Islands into a Separate Possession' and MacGregor's 'Commission and Instructions' are in *British Government Gazette Extraordinary*, 4 Sep. 1888.

²⁷ Bevan, *Toil Travel and Discovery in British New Guinea*, p. 16.

²⁸ *ibid.*, pp. 135 and 152.

²⁹ Scratchley to Bevan, *ibid.* (Bevan), pp. 31 and 133.

annual reports.³⁰ Particularly noteworthy is the exploration work on the estuaries of the rivers discharging into the Papuan Gulf. Surveyor Hemmy, who was placed under Bevan by the Queensland government, prepared geographical descriptions of the Aird and the Queen's Jubilee Rivers for which Bevan received high commendations. 'Upon my return to Sydney in January 1888, I received the full share of those amenities which fall to the lot of successful explorers', Bevan noted.³¹ Among them was the acclamation of the President of the Royal Geographical Society of Australasia, Sir Edward Strickland: 'the work of the dashing and successful explorer—Mr. Bevan—is of high importance [which] has largely contributed to the unfolding of the hidden secrets of New Guinea to an extent which never has been equalled'.³²

However, other than praise and the entrance to the Aird River being named after him, Bevan left empty-handed. After five voyages to southeast New Guinea, one sponsored by Robert Philp of BP,³³ Bevan sought land concessions totalling some 254,000 ac in recognition of his work. Douglas rejected the request because he surmised that it would not add to the development of BNG and because he had 'no authority to make any such grants'.³⁴ While Douglas regarded Bevan's proposal as speculative, the young explorer-cum-businessman may well have started the first plantation enterprise in BNG had he been given the opportunity. He had already proven his entrepreneurial skills in 1885 by employing more than 1,000 local people along 100 miles of the Papuan Gulf coastline to catch boil and cure trepang.³⁵ It proved a profitable business for all concerned and could have hastened economic development by more than 20 years if applied more widely 3 years later.

Philp expressed similar dissatisfaction with the land policy taken up by Britain in New Guinea. Although granted a monthly shipping subsidy of £50 in 1886 by Douglas for providing a mail steamer service from Thursday Island to Port Moresby, and collecting copra, trepang and other products along the coast, James Burns was disappointed at the delays in deciding British policy on New Guinea. For want of profitable trade, BP terminated the shipping contract 18 months into a 3-year agreement. Burns told Douglas when the two met in Sydney in 1887:

The outlay, which will be necessary to establish anything like a decent trade with New Guinea, is very great and the only chance we would have of recompensing ourselves would be that we acquired properties, which in time will increase in value and so wipe off the losses made in opening up the case.³⁶

The termination cost BP more than £3,000 and ended its first foray into New Guinea.³⁷ At the time BP saw greater opportunity in handling agency work for NGC in Cooktown than in setting up a branch in BNG. This agreement between the German and Australian firms never lived up to the expectations of Germans from Australia. Also, NGC decided in 1889 to ship most of its cargo through Brisbane, Batavia and Singapore. It was, nevertheless, profitable.

³⁰ *ibid.*, pp. 185–260; AR-BNG (1891/92) pp. 60–1.

³¹ Bevan, pp. 260–1.

³² *ibid.*, 261.

³³ K. Buckley & K. Klugman, *The History of Burns Philp*, p. 53.

³⁴ Douglas to Bevan, 17 March 1888 (AR-BNG [1888] p. 9).

³⁵ Bevan, pp. 147–9.

³⁶ *ibid.*, p. 54.

³⁷ *ibid.*

Another company interested in doing business in BNG was the Apia and Mioko-based DHPG, which was keen to set up a base in Port Moresby for trading in BNG soon after the colony was established. Scratchley was interested in the German approach and forwarded the request to London with the comment that under proper supervision and restriction the Germans would develop the resources of southeast New Guinea, which ultimately would benefit the islanders.³⁸ The Colonial Office had already rejected an earlier request by an English syndicate wishing to establish an agricultural and trading company in BNG in 1886, and it rebuffed Scratchley.

William MacGregor, BNG's first Administrator

William MacGregor was 41 years old when appointed the first administrator of BNG in 1888.³⁹ By then he was an experienced colonial administrator who had worked in Fiji under High Commissioner for the Western Pacific Sir Arthur Gordon since 1874. MacGregor was concerned that he would be passed over for promotion because of his age and middle-class Scottish upbringing. With the opportunity of high office in the new British colony, he stressed the importance of his experience as chief medical officer (CMO), colonial secretary and deputising for the high commissioner in Fiji, whenever he had the opportunity to make his interest in BNG known. To Gordon, his paragon and mentor he said in 1886:

The lessons I have learnt from you are I feel lessons that fit me better for administration especially of the particular kind required in New Guinea, than for anything else. There I could put into practice many of the principles which I believe are founded on a high sense of justice. [It] might be that in New Guinea I might do more good or better prevent the doing of evil than a man that has had few opportunities of studying the government of native races than I have had the good luck to meet with.⁴⁰

He also wrote to Queensland's premier, Sir Samuel Griffith, whose friendship he made when delivering a speech on behalf of the Colonial Office at the annual meeting of the Federal Council in Hobart in 1885:

I have thought that I might be able to carry out your policy there as well as perhaps anyone else, because I believe your views on the matter are those I consider right. If Douglas does not wish to have the permanent appointment, I shall be glad to go and assist you there at the best of my ability.⁴¹

Since Queensland was managing the funding, Griffith had, of course, more weight with his recommendation to appoint MacGregor to the position. The appointment was, however, less a reflection of the Scotsman's demonstrated ability, as it was the result of a passionate speech MacGregor delivered on the rights of the Papuans at that Hobart meeting. 'Nothing more

³⁸ Legge, p. 37.

³⁹ W. MacGregor (1846–1919) studied medicine at the Universities of Aberdeen and Edinburgh. After a brief period as a medical intern at the Aberdeen Royal Lunatic Asylum in 1872 he joined the colonial service as assistant medical officer in the Seychelles and soon after as surgeon at the main hospital in Mauritius. With the appointment of Administrator BNG, MacGregor arrived in Port Moresby on 4 September 1888. After taking leave from July 1894 to June 1895, he returned as lieutenant-governor until September 1898. MacGregor was appointed lieutenant-governor of Lagos (1899), governor of Newfoundland (1904) and governor of Queensland (1909). In March 1910 MacGregor became the first chancellor of the University of Queensland. After retiring in 1914 he returned to Scotland. He advised the Colonial Office on Pacific problems during World War I (R.B. Joyce *Sir William MacGregor*).

⁴⁰ MacGregor to Gordon, 5 June 1886, vol. 5 Stanmore Papers (NLA, Mfm 1628–37).

⁴¹ MacGregor to Griffith, 28 May 1886 in Griffith Papers, Mitchell-Dixson Library, vol. 449, see Joyce, *Sir William MacGregor*, p. 99.

exasperates a coloured race ... than being dispossessed of their hereditary lands', pointing the finger implicitly at the Australian delegates.

Were that system once introduced, the consequence would be a long train of murders, reprisals and revenge, and finally the war of extermination. That system will never with the consent of the colonies be introduced into the protectorate, [and] I am very much inclined to think that no recruiting should be allowed in New Guinea...to work on sugar plantations.⁴²

Griffith, who unseated Sir Thomas Mcllwraith in the 1883 election with a campaign against the use of South Sea labour on the Queensland sugar plantations, was particularly impressed by MacGregor's deep sympathy for these people. The two men struck a lasting friendship. They were of similar age and had similar social upbringings; both were university-educated and shared interest in the humanities, Latin and Italian literature. It was a friendship, built on the mutual concerns to protect indigenous people from the destructive effects of Europeans, which gave MacGregor the job. The skills of a proven administrator appeared secondary in this appointment. At the beginning he attached little or no importance to generating revenue. Rather, MacGregor frugally balanced his annual outlays with the £15,000 funding and continued complaining that he was unable to run BNG on a shoestring budget.

MacGregor had effective autonomy to run the colony. Only when Queensland's new governor, Sir Henry Norman, arrived in Brisbane in May 1889 were his actions scrutinised more closely. His friend Samuel Griffith was no longer in office and Mcllwraith showed no interest in BNG. Even though Queensland was required to consult Victoria and New South Wales on New Guinean matters, the southern colonies appeared content to receive not much more than annual reports.⁴³ MacGregor was required to report to Queensland's governor who was to keep the Queensland government and the Colonial Office informed. MacGregor claimed a lack of staff, the priority in exploration and the infrequent shipping connections between Port Moresby and Brisbane as grounds for laxity in keeping the governor up to date.⁴⁴ Because of the time it took for despatches to be commented on by Governor Norman, the Queensland government or the Colonial Office, MacGregor would generally not receive a reply inside 10 months. This gave him a large measure of independence that he used, in conjunction with his self-assurance and stubbornness.⁴⁵

Exploration

MacGregor's training as a medical doctor and a scientist gave him the proclivity to learn as much as possible about New Guinea's flora and fauna, the country's geography and its people. MacGregor claimed that he needed to extend 'influence and authority' in the process of pacification.⁴⁶ Whilst this would have been a true description of his brief, MacGregor preferred to collect, discover and set himself challenges not hitherto achieved by others, than subjugate

⁴² R.B. Joyce, 'William MacGregor: The Role of the Individual'.

⁴³ The discord between Victoria, NSW and Queensland over the proposed land grant to the London-based BNG syndicate is discussed below.

⁴⁴ Joyce, *Sir William MacGregor*, p. 110.

⁴⁵ On administrative disagreements between MacGregor, Norman, the Colonial Office and the Queensland government see Joyce, pp. 109–19 and Legge, pp. 54–7.

⁴⁶ Joyce, *Sir William MacGregor*, p. 126.

the local tribes and establish economic opportunities. Ross Island, he noted, was botanically the richest place he had seen. He discovered a pure white orchid. He found taro, yams, bananas, papaya and sugar cane across BNG, and amassed artefacts and species in flora and fauna. Baron Ferdinand von Müller of the Botanical Garden in Melbourne and C.W. De Vis of the Queensland Museum assessed and catalogued many of these plants, while museums in Melbourne, Sydney, England and Scotland displayed the artefacts he had sent to them.⁴⁷

In physical terms, his ascent of Mt Victoria in June 1889 and the first north–south crossing of BNG during August and September 1896 were probably the most demanding. The journey on which he ascended Mt Knutsford (3,380 m) and then Mt Victoria (4,036 m) 6 months after his arrival was very risky. The tribesmen in the region did not expect him to return from the higher of the mountains. MacGregor planned the Fly River expedition, which began later that year, and the 1896 north–south crossing of BNG meticulously; but the European community in Port Moresby would have certified the administrator as either mad or at least irresponsible.

The Fly River expedition

The 39-day expedition on the Fly River from 26 December 1889 covered about 2,000 km. The river journey was undertaken on a small steam launch (11.2 m long with a beam of 2.1 m and a draught of 0.50 m) with two whaleboats in tow. MacGregor included W. Cameron, a district resident magistrate (R.M.), engineer Douglas, fireman Kowland and sailor Belford from the *Merrie England*, three Papuans and nine ‘coloured men’ in his party.⁴⁸ L. D’Albertis and L. Hargrave had already explored the river close to 830 km in 1876,⁴⁹ and in 1885 H.C. Everill travelled the river for 430 km before branching off at Everill Junction to follow the Strickland River.⁵⁰ MacGregor’s party went further than both. They travelled 130 km past D’Albertis Junction (where the OK Tedi meets the Fly) or more than 990 km from the mouth of the Fly. With the current proving too strong there, they continued by the whaleboats to where the Fly and Palmer Rivers meet.⁵¹ Better navigability took the expedition on the Palmer for 90 km. It proved a weary ascent, however, where the boats had to be dragged by rope more often than propelled by oars. At about 1,000 km from the mouth MacGregor, Cameron, two Papuans and five Fijians – the others had stayed with the steam launch – set up ‘The 600-mile Camp’ on the banks of the Palmer.⁵² MacGregor and four carriers continued along the Palmer for 4 days towards Mt Donaldson, which they ascended to a height where they could see the peak of Mt Blücher on the German side, some 10 km away.⁵³ By then they were running out of food and

⁴⁷ AR-BNG (1889/90) pp. 106–167, *ibid.*, (1890/91) pp. 93–100, *ibid.*, (1891/92) pp. 102–09, *ibid.*, (1893/94) pp. 89–90, 98–121, and 125–6, *ibid.*, (1895/96) pp. 91–2, *ibid.*, (1896/97) pp. 81–93 and (1897/98) pp. 130, 147 and 150.

⁴⁸ AR-BNG (1889/90) p. 49.

⁴⁹ The distance stated in the primary data is in miles; presumably nautical miles on the river (1,852 m) and statute miles (1,609 km) on land.

⁵⁰ The Royal Geographical Society’s Sydney Branch of which Sir Edward Strickland was the President, sponsored the expedition.

⁵¹ MacGregor named the Palmer River after Premier Palmer of Queensland (1870–74).

⁵² AR-BNG (1889/90) pp. 59–60.

⁵³ Mt Donaldson was named after the then Treasurer of Queensland. They called the highest peak in their sight Mt Blücher because the German general of Waterloo fame was ‘a household name to British ears’ (*ibid.*, p. 60).

there was little more to do according to MacGregor: 'to explore the mountains would take about three months longer'.⁵⁴ Besides not having the means to prolong their journey, MacGregor did not feel justified in entering on such an exploration without the concurrence of the GNG government.⁵⁵ Their return journey started on 24 January and the estuary of the Fly was reached on 2 February.

In his report, MacGregor observed that 150 miles (240 km) from the mouth of the river the sounding was 14 ft (12.6 m), the current 3.3 m/hour (5.3 km/hour) and the riverbed 600 ft (180 m). The water flow in this area was 180,000,000,000 gallons (820 GL) in 24 hours, 'enough to supply twice the present population of the globe with 60 gallons (273 litres) a day a head'.⁵⁶

The expedition was a great personal achievement. However, it delivered few tangible benefits. 'From an administrative point of view', MacGregor claimed, 'the information acquired is important'.⁵⁷ From the mouth of the Fly to the Tagota village, 110 miles (180 km) upstream, 'the country is occupied by settled agricultural tribes where the land is suitable for occupation. These require and can with patience be brought under some control'.⁵⁸ While the party did not notice any villages from Tagota to Everill Junction, a large settled community was present at the point where the Fly meets the Strickland. 'Above that, however, they are all nomadic in their habits', with only one tribe between the D'Albertis and the Palmer junctions.⁵⁹ This was not new information, of course. It merely confirmed what D'Albertis and Everill had found years earlier.

MacGregor regarded the land above Everill Junction as economically worthless, even though he found – quite mysteriously – a few tobacco plants 930 miles (1,488 km) from the mouth of the river.⁶⁰ While cedar and malava were present below Everill Junction, 'it was unlikely that any European would care to settle, so long as superior inducements are offered by Australia'.⁶¹ Like D'Albertis, MacGregor found gold. It appeared in the bed of the Fly above D'Albertis Junction and the Palmer: 'we have clearly shown there is gold there. We have no reason or ground for believing that it can be procured in payable quantity', MacGregor commented disparagingly.⁶²

The first north–south crossing of East New Guinea

MacGregor's 69-day expedition across New Guinea started at the mouth of the Mambare River on 6 August 1896. Tamata Station, on Tamata Creek, some 5 km from its junction with the Mambare River, was the point from where the land expedition started on 11 August.

MacGregor and Albert English, the government agent for the Rigo District, and 20 carriers

⁵⁴ *ibid.*, p. 61.

⁵⁵ *ibid.*

⁵⁶ *ibid.*, p. 49.

⁵⁷ *ibid.*, p. 63.

⁵⁸ *ibid.*

⁵⁹ *ibid.*

⁶⁰ The tobacco seeds were taken to Brisbane for seeding. The product was sent to London for analysis and found to be 'of extraordinary value on account of its fitness as cigar-wrappers' (*ibid.*, p. 58).

⁶¹ *ibid.*, p. 63.

⁶² *ibid.*

followed the track cut by the gold prospectors to a point where the Chirima River fed into the Mambare and onwards to Simpson's 'store' on Mt Otovia. After a few days' rest at the gold-miner's shack of William Shearing (alias William Simpson), the party left 10 carriers there and continued the journey through unexplored territory to the top of Mt Scratchley (3,810 m). With that mountain-climbing ordeal behind him, MacGregor made a 12-mile diversion to the southeast to ascend Mt Victoria again. In the meantime his men had started to cut a track to the Gosisi and Tobiri villages at the foot of Mt Knutsford and Mt Musgrave (2,270 m) respectively. From there the going became easier with the journey tracking along the bank of the Vanapa River. On 13 October 1896 MacGregor and English reached the mouth of the Vanapa where the *Merrie England* awaited their arrival to take them to Port Moresby.⁶³

These expeditions – 'journey of inspections' as MacGregor called them – fulfilled the adventurer's desire to explore and conquer hitherto unknown land. They were indeed achievements that tested a man's physical and mental stamina because for the greater part MacGregor traversed seemingly impenetrable rain forest and mountainous terrain, 'as rough probably as any in the world'.⁶⁴ MacGregor viewed the expeditions as part of a pacification process: the people of Papua needed to meet the man who had arrived to protect them. Scientifically, the expeditions added to the knowledge of the regions geography and petrography. For instance, from the summit of Mt Scratchely, he observed that the Owen Stanley Range was not a continuous ridge of mountains as shown on the charts, 'but a wide mass of ranges furrowed with deep gorges and bristling with peaks and pinnacle-like rock, and contains hundred of inaccessible crags and precipices'.⁶⁵ He assessed the geological formation of this vast mountain mass was of schist and quartz. In the field of natural history he observed in the Owen Stanley Ranges 'the most beautiful rhododendrons to be met with anywhere' at 10,000 ft altitude, and trees (cypress and araucaria) that were 3 ft or more in diameter, standing 15–50 ft tall. Close to 550 ft higher, he discovered a white, sometimes pink, daisy 'with a very delicate perfume of remarkable fragrance'.⁶⁶ Also at this altitude, he observed a black and yellow Bird of Paradise never seen by white men before. MacGregor and English only came across a few tribes in the Owen Stanley Range. Rather than finding the small black people they expected in the interior, they saw people of strong physique and bronze complexion. The Goisisi and Tobiri men were described as physically the best MacGregor had seen in BNG.⁶⁷

MacGregor's mapping of the northern rivers in March 1894 was the first investigated by a European of the region. He travelled the Mambare on the steam launch of the *Merrie England* upstream as far as possible and repeated the feat on the nearby Kumusi River. Short trips were also made on the Gira River to the north and the Opi River to the south of the Mambare.

⁶³ AR-BNG (1896/97) pp. xii, xiii and 4–14. See J.H.P Murray, *Papua or British New Guinea*, pp. 291–6.

⁶⁴ *ibid.*

⁶⁵ AR-BNG (1891/92) p. 57.

⁶⁶ AR-BNG (1896/97) p. 9.

⁶⁷ *ibid.*, pp. xiii, 8–9 and 12.

Whilst MacGregor was gripped by that northern area, which he declared ‘without exception the most attractive I have seen in New Guinea’, he concentrated mostly on tribes and population density for pacification purposes. In economic terms, he reported in 1894 on the suitability of some parts for farming. He also mentioned the discovery of stones and large boulders of quartz with iron pyrites and traces of gold in the Upper Mambare region.⁶⁸ In 1895 MacGregor returned to the area to ascend the Musa River. Where the river branches off to the north he picked up six prospectors who had lost their way. These men had found traces of gold on the Musa, making MacGregor claim that the Upper Musa would ‘present a fine field for the prospectors’.⁶⁹ His official report on the presence of gold in the northern rivers brought prospectors to the region in mid 1895/96. It was the start to gold mining on mainland New Guinea a year later. MacGregor regarded gold miners more of a nuisance than contributors to the development of BNG.

When MacGregor returned to the area in 1896 on his north–south crossing, he became involved in a major skirmish with the local people. The killing of the prospector Clark from Cairns was met with a ferocious response from MacGregor that delivered ‘thorough and complete’ defeat of the recalcitrant natives.⁷⁰ It was a messy affair. Several warriors lost their lives at the hands of his native constabulary, and MacGregor saw the need to establish a government station at the Mambare–Tamata Junction to protect the miners from further attacks. He installed his secretary, John Green, as government agent and assistant magistrate for the Mambare, which turned out to be costly. The Binandere people attacked the station on 14 January 1897. Green, his servant and cook, four men of his constabulary, and three prisoners who were commandeered to build Tamata Station, about 23 carriers and an unknown number of worriers were killed.⁷¹ Independent of the Tamata massacre, two miners were killed. On their way to returning six workers at the expiry of their indenture, the miners Fry and Haylor and their men rafted on the Mambare towards Mambare beach. They only made it to the village Peu, approximately 12 miles from Tamata Junction. Except for one labourer who escaped, they were all clubbed to death by the villagers, when trying to replenish their stores.⁷²

Despite MacGregor’s ambivalent view on prospectors, the pioneering miner Simpson rendered enormous help to his expedition. He made MacGregor’s crossing much easier by providing him and his party shelter, information on topography, and sending the explorers towards Mt Scratchley along a track he had cut. When MacGregor returned to Port Moresby, he reported on the occasion when the indefatigable Simpson followed him to the top of Mt Scratchely and made the arduous journey back to Simpson’s store, the location of his camp,

⁶⁸ AR-BNG (1893/94) pp. xvii and 30–7.

⁶⁹ AR-BNG (1895/96) p. 25.

⁷⁰ H.N. Nelson, *Black, White & Gold*, p. 97.

⁷¹ The Binandere, a tribe of the Orokaiva people, live along the Eria, Gira, Ope, Mambare and Kumusi Rivers.

⁷² MacGregor mentioned the killing of five Europeans (AR-BNG [1896/97] p. xxvi and pp. 27–8). This account is incorrect since three of them (Peter Olson, David Davies and George Steele) were found alive by the crew of the German hydrographic vessel the *Möve* in the ‘Verrätherbucht’ (NKWL; 1897, p. 57). Joyce, *Sir William MacGregor*, p. 208; Murray, *Papua or British New Guinea*, p. 328; L. Lett, *Papuan Gold*, pp. 46–60; Nelson, pp. 100–01 and 110–11.

the same day. Simpson appeared bemused that the administrator, by now lieutenant-governor, was interested in climbing mountains rather than finding gold: in the words of MacGregor, 'he did not think there was much likelihood of finding gold on the top of the mountain'.⁷³ Gold was likely to be found, however, in the area surrounding the mountain. 'Regarding the large area as the heart of BNG', MacGregor reported to the Queensland government, 'the country connected with the circumference of Mt Albert Edward and the foot of the Wharton Chain deserves to be prospected [as it] undoubtedly contains not a little gold'.⁷⁴ MacGregor finished his report on the first crossing of BNG:

There can be no doubt that gold will now continue to be brought from the interior for many long years to come. The difficulties of getting there and back are great, but not insurmountable. For agricultural purposes the interior is useless, unless it were for growing a few vegetables for the miners.⁷⁵

When Simpson took rich specimens of gold and osmiridium to Brisbane for analysis MacGregor's prediction was confirmed and gold mining on mainland BNG started in earnest.

Administration

MacGregor's focus on exploration distracted from the time and resources he needed to apply to general administration. He established a basic structure but it was more reactive than proactive. He established a bureaucracy of 12 officers, enacted seven ordinances and almost immediately commenced his extensive and strenuous exploration of the territory. He divided the colony into Western and Eastern Division, with Mabudauan and Samarai as the respective administrative centres. In November 1889 the Central Division was created with Port Moresby proclaimed the capital of BNG. The Rigo and Mekeo districts, which already had appointed government agents, became part of this division. With the influx of prospectors and miners, the Louisiades were split from the Eastern Division in 1892 and became the South-Eastern Division. In 1893 the administration in Mabudauan was moved to Daru Island in the Gulf of Papua to make up the new Western Division.

After the arrival of an increasing number of prospectors in the Upper Mambare in 1896, MacGregor appointed an agent in the north of the Possession. The Northern and North-Eastern Divisions were proclaimed in 1898 after MacGregor had left BNG.

On legislative matters MacGregor was obliged to seek advice from an Executive Council and obtain approval from a Legislative Council in accordance with the Letters Patent of 8 June 1888.⁷⁶ While the British and Queensland governments appointed the officers on the respective councils, MacGregor saw to it that some trusted men were appointed. Of these Francis Winter became the administrator's principal support. Arriving in the colony within days of MacGregor, Winter assumed the position of chief judicial officer and deputy administrator. MacGregor also attracted A.M. Campbell from Fiji in 1896 for the position of magistrate in the Eastern Division, which Campbell held until 1908 when he was promoted to government secretary. Anthony

⁷³ AR-BNG (1896/97) p. 11.

⁷⁴ *ibid.*, p. 10.

⁷⁵ *ibid.*, p. 14.

⁷⁶ Letters Patent, clauses viii and ix.

Musgrave had held this position since arriving in Port Moresby in 1885. Although MacGregor thought little of the Queenslander because of his low regard for Papuans and his open hostility towards the London Missionary Society,⁷⁷ Musgrave must have had qualities that convinced the administrator to keep him employed. He retired from the position on 30 June 1908.⁷⁸ Another officer whom MacGregor inherited from Douglas in 1888 was the R.M. at Samarai, B. Hely. Again, while the former Queensland audit officer did not live up to MacGregor's work ethic,⁷⁹ MacGregor retained him, first as R.M. in the Eastern Division then, in 1892, in the Western Division.⁸⁰ MacGregor regretted that the funds at his disposal did not permit greater extension of the civil service. He was keen to appoint additional officers to the Gulf of Papua district, the Mairu district, the northeast coast and at Kiriwina. This would have involved an additional £2,000 annually, but 'the whole coastline of the Colony would soon be completely under control' said MacGregor.⁸¹

During his 10 years in BNG MacGregor employed 64 officers. Few of them lived up to his work ethic, discipline and vigour; none fitted the description of 'iron governor' attributed to MacGregor by J.T. Arundel. Thirty-eight officers were promoted to the position of R.M., requiring particularly high motivation and fidelity. Winter, Musgrave and Hely, the longest serving or most trusted officers, sat on the local Executive and Legislative Councils.⁸² As was the case in GNG, many of the officers resigned, left BNG for health reasons or died.⁸³ MacGregor's constant appeal for more officers, including medical professionals remained unanswered. The administration of BNG was not a business enterprise like NGC in GNG, and additional personnel could not be mobilised. The increase from 15 officers in 1888 to 21 by 1898 was mainly on account of five magistrates and agents MacGregor had appointed, including a commandant training and overseeing the native constabulary, a treasurer and three collectors of taxes and customs duty, a government printer and a head gaoler.

Yet NGC employed fewer bureaucrats, including legal officers.⁸⁴ It regarded government administration, for which it was responsible until 1898, as a financial burden which should be kept as lean as possible. The area where NGC outspent BNG was in medical expenditures. Although BNG suffered large losses in the European and Papuan workforces, particularly during the gold rush, MacGregor relied initially on Queensland's *Health and Quarantine Act*,

⁷⁷ Musgrave wrote to the Brisbane publisher Ferguson in 1890: 'most of the bad characteristics of a savage are found in the Papuan. They are cowardly, selfish, thievish, untruthful, treacherous, grasping, bloodthirsty, and morbidly superstitious' (*British New Guinea: An Abstract of Statistical Notes*).

⁷⁸ AR-Papua, (1907/08) p. 45. When MacGregor became Queensland Governor in 1909 he appointed Musgrave as his private secretary (Joyce, p. 152).

⁷⁹ MacGregor noted in his diary on 11 Jan. 1891: Hely was 'so lazy and flatulent' (*ibid.*, p. 152).

⁸⁰ AR-BNG, (1891/92) p. xxiv. Hely retired because of poor health in 1900 (AR-Papua [1900/01] p. xli).

⁸¹ The total coastline of BNG measured 3,664 statute miles – 1,728 on the mainland and 1,936 on the islands, (AR-BNG [1891/92] p. xxiv).

⁸² Walter Gors, BP's Port Moresby manager joined the Legislative Council in September 1892 and the surgeon Dr J.A. Blayney in 1895 (AR-BNG, (1894/95) p. xix). The council met 58 times from 1888 to 1898. Every vote was unanimous except on 12 Sep. 1898 – after MacGregor had left BNG – when Gors voted against an ordinance restricting the immigration of Chinese (minutes of the Legislative Council 1888–1909, CO 436/2).

⁸³ The mortality rate of officers during the MacGregor period was approximately 25%.

⁸⁴ Tables 1 and 5.

1886, which he adopted within 16 days of taking office.⁸⁵ Whilst showing a scant regard for the miners and workers' health problems in the Louisiades goldfields,⁸⁶ the Administrator admitted that his officers and labourers suffered much from fever. However, he said, 'with the exception of that malady there was little illness among them – in fact, were it not for fever, BNG would be a healthy country'.⁸⁷ In that he agreed with Musgrave who had advised Douglas a few months earlier that no 'startling loss of life [was] discoverable' along the coast of BNG.⁸⁸ MacGregor found that the quarantine regulations he implemented at the two designated ports of entry – Port Moresby and Samarai – to be sufficient.

Health and quarantine regulations

The first local law dealing with health issues, The Prison Ordinance of 1889, included food, clothing, bedding and rations, hours of work, personal cleanliness and health for the indentured labour force.⁸⁹ MacGregor invoked the *Quarantine Act, 1886* against human diseases on several occasions. He also increased quarantine measures for measles in 1893 because of an epidemic in Australia, and against smallpox in 1895, which was rampant in GNG. For the former he strengthened surveillance in Port Moresby and Samarai and gazetted his Resident Magistrates as health officers. On smallpox, he sent for vaccine to inoculate the constabulary, prisoners and local people employed by the government. A further precaution against introducing disease was the prohibition on ships entering BNG ports if they had transported Chinese coolies to or from GNG recently.⁹⁰ To safeguard against rabies, trichinosis and bladder worms, the importation of domestic pigs into the Possession was prohibited unless they were from Australia and New Zealand. The same applied to horses, cattle, goats, camels and other domesticated animals. If brought in from elsewhere they required certification of the completion of a specified period in quarantine outside the Possession.⁹¹

In January 1895 MacGregor welcomed the part-time surgeon Dr J. A. Blayney to Port Moresby. When the Scotsman Blayney arrived from England he found that he was also the magistrate for the Central Division. MacGregor had not budgeted for building an urgently needed hospital in Port Moresby, and if it had not been for the efforts of the European community not even the most basic facilities would have been established. The temporary 'hospital' could be found in the local gaol and the warder's cottage of Port Moresby, supplemented by two hospital tents.⁹²

When gold was discovered on the McLaughlin River, a tributary of the Mambare, in 1896 and on the nearby Gira River in 1897, a doctor was urgently needed on Tamata Station on the

⁸⁵ AR-BNG, (1888/89) p. 7.

⁸⁶ Some 200 European miners went the Louisiade goldfields in 1889. MacGregor first visited the area in January 1891 and again in Feb. 1892, (AR-BNG [1890/91] p. xiv, [1891/92] pp. 31–3).

⁸⁷ AR-BNG (1888/89) pp. 25–6 and (1891/92) p. xxiv.

⁸⁸ AR-BNG (1888) report by Musgrave 31 Oct. 1887.

⁸⁹ AR-BNG (1889/90) p. 5, see M. Spencer, *Public Health in Papua New Guinea 1870–1939*, p. 53.

⁹⁰ AR-BNG (1894/95) p. xxvi; see Chapters 9 and 10; see Spencer, p. 58.

⁹¹ *ibid.*

⁹² AR-BNG (1896/97) p. 73.

Mambare to cater for the hundreds of miners. However, Blayney was required in Port Moresby to carry out his magistrate's duties and to deal with a bad health crisis. Some 400 ill-equipped miners had arrived in the first part of 1897. With inadequate food, clothing, footwear and provisions, they tried to reach the Mambare from the Vanapa River or via Kapakapa but found the task too difficult and straggled back to Port Moresby.⁹³ 'Deplorably weak they readily succumbed to fever and dysentery', according to Blayney, 10 patients died soon after they had arrived at the hospital. Of the 35 people he treated in the makeshift facilities, 10 suffered from malaria, three from diarrhoea, four had broken limbs, gunshot wounds or burns, with the rest suffering from nervous breakdowns and other ailments.⁹⁴ The statistics on mortality (27.27%) refer only to the cases treated in this hospital: 'not having good accommodation here, and as our hospital arrangements were only temporary, as many cases as possible were forwarded to Cooktown', reported Blayney. Also not included were five Europeans who had died on the way to the Mambare and a person who died aboard the *Merrie England* whilst being transferred to Cooktown.⁹⁵

MacGregor was concerned that the uncontrolled rush of men to the Mambare would kill at least half of those trying to get there: 'let the madmen go to [there]', he suggested scathingly. At least the men from north Queensland, who should have been accustomed to the similar climate, could perform some useful work by 'defining the location and value of the fields'.⁹⁶ As regards medical care, he suggested these 'lunatics' take a bottle each of sulphate of quinine pellets, Dover's powders pellets, anti-febrine tablets, antibilious pills, a revolver and a shotgun.⁹⁷

Pills or not, the conditions on the goldfields remained chaotic with reports of scores of deaths continuing. Most of those who reached Tamata suffered from fever as sanitary facilities did not exist nor did they adhere to basic hygiene standards. In his account of the situation Blayney blamed the miners for their predicament:

Much of the sickness is brought on by the reckless mode of living [men come] unprovided with even the most ordinary medicine. They expect to be able to do the same amount of manual labour that they did in Australia. They are obliged to live on tinned meat, and often run short of stores. They drink heavily of alcoholic drinks. They use water which is polluted. The only wonder is that there has not been an epidemic of typhoid.⁹⁸

Up to 150 European miners assisted by 600 Papuans worked the Gira (1898) and Yodda (1900) goldfields without basic sanitary facilities.⁹⁹ The situation on Woodlark Island was worse. Some 400 European miners and 1600 Papuans worked the Murua claims in 1896/97 in atrociously unhygienic conditions. Yet MacGregor did not take action or provide appropriate medical support. Whether this was because the miners were expected to look after themselves or whether it was from lack of revenue is not clear. It needs to be noted, however, that most of

⁹³ An account of this episode in Nelson, pp. 114–15.

⁹⁴ AR-BNG (1896/97) p. 74.

⁹⁵ *ibid.*, p. 52. The accurate number for the Port Moresby hospital casualties should have been 28.57%.

⁹⁶ *ibid.*, p.114.

⁹⁷ Spencer, p. 62.

⁹⁸ AR-BNG (1898/99) p. 92.

⁹⁹ See Chapter 14.

the revenue raised in BNG during this period was raised from import duty, and here, the European miners as the largest group, made the largest contribution to the government's purse. The miners tried to improve their lot by funding a hospital at Tamata in December 1898. It closed 4 months later for lack of money and staff. In MacGregor's defence, he exceeded his annual 'Medical and Sanitary' budget of £100 by £54 in 1895/96 and by £5 in 1896/97.¹⁰⁰ However, when he succeeded in having the health budget increased to £200, he surprisingly underspent the appropriation by £90.¹⁰¹

MacGregor never filed mortality or morbidity numbers for BNG with his annual reports. The entomologist Margaret Spencer, who worked in Papua between 1953 and 1979, estimated the mortality rate among the Europeans and indigenous miners and workers at around 10% to 30% at the end of MacGregor's tenure in 1898.¹⁰² Despite this, Spencer viewed MacGregor's achievement of establishing a public health system in BNG as impressive. The basic framework of legislation in quarantine, village hygiene, health of prisoners and labourers, and public hospitals were his main achievements in her view.¹⁰³ Spencer cleared MacGregor from any responsibility for the disastrous mortality and morbidity rates on the goldfields. With 'such an obvious defect the answer must be not in MacGregor's failure', Spencer argued, 'but in the failure of his superiors to provide sufficient finance for such extra staff and assistance in employing them. His resources were already stretched to the limit'.¹⁰⁴ Whether more mining wardens would have made a significant difference to the mortality rate as Spencer suggested is uncertain. Information on sanitary requirements, and checks at the ports of entry on whether the prospectors and miners were suitably equipped and provisioned would have been as important as MacGregor's protest about the shortage of medical staff, medication and facilities.

How seriously MacGregor really viewed these shortages is not obvious. On one hand, he considered medical work an integral part of missionary activities. On the other, he complained about the shortage of funding in health. What really mattered was the high casualty rate among the European miners and the Papuans. The problem could have been brought under some control by slowing down the extensive patrols MacGregor and his officers and agents carried out in the pacification process. This would have freed up funds, staff and time.

Native Courts, the native armed constabulary and the village constable

When southeast New Guinea became a British colony, the laws, acts and statutes of Queensland became the laws and ordinances of BNG, where they were enforceable and consistent with the laws of the Possession.¹⁰⁵ In order for local matters to be dealt with more equitably MacGregor introduced the Native Affairs Ordinance, 1889.¹⁰⁶ A Native Administration

¹⁰⁰ AR-BNG (1895/96) p. 98 and (1896/97) p. 94.

¹⁰¹ AR-BNG (1897/98) p. 125.

¹⁰² These are estimates as mortality statistics for BNG appeared for the first time in 1902/03.

¹⁰³ Spencer, p. 63.

¹⁰⁴ *ibid.*

¹⁰⁵ Ordinance No. VI of 1889 set out the Acts of Queensland that were adopted as ordinances of BNG (AR-BNG [1889/90] p. 5).

¹⁰⁶ AR-BNG (1889/90) pp. 5–6.

Board, comprising at least two members of the Legislative Council and, besides the administrator, two persons nominated by him, was set up under this ordinance so that 'matters bearing on or affecting the welfare of the native population' could be better considered. The regulations enacted by the board after approval by the administrator-in-council, the Legislative Council and reviewed by the Queensland and British governments, related exclusively to the Papuans. Special native magistrates and district courts, presided over by a R.M., adjudicated on cases solely concerned with Papuans. The administrator was authorized to appoint the 'Magistrate for Native Matters' who could be a Papuan. It was an executive power MacGregor never used.¹⁰⁷ Because the regulations dealt in civil and criminal matters they were written in simple English. Additionally, for Papuans to understand the regulations clearly, they were translated into the most widely understood Papuan language, the Motu dialect.¹⁰⁸

In 1890 a duly constituted armed constabulary was established so that the laws and ordinances could be upheld. Without police or a military force at his disposal, MacGregor established a constabulary that was required to perform the duties and functions of Queensland police officers.¹⁰⁹ Authorised by the Legislative Council, MacGregor engaged a European officer who started his command with 12 Solomon Islanders, recruited in Fiji, and two Fijian non-commissioned officers (NCOs). In 1892 the force of 50 NCOs still included 10 from the Solomon and New Hebrides Islands. The ordinance provided that the force was made up entirely from unmarried Papuans who were of 'sound bodily constitution and between 17 and 40 years of age'. It took time, however, to attract such men to the discipline of a police force. The power under the ordinance to draft Papuans for a period of up to 3 years was of little use initially, but good and regular food, regular pay and a uniform ultimately attracted 'the strongest men in the country' to the constabulary.¹¹⁰ The force expanded progressively, with detachments of about 25 men posted to the magistrates in each division.

At the end of MacGregor's term in BNG the constabulary numbered 110 Papuan men. In 1914 the established strength of the detachments numbered 287 NCOs. By then the drafting of men was more widely accepted, even though 'the right stamp [of men], young, strong, and intelligent natives' were difficult to find.¹¹¹ Lieutenant-Governor Murray regarded the pay of 10s per month in the first year, 15s in the second and £1 in the third year as too low for the tasks of the constables. While their main duties remained the execution of orders from the courts and provide protection to government officers, they were also required to work on other, non-policing, matters. They acted, for instance, as mail carriers to the inland stations and

¹⁰⁷ Whether MacGregor ever intended to appoint a Papuan to the position of magistrate is open to conjecture.

¹⁰⁸ Secretary of Native Affairs F.E. Lawes translated the penal regulations (AR-BNG [1892/93] p. vii). On the administration of justice see Joyce, pp. 182–95.

¹⁰⁹ AR-BNG (1898/90) p. 6.

¹¹⁰ AR-BNG (1897/98) p. xxv.

¹¹¹ AR-Papua (1913/14) pp. 104–5.

plantations, built government infrastructure such as wharfs and bridges, and assisted in exploration.¹¹²

During his brief tenure in New Guinea Scratchley had realised that the atomistic nature of Papuan society lacked hierarchical authority through which a central administration could operate. He recommended that the government should recognise a man in every village as its official representative.¹¹³ MacGregor took up Scratchley's suggestion in 1892 as he realised that a constabulary, no matter how large their number, could not carry out police work on all points: 'it would take the whole of the funds at present provided for the expenses of the administration', he told Governor Norman.¹¹⁴ To overcome this predicament MacGregor established a 'cheap auxiliary force', consisting of a single village policeman. On 31 December 1892 he gazetted the village constable system under 'Native Regulations' with the intent of bringing law and order to the territory eventually.¹¹⁵ Under the regulation the administrator appointed uniformed village constables at a rate of pay usually not exceeding £1 p.a...¹¹⁶ Practicalities dictated that the R.M. or Native Magistrate appointed a village elder to the position of village constable. MacGregor authorised the magistrates to give a ruling on village matters not covered under the native regulations. Where stealing, injuries to persons, property damage, non-burial of the dead, perjury and threats, destruction of coconut trees or adultery was committed, the village constable could only make arrests on behalf of the magistrate. When MacGregor left BNG in 1898 there were 202 village constables. Performing most of the police work permitted the constabulary 'to extend authority over new tribes'.¹¹⁷ MacGregor envisaged the numbers quadrupling by 1908. Claiming the formation of the constabulary and village police 'the two finest and best institutions I left in New Guinea', he created a substitution for the tribal chiefs' authority that had not existed in New Guinea before.¹¹⁸

Labour laws

Increasing 'pacification' led to increasing relaxation of constraints on the employment of Papuan labour. The Natives Removal Prohibition Ordinance, 1888 required that 'no deportation of natives be allowed, either from one part of the Possession to another, or to any place beyond the Possession, except under such conditions as may be established by order of Ourselves in Our Privy Council'. Four years later MacGregor had the law repealed. The Labour Ordinance, passed by the Legislative Council on 23 May and given imperial assent on 25 August 1892, was regarded by MacGregor as 'perhaps the most important legislative measure he had dealt with during 1892'.¹¹⁹ The new law was framed to free labour for the economic

¹¹² *ibid.* On the performances of the armed constabulary see J.H.P. Murray, *The Scientific Aspect of the Pacification of Papua*, pp. 1–18.

¹¹³ Legge, p. 64.

¹¹⁴ AR-BNG (1892/93) pp. vi–vii.

¹¹⁵ *ibid.*, (1897/98) p. xxvi.

¹¹⁶ *ibid.*

¹¹⁷ *ibid.* This was particularly relevant for the Western Division according to MacGregor.

¹¹⁸ MacGregor also regarded the support he gave the missions as one of his great achievements (J.H.P. Murray, *Papua or British New Guinea*, p. 27).

¹¹⁹ AR-BNG (1891/92) p. vii.

development of BNG without abandoning the requirement of 'native protection' as set out in the Letters Patent of 1888. MacGregor promoted the urgent necessity to mobilise local labour to Queensland's Governor on the grounds of benefiting the Papuans: 'the more the natives of one district are brought into contact with the natives of other districts', Norman wrote to the Queensland Governor, 'the better will they understand the protecting and pacifying power of law and Government'.¹²⁰ Of course, the salient passages of the ordinance addressed the need to provide workers to prospective planters and to assist miners. It stipulated that

Persons having bona fide residences in the Possession can only employ natives:

Natives can be engaged anywhere in the Possession provided that they are engaged before a Magistrate.

Before a Magistrate can sanction an engagement he must satisfy himself that the native is willing to enter into the contract and that he will be fairly treated and duly paid and returned to his home on the expiration of the engagement.

The period of engagement cannot exceed twelve months.

On the complaint of the employer or the employee a Magistrate may, at his discretion, cancel or vary the contract.

Residents can receive permits to let them take natives under engagement to them, entered into before a magistrate, to Cooktown or Thursday Island, own their own vessel, as boatmen, seamen or as personal attendants.

Payment of natives engaged before a magistrate must be made in the presence of the latter.

Natives can be employed within 25 miles of their village for up to one month without the intervention of a Magistrate.

The Ordinance has been framed to permit the greatest freedom of contract between the employer and the native that is compatible with reasonable protection to the latter.

The ordinance was applicable to labour employed by private persons or companies as distinct from the government. It was silent on pay rates, but obligated the employer to supply the native 'until he returns him to his usual place of residence, with food, water, medicine and shelter'.¹²¹ The employer was protected from fulfilling his obligation if the labourer deserted or left his place of employment. In case of death or an indictable offence, the employment contract remained silent on repatriation.

Under a regulation passed by the Legislative Council on 14 May 1892, government-employed labourers were entitled to a weekly portion of 10.5 lb rice, 2 lb biscuit, 4 lb meat, 2 lb sugar, 2 oz tea, 2 sticks tobacco and 0.5 lb soap. When yams or other locally grown vegetables were available rice and biscuit could be deducted in proportion.¹²² The new regulation was not applicable to company employees or private persons: prospectors and miners would have found it difficult to adhere to such conditions for logistical reasons.

To facilitate and encourage job contracts and to protect the employer from labourers abrogating their contract, MacGregor found it necessary to amend The Native Labour Ordinance, 1892 in the following year. The amended ordinance in 1893 gave government and private employers the necessary framework to employ indigenous people on contract work. Subject to the approval by an inspector or magistrate, private employers could now hire

¹²⁰ *ibid.*, p. viii.

¹²¹ AR-BNG (1891/92) p. viii; W. MacGregor's *Handbook of Information for Intending Settlers in British New Guinea*.

¹²² The conditions were similar to those provide by NGC in GNG; see Chapters 9 and 10.

workers for the clearing of land, plantation work, road building and other specified scope of work on a lump sum or piecework basis. A written contract between the employer and the labourer was only required if the work to be carried out took place at a distance of more than 40 km from the employee's home village, the work would extend over 12 months or the remuneration exceeded £5. The ordinance also provided for a penalty of 1-month imprisonment and loss of wages for non-fulfilment of the employment contract. This provision allowed the government, not the private employer, to penalise an indigenous worker who failed to take up service after they had entered into a written agreement or if they deserted during the course of the agreement.¹²³

Still on a mission to develop BNG with the Papuans for the Papuans, MacGregor introduced two regulations in 1894 that he hoped would instil greater ownership into villagers. In the first instance he was intent to have local people become engaged in the building and maintenance of roads. A magistrate could direct village men to build roads or clear land for gardens. Non-compliance with an order to do the work was liable to imprisonment for a period not exceeding 7 days.¹²⁴ Secondly, MacGregor mandated the planting of coconuts. In districts pacified by the government the 'Magistrate for Native Matters' fixed the minimum number of coconuts that were to be planted each year by villagers.¹²⁵ Even with the threat of imprisonment it was not a successful scheme, with MacGregor advising his superiors in 1898: 'with the exception of coconuts, rubber from the forest trees ... natives are not likely alone to ever add much to the exports of the colony'.¹²⁶

Towards the end of his tenure MacGregor lifted further the restriction on employing labour. With the implementation of the 1897 and 1898 Labour Ordinances he declared the south coast settled, allowing Papuans to be employed without a written contract unless the labourer was 60 miles from his village. Another inducement to prospective settlers was a clause that provided for 14-days imprisonment or loss of wages if the engaged worker was not carrying out his assigned tasks in a reasonable manner. Other changes enacted to the employment conditions during 1897 also favoured the employer. Any person who assisted a worker to desert was liable to punishment whilst a deserter could be handed back to the employer by the court.¹²⁷

Land and labour

In 1891 MacGregor turned his attention to conditions of labour employment. The Administrator had noted that implementing the 1888 ordinance, which prohibited 'the removal of the aboriginal natives of the Possession from their own districts', worked well. 'Speaking generally', he reported in 1889, 'the natives employed by Europeans are well treated, many of them

¹²³ AR-BNG (1893/94) p. v.

¹²⁴ Regulation No. I of 1894 (AR-BNG [1893/84] p. vii).

¹²⁵ *ibid.*, No. II of 1894.

¹²⁶ AR-BNG (1897/98) p. xliii.

¹²⁷ Ordinances Nos. II and VIII of 1897 and Ordinance No. II of 1898 (AR-BNG [1897/98] p. vi).

indulgently so',¹²⁸ whilst his magistrate in Samarai insisted that 'the employers of labour were generally a fair dealing class, although of course they are quite ready, as a rule, to pay as little as possible for their labour'.¹²⁹ Notwithstanding Hely's concern, MacGregor informed Norman in November 1891 that the 'removal of natives from one district to another can [now] be permitted without danger'.¹³⁰ Because of MacGregor's newly gained belief that tribal intercourse would help solve language problems and lead to appeasement among the Papuans,¹³¹ in 1889 he shifted the emphasis from the indigenous population to the European planter whom he tried to attract to BNG. In 1888 he started from the premise that 'any plan for the systematic settlement of an agricultural population of Europeans in the country was inadmissible'. He believed that 'it was highly improbable that people of European descent could ever perform continuous manual labour in the field in New Guinea'.¹³² He also argued that the Papuans occupied the best agricultural land and that so far 'no district has been found in the Possession in which any systematic plan for the settlement of Europeans could be carried out'.¹³³ Yet, contrarily, MacGregor started to pave the way, also in 1889, for '*bona fide* settlers' to come to BNG to set up tobacco, tea, coffee, vanilla, banana, fibres or coconut plantations, 'as they would find good local labour, and soil and climate suited to any branch they took up'.¹³⁴ Already in 1889, MacGregor had brought Queensland's *Real Property Act* into force. This provided him with the authority to grant settlers freehold title to land acquired by the Crown and register the ownership of real property in BNG.¹³⁵

Twelve months later MacGregor implemented a major departure from his 1888 land law instructions to attract European settlers.¹³⁶ Part one of The Crown Lands Ordinance, 1890 regulated the settlement of land claims dating from before the declaration of sovereignty on 6 November 1888. Part two of the ordinance directed how such lands would be acquired and the transaction recorded. Explicitly, the Crown could only take 'waste and vacant' land not used or likely to be required by the Papuans. If the local people could establish ownership at a later stage, the law provided for the Crown to return the land to them. Subject to this caveat, the administrator was authorised to sell the land in fee simple to missions, for building allotments or agricultural purposes. Part four set out the payments and conditions for Crown land. While missions could be granted land in trust at the acquisition cost to the Crown, town allotments were to be sold by private bargain or by public auction subject to an improvement order. When no obligations for carrying out improvements were imposed, the minimum price per acre for Crown land was offered at 10s for agricultural land, 2s for pastoral land, £5 for land used for trading or fishing purposes and 5s for land purchased for the planting of coconut. Areas not

¹²⁸ Ordinance No. III of 1888, 'prohibiting the removal of natives from their districts' (AR-BNG [1888/89] p. 6).

¹²⁹ AR-BNG (1889/90) p. 104.

¹³⁰ MacGregor to Norman 2 Nov. 1891 (CO 422/7).

¹³¹ *ibid.*

¹³² AR-BNG (1890/91) p. xxii.

¹³³ AR-BNG (1889/90) p. 20.

¹³⁴ *ibid.*

¹³⁵ Ordinance No VIII 23 Nov. 1889 (AR-BNG [1889/90] pp. 6 and 20).

¹³⁶ Ordinance No VII 15 Nov. 1890 (AR-BNG [1890/91] pp. v and vi).

exceeding 50 ac were offered on 5-year deferred payment terms at a price of not less than £1 per acre. Part five stipulated the lease of agricultural land for up to 25 years at 1s/ac. If the land was leased subject to improvement conditions, a rent-free period of 3 years was applicable; thereafter the minimum rent was 6d/ac with an option to purchase the land during the leasehold. Coconut plantation land could be leased for up to 60 years. On the condition that 25% of the land was planted in the first 5 years the entire lease was rent-free for this period. Irrespective of whether further planting was undertaken, a charge of not less than 6d/ac was applicable for the following 5 years, and 1s/ac for the remainder of the lease.¹³⁷

This ordinance seemed to be an invitation for white settlement. Rather than opening up the country to large enterprises, initially MacGregor was only prepared to purchase smaller lots, and then only at the request of an intending European purchaser. This restrictive process was not helped by the Executive Council's long-winded dealings on claims predating the 1884 annexation. The administrator-in-council accepted a small claim in February 1891, but it took until 1898 before recognising 2,645 ac as *bona fide* transactions by Europeans prior to annexation.¹³⁸ MacGregor rejected outright an application for 10,890 ac and five other claims because he considered them 'so extensive that each of them would have covered the lands of several native tribes'.¹³⁹ Torn between development and the protection of the indigenous population, MacGregor was keen not to have his fledgling control over the local population damaged by powerful companies who would become an *Imperium in imperio*.¹⁴⁰ MacGregor remained hopeful that the Papuans would one day be the main producers of agricultural produce, with European settlement only providing supplementary assistance.

The small settlers would not pose a threat to MacGregor's authority. He encouraged them to settle in BNG and contrary to his own findings, he wrote in 1891: 'there is no doubt that areas of good land of a few hundred acres each are procurable at very many places in the Possession, suitable almost for any form of tropical cultivation'.¹⁴¹

But few, if any, settlers followed MacGregor's invitation and made the costly journey to BNG. The Australian land boom of the 1880s had come to a crushing halt. It gave way in 1891 to economic depression, creating high unemployment and ruining many businesses; it also increased the popularity of the 'White Australia Policy'. While Chinese, or for that matter Asian immigration was not an option for MacGregor on racial grounds alone, the 1890s depression also prevented the entrepreneurial European settler making the move to an unexplored country where land could be repossessed by the government if the local people could establish ownership. In 1891 MacGregor was still boasting that he had received land applications for several hundred thousand acres, which he could not entertain because the granting of such

¹³⁷ *ibid.*, p. vi.

¹³⁸ AR-BNG (1897/98) p. xli.

¹³⁹ AR-BNG (1890/91) p. xxii.

¹⁴⁰ *ibid.*, p. xxii. See Joyce, p. 210; Legge, p. 91.

¹⁴¹ AR-BNG (1890/91) p. xxii.

applications 'would seriously interfere with the native tribes'.¹⁴² However, while still maintaining that 'the agricultural settler who is prepared to turn the land to use is the only land purchaser for whom there is any opening,' he had become concerned: 'unfortunately that class of man is difficult to obtain, although every possible facility would be offered to him'.¹⁴³

By late 1892 MacGregor had become so alarmed at the lack of settlers coming to BNG that he had a *Handbook for Intending Settlers in British New Guinea* published by the Queensland government. It was to no avail. The planters did not come, leaving the administration to establish government coconut plantations. Initially intended to encourage the Papuans to do similar work, MacGregor took possession of Tauko (Fisherman Island) near Port Moresby in 1889 to start an 80-ac government coconut plantation.¹⁴⁴ The next year he had coconuts planted on the mainland, opposite Tauko, followed up with the 50-ac Rigo Station in the Kapa Kapa district, the 46-ac Nivani Station on Samarai Island, 8 ac on Geisila Island near Samarai and 10 ac on Wagatutma Bay opposite Samarai. He also started botanical gardens on some of the stations to experiment with local and exotic plants: Jamaican coffee seeds were procured from the Royal Botanic Gardens in Kew, London and other economic plants from the Botanic Garden in Rockhampton, Queensland for future trials.¹⁴⁵ By 1891 some 15,000 coconuts had been planted and by then it had become more an economic than educational proposition. 'If successful', MacGregor reported, 'these plantations cannot but be an important item of revenue in half-a-score [10] of years [and will represent the] change which will be found necessary to the full development of the coconut industry in British New Guinea'.¹⁴⁶

Economic development under MacGregor

In his 1897/98 annual report MacGregor surveyed the decade of his administration. He took much satisfaction in establishing the authority of the government over wide areas of BNG, but he could not hide his disappointment in failing to attract settlers. 'The establishment of some degree of supremacy on the part of the Government', he wrote, 'was preliminary essential to acquiring any extensive and exact knowledge of the physical nature and capability of the country'.¹⁴⁷ However, a year earlier he had said: 'the most discouraging element in the administration of the Possession is the fact that no European planting on a scale of any importance has been started'.¹⁴⁸ By June 1898 the government had purchased or taken possession of unoccupied land totalling 332,452 ac, only 6,572 ac of that land had been transferred to private purchasers.¹⁴⁹ It included the 2,645 ac acquired by Europeans before the establishment of the Protectorate.

¹⁴² *Brisbane Telegraph*, 16 Oct. 1891.

¹⁴³ AR-BNG (1890/91) p. xxii.

¹⁴⁴ AR-BNG (1889/90) p. 15.

¹⁴⁵ AR-BNG (1893/94) p. xxiii; *ibid.*, (1895/96) p. xxix; *ibid.*, (1896/97) p. xvi and (1906/07) p. 91.

¹⁴⁶ AR-BNG (1890/91) p. xviii.

¹⁴⁷ *ibid.*

¹⁴⁸ AR-BNG (1895/96) p. xxxiii.

¹⁴⁹ *ibid.*, pp. 127–8. Government land survey in AR-BNG (1896/97) pp.71–2; see Table 7.

After the miners, the teachers of the Christian missions and congregations were the largest group of white settlers. They had been granted 1,236 ac in 139 parcels for religious and agricultural applications. Whereas the mission stations endeavoured to be self-sufficient in food, they were also not averse to entering the commercial world of trading in copra and trepang, and planting for a profit. MacGregor encouraged this. He envisaged that the widely dispersed missions would supply the local people with seeds and encourage them to plant gardens of economic size.¹⁵⁰ The missions were indeed successful in horticultural education; however, most of their agricultural land was less than 10 ac which was not of significant commercial scale. While some expansion of mission plantations, such as Arabica coffee on the Ravao mission and a coconut plantation on Yule Island took place,¹⁵¹ it was sporadic and had no bearing on the overall development of BNG. Compared with the industrious undertakings of the Catholic and Lutheran missions in GNG, economically, the missions in BNG performed poorly.¹⁵²

Private persons had taken up 27 blocks (109 ac) for residential and business use up to 1898, and four blocks were acquired for setting up trading stations. Three parcels of land were acquired for pastoral (1,366 ac), 11 for agricultural (2,986 ac) and six for coconut plantations (874 ac) use.¹⁵³

Rather than attracting Bevan to return to BNG and put to good use his knowledge of the country and his youthful energy, MacGregor favoured his principal surveyor, John Cameron, in 1894 with 2,145 ac in the Kabadi district.¹⁵⁴ Situated in the estuary of the Laloki, Vanapa and Brown Rivers, it was one of the most fertile parcels of land in BNG. A year later Cameron purchased land at Cloudy Bay, southeast of Port Moresby, on the Kemp Welch River and at the Marshall Lagoon, all situated in the Central Division, and at Milne Bay in the Eastern Division. Departing from 'the strict rules of the civil service', MacGregor saw no conflict of interest in favouring Cameron. The government surveyor was not on the 'civil list of officers' and, therefore, was not a public servant. Cameron never developed the land in any event. He died in 1898, his holdings taken up some 10 years later by an investor. A conflict of interest was obvious, however, when in February 1894 the government agent for Rigo, A.C. English, took up five 10-ac parcels near the government nursery, 40 miles southeast of Port Moresby.¹⁵⁵ He planted *Ficus Rigo* next to the existing native rubber trees, bringing the inventory to 12,000 trees in 1901. It became a valuable business for English with returns of £855 in 1900/01

¹⁵⁰ During an inspection of the Meko District MacGregor witnessed the agricultural efforts of the Catholic Mission, intended to attract the local people (AR-BNG [1893/94] p. 43).

¹⁵¹ D.C Lewis, *The Plantation Dream*, p. 29.

¹⁵² On missions in GNG see P. Steffen, 'Die katholischen Missionen in Deutsch-Neuguinea' and R. Pech, 'Deutsche evangelische Missionen in Deutsch-Neuguinea 1886–1921' in H.J. Hiery, ed., *Die Deutsche Südsee*, pp. 343–414.

¹⁵³ AR-BNG (1897/98) pp. xli and 127-8.

¹⁵⁴ *ibid.*, p. 127.

¹⁵⁵ *ibid.* English made the north–south crossing with MacGregor in 1896.

growing to over £1,000 in the following years.¹⁵⁶ About the time MacGregor left BNG in September 1898, the Collector of Customs David Ballantine was granted 100 ac of government land in the Sorigi district, some 50 km inland from Port Moresby. The precursor to this acquisition was Ballantine's expedition in April 1898, 'to induce the Hagari tribe to submit to the Government'.¹⁵⁷ The expedition was only partly successful, and it may have been a strategic decision by the lieutenant-governor to establish a plantation in the region to effect further pacification. The plantation, on which Ballantine grew coffee, also had its problems. A severe drought in 1902 was followed by an outbreak of the coffee leaf disease 'hemeleia vastatrix' or coffee rust.¹⁵⁸

Economic development of BNG was so desperately needed that MacGregor contemplated not returning to Port Moresby when he was on leave in 1894–95. When delivering a paper on BNG's economy to the Manchester Geographical Society, he lamented the glut of traders and collectors and the absence of producers. He justified the changes that had been implemented with the Papuan employment laws by telling his audience: 'what is wanted in the Possession is the man who will raise new products, or extend the range of those already existing. To facilitate this, the labour law has been made as little onerous as possible'.¹⁵⁹

The policy of seeking to attract the small settler failed. Even more disappointing to MacGregor was that the Papuans would not, for a long time to come, be material contributors to the colony's economy. Still in London, and meeting people of influence and money, MacGregor warmed to the idea of permitting large-scale plantation development in BNG. He met with prospective Australian and British investors and returned to BNG in mid 1895 in a positive frame of mind.

Possibly because of MacGregor's talks in London, Henry Alexander Wickham, of Para rubber fame,¹⁶⁰ arrived in BNG in 1895 to take up leasehold land with an option to convert it to freehold. Most of the land comprised the Conflict Islands near Samarai. Wickham's plantation enterprise of sugar and coffee had not come to fruition in Queensland and, now 50 years old, he decided on planting coconut trees on Panasea Island in the Conflict Group. He came to

¹⁵⁶ Details on A. English's rubber plantation at Rigo see 'Report of the Royal Commission of Enquiry into the Present Conditions of the Territory of Papua' (1906) pp. xvi–xviii. C.R. Baldwin, a former BP employee, found MacGregor's decision to award English land privileges unsavoury (report, p. 31).

¹⁵⁷ AR-BNG (1898/99) pp. xv–xvi.

¹⁵⁸ AR-BNG (1902/03) p. 17.

¹⁵⁹ *Manchester Geographical Society*, x, p. 284.

¹⁶⁰ H.A. Wickham (1846–1928) was responsible for gathering some 70,000 seeds in 1876 from the rubber-bearing tree, *Hevea brasiliensis*, in the Manaus area of the Amazon Region, for the Kew Botanic Gardens. Some 2,000 seedlings were from Kew to the Heneratgoda Botanic Gardens at Colombo where they thrived. Dissemination of the seeds from Sri Lanka, first to the British colonies of India and Malaya and then to Dutch East Indies, helped create the rubber plantations of South East Asia and India. Because of the superior quality of the cultivated seeds and the more efficient British-owned rubber plantations, Wickham was indirectly responsible for the collapse of the Amazon rubber boom that carried large sections of the Brazilian economy until 1912. After his experience in South America, Wickham was district commissioner in British Honduras and as commissioner for the Indian government responsible for the introduction of Para rubber trees. In the early 1890s Wickham's agricultural interests took him to North Queensland to try his hand at coffee and sugar cane. The ventures were unsuccessful. A. Allingham, *Oxford Dictionary of National Biography*, vol. viii, pp. 176–7. H.A. Wickham, *On the Plantation, Cultivation and Curing of Para Indian Rubber*.

BNG to investigate the native rubber trees for latex contents and quality. However, rather than investing in Para rubber he made the first 'systematic attempt at coconut planting'.¹⁶¹ By 1906 Wickham had planted some 10,000 coconut trees generating approximately 100 t of copra annually. Demonstrating his entrepreneurial skills, he brought a pearl specialist to Panasea in 1899 to investigate the culturing of pearls there. He employed the local people to dive for trepang, shells and pearls, and was the first person in BNG to treat and export marine sponge.¹⁶² During the 1909–11 caoutchouc booms, Wickham advised the British New Guinea Development Company of London on the investment opportunities in BNG in Para rubber and coconut palms. He sold control in his Conflict Islands Association in 1911, but retained some shares and maintained ongoing interest in BNG from England.

When it became known that Andrew Goldie wanted to sell up, James Burns acquired the assets to open BP's first branch in New Guinea. Walter Gors was sent from the company's Thursday Island branch to manage Goldie's old store in Port Moresby and to use the 50 ac acquired in the transaction. Within a short period Gors developed BP's BNG arm into a thriving business, buying and selling anything that made a profit. With the opening of a second branch, also in 1891, BP became the suppliers, buyers and shippers for the traders, miners and the government. Like NGC in GNG, the company issued its own bank notes (£1 and £5) which it accepted in any of its stores and branches in the South Pacific and Australia.¹⁶³ In January 1893 MacGregor awarded BP a 4-year contract for an 8-weekly mail service from Cooktown to Port Moresby. The payment of £150 for each voyage enabled the company to expand this service at its cost to Yule Island, and a second service to Samarai and the Louisiade goldfields. BP commenced with the construction of a jetty, wharf and warehouse at Port Moresby in 1891. The work, which included a 220 yd (200 m) 3 ft 6 in (1067 mm) tramline and rail carts was completed in 1895.¹⁶⁴ Separate from BP, Walter Gors started the first sizable plantation in partnership with the Norwegian trader Thomas Anderson in February 1894. The pair had acquired a grant from the government over 440 ac at Dedele on Cloudy Bay with the intention of planting coconut trees.

In 1893 MacGregor commenced a massive landfill project in Samarai. Faced with the alternative of moving the expanding town to another location or reclaim 9.5 ac of swamp, MacGregor opted for the latter. A loan from the Queensland government of a light-rail-system and the employment of prison labour enabled the preparation, removal and laying down of over 42,000 cubic yards of rock material by June 1894. Because of the blasting required in procuring the material and the strain the work put on the administration's budget, the remaining work of 13,000 cubic yards of fill was not completed until 1897.¹⁶⁵ Concurrent with this project, BP constructed a slipway, its own wharf and a store on the island. However, despite the mail

¹⁶¹ 'Report of the Royal Commission into British New Guinea, 1907', p. xvi.

¹⁶² *ibid.*

¹⁶³ *ibid.*, p. 26; Buckley & Klugman, p. 56.

¹⁶⁴ *ibid.*, p. 57.

¹⁶⁵ AR-BNG (1893/94) pp. xxiii and 70–1.

steamer subsidy and land grants to build its wharf and warehousing facilities, the company incurred losses of £4,770 since establishing in Samarai in 1891. Only in 1896/97 could BP book its first profit of £2,146 for Samarai. This stood in stark contrast with Port Moresby, where the sale of merchandise and the sandalwood operations generated continuing profits with £7,085 in the same financial year.¹⁶⁶ To open up the Gulf area, MacGregor declared Daru a port of entry in 1893 even though the shallow water around the island made the transfer of cargo to and from ships difficult. Following the completion of most of the work at Samarai the construction of a jetty was commenced at Daru in 1896, also with prison labour, to permit easier loading and unloading of the whaleboats, servicing the ships anchoring off shore.¹⁶⁷

In 1896 Burns instructed Gors to apply to the government for 240 ac at Warirata on the Taluri Tableland at the northern end of the Astrolabe Range. The area selected by Gors was on the Laloki River, 600 m above sea level, which became particularly useful as a weekend sanatorium for staff and clients. Gors also wanted to demonstrate the suitability of the high country for coffee and cacao. BP's board of directors approved the undertaking with a caution to Gors who was expected to devote his energy and loyalty entirely to the firm and not become involved in further private developments.¹⁶⁸

MacGregor instigated a major policy shift with the start of his second term in BNG. Failure to attract settlers to BNG, in particular Australians, brought about a change in his attitude to powerful companies. Having realised the urgent need to extend the revenue base and develop BNG for the benefit of the indigenous population as well as the European colonisers, MacGregor cast aside his fear that 'high finance' could undermine the authority of his office.

Before returning to Port Moresby MacGregor held discussions with 'the head of a great firm established in Sydney' with the intent of attracting a sugar cane plantation industry to BNG based on the Fijian model.¹⁶⁹ He also approached two other firms in Sydney when his initial discussions did not bring the expected results. With the failure of all of these negotiations MacGregor's hopes rested with John Lowles. This British parliamentarian had approached Sir Hugh Nelson in 1896 on behalf of Sir Somers Vine and Sir Charles Kennedy during the Queenslander's visit to London to seek his views on the establishment of a large-scale rubber plantation in BNG. Premier Nelson, who desired more rapid economic development in BNG, referred the matter to MacGregor. After approving discussions with the Lieutenant-Governor an agreement acceptable to Vine, Kennedy and MacGregor was drafted. The newly formed British New Guinea Syndicate was to receive a land grant of 250,000 ac at 2s/ac, payable over 8 years, conditional on specific improvements. MacGregor agreed to enact an ordinance that would make it easier to engage Papuan labour and permit the recruitment of indentured

¹⁶⁶ Buckley & Klugman, pp.88–9.

¹⁶⁷ The Daru wharf took until 1917 to build, with a 174 m stone causeway and a 143 m pier completed.

¹⁶⁸ *ibid.*, p. 95.

¹⁶⁹ MacGregor to Lamington, 4 Oct. 1898 (CO 422/12). While MacGregor did not disclose the name of the company, by referring to sugar in his communiqué with Queensland's governor, it was obvious that he meant the Colonial Sugar Refining Company.

workers from India and the Pacific Islands. The indenture of Chinese coolies remained banned in the draft ordinance. MacGregor submitted The Land Ordinance, 1898 rather than a new labour ordinance to the Queensland and British governments for approval. It gave the syndicate wide-ranging privileges, including 'the sole property in all products of the land so granted, and especially ... the sole property in all mines and mineral deposits thereon or therein'.¹⁷⁰ The ordinance was approved by Governor Lamington and forwarded to the Colonial Office for assent which would allow the syndicate to proceed. Approvals from the Queensland, New South Wales and Victorian premiers were expected to be routine as the scheme would have lessened the demand on the Australian colonies for funding. Whilst the British government asked for clarification before it would agree, the premiers showed their annoyance at not being consulted properly by voicing their opposition to the scheme. Bevan reminded Premier Turner of Victoria that he, the veteran explorer, was denied the privilege of acquiring land in BNG when he was interested in setting up a major plantation industry there.¹⁷¹ The free trader, Premier Reid of New South Wales, joined Turner in opposing the scheme. Turner told his Parliament on 29 June 1898: 'if we had the opportunities of fully investigating and discussing it, we might have come to the conclusion that some modified scheme would be advantageous to New Guinea ... Personally, I am determined to do all I can to prevent this proposal being carried out'.¹⁷²

Premier Byrnes, who had replaced Nelson in April 1898, was just as contrary. He argued that the syndicate was a danger to the Queensland sugar cane growers and to Australian interests.¹⁷³ Byrnes would have paid attention to Burns' intentions of 'reserving' plantation land for BP's expansionary plans in BNG. He would have been equally concerned if BNG had been 'dominated by a powerful British corporation'.¹⁷⁴ Strong public sentiments, inflamed by a hostile press, generated fear of the influence of British capital in BNG. That the agitation made little sense because British capital all but controlled Australian commerce was ignored by the editors of the newspapers. It may also not have been understood by the wider Australian population. Apart from missing the opportunity of transferring some of the development costs, the failure to implement the agreement cost the contributing colonies £5,000 in damages that the British New Guinea Syndicate claimed.

MacGregor said in 1898 that his policy had always been in support of European development, but he conceded that 'at the present moment agricultural development is practically at a standstill on political considerations'.¹⁷⁵ After Premier Nelson and Governor Lamington visited BNG at Byrnes' request they returned with little positive news. None of the

¹⁷⁰ AR-BNG (1897/98) pp. vi and 56.

¹⁷¹ Bevan in the *Melbourne Age*, 21 May 1898; see Joyce, p. 407, fn.16.

¹⁷² VPD, LC, vol. 88, p. 36.

¹⁷³ AR-BNG (1897/98) pp. 56–68; see Joyce, pp. 125.

¹⁷⁴ VPD, LC, vol. 88, p. 36; see Legge, p. 96.

¹⁷⁵ AR-BNG (1897/98) p. xliii; see Joyce, p. 213.

lands they inspected on their 10-week tour was suitable for small investors. Whilst the most fertile land was along the banks of the rivers and was, therefore, suitable for agriculture,

pioneers must make up their minds to have a very rough time for some years after starting operations ... Without wishing to draw unfavourable comparisons, I may state that no lands came under my observation suitable for settlement in small areas; nor can any of them...compare with the lands on the Herbert, the Johnston, the Daintree, and other rivers in the tropical Queensland...If [this] country is to be developed it can only be accomplished by companies or individuals having command of large amounts of capital. [But] nothing came under my observation that would lead me to believe that the inducements to settlers on the Territory are sufficiently strong to attract farmers or others from Queensland or the other Australian colonies, where in addition to a healthy climate they enjoy all the advantages of civilisation – schools, police, protection, railways, post and telegraph services. [All] of which are as yet unknown in the Possession.¹⁷⁶

Although Blum and others in GNG envied the achievements of MacGregor, and whilst British and Australian capital was impressed by the progress made by the NGC, the truth was that both colonies struggled to find their feet economically. While spending and wasting a great deal of funds, the Germans had at least gained the experience on what did not work for them in GNG while at the same time establishing infrastructure for future agricultural development. The future for BNG was much more uncertain. The three Australian colonies were unwilling to fund BNG after their 10-year commitment expired in 1898. Notwithstanding this they strongly objected to British or foreign capital obtaining a foothold in BNG. Worse still, the colonies were incapable of agreeing to a large capital investment by BP. It was petty jealousy where the contributing colonies of Victoria and New South Wales were not prepared to provide Queensland with an economic advantage in BNG. As for Britain, she was not interested in New Guinea unless development could supply the revenue necessary to do so.

Before MacGregor left in September 1898 to become the lieutenant-governor in Lagos, he expressed the hope that the mining industry would provide the profits to run BNG. For this to happen, he argued, 'further encouragement to prospectors to examine new districts' was needed.¹⁷⁷ However, he did not enunciate the administrative support, the infrastructure and the policies the government needed to provide in order to attract the desired prospectors. The employment and land laws were no longer impediments to investments.¹⁷⁸ What the miners needed was better access to the interior, better security from attacks by the tribes, the abolition of import duties and a basic health system. All this required money, which neither the Australian colonies nor the British government were willing to extend.

¹⁷⁶ AR-BNG (1897/98) pp. 131–2.

¹⁷⁷ *ibid.*, p. xliv.

¹⁷⁸ The only obstruction to development in Burns' view was 'The Chinese Immigration Restriction Ordinance of 1898'.

CHAPTER 13

THE FIRST GRANDCHILD OF THE BRITISH EMPIRE

Early in the 20th century, BNG was dubbed the 'first grandchild of the British Empire'.¹ For fully a decade before that, however, the putative 'grandchild' was no more than a neglected and near destitute orphan. In the lead-up to and in the wake of Australian Federation there was some threat, indeed, that both British grandparent and Australian parent might disown BNG. The point is an important one for any comparison between Anglo-Australian and German colonialism in New Guinea. The present chapter begins, therefore, with a discussion of the parlous situation of BNG around the turn of the 20th century. It also reveals that the colony drifted without purpose or direction until Australia finally took real responsibility for administering and developing the Territory's economy seriously with the passing of the *Papuan Act* of 1905. The chapter also reveals that the widely accepted notion that the Anglo-Australian colony treated its 'natives' better than its German counterpart across the border is mistaken. The rush for gold to the Louisiade Archipelago (1888) to the neighbouring Woodlark Island (1895) and to Upper Mambare River (1898) provided the only attraction for Europeans to venture to BNG. Many of them were from the Queensland frontier who knew all too well how to deal with the 'native problem'. Gold, the 'frontier' commodity of the 19th century, brought the same social problems to BNG that beset the 'Wild West' of America or in the Australian colonies of Tasmania, Victoria, Queensland and Western Australia. Although not of the same magnitude, gold prospecting and mining in the mosquito-infested tropical environment of Papua had a per capita dimension of human suffering – with few parallels.

Until 1890 the BNG administration opposed economic settlement of any kind. It then tried to attract the small tropical planter and, that policy having failed, large firms. Despite the offers of generous land and labour conditions, these attempts failed because of disagreements among the Australian colonies and with the Colonial Office in London. Apart from those disagreements, (addressed in Chapter 12), Australia suffered an unprecedented, prolonged financial depression throughout most of the 1890s. Triggered by the collapse of a speculative boom in Melbourne suburban land and house prices, the economy plummeted 17% across all Australian colonies, with prices falling in real terms by 22% from 1890 to 1894.² The banking crisis lasted until 1900. The situation, partly related to a global economic downturn, was made worse by the severest drought then on record continuing until 1903. While Queensland was most affected (70% in drought in 1902), total sheep numbers in eastern Australia fell from 106,000,000 to 54,000,000 and cattle stocks fell by more than 40% during this period. Plainly, the Australian people were not in a financial condition to invest in property and equipment in

¹ The title is taken from Beatrice Grimshaw's *Papua the Marvellous*, p. 5.

² D.T. Merrett, 'Australian Banking Practice and the Crisis of 1893', *Australian Economic History Review*, 29, 1, (1990) pp. 60–85.

Australia, let alone in an unknown, undeveloped country.³ The dawn of the Australian nation on 1 January 1901 instilled new optimism. The Federal government in Melbourne was busy bedding down the constitution and its new institutions, hoping that for the time being at least the Colonial Office would take care of BNG.⁴

The British government was in no mood to retain responsibility for BNG. Joseph Chamberlain, who was in charge of colonial policy, reminded the Australian colonies at the height of negotiations for a federated Australia that southeast New Guinea was annexed because of pressing Australian demand and there were no new factors that might make Britain change her mind and retain an interest. In light of the British New Guinea Syndicate failure, Chamberlain advised the Australian government in 1901, that British investment was plainly not welcome in BNG. 'Each year', he told Australia's first Prime Minister Edmund Barton, 'it is becoming more difficult [for him] to induce the House of Commons to vote money for the administration of a Colony' which would ultimately benefit Australian capital and enterprise.⁵ Queensland, New South Wales and Victoria had adopted a similar position in 1898. The annual payment of £5,000 pledged for 10 years by each of the contributing colonies terminated on 10 September 1898.⁶ Over the years, the various premiers of the three colonies had been unable to agree on a position to extract value from BNG, and they were now keen to shift the fiscal burden for BNG to the impending national government. Washing their hands from further responsibilities, the premiers believed that the BNG administration could, for the time being, be funded from the accruals in the accumulated revenue fund established by William MacGregor and receipts from customs excise and gold mining permits. With spending records showing that savings from previous appropriations and proceeds could only last for 18 months, the pressure was now on the Australian government to take over the reins of BNG.⁷ It was, however, not until November 1901 that the federal government agreed to assume responsibility for BNG, and then only for a 5-year period. Support for BNG in the Australian Parliament was by no means unanimous. If it had not been for the commitment to the colony by Prime Minister Barton and his Attorney-General and Leader of the House of Representatives, Alfred Deakin, BNG may have been abandoned.

Pressed by the Colonial Office to accept BNG as a territory, the Australian Parliament debated the New Guinea question in 1901, the same year that a bill for the 'White Australia Policy' was presented. Melanesian workers on indenture to the Queensland cane farmers – now properly contracted for 3 years on 10s a month plus keep – were not always repatriated. Nor did the Chinese, who came to Australia during the 1850 gold rushes or who replaced

³ The Australian financial sector was left devastated during the financial crisis of the 1890s. Forty building societies and mortgage banks in Melbourne and Sydney failed between July 1891 and March 1892. Of the 64 banks and finance companies that traded in Australia in 1891, 54 ceased to trade in 1893, 34 of them permanently. From April to May 1893 over half of the banks, holding 61.5% of total bank assets in Australia, suspended payments to depositors (ibid.)

⁴ G. Bolton *Edmund Barton*, p. 248; K. Buckley & K. Klugman, *The History of Burns Philp*, p. 139.

⁵ CPP, 1902–2, vol. ii.

⁶ AR-BNG (1898/99) p. 108.

⁷ AR-BNG (1899/1900) p. xxvii.

convict labour, return home. With the 1890s depression influencing the thinking of many Australians, white working-class people objected to the competition of 'black labour'. This led to the introduction in the Australian Parliament of an Immigration Restriction Bill in August 1901. The Bill addressed much more than restricting immigration though; Barton intended to ban all non-European migration to Australia and invoke the repatriation of all Pacific Islanders working on the Queensland plantations after the completion of their contract. Whilst the Bill was supported by most members of both Houses and generally welcomed by the Australian public, large landholders, particularly the Queensland cane growers, opposed it. The Salisbury government in London, where the Foreign Secretary Lord Lansdowne sought an alliance with Japan, and where Chamberlain had the Indian subcontinent to administer as well as many African subjects, also opposed the Bill. Patently, both Ministers did not wish to be associated with the blatant racism exercised in the Australian Parliament.⁸

Against much criticism from many of Barton's parliamentary colleagues and his opponents, all pushing for complete prohibition of non-European migration, and who protested the British interference, a 'watered down' Bill was passed on 3 December 1901. Rather than deciding on race, permanent entry to Australia was now determined by passing a dictation test in a European language.⁹

The *Immigration Restriction Act* contrasted with Barton's position on the South Pacific. During the election campaign he spoke of Australia's need for a national policy on the Pacific Islands. After the election Barton was keen to appease the Queensland sugar industry, see the commercial interests such as BP in the Pacific region protected, and prevent access to harbours in southeast New Guinea to possible future hostile powers (Germany, Holland or France).¹⁰ Whether for political, humanitarian, commercial or defence reasons, Barton considered that Australia had to take over from Britain as the colonial power in BNG. He moved in the House in August 1901 that BNG be accepted as 'Territory' of the Commonwealth and that £20,000 a year be voted for 5 years as an interim measure to meet the cost of administration.¹¹ Britain, Victoria and New South Wales were only too glad to hand over the territory and its costs. However, Queensland's Premier Philp and its former premier Sir Samuel Griffith, objected to a grab for power in BNG by the federal government. Queensland had assumed responsibility for BNG on behalf of Britain and the other eastern colonies in the past, and now saw no reason to relinquish this authority save for funding, which Prime Minister Barton was welcome to provide.¹² The Queenslanders were not alone in criticising the federal government on BNG. Other detractors balked at the cost of administering and developing BNG. The Member for New England, William Stewart Sewers, feared that government

⁸ Bolton, p. 243.

⁹ The Bill was nearly as onerous as the original draft. The dictation test required a person seeking to immigrate to write a passage of 50 words in a European language chosen at the examiner's discretion.

¹⁰ The shareholder and founding member of Burns Philp & Co., Robert Philp, now Queensland premier, supported Barton during the general election (Bolton, p. 246).

¹¹ CPD, vol. vi, 1901, p. 7092

¹² Griffith to Barton, 6 July 1901 (NLA Mfm G27551 Series 1 MS 51/1/800).

assistance to agriculture in BNG, in particular sugar, would be to the detriment of Australian farmers and that open territorial borders would overturn precisely what the *Immigration Restriction Act* tried to control. Senator Miles Staniforth Carter Smith from Western Australia lamented that Australia contemplated accepting responsibility for a territory when the country had hardly started developing its own resources.¹³ Just to complicate matters for Barton, the *Bulletin*, at the time a fanatically racist journal, was doing its best to ensure that the BNG bastard child was not brought into the Australian family of states. Reflected the views of many Australians it caricatured Barton on 23 November 1901 whitewashing Papuans: 'in a few days', the magazine wrote, 'British New Guinea will become part of Australia. If Australians persist in their cry for a White Australia there's a big job in front of Barton'.

There was no alternative to accepting responsibility for BNG for Barton and Deakin, however. Since BNG had indeed been annexed at the request of the Australian colonies, Deakin argued that it was essential that Australia assume full control in the interest of 'the native people'. Appealing for compassion, he urged the members of the House to protect the Papuans and their land from 'irresponsible men who are a law unto themselves' and who, in the absence of sovereign control, would inevitably be drawn there.¹⁴

Concerned that the Bill for BNG could be defeated, Barton delayed a vote until November 1901 when it passed through both Houses. The resolution accepted BNG as a territory of Australia with a federal grant of £20,000 annually for 5 years. While the funding of the Port Moresby administration became effective retrospectively from 1 July 1901, it took 4 months before the *Commonwealth Gazette* proclaimed:

The Senate and House of Representatives of the Commonwealth of Australia having passed resolutions authorising the acceptance of BNG as a Territory of the Commonwealth, the United Kingdom placed BNG under the authority of the Commonwealth of Australia on 18 March 1902.¹⁵

Taking on BNG came with a clause limiting Australia's responsibility to 5 years and with nothing changing in Port Moresby. The administration remained unaltered in character except that the Governor-General of Australia replaced the governor of Queensland. The federal government was still to draft the legislation for the Territory's constitution. Despite leaving it on the agenda for debate from 1903, it was not until 1905 that Deakin tabled the Bill, which passed Parliament and came into force on 1 September 1906 with BNG becoming the Territory of Papua (Papua). Indecision did not end until a federal Royal Commission of Inquiry into conditions in Papua, including methods government, was presented to the Senate on 20 February 1907, set a way forward.

During the interregnum from 1899 to 1907, Australia neglected the first grandchild of the British Empire. It was a period of conflict and dissatisfaction within the Port Moresby administration. No permanent replacement for Lieutenant-Governor Le Hunte was appointed until November 1908. On Le Hunte's departure in June 1903, the Chief Judicial Officer, C.S.

¹³ Proceedings in the Senate, *ibid.*, p. 7477.

¹⁴ CPD, vol. vi, 1901, p. 7406.

¹⁵ *Commonwealth Gazette* on 26 May 1902 (AR-BNG [1901/02] p. 7).

Robinson, acted as the administrator for a year. Captain F.R. Barton replaced Robinson after the Goaribari Island affair on 16 June 1904.¹⁶ Following a damning report on Barton's administration, he went on leave on 9 April 1907,¹⁷ and resigned on 8 April 1908.

The Le Hunte administration

George Ruthven Le Hunte had succeeded MacGregor in BNG in the third quarter of 1898.¹⁸ Chief Judicial Officer Francis P. Winter administered BNG from 28 September 1898 until 22 March 1899, the day Le Hunte arrived in Port Moresby. Apart from carrying out the administrator's responsibilities when the lieutenant-governor was on reporting visits to Australia, Winter (9 April–28 December 1902) and Government Secretary A. Musgrave (29 December 1902–10 May 1903) managed BNG when Le Hunte was on a year's extended leave.¹⁹ He only returned to Port Moresby on 11 May 1903 for 4 weeks.²⁰ The position of Governor of South Australia had become available after the retirement of Australia's first Governor-General, the Earl of Hopetoun, in July 1902. Baron Tennyson, who temporarily performed the dual functions of governor of South Australia and acting governor-general, accepted the governor-general's post in January 1903. Le Hunte lobbied for the South Australian position whilst in England and was now awaiting confirmation of his new posting.²¹

Le Hunte left BNG on 9 June 1903 and the Acting Administrator, Judge Christopher Robinson took over responsibility for BNG.²² In a despatch to his Resident Magistrates Le Hunte expressed his gratitude for their strong co-operation. In his final report on BNG to the Department of External Affairs, Le Hunte considered that BNG was in reasonable shape: 'a steady going machine on good commonsense lines'.²³

The 'steady going machine' performed an administrative process, where – on the positive side – the first hospital and medical care in Samarai was established in BNG. On the negative side, during the 4 years Le Hunte was in charge of BNG, and as we shall see, more Papuan lives were lost at the hands of his magistrates and the miners, and more Papuans were incarcerated, than during the 10-year MacGregor decade. No significant sustainable development took place during Le Hunte's tenure. Whilst New South Wales and Victoria

¹⁶ Robinson retired and subsequently committed suicide because of mishandling of the punitive expedition to the Goaribari Island. For a full report on the Chalmers massacre on Goaribari and its consequences see Commonwealth of Australia, 'Report of the Royal Commission on the Affray at Goaribari Island', pp. 1–109. An abbreviated account of the incident is given in J.D. Legge, *Australian Colonial Policy*, pp. 107–10.

¹⁷ Acting Administrator Barton was appointed administrator of BNG on 1 Sep. 1906.

¹⁸ G.R. Le Hunte (1852–1925), a trained lawyer, became private secretary to Sir Arthur Gordon in 1875. He served the Western Pacific High Commissioner in Fiji until 1887, from 1883 he was judicial commissioner. Le Hunte transferred to the West Indies where he served as 'President' (administrator) of Dominica (1887–94) and as colonial secretary on Barbados (1894–97). After a brief stay as colonial secretary on Mauritius (1897) and extended leave in England, Le Hunte was appointed lieutenant-governor of BNG in 1899. He was appointed South Australia's 15th governor on 1 July 1903 and was governor of Trinidad and Tobago (1909–16). Le Hunte's last government appointment was in Dec. 1917 when he sat on the bench of the London Appeals Tribunal (D. Langmore, *Australian Dictionary of Biography*, vol. 10, pp. 66–7).

¹⁹ AR-BNG (1898/99) pp. v and xxxii; application for special leave by Le Hunte (NAA A8/1).

²⁰ Winter retired in Dec. 1902 after 13-years.

²¹ Telegram from Tennyson to Le Hunte (NAA A6662).

²² Officially Le Hunte left BNG on 11 June. However, the *Merrie England* left Port Moresby for Cooktown on 9 June with Le Hunte on board (AR-BNG [1902/03] p. 47).

²³ Papers of Atlee Hunt (Correspondence, NLA MS 52).

prevented BP from establishing the Hall Sound Co. in 1899, which would have started large-scale agricultural activities in BNG, Le Hunte did little to drive economic development due to lack of government funding during the transition to the Australian federation. However, it is doubtful whether he was ever fully committed to BNG. Le Hunte had moved from the vibrancy of the Caribbean, the splendour of Government House in Roseau on Dominica, and the well-established Parliament Building in Bridgetown on Barbados, to no more than basic accommodation in Port Moresby. In contrast to BNG, the agricultural industry in the West Indies possessed a large number of workers, Le Hunte had educated staff working in his administration and, his administration was properly funded; all qualities lacking in BNG.

Even though Le Hunte spent nearly half of his time away from BNG, his fellow officers lauded his commitment. He encouraged 'religion and education amongst the native inhabitants to the utmost of his power [and took] a deep interest in the work of the various Missionary Societies'.²⁴ Further, in the 1902/03 annual report, Musgrave paid tribute to Le Hunte's devotion 'to the task of bringing the coastal natives to a greater extent under Government influence, and concurrently, of adding to the knowledge of navigable waters of the Possession'.²⁵ 'In bringing the large population of the fjords, who were the terror of the [north] coast, under control',²⁶ Le Hunte established the North-Eastern Division under the former New Guinea gold prospector and adventurer, C.A.W Monckton, with the setting up of the Cape Nelson Station on 4 April 1900.²⁷ This foresight, according to Musgrave, was a striking example of Le Hunte's working and methods.²⁸

Notwithstanding Musgrave's and his fellow officer's praise Le Hunte did not measure up to his predecessor's commitment to BNG. He did not lead from the front as MacGregor had done. Rather, he favoured the comfort of the *Merrie England* and preferred to leave exploration to the prospecting gold miners and the pacification expeditions to his R.Ms. With the exception of two punitive expeditions avenging the killing and eating of the missionaries James Chalmers and Oliver Tomkins and nine mission students on Goaribari Island – which occurred on 8 April 1901 – the lieutenant-governor limited his duties to visiting coastal tribes and inspecting government

²⁴ AR-BNG (1902/03) p. 13.

²⁵ *ibid.*

²⁶ AR-BNG (1899/1900) p. x.

²⁷ Charles Arthur Whitmore Monckton (1873–1936), the son of a New Zealand doctor, Monckton sought adventure in New Guinea. When MacGregor was not prepared to employ the 23 year-old in his administration Monckton travelled the islands of east New Guinea in 1895. First panning for gold on Woodlark Island, then pearling and trading in the Louisiade Archipelago, he returned to New Zealand in 1897 to study navigation. Later that year Monckton sailed his small schooner from Sydney to Port Moresby where MacGregor offered him relief posts in the Meko District, and the Eastern and South-Eastern Divisions. In 1899 Le Hunte created the North-Eastern Division and appointed Monckton R.M. with the seat at Cape Nelson. In 1903 Monckton was given the additional responsibility of the Northern Division and was appointed to both the Legislative and Executive Councils in Port Moresby. In 1906 Monckton was the first European to climb Mt Albert Edward (3,990m). He was the first European to repeat MacGregor's expedition of 1896 by crossing into GNG north of the Waria River and then traversing BNG north to south. Travelling down the Lakekamu River, he emerged at the Gulf of Papua. Monckton resigned on 4 June 1907 after J.H.P Murray was appointed acting administrator. Monckton managed a farm in New Zealand from 1910. He went to England in 1914 to enlist and in the army, serving in India during the World War I. In 1919 Monckton settled in Kent, England, where he wrote three books and articles on his experience in BNG. He died of malaria in London on 1 March 1936 (Lutton, N., *Australian Dictionary of Biography*, vol. 10, pp. 549-50).

²⁸ AR-BNG (1902/03) p. 13.

stations. His inspections included the gold-producing islands of Louisiades, Sudest and Woodlark, and Tamata Station. In his travels Le Hunte collected the receipts from import duties, mining permits and court fines.

Increasing expenditures for want of money

Le Hunte would have been aware that he was taking over an administration that lacked infrastructure, particularly hospitals and roads, basic sanitary installations and an educated workforce. He was also conscious of opposition from the Australian contributing colonies and from Britain to providing further funding for BNG. Before taking office, he approached the premiers of Queensland, New South Wales and Victoria to request funding until BNG became self-supporting. More specifically, he requested that the appropriation of £15,000 be ongoing for another 5 years, the upkeep of the *Merrie England* to be paid for from accumulated funds and the balance to be drawn from annual revenue. After 5 years of such support, Le Hunte believed that BNG could stand on its own feet.²⁹

As could be expected, the premiers rejected his proposal. Their mood for financial disengagement in BNG was best reflected in the position taken by Victoria 20 months earlier. Adopting the argument advanced by Chamberlain, Premier Turner had told MacGregor at the Premiers' Conference in January 1898:

When I come to ask for further votes in connection with this [BNG], how am I going to explain to the House that I have been refusing expenditure on roads and bridges in our own colony, an expenditure of £5,000 or £6,000 in New Guinea from which we do not draw one iota of benefit.³⁰

Le Hunte had no choice but to start his administration in BNG on the funds accumulated by MacGregor (£28,957) and the revenue he hoped to collect during the first 12 months (£11,723). Initially, the sum available proved to be more than sufficient for Francis Winter, who was in charge of the administration for most of the 1898/99 fiscal year. Starting the new fiscal year with a balance of £20,904 in the accumulated fund account, Le Hunte collected £10,865 in import duties, £1,757 for mining permits, £403 from land sales and £810 for licences and fines.³¹ On the debit side of his income and expenditure ledger, he wrote off £3,697 in inventory, and appointed a R.M. for the North-Eastern Division and additional mining wardens and two agents in the Eastern Division at cost of £971. He increased spending on medical care fivefold to £620, and sped up land surveys at a cost of £1,312. Total expenditures, including the running costs of the *Merrie England*, came to £28,301 for 1899/1900. This left a credit balance of only £6,600 for the following year.³² Le Hunte commenced that financial year with a special survey grant of £3,000 and a £3,000 loan from the Queensland government.³³ With revenue of £15,000 forecast, the BNG administration could hope to collect no more than £27,600 in 1900/01, which was £2,400 less than Le Hunte had budgeted. Since the federal government

²⁹ Le Hunte to Premiers, 11 Sep. 1899, 'Despatches from the Lieutenant-Governor of BNG to the Governor of Queensland', 1 Jan. 1896–31 Dec. 1905 (NAA Series G73–CA1295); BNG 'Correspondence' (NLA MS 52).

³⁰ *ibid.*

³¹ AR-BNG (1898/99) pp. 108–9; see Table 16 and Chart 16.

³² Table 16.

³³ AR-BNG (1900/01) p. vi.

had been unable to secure a vote on funding for BNG quickly, and with the British government flatly refusing to seek a vote in the House of Commons for further BNG appropriations, the financial position of BNG was precarious in 1901.³⁴ However, rather than reducing expenditure, Le Hunte increased spending on judicial administration (magistrates, wardens and agents), land surveys and health. Expenditure amounted to £32,648 for 1900/01, an increase of £4,347 compared to the previous year.³⁵ To balance the BNG budget shortfall the Queensland government voted for further financial relief in May 1901. Under the Appropriation Ordinance, 1901, £7,101 was set aside for defraying general expenses, and £1,750 was for the maintenance of the *Merrie England*.³⁶ With these temporary facilities Le Hunte was able to take a credit of £779 into 1901/02.

The amount carried forward met the costs of running BNG for a few days; yet, with only a slight increase in the forward estimated of 1901/02 revenue, Le Hunte continued spending. At an expenditure over income ratio of 2:1, BNG was heading for a £20,000 unauthorised deficit by June 1902. When the expected settlement with the federal government had still not been concluded 3 months into the new financial year, Le Hunte sought to safeguard his position by turning to Queensland Premier Griffith in October 1901 for 'immediate instruction'.³⁷ Of course, there was little Griffith could do other than refer the matter to the Queensland governor and the Colonial Office for consideration. The timing of the Australian Parliament to settle the BNG question in November 1901 was therefore propitious. BNG becoming the responsibility of Australia, with £20,000 in annual grants for 5 years, retrospective from 1 July 1901, saved the lieutenant-governor from an embarrassing situation. When the funding of BNG was secured for the next 5 years with the gazetting of the appropriation in March 1902, Le Hunte applied for a year's special leave from 9 April 1902.

In Le Hunte's absence the 1901/02 financial year ended with a £1,599 deficit only because the Queensland government insisted on the repayment of the £3,000 loan extended to BNG in 1901 for additional land surveyors. However, in light of what could have happened, the small deficit would hardly have spoiled the lieutenants-governor's 12 months sojourn.³⁸ Judge Winter and A. Musgrave delivered an even smaller deficit of £69 in 1902/03. This was achieved by reducing expenditure from £39,246 of the preceding year to £37,577 in 1902/03, whilst increasing revenue from £16,868 to £19,868, mainly on account of increased land sales.³⁹

Native policy through the gun

Le Hunte maintained the principle of MacGregor's 'native policy', except his execution of the policy was much harsher, resulting in much greater loss of life. The excitement of gold discoveries in the Sudest (1888) and on Misima Island (1889) was short-lived. The initial

³⁴ This is an assumption because the method and timing of payments are not known.

³⁵ Table 16

³⁶ AR-BNG (1900/01) p. vi.

³⁷ Le Hunte to Griffith, 4 Oct. 1901(NAA Series G73-CA1295).

³⁸ Table 16

³⁹ *ibid.*

production of 3,850 oz for the Louisiade goldfields had fallen to 560 oz in 1896/97. By then most miners had moved to Woodlark Island, approximately 160 km north of Misima, or to the Upper Mambare River of the mainland, where gold was found in August 1895. Four years later 150 European miners panned the Yodda (Upper Mambare), Gira and Waria Rivers for gold. While the vengeance by MacGregor on the Binandere people for the murder of the Cairns prospector Clark in 1895 and the government agent Green in 1897 established some government control around Tamata Station, 'the death-roll among the European miners and indentured labourers' that followed in the Upper Mambare region was quite 'horrifying' according to Monckton.⁴⁰ In this, the R.M. of the North-Eastern Division failed to mention the enormous loss of life amongst the tribal warriors in the north and northeast.

Responding to the miners' demand for better security, Le Hunte consolidated the existing stations in the South-Eastern Division and created the North-Eastern Division. The miners were the problem in the Louisiades and on Woodlark, not the islanders. Here, the R.M. for the South-Eastern Division, Alexander Campbell, reported from Nivani Station in 1897,⁴¹ 'serious crime is almost unknown [and that] the tribes of Misima, once so savage and troublesome as almost to make one despair of them, are now so completely pacified that only petty breaches of Native Regulations have to be dealt with'.⁴² It was a different story with the miners. The influx of some 400 Europeans and 1,600 Papuan labourers to the island region made Woodlark the centre of the gold industry in BNG in 1897, and the centre of crime. The experienced diggers from Sudest Island were not the problem. They were accustomed to the climate and knew what stores and equipment were needed. Rather, the fortune hunters and vagabonds, who arrived from Australia with little money, stores and equipment, and who were inexperienced and lacked mining skills, caused problems. Campbell vented his frustration about them when he wrote a piece in the *Brisbane Courier* on 9 April 1897: 'a dozen very bad characters, some of whom had served long prison sentences in the Australian colonies', were amongst the miners on Woodlark.⁴³ Illustrating the problems he had to deal with, Campbell told the episode of two miners who had stolen 11 oz of gold, a revolver and a watch from a deceased miner found nothing wrong with their action. After all, he was dead, was their simple explanation.⁴⁴ When Le Hunte came to office the easy gold had been panned, leaving only 113 Europeans in the southeast: 76 of them worked the Woodlark leases on 30 June 1900. Australian crushing mills were then replacing the dishes of the alluvial miners. Three companies were crushing the ore of the Kulumadau reefs: Woodlark Island Proprietary Gold Mining Co. NL of Sydney, Woodlark Ivanhoe Gold Mining Co. NL of Adelaide, and Kulumadau Woodlark Island Gold

⁴⁰ C.A.W. Monckton, *Last Days in New Guinea*, p. 2.

⁴¹ In 1901 the government station in the South-Eastern Division was moved from Nivani Island in the Louisiades to Bonagai on Woodlark Island (AR-BNG [1901/02] p. 19).

⁴² AR-BNG (1896/1897) p. xvi.

⁴³ H.N. Nelson, *Black, White & Gold*, p. 57.

⁴⁴ *ibid.*

Mining Company Ltd of Charters Tower.⁴⁵ The manager of Woodlark Island Gold Mining treated the Australian workers harshly when he realised that the reef may not contain as much gold as first thought. When their wage was reduced from £5 to £4, the men stopped work and set up a picket. An approach by the company to Campbell for police protection was ignored. Concerned that the striking men could turn into an uncontrollable mob, where 'possibly both police and mining property might have fared badly',⁴⁶ Campbell employed an additional mining warden to maintain law and order. He also engaged W.B. Bramell, a treasury employee from Port Moresby, to assist implement the mining regulations and maintain law and order.⁴⁷ Further, his colleague in the Eastern Division, Matthew H. Moreton, assisted Campbell with the settling of mining disputes. The measures led to the mining company restoring the weekly wage, thus giving Le Hunte the opportunity to open the first fully mechanised gold mine in BNG in April 1901.⁴⁸

Whilst the local people in the southeast became the 'most law-abiding in the Possession',⁴⁹ the situation was starkly different on the Upper Mambare, Upper Kumusi and Gira rivers. The killing of John Green in January 1897 saw the Government Secretary Michael Shanahan installed as R.M. at Tamata Station. Shanahan and his surveyor, H.H. Stuart-Russell, were able to keep the area around the station safe. With the exception of the three ringleaders responsible for Green's murder, 'all the natives that had been arrested on suspicion of taking part in the killing had been returned to their homes' by February 1899.⁵⁰ In 1897 Robert Elliott and Alex Clunas prospected the Kumusi Valley, southwest of Tamata Station, and a few months later, with the inclusion of Sam MacClelland, followed the Mambare beyond MacLaughlins Creek into the Yodda Valley. They found gold-bearing sands and some promising quartz; however, the Yodda Valley tribes were aggressive. The repeated attacks and robberies by the Orokaiva people led the miners to call for government protection and additional government stations in the Northern Division.⁵¹

The early prospectors were particularly concerned that 'the carriers and native labourers had given much trouble by running away'.⁵² This problem was aggravated with the opening of the Gira River (1898) and Yodda Valley (1900) goldfields, increasing the number of indentured labourers to over 900 at the turn of the century. With many of the workers recruited from the Fly River estuary,⁵³ the 'savage cannibals found many victims amongst the runaway carriers', according to Shanahan's successor.⁵⁴ Judge Winter expressed surprise that so many

⁴⁵ AR-BNG (1899/1900) pp. xx and 81–3; *ibid.*, (1900/01) p. 78 and (1902/03) p. 39.

⁴⁶ *ibid.*

⁴⁷ AR-BNG (1899/1900) pp. xx.

⁴⁸ AR-BNG (1902/03) p. 39.

⁴⁹ AR-BNG (1898/99) p. xvii.

⁵⁰ *ibid.*, p. xviii.

⁵¹ The seven tribes of the Orokaiva people were in the Northern and North-Eastern Divisions of BNG. Their territory was marked by the Owen Stanley Range to the west, the GNG boundary in the north, the Hydrographers Range in the southeast and along the coast of the Solomon Sea, from Oro Bay to the GNG border.

⁵² AR-BNG (1897/98) p. xx.

⁵³ AR-BNG (1900/1901) p. xxx.

⁵⁴ AR-BNG (1899/1900) p. xxi.

indigenous workers went to the Mambare in the first instance. Because 'the whole country is clothed in dense forest, and the fall of rain is heavy ... the mortality amongst the native carriers in the district has been so heavy that it is unreasonable to expect that natives will engage as carriers for the Mambare'.⁵⁵

Winter appointed a former Queensland policeman, William Armit, to succeed Shanahan in January 1899. The death of Green had started a troublesome period for the administration, which only quietened down when the district was depleted of alluvial gold in 1908/09.

Shanahan had planned to open up the area by cutting a 25-mile track from Tamata Creek to the Gira River in 1897, and for a further 50 miles 'to within some half-dozen miles of the foot of Mt Albert Edward', the source of the Gira.⁵⁶ The enervating slog of cutting through dense rain forest, overcoming river crossings and working around ridges, rewarded Shanahan with finding 'good samples of gold wash and osmiridium' on the Gira. Whilst the old hands, Clark and Simpson, had made MacGregor aware that the Upper Mambare region was gold bearing as early as 1895, with Moses MacClelland, Alex Clunas and Robert Elliott confirming finds in 1897, the first major goldfield on mainland New Guinea was on the Gira River, discovered by Shanahan in 1898.⁵⁷

By 1898 on average of 150 miners worked the Gira, the Mambare and the head of the Tamata Creek, washing an estimated 6,000 oz. of the precious metal from the riverbeds in just over 12 months.⁵⁸ The influx of people saw the death rate amongst the miners and their helpers reach appalling heights.⁵⁹ Where the Europeans were able to avoid the spears or axes of the Binandere or other Orokaiva tribesmen, malaria and dysentery was often the cause for their demise. Shanahan was amongst them. He died from bilious fever on 5 August 1898 before he could reach Samarai for medical help.⁶⁰

After Shanahan's death Captain Archibald Butterworth, commander of the police in BNG, temporarily took charge of Tamata. He had already deputised for Green in August 1896, when the latter accompanied MacGregor beyond the headwaters of the Mambare to Mt Scratchley and Mt Victoria. This time Butterworth was in the region to track down and arrest the two men responsible for the murders of his corporal Sadu and Green. Instead he arrested the murderers of Fry and Haylor, the two miners who had been murdered by the Peu people a week before the massacre of the Green party. At the time of Shanahan's death Butterworth was the most senior officer in the district. Also suffering from fever, he installed the surveyor Stuart-Russell as the officer-in-charge of Tamata when illness forced him to leave there on 1 September 1898.

Stuart-Russell's temporary assignment at Tamata lasted until 3 January 1899 when he returned to Port Moresby to commence a project that was to provide more rapid access to the

⁵⁵ AR-BNG (1898/99) p. xxvi.

⁵⁶ AR-BNG (1897/98) pp. xx–xxi.

⁵⁷ AR-BNG (1898/99) p. xxvi.

⁵⁸ AR-BNG (1898/99) pp. xviii, xxvi and 89–92.

⁵⁹ AR-BNG (1898/99) p. 92; see Chapters 12 and 14.

⁶⁰ *ibid.*, p. 93.

northern river goldfields. The Queensland surveyor was instructed to examine and survey a possible road from Port Moresby, along the Brown River, to the Kokoda Gap. Further, the principal surveyor in BNG was to assess the possibility of extending the road towards the Mambare River 'or such other terminus on the northeastern coast.'⁶¹

The arduous task commenced on 25 April 1899. Stuart-Russell's party consisted of J. MacDonald, head gaoler and overseer, 11 police, 16 prisoners and warders. It also included Robert Hunter, who supervised 3 horse 'boys' looking after 13 horses and mules. Returning 3 months later, Stuart-Russell spoke of his achievements and of the Yodda Valley people. The boisterous behaviour of the local people was such as he had not seen in any other tribes before. Armed to the teeth, he reported:

The fighting chief snatched a rifle from Warder "Paddy," and pointing it at MacDonald's tent clumsily [trying] to discharge it ... Not being familiar with the effect of a bullet from a M.H. or Snider rifle, they imagined their shields sufficient protection, and come on with great confidence. The rifle practice, however, of Mr MacDonald, the two police, and Warders Aroa and "Norman," was too good, and, they came on again and again with the usual bravery of all natives belonging to that district, they were repulsed every time with loss, and eventually drew off, not a man in my party having been injured.⁶²

Apart from carrying out the survey, and in the process killing a number of the inhabitants, Stuart-Russell observed that 'colours of gold are obtainable almost anywhere in the valleys and tributaries of the Noaro and Lura rivers'. On other commercial possibilities in the Owen Stanley region he reported:

The trip has been a revelation to me as regards the potentialities of the New Guinea uplands. The soil is so luxuriantly fertile, and the climate delightful. The country on the southern side of the range strikes me as being richer than that on the northern side [where] sugar can thrive better, and is free from disease. The rubber trees, also, as far as I can judge, are of superior quality to those across the range. Oranges, pomegranates, etc., grow wild, and could readily be turned to account by an experienced gardener. The ordinary produce of the native gardens is taro, yams, taitu, pumpkins, maize, sugar cane, bananas, papaws, betel nut, tobacco, etc. In the Yodda Valley the coconut grows.⁶³

However, he said the valley could only be properly exploited after the land from the Yodda Valley to the Opi River was made safe for Europeans to live and work there. The tribes in this district were 'numerous, warlike, and treacherous; [this] requires thoroughly patrolling before it will be safe for parties to pass through', the surveyor concluded.⁶⁴

At an estimated cost of £10,000 Le Hunte did not proceed with the proposed road from Port Moresby to the northern goldfields. He also dismissed the idea of providing government support for agricultural industries in the highlands. However, in the absence of the lieutenant-governor Winter accepted Shanahan's recommendation and declared the Gira a commercial goldfield on 5 November 1898.⁶⁵ With gold also found in the nearby hills of Milne Bay in June 1899, Le Hunte declared this area a commercial goldfield on 6 December 1899. It was thought that this find would attract some 10,000 men because the sample of quartz sent to Australia was rumoured to contain 60 oz to the ton.⁶⁶ But Milne Bay barely supported 20 miners over its 7-year productive life. Only because of its proximity to Samarai and the easy approach to the

⁶¹ *ibid.*, p. 41. The 'Gap' referred to is the Kokoda Gap.

⁶² *ibid.*, p. 43.

⁶³ *ibid.*, p. 45.

⁶⁴ *ibid.*, pp. 43–4.

⁶⁵ *ibid.*, p. xxvi.

⁶⁶ *ibid.*, p. xxvii, (1899/1900) pp. xix and 17; see Nelson, pp. 176–9.

field did the administration declare the field commercial and provided the necessary warden and policing. On 31 July 1900 Le Hunte declared the Yodda Valley as a 'most valuable gold-bearing country' in BNG.⁶⁷

By 1900 the main gold-bearing leases on the northern rivers were established. On the Mambare, they extended from MacLaughlins Creek for about 30 miles through the Yodda Valley. To the west of the Mambare there were gold reefs on the headwaters of the Tamata Creek, the Gira and Aikora Rivers. It was a vast area, where European intrusion changed the social disposition of the Binandere and Orokaiva people as far as Mt Albert Edward. No longer were the local tribes solely concerned with raiding each other's villages. Their main target became the European miners. The carriers of the miners, who often came from other parts of Papua, added another dimension to the disruption of tribal life in the Owen Stanley Range. The distances the prospectors travelled were too far and the loads too heavy, and rather than fulfilling their indentures, many of their carriers dumped the loads, took everything that was of value to them and absconded. Initially, the Binandere men went after the deserting carriers and returned them in exchange for a tomahawk. However, when they realised the value of the men to the miners they took to blackmail or 'let the boys go free'.⁶⁸

When Armit arrived at Tamata,⁶⁹ he escalated the hostilities between the Europeans and the Binandere men to a war-like level. By regarding the tribes between Tamata Station and the foothills of Mt Albert Edward as treacherous people who lied abominably, and by declaring that 'it is almost impossible to eradicate the germ of suspicion from the mind of a savage', Armit concurred quickly with his predecessors. They were 'accustomed to employ every species of treachery and chicanery in their dealings with one another [and] they credit us with identical vices to which they cling with such pertinacity', he informed Le Hunte.⁷⁰ They were 'cannibals from a sheer love of human flesh ... simply to gratify their carnivorous desire' which made it 'preposterous and intolerable to even dream of permitting a horde of savages to browbeat and intimidate', according to Armit. Therefore, he regarded it incumbent on himself 'to uphold the prestige of the Government, and secure the safety of the miners'.⁷¹ With this attitude he set out on an expedition in January 1900 which became remarkable for its discoveries and disastrous for its bloody encounters with the Papangi and Babagi villagers.

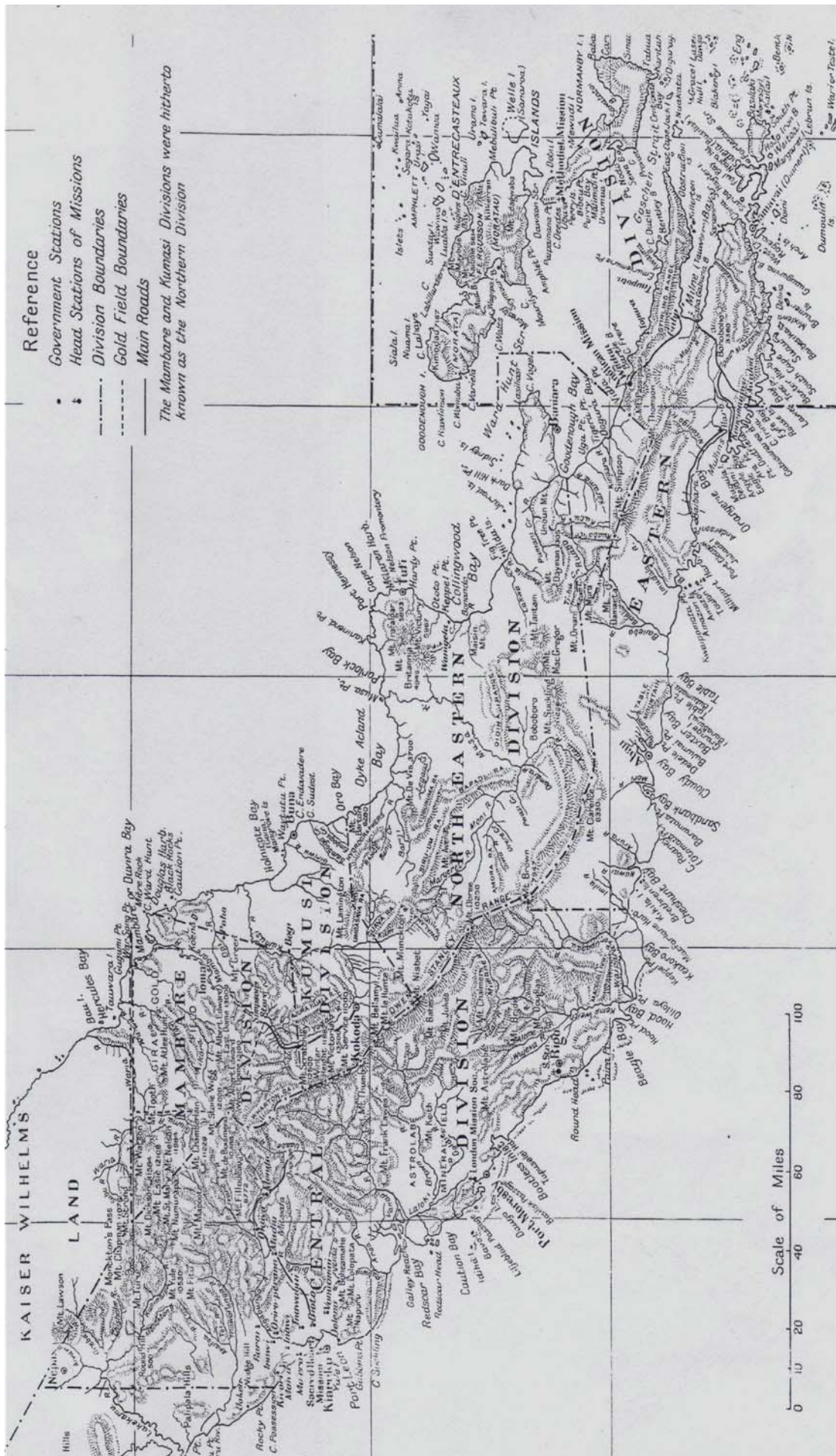
⁶⁷ AR-BNG (1899/1900) p. xxi.

⁶⁸ AR-BNG (1899/1900) pp. xxi and 84.

⁶⁹ William Edington Armit (1848–1910) was born in Liège, Belgium. He served as a professional soldier before migrating to Australia around 1870. Armit worked as a stockman before he was appointed a sub-inspector in the Queensland Native Police. Armit was dismissed from the police force in 1880 and after reinstatement, dismissed again in 1882. During his police service he wrote newspaper articles under his pseudonym, 'A Queensland Police Officer'. According to the *Bulletin*, his pieces included 'some first class alligator and nigger lies'. In 1883 Armit was appointed special correspondent for the Melbourne *Argus*. In this position he explored the north coast of southeast New Guinea from 14 July to 3 Sep. In 1893 Armit returned to BNG as private secretary to MacGregor. After deputy agent in charge of the Mekeo and Rigo districts in 1894, he was appointed sub-collector of customs at Samarai in November 1895. Armit left BNG for north Queensland in 1897 to work as a journalist and naturalist. He published several scientific papers and was elected fellow of the Linnean Royal Geographical Society of London. Le Hunte engaged Armit in 1899, initially as assistant, then R.M. Northern Division (AR-BNG [1800–1901] p. xlii and H.J. Gibbney, *Australian Dictionary*, vol. 3, p. 48).

⁷⁰ AR-BNG (1899/1900) p. 87.

⁷¹ *ibid.*



Map 10: Central, North and North Eastern Divisions of BNG, 1904

Armit left Tamata on 26 January to cut a makeshift road to the 'new diggings' of the prospectors in the Yodda Valley, which he believed would 'very soon become the premier goldfields in the Possession'.⁷² With 8 constables, 4 village constables, 16 prisoners, 4 released prisoners, 40 carriers and 3 personal attendants,⁷³ Armit walked, climbed and cut his way through seemingly impenetrable country. Worn out and ill, he returned to Tamata on 1 April after trekking the Northern Division for some 330 miles. His report to Le Hunte revealed lamentable encounters with the people in the Kumusi and Yodda valleys. The report also contained remarkable achievements in his 9-week journey – the building of a mule-track to the Yodda Valley, and defining of the goldfields. At the conclusion he wrote:

The following are the casualties in the several fights in which my police and myself were engaged: At Papangi, 16th February; 13 men killed; saw no wounded. 19th February, at Babagi; 17 killed. 22nd February, at Sisureta; 1 killed. 24th February, at Twidi; 6 killed. 26th February, at Koko; 4 killed. 16th March, at Berobesila, 13 killed. In no case did I see wounded man, as the scrub affords them ample opportunities to escape. The lamentable death of two women at Babagi, who carried spare spears for their husbands, were probably taken for men. [I followed] Sir MacGregor's instructions to me on more than one, "Never to allow a native to poise a spear preparatory to launching it, but always to fire before the spear could be thrown." I have invariably acted upon these instructions.⁷⁴

In the manner of an inspector in the Queensland Native Police force, Papuans did not intimidate Armit. He wrote in his diary, 8 days out from Tamata, that in the deserted village of Garawakita two warriors confronted him:

Just as I was on the point of leaving two villainous-looking individuals, with blackened faces and wearing war plumes, marched defiantly into the village. To seize these gentlemen, tear off their plumes, and wash some of the black pigment from their faces was the work of about one minute. Then I clapped two heavy swags on their backs and sent them ahead'. They did not like it at all [when] they had to carry to camp, where I let them go.⁷⁵

Three weeks later, on 16 February, when he crossed the Pidza River in the direction of Papangi village some 250 war painted and armed people confronted Armit's party:

I ordered them to put away their arms, but they laughed at me, and one big man, taking two or three rapid strides forward, deliberately poised his spear at me. He was instantly shot dead. A fight commenced, but only lasted some few minutes ... These are the 'stonethrowers' who tried by many stratagems to secure [the prospectors] Crow, Walker, and party, and being very powerful and aggressive tribe, it became imperative to teach them salutary lesson. I trust they will profit by it.

Profiting from the experience meant learning: 13 Papangi people had been shot dead, with an unknown number of wounded disappearing in the undergrowth.

As on nearly all expeditions in BNG then, there were several more encounters with tribal warriors. But, in Armit's words, a 'well-directed volley [of gun shots] checked them'.⁷⁶ While Le Hunte expressed concern at the large number of 'natives hurt' and 'hoped that the loss of life [was] sufficient to deter them from attacking other parties'.⁷⁷

Armit remained silent on the number of wounded and dead his party had suffered on 'pacification and civilising' patrols other than to mention '30 deaths among the carriers, three of these being drowning' in 1899/1900.⁷⁸ He was also unapologetic for the deaths he had inflicted

⁷² *ibid.*

⁷³ *ibid.*, p. 87.

⁷⁴ *ibid.*, p. 95.

⁷⁵ *ibid.*, p. 89.

⁷⁶ *ibid.*, p. 91.

⁷⁷ *ibid.*, p. 95.

⁷⁸ *ibid.*, p. 86.

on the warriors: 'In my opinion and I am competent to offer one – the natives of the Kumusi and Yodda Valley are among the most dangerous, as they are the most truculent, in the Possession, and it will take two years to pacify them'.⁷⁹

Armit completed the goal of driving his road from Tamata Station through rough and steep country and dense tropical forest to the Yodda Valley. He also confirmed the source of the Yodda River, discovered by MacGregor, but still not marked on the government's map. Crucially, Armit examined the geology in the prospective gold-bearing areas. Summarising his detailed work he noted:

I calculate that I have cut and marked over 100 miles of road, formed some dozen good camps, clearing away all timber, bridged 28 creeks, and pacified the native tribes, at least temporarily, for a distance of 100 miles from Tamata, and all this at a cost to the road vote of less than £40.⁸⁰

Armit calculated the distance from Tamata to the Yodda goldfields at 130 miles or just over 200 km. Except for the Pidza River crossing between Korobama and Papangi, where he suggested a funicular system, most of the track was completed. The approach via the Kumusi River to the boat landing built by Clunas and Clark at Gobi village in 1897 and then overland to the fields was approximately 160 miles from the mouth of the river. Although preferred by many prospectors because it shortened the overland journey to 90 miles, Armit considered the rapids and currents of the Kumusi too dangerous and the overland track in parts too swampy. Armit preferred to construct the Pidza crossing or cut a mule track from Gona on Holincote Bay, across the slope of Mt Lamington to Korobama. He calculated that the latter would shorten the trip to 73 miles.⁸¹

Corroborating Stuart-Russell's assessment 12 months earlier, Armit was impressed with the large area of good agricultural land he found at Papangi: 'in point of fact this country is of surpassing fertility, and well adapted to European settlement'.⁸²

During his 10-day stay in the Yodda Valley Armit examined 'five sections of wash 100 to 200 feet in thickness ... Not a dish was blank', he reported enthusiastically, 'but in every case colours of gold were obtained'.⁸³ Armit offered a similar opinion on the Kumusi and Pidza valleys, which were 'worthy of intelligent research, and will, I think, eventually help to swell the gold returns of the Possession'.⁸⁴

He advised Le Hunte of the trivial cost he incurred: 'I fed my party chiefly on native food, myself living in this manner for six months'.⁸⁵ The demanding work and irregular, – most likely deficient – sustenance left its mark on Armit. His health remained poor for most of the expedition and he required time to recuperate. He left for Australia on 19 August 1900 only to return to Tamata Station 3 months later without much physical improvement. Armit died, like his

⁷⁹ *ibid.*, p. 95. 'Natives hurt' was Armit's euphemism for people who had been shot dead.

⁸⁰ *ibid.*, p. 97.

⁸¹ *ibid.*, pp. 96–7.

⁸² *ibid.*, p. 96.

⁸³ *ibid.*

⁸⁴ *ibid.*

⁸⁵ *ibid.*, p. 98.

predecessor Shanahan, from bilious fever on 3 January 1901. The safety of the miners had to be upheld by others. It took another 5 years before the Kumusi people were finally 'pacified'.

News of Armit's death reached Port Moresby five weeks later, and until Le Hunte could arrange for a new appointment, the Bogi Station manager, Alexander Elliott, was in charge of the Northern Division. Like his namesake Robert Elliott 5 years earlier, Alexander Elliott came to BNG with the intention of prospecting for gold. However, Armit employed him to establish Bogi Station shortly after his arrival in Samarai in 1900. Situated 55 miles from the mouth of the Kumusi River and 30 miles from the Yodda gold discoveries, it was set up to provide the miners and prospectors with better police protection from the tribal warriors, and with the opportunity to purchase warehouse provisions, rifles, ammunition, tools and equipment.⁸⁶

Le Hunte's new appointments – Archibald Walker and the Hon. Richard de Moleyns – arrived at Tamata on 28 February 1901. Walker, the errant son of Australian Senator J.T. Walker, director of BP and retired president of the Bank of New South Wales, went to BNG in search of gold, was working as chief clerk in the government secretary's office. Forever in need of experienced men, Le Hunte believed the short stint in Port Moresby would be sufficient for Walker to qualify for the position of A.R.M. Of similar ilk, de Moleyns, son of an Irish peer, arrived in BNG with an impressive family name but no money. His application for 100,000 ac at Mullens Harbour on the southeast coast was rejected.⁸⁷ Instead Le Hunte offered de Moleyns the position of assistant officer at Bogi and then A.R.M. at Papangi Station. Both men did not last long. Like his two predecessors, Walker died of bilious fever on 20 June 1902, while de Moleyns escaped to Australia 1902 before malaria took him as well.⁸⁸ This was not the end of the sorry saga of Tamata Station, which 'from its very inception has been a death trap'.⁸⁹ F.W. Leetch, who was A.R.M. after Walker's death, had to be transferred to Samarai because of his health: he died before October 1902.⁹⁰ Robert Hislop, who replaced the German, Wilhelm Rohn, as head gaoler and overseer at Tamata in 1900,⁹¹ transferred to Bogi in 1901 to take over the job of de Moleyns who had moved to Papangi. In October 1902 Hislop and Halkett Parke were appointed Assistant Magistrates in the Northern Division in place of Walker and Leetch.⁹² Hislop, whom Monckton called a 'weak, feeble individual, in no way capable of managing a district ... any more than a sixteen-year-old Quaker nursery governess would be of acting as sergeant-major to the Tyrone or Royal Irish',⁹³ was asked by Acting Administrator Christopher Robinson to retire from the service on 1 September 1903. Monckton was then given the additional responsibilities for the Mambare region whilst remaining responsible for the

⁸⁶ AR-BNG (1900/1901) p. 51.

⁸⁷ Le Hunte would have rejected the application because he did not have the authority to approve it and because he would have been unconvinced that de Moleyns had the financial means to develop the land.

⁸⁸ AR-BNG (1900/01) p. 51 and (1901/02) p. 21. According to the anthropologist B. Malinowski, (*A Diary in the Strict Sense of the Term*, p. 39) de Moleyns returned to Papua to work as an assistant on various plantations. He became an alcoholic and committed suicide in Samarai in 1916.

⁸⁹ Monckton, p. 40.

⁹⁰ AR-BNG (1902/03) pp. 13 and 31.

⁹¹ Rohn moved to GNG where he died in 1905 (Baumann, *Geographisches Handbuch Deutsch-Neuguinea*, p. 385).

⁹² *ibid.*, p. 31.

⁹³ Monckton, p. 47.

North-Eastern Division. John Higginson, who arrived with Le Hunte in May 1903, assisted him.⁹⁴ Parker was relieved of his duties when Hislop was asked not to return to his post. Monckton sacked his replacement, G. Thomas, on his first inspection visit to the Division. This left Alexander Elliott in charge of Bogi, Allen Walsh in charge of Papangi and Higginson deputising for Monckton at Tamata.⁹⁵

The instability at senior management level in the Northern Division may have contributed to the ongoing bloody encounters with the Orokaiva people. Shortly before Walker came to Tamata, the mild-mannered, largely illiterate Elliott was faced with having to avenge the killing of the prospectors Tom Champion and John King and their three carriers.⁹⁶ Under standing orders only to arrest perpetrators, Elliott and 12 police proceeded to the Upper Kumusi, the scene of the massacre. Sam MacClelland, who had escaped the attack, accompanied him. Any arrest of the perpetrators – if indeed intended – was unsuccessful. Instead, on the first day of the encounter, Elliott, MacClelland and their men shot four spearmen. During the next two days they slew 36 more warriors. Seventeen were left with their legs broken and, according to Elliott, many more wounded got away.⁹⁷

The Europeans and their indentured carriers and workers encountered some 5,000 hostile Orokaiva people between Bogi Station and the head of the Kumusi River,⁹⁸ and several times that number from the Kokoda Gap, the start of the Yodda Valley, and at Mt Albert Edward. The Papuan warriors resented the European intruders everywhere in BNG. They enjoyed warfare, European goods, mainly trinkets, alcoholic beverages and tobacco. Whereas they were regarded as primitive savages who savoured the white man's flesh equally to that of their indigenous enemies, they were very skilful. They learned quickly to use the white man's technology of extracting gold, dynamite for fishing, and guns in warfare. Most Australian miners saw themselves as the master who had the God-given right to 'boot his own nigger', or in the extreme, use them for shooting practice.⁹⁹ Of course, there were 'gentlemen miners' like Sam Faulkner and Frank Rochfort. They extracted the best results from their 'boys' by feeding them well and not working them like machines. But Monckton despised such Europeans, particularly Rochfort: 'he hated the Government on principle [and] I think the devil has sent him to be a special curse to my office. He was a born agitator and trouble maker of the de Valera class ... very cunning, plausible and malignant [who] had picked up more than a smattering of law'.¹⁰⁰ There was also Rayner Bellamy, the not yet fully qualified doctor from Cambridge University, who was highly regarded by all. Monckton agreed on the value of this medical officer because Bellamy 'brought to his work sympathy with natives, and acquired a knowledge of the

⁹⁴ Monckton retained also responsibilities for the North-Eastern Division.

⁹⁵ AR-BNG (1903/04) pp. 11–12 and 35.

⁹⁶ AR-BNG (1900/01) p. 48.

⁹⁷ *ibid.*, 49; Nelson, pp. 122–3.

⁹⁸ Nelson, p. 124.

⁹⁹ *ibid.*, pp. 158 and 163; J.L. Indriess, *Gold-Dust and Ashes*, p. 12.

¹⁰⁰ 'Report of the Royal Commission into British New Guinea, 1907' Minutes of Evidence, Rochfort, §1888 ff. (Monckton, *New Guinea Recollections*, p. 171).

peculiarities that is as rare as it is valuable, [whose] share in the pacification of the hitherto somewhat unruly tribes ... has been no small one'.¹⁰¹

To attribute blame to the Le Hunte administration for appointing inexperienced, unrestrained or feeble officers to the Northern Division would ignore that Armit, Stuart-Russell, Elliott, Walker and others were required to protect the prospectors and miners while also establishing infrastructure under difficult circumstances. The R.Ms. and their officers were often unrestrained, young, men, trying to control the prospectors from shooting, looting, destroying villages and gardens while in search of food. The government officers' often excessive responses to attacks by the tribal warriors, was because of a lack in their training and because it was symptomatic of the time. Their inability to keep track of rampaging prospectors together with several hundred of their indentured labourers made the task of the district officers particularly difficult. Raiding, shooting, spearing, murdering and cannibalism was the chaotic environment, which Walker and several of the magistrates that followed him at Tamata tried to bring under some form of government control.¹⁰²

The appointment of Monckton to the Northern Division did not stop the carnage: 'attacks on the miners, murder of their native employees, and pillage of their camps, followed by futile attempts at retaliatory raids by exasperated miners' were regular occurrences in the Yodda Valley according to the magistrates.¹⁰³ Monckton blamed the criminal activities largely on the 'inutility' of the village constables: 'general inefficiency of the village constables', he claimed, 'coupled in many instances with actual criminality' led to the dismissal of three men and the hanging of one man for murder. The Native Magistrates Court was not working, and 'much weeding out' had to be done.¹⁰⁴ To start with he kept the prison warden at Tamata busy. Sixty persons were incarcerated during 1903/04 with an unspecified number at Bogi Station. Seven Papuans and three miners were committed for murder, one for shooting with intent. Attempted murder (2), rape (5), manslaughter (1), wounding (5), assault (2), stealing (1) and harbouring prisoners (1) made up the other indictable offences during the year. Whilst summary arrests (123) concerned the indentured labourers, with desertions (37), stealing (35) and disobedience (37) ranking highly, Monckton appeared powerless to make recalcitrant miners behave.

Unfortunately, among the white community, there is a section by whom a native is regarded as a "nigger," who has no right of redress against a European for any injury sustained, even though it is a case of life itself. Lamentable though such bias is, it is there, and with that section, however atrocious a European's crime may be, he is certain of sympathy and assistance in evading the law.¹⁰⁵

Against the backdrop of this refractory behaviour, Monckton had to deal with the looting of camps and miners being 'attacked by natives armed with stolen firearms'. In defence of the

¹⁰¹ AR-BNG (1904/05) p. 34.

¹⁰² Walker reported that a number of tribes who 'seem to be the most determinedly antagonistic to the Government and the white mining population' attacked his patrols at the head of the Kumusi. His men fired at 'close quarters' with their Snider-Einfeld rifles proving their 'serviceableness', resulting in at least 20 dead warriors and many more wounded (AR-BNG [1900/01] pp. 48 and 55–6).

¹⁰³ AR-BNG (1903/04) pp. 39–40.

¹⁰⁴ AR-BNG (1903/04) p. 38.

¹⁰⁵ AR-BNG (1904/05) p. 37.

local people, Monckton claimed that 'by far the greatest number of these offences was committed by the imported indentured labourers', who had deserted their employers.¹⁰⁶

In order to achieve efficiency and provide better protection for, and control over, the miners, Monckton decided to close Bogi and Papangi and establish Kokoda Station in 1904. Comprising, initially, barracks for the armed constables, a prison, officers' quarters, non-commissioned officers' quarters, a magistrate's office and storerooms, the station was set up 13 miles from Mt Victoria, approximate 70 miles from the coast. As the farthest inland station of BNG, Monckton suggested that it would prove the most healthy of sites, because mosquitoes were few and the malignant anopheles entirely absent.¹⁰⁷

Concurrent with establishing the inland station, Monckton started with the construction of a road from the coast to the Yodda Valley. With this road now starting at Buna Bay rather than Gona to the north, an easier route than the solution proposed by Armit 4 years earlier was mapped out. Monckton managed to engage the 'rawest of wild savages – local tribes who, until very recently, refused to submit to, or even parley with, the Government', for the project.¹⁰⁸ By June 1904 the greater part (51 miles) of the road had been driven through dense forest and cut along rugged cliffs. Most of the bridges along this section had also been completed. The remaining 19 miles to the Yodda Valley encroached largely on tribal land. To expedite the work with the lowest number of casualties possible, Monckton solicited Bellamy to move from Woodlark and take up 'special duties in connection with the completion of the Yodda Valley road for a few months, prior to leaving for England to complete his medical training'.¹⁰⁹ Bellamy's medical ability and his capacity to pacify the tribes at Kokoda were significant.¹¹⁰

The 70-mile road from Buna Bay to the Yodda goldfields and the 24 miles from the fields to the Kokoda Gap were completed in 1905 at a cost of £1,000. Whilst Port Moresby bemoaned the large initial outlay and the high ongoing maintenance costs due to the frequency of flooding and landslides, Monckton put his case:

Against this expenditure must be set the fact that the bulk of gold won in the Possession at present comes from this Division. No direct income is derived therefrom, but indirectly the 100 odd miners who are working there contribute a considerable portion of the Possession's revenue ... Kokoda will, for the future, owing to its regular and rapid communication with Port Moresby, pending the establishment of a coastal station, be the headquarters of the Resident Magistrate for the Division in place of Tamata.¹¹¹

With the opening of a government station at Buna Bay, the Samarai firm Whitten Bros, and Clunas & Clark, relocated their stores from Bogi, on the Kumusi River, to Buna in 1905. The new stone jetty at Buna permitted cargo and people to be sent from Port Moresby or Samarai directly to the 'port of entry [Buna]' for the Yodda goldfield. Replacing the

¹⁰⁶ *ibid.*, AR-BNG (1903/04) p. 38

¹⁰⁷ AR-BNG (1904/05) pp. 13 and 34; (1903/04) pp. 11 and 39.

¹⁰⁸ AR-BNG (1904/05) p. 34.

¹⁰⁹ AR-BNG (1904/05) p. 34.

¹¹⁰ *ibid.*

¹¹¹ *ibid.*, pp. 13 and 34; AR-BNG (1905/06) p. 12.

transportation of provisions and equipment by steam launch and then carrying on the much shorter road to the Yodda led to a substantial reduction in delivery costs.¹¹²

Also completed in 1905 was Armit's suspension bridge across the Kumusi River and the move of Tamata Station. The notoriously unhealthy Tamata was relocated 4 miles upstream to Ioma.¹¹³ Connected to the Gira goldfield via an upgraded 20-mile track and 4 miles of new road, next to Kokoda it remained an important station in the Owen Stanley Range.

Roads, improved facilities, better policing and a small step towards assimilation, led to much improved relationships with the local people by 1906. The Europeans on the Yodda and the Gira could now rely on locally grown fruits and vegetables, whilst the replacement of some indentured labourers with local people was an enormous cost benefit to the miners. No longer were they required to pay the government for recruiting fees or the travel costs to and from the point of hire. Two concerns remained on the Gira, the high mortality rate amongst carriers (17.7% in 1906) and the high rate of desertions: 123 of the 330 workers indentured to miners there absconded in 1905/06. The ratio of deserters was about the same on the Yodda fields where 83 deserted from 225 indentured labourers.¹¹⁴

In his BNG assessment J.D. Legge observed that the gruesome 'affairs in the Northern Division must not be taken as typical of those in the Possession as a whole, for the system was as yet in its infancy there'.¹¹⁵ Legge was clearly too charitable. After the demise of five R.Ms in as many years, it was not an issue of infancy; it was because of bad government policy. In the absence of the Australian and British governments' financial support, Le Hunte was starved for revenue. To lessen the bloodshed in the Northern Division he required experienced officers, and many of them. To keep them alive he needed to set up government stations away from the mosquito-infested riverbanks, with infrastructure, stores and houses built with basic sanitary requirement. With the large influx of itinerant people, basic health care was essential. Le Hunte needed to build roads for better access to the stations and the goldfields. He required better policing to keep the miners under control and prevent the local people from attacking, harassing and stealing from the Europeans. Le Hunte was not in a position to provide this. He required money for all of BNG; rather than curtail the Northern Division, he gave permission for prospectors to roam the country in search for gold. Whilst he could have hoped that a major discovery would hasten the Australian government's assumption of responsibility for BNG, his immediate access to funds was through taxes on increased consumption. The prospectors and miners employed indigenous labour, purchased provisions and gear, drank and smoked. The goods were all imported from Australia as well as generating import duty. The greater their number the larger the revenue stream from the high import tariffs.¹¹⁶ There was no innocence

¹¹² *ibid.*, (1905/06) pp. 12 and 39.

¹¹³ AR-BNG (1903/04) p. 36.

¹¹⁴ *ibid.* AR-BNG (1905/06) pp. 12 and 39.

¹¹⁵ Legge, p. 105.

¹¹⁶ Table 18.

or naivety in Le Hunte or his Northern Division magistrates' behaviour. It was all about the money that was required to run BNG when the metropolitan governments failed to deliver.

Improved medical care: Le Hunte's legacy

With the lack of economic progress becoming manifest, it was no surprise that Port Moresby was still a backwater at the turn of the century. The capital had no roads, only riding tracks at best, few public buildings, and one hotel. Proper sanitary facilities were generally only found with the Christian missions. 'A well-appointed bath house' set up at a Tahitian mission teacher's house in Kalo village was 'a great step in civilisation and one of which Government House at Port Moresby cannot yet boast', according to the Chief Medical Officer Blaney.¹¹⁷ It took the repeated urging of Blaney to have pit latrines constructed there by 1899. However, these facilities were not for the local population who urinated and defecated wherever and whenever.

In 1901 the European population of 59 men, women and children were in Port Moresby because it was the seat of the administration; there was no other reason for staying there. While the site for a European hospital had been cleared in Port Moresby, and plans for water supplies and sanitary improvements drawn up, it was only in 1898, shortly before MacGregor left BNG, that these plans were given some proper recognition. The Public Health Ordinance, 1898 conferred on the executive wide powers for declaring infected districts, restrictions upon movement of people and ships, and the detention of infected persons. Under the Act the Executive was authorised to appoint vaccinators and order mandatory vaccination. Further, the administrator-in-council was empowered to make any regulations that he might deem necessary for preventing the spreading of contagious diseases.¹¹⁸ The Public Hospital Ordinance, 1898 provided for the establishment and maintenance of public hospitals in BNG.¹¹⁹ Le Hunte started to implement these long overdue changes. A few months after he was sworn in, and even before he arrived in BNG, he secured a grant from the Queensland government to establish a Medical Department in Port Moresby. The grant was also to provide the funds for establishing the first European hospital in Samarai. The Eastern Division town of 100 Europeans was given preference over Port Moresby because of the continuing high death rate on the nearby goldfields.¹²⁰ Le Hunte appointed Cecil Vaughan in December 1899 as the government's medical officer responsible for the Eastern, South-Eastern, North-Eastern and Northern Divisions. Blaney in Port Moresby and Vaughan – not yet fully qualified as a medical doctor¹²¹ – in Samarai had huge districts under their care.¹²²

In 1900 Vaughan started with the construction of the Samarai hospital. He had organised a local committee which provided physical and financial assistance to finish the project as

¹¹⁷ AR-BNG (1898/99) p.36; see M. Spencer, *Public Health in Papua New Guinea*, p. 71.

¹¹⁸ Ordinance No. X of 1898, AR-BNG (1898/99) p. vi; Spencer, pp. 62–3.

¹¹⁹ *ibid.*

¹²⁰ AR-BNG (1899/1900) pp. 11–32; *ibid.*, (1901/02) pp. 22–3 and (1903/04) pp. 27 and 35.

¹²¹ Spencer, p. 70.

¹²² With the appointment to chief medical officer, Blaney shed his responsibilities as R.M.; Vaughan was appointed A.R.M. and medical officer in the Eastern Division.

quickly as possible.¹²³ The £136 collected from the local community and the committee's guarantee to raise this to £200 was supplemented by an equivalent contribution from the administration in Port Moresby.¹²⁴ Because of a commitment by Vaughan to also treat Papuans, the committee encouraged the 'local employers of native labour' to arrange a voluntary deduction of 5% from the workers' wages when they were paid off.¹²⁵

Le Hunte gave credit to Vaughan with 'the energetic way in which he has made a start and set the thing in work at so short a time'.¹²⁶ The first part of the hospital was completed in 1901, but without the 'native' ward due to a lack of funds: a European hospital for Port Moresby was still being debated. A committee of management for the erection of a hospital in the capital was gazetted on 15 March 1902. It took until August 1905, 3 years after Le Hunte had left BNG, before Port Moresby opened its first hospital.¹²⁷ Even then it took private subscriptions to purchase the medical equipment and fit out the building. All the administration, then under Francis Barton, could provide was funding and supervision of the building work. The administrator also appropriated £100 for building of a 'Native Hospital' in Port Moresby, and £100 for completing the Samarai Native Hospital, both opening in 1905.¹²⁸ The establishment of a bush hospital at the Tamata in 1898 was short-lived. Le Hunte had hoped to establish field hospitals on Woodlark Island and on the Mambare but found the expense too great.

Blayney had left on 24 May 1901 after 6 years of service to study tropical medicine in England. Vaughan left BNG for England on 1 February 1902 to sit for his final examination as a doctor. The two capable medical practitioners did not return to BNG, leaving only one surgeon, Dr Allen Craigen, who replaced Blayney in 1901 and who served as the chief medical officer until 1904.¹²⁹

One of Blayney's important legacies was the implementation of The Health Ordinance, 1900.¹³⁰ The sanitary board appointed under the regulation saw to the disposal of excreta, rubbish and wastewater. In Port Moresby toilets were to be built for both Europeans and Papuans, a requirement not mandated for Samarai at that time.

Vaughan's replacement, Dr Taylor Hancock, arrived in Samarai on 11 May 1903. He died 15 months later. The hospital was still not receiving any material government funding and 'owing to the lamentable falling-off of public subscriptions' the European hospital was closed on 31 March 1904.¹³¹ Hancock's death from malaria on 4 August 1904 can be partly blamed on the dilapidated European living quarters at the hospital where he lived before and after its closure.¹³²

¹²³ AR-BNG (1899/1900) pp. 111 and 113.

¹²⁴ *ibid.*, p. 32.

¹²⁵ *ibid.*, p. 19.

¹²⁶ *ibid.*

¹²⁷ AR-BNG (1905/06) p. 76.

¹²⁸ *ibid.*

¹²⁹ AR-BNG (1900/01) p. 37.

¹³⁰ *ibid.*, p. vi.

¹³¹ AR-BNG (1902/03) p. 42, (1903/04) pp. 14 and 52.

¹³² Spencer, p. 74.

In 1904 Chief Medical Officer Colin Simson reported the 'rapid spread of venereal diseases among the natives' (and no doubt amongst the miners) in the Eastern and South-Eastern Divisions.¹³³ This ongoing malaise made 'Native Hospitals' an even higher priority.¹³⁴ The Robinson administration spent £100 each under the 1903/04 budget for these hospitals in Port Moresby and Samarai.¹³⁵ Whilst the European hospital at Samarai remained closed, and Port Moresby's European population still had to travel to Cooktown or Brisbane, the Samarai Native Hospital treated 99 patients during its first 12 months.¹³⁶ A similar success was recorded when a 'cottage' native hospital opened on Woodlark Island a year later. Named Lock Hospital, 114 admissions were treated in the first year.¹³⁷

In early 1905 the medical staff of BNG still consisted of no more than two surgeons, with Drs Craigen and Jones assuming responsibility in Samarai after Hancock's death. The handover from Craigen to Simson in March 1905 coincided with the completion of Port Moresby's European hospital. Most of the material and all of the equipment for the hospital were donated privately – the government was only committed to the expenditure of building it.¹³⁸ Also coinciding with Australia finally taking full responsibility for BNG, the number of surgeons was increased to five. Apart from para-medical care provided by the Christian missions, the medical officers were tending a European population of 687 and an indentured labour force of 4,180 Papuans.¹³⁹

Land and labour administration: the Hall Sound Company, an opportunity begging

MacGregor had developed the labour laws of BNG gradually, ensuring that Papuans were not recruited against their will. By 1898 The Native Protection Ordinances had been amended from the virtual prohibition of employing Papuans for plantation work in 1888 to strongly favouring the employer. Well before MacGregor had left BNG he realised that the plan to make the Papuans independent producers had failed. He became increasingly conscious of the need to develop agricultural industries if BNG was to become more than a British colony in name only. Appropriately, he envisaged lifting the 12-month term on employment contracts in the context that more districts had been pacified, but he left the implementation of this major policy shift to his successor.

Le Hunte redrafted The Native Labour Ordinance, 1900 soon after he arrived in Port Moresby. Under the new labour ordinance he appointed District Magistrates for labour who had the authority to engage, cancel or vary labour contracts. After the completion of a 12-month indenture, a worker could now be re-engaged for a second 12-month term subject to first being repatriated to his home village. Apart from easing the employment conditions for local labour

¹³³ D. Wetherell, *Reluctant Mission*, p. 225, called venereal disease the 'white man's disease',

¹³⁴ AR-BNG (1904/05) p. 17 and 64.

¹³⁵ AR-BNG (1903/04) p. 66.

¹³⁶ *ibid.*, p. 53.

¹³⁷ AR-BNG (1904/05) p. 64.

¹³⁸ *ibid.*, p. 17.

¹³⁹ AR-BNG (1905/06) pp. 76 and 84. The medical officers were Simson and Beaumont (Port Moresby), Jones (Samarai) and Bellamy (Woodlark) and W. Strong (A.R.M. in Mekeo).

the ordinance provided for the administration to raise funds by charging two shillings for every Papuan who was indentured to a private company or person. As a controlling mechanism for controlling unscrupulous recruiters and as a means of raising revenue, the administration issued recruiting licences with a £50 forfeitable bond.¹⁴⁰

Subsequent to the labour reform, and with the goal to make the BNG economy less reliant on gold mining, Le Hunte submitted a revision of the law on land acquisition to the Queensland government. MacGregor's initial scheme of making small, free grants to settlers had failed. Le Hunte opposed this any way because he believed it would attract people without resources, who had little chance of becoming successful. Instead he proposed to amend the land ordinance by removing the prohibition on the sale of government land by private bargain, and advertise sales in the *Government Gazette* and in leading newspapers in Australia and Britain. After 6 months' formal notification, Le Hunte suggested the Administrator-in-Council could deal with the applicants. He submitted that the Administrator should execute the land grants in full fee simple, without any limitation to the area, provided the prospective purchaser visited the area of intended purchase with a government official before lodging a binding offer. The lieutenant-governor, compliant with the wishes of the Executive Council, should then be empowered to agree on a purchase price for the land, while also stipulating the conditions of development and over what period the improvements were to be carried out.¹⁴¹

The contributing colonies and the Imperial government concurred with Le Hunte except for a key demand made by the premiers. Any applications for land exceeding 50,000 acres were to be referred to the contributing colonies for determination. The premiers reserved their right to consider a proposal for a minimum period of 3-months, and only if mutual concurrence was attained to have the land advertised for sale as Le Hunte proposed.

The Land Ordinance, 1899 gave effect to the premiers' amendment.¹⁴² The Port Moresby administration was now authorised to make freehold grants of up to 640 acres or one square mile without formal notification provided it was not included in any area already advertised. Giving preference to companies and individuals, who were physically present in BNG, Le Hunte was also empowered under the ordinance to make land grants of up to 6,400 acres without advertising this. It appears that Medical Officer Vaughan in Samarai was the only person to take advantage of a larger grant.¹⁴³ He acquired land on the Musa River in the Northern Division shortly after his arrival in 1899.¹⁴⁴ Apart from overseeing the building of the hospital in Samarai and caring for the sick, Vaughan started clearing his block for rubber planting, but soon gave up. When he left the Colony early in 1902, in all probability, the land reverted to the government.

¹⁴⁰ AR-BNG (1889/1900) p. v.

¹⁴¹ Le Hunte qualified this by suggesting that settlers with at least £2,000 starting capital should be granted some smaller portions of land (AR-BNG (1898/99) pp. 57–63), Le Hunte's submission to the government, pp. 64–5.

¹⁴² Ordinance No. IV of 1899, AR-BNG (1899/1900) p. v.

¹⁴³ Lewis mentioned a large block that was taken up on the Oriomo River opposite Daru in the Western Division, without providing details. Lewis, p. 36.

¹⁴⁴ V&P (Qld) 1899, p. 938.

A number of smaller plots were allocated to a few traders, miners and the Christian missions.¹⁴⁵ John Clunn, the miner from Cooktown, for instance, discovered more profit in running a hotel at Samarai than in gold. His proceeds gave him the opportunity to start Ramaga, a small plantation on the south side of Milne Bay in 1902. Another old hand, the miner Gus Nelsson, together with Wilhelm Shedden and Charles Arbouin – BP's first agent at Samarai – started a plantation on Blanchard Island near Samarai in 1903 without giving up their other activities.¹⁴⁶ At about the same time John Olson, another miner, had taken up land at Sebulagomwa on the southern part of Fergusson Island to plant coconut trees. Or Edward and George Auerbach who had planted coconut trees on Muwo in the Trobriand in the late 1890s but spent more time away from the place on prospecting, trading and recruiting. Ah Gow, a Chinese miner, trader and artisan, arrived in the Sudest in the 1880s to plant rice and coconuts on Nimoa. Also turning to agriculture in the Sudest were the prospector John Mahony and his wife Elizabeth, with the latter becoming a reliable grower of vegetables and rice for the miners and their labourers. Whilst these individuals seemed to have had the financial means to exploit the land, and with the exception of the farmers who grew food for local consumption, Le Hunte did not seem interested in this small number of agricultural developments. Other than the Christian missions and the others mentioned above, the title-holders were inevitably undercapitalised and not in a position to become significant exporters of produce. His attitude to small landholders was confirmed in 1906. At that time only 1,434 acres of leasehold and 5,996 acres of freehold had been alienated to settlers, with not a single plantation producing commercially.¹⁴⁷ Rather, Le Hunte was more concerned that the caveat on the size of each allotment and the delay mechanism invoked by the premiers – adopted by the federal government in 1902 – prevented large companies from gaining foothold in BNG. This was no better illustrated than by the circumstances besetting the Hall Sound Company.

In 1899 BP hoped for a change in the policy on Asian immigration when Le Hunte was appointed: they submitted a plan for a land company in BNG. In this, Burns suggested free migration of Asians to BNG to overcome the labour difficulty. 'If we can secure some large blocks of rich territory, there is no doubt in my mind', Burns told his branch inspector Black, 'that by introducing Japanese and Chinese we could lease the country to them, and they could grow fruits and other local products for the use of local diggers and probably for export to Australia as well'.¹⁴⁸

The grandiose scheme came to nothing. Le Hunte, like his predecessor, was in no position to allow coloured migration to BNG. He was also unsuccessful in obtaining the premiers' agreement to sell to BP a large area of land for plantation development.

¹⁴⁵ Lewis, pp. 37–8.

¹⁴⁶ *ibid.*, Nelson, pp. 10, 42, 60 and 199.

¹⁴⁷ Table 7.

¹⁴⁸ Burns to Black, 5 Sep. 1899. Black Letters cited in Buckley & Klugman, *The History of Burns Philp*, 96.

Burns was disappointed that his first attempt to diversify BP into plantations had failed: 'we were simply endeavouring to draw other capitalists in with ourselves in developing the country'.¹⁴⁹ He revived the idea in 1900 and instructed his Port Moresby manager, Walter Gors, to acquire 100,000 acres of government land for BP on Yule Island in Hall Sound. With Chinese and Japanese labour no longer a condition for successful development, Burns registered the Hall Sound Company in September 1900 with the purpose of it setting up large-scale plantations in BNG. BP underwrote the authorised capital of £50,000 in the belief that the influential Board of Directors (James Burns, Melbourne ship owner J.T. Walker, Sir George Dibbs of Sydney and Walter Gors) and Robert Philp, now Queensland's Premier,¹⁵⁰ would convince the Australian guaranteeing colonies to support the application. A down payment of £5,000 secured 5,000 acres near Inawaia on the St Joseph River and land on nearby Yule Island for sheds and a wharf.

Not surprisingly, Le Hunte and the Queensland government supported Hall Sound concept of BP enthusiastically.¹⁵¹ The premiers of Victoria and New South Wales did not. They made 'certain objections, & desired that the land application should remain in abeyance pending Federation'.¹⁵² Premier Lyne (NSW) was strident in his opposition to the scheme in November 1900, because he did 'not think that a lease of so large an area should be granted'.¹⁵³ Lyne's comments caused disquiet with the public who now started to question the propriety of making a huge freehold land grant in Papua. It also frightened off investors as hardly any shares had been taken up since the first tranche of 30,000 had been offered to the public at £1 each. BP had underwritten the issue and the company's directors could only hope that the pending national government would be more sympathetic to the proposal. However, the first two Australian prime ministers, Barton and Deakin, had different priorities than a proposed land company in BNG and it took until 1903 before the government considered the application. Senator Staniforth Smith from West Australia toured BNG, GNG and the Solomons during that year. He was keen for the Hall Sound proposal to receive a fair hearing in Parliament. But to his disgust – 'I thought they were genuine investors' – all Smith found was 10 acres planted with chillies, practically growing wild, and one Samoan and two Papuans working for Hall Sound Co. On his return to Australia he made certain that the proposal would fall over by reporting scathingly: in his view, the venture was a speculative fraud.¹⁵⁴

BP attacked the States and the Commonwealth for being 'completely out of harmony with the exigencies of the position in New Guinea'¹⁵⁵ and wound up Hall Sound Company in 1903. Contrary to Smith's report, Gors had planted a variety of fruit trees on the 5,000 acres at Inawaia and had experimented with tobacco. The results were, however, unsatisfactory: the

¹⁴⁹ *ibid.*

¹⁵⁰ Robert Philp resigned from the Board of BP in 1893.

¹⁵¹ Correspondence relating to the application of the Hall Sound Co. to take up land in BNG (PP (Qld) 1900, vol. v).

¹⁵² *ibid.*, BP minute of meeting, 11 Oct. 1900.

¹⁵³ V&P (Qld) 1898, pp. 853–6.

¹⁵⁴ Staniforth Smith Papers (NLA MS 1709, item 1461); see Lewis, p. 34.

¹⁵⁵ BP, 'All About Burns, Philp & Company, Ltd.', 1903.

tobacco was 'of very inferior quality and not saleable'.¹⁵⁶ The failure of the investment also spelled the end of Gors' employment with BP. His partner, Anderson, had died in December 1899 and he was free to sell the successful coconut plantation at Dedele to the Whitten Brothers, BP's competitor in Samarai. Other than the Warirata plantation, which grew Arabica coffee on a small scale, BP was finished with all agricultural ventures, at least for now.¹⁵⁷

The failure to permit the British New Guinea Syndicate and Hall Sound to commence large-scale plantation enterprises was not for want of Crown land. Notwithstanding the Administrator's limited power under Section V of the Land Ordinances, 1888 and 1890,¹⁵⁸ Le Hunte started his tenure in BNG with an aggressive land acquisition program. Throwing to the wind MacGregor's reluctance to acquire land for the Crown, he instructed his principal surveyor to acquire large tracts on the southwest coast of the Central Division in 1899/1900. Until June 1899 only 72,508 acres had been obtained by the administration, which amounted to 0.13% of BNG's land mass.¹⁵⁹ A year later Le Hunte had transferred 370,457 acres (1,500 km²) of Papuan land to the government, bringing Crown land to the total of 442,965 acres. Most of this land was requisitioned in the Central Division where the Chief Government Surveyor, Stuart-Russell, declared 326,400 acres on the Laloki, Brown and Goldie rivers waste and vacant. Smaller acreages, totalling 22,857 acres, were purchased from the coastal Motus and Koitapus tribes and the Koiari tribe of the Sogeri district near Port Moresby. This included an additional 2,100 acres for BP at Warirata, even though the company showed no intention of expanding its 240-ac plantation there.¹⁶⁰ During the same year 21,200 acres were purchased in the Western Division on the mouth of the Oriomo River.¹⁶¹ In the following year there were 24 surveys completed for the Christian missions, 35 grants for the purpose of cultivation, grazing and trading lands, 68 for gold mining leases and 9 leases for gold dredging, totalling 9,402 acres. To expedite this work, Le Hunte requested additional surveying staff. Accordingly, the Queensland government agreed to make available five land surveyors, their assistants and equipment at a cost up to £3,000. The money was extended by Brisbane as a loan (4% p.a.), with the earnings from the survey work to be credited to the loan account.¹⁶²

Also during 1900/01 there were 98 applications for 233,970 acres. These included the 100,000 acres applied for by Hall Sound, of which 5,000 acres were granted immediately. Further, it included 100,000 ac for pastoral purposes on the Laloki River flats. This application was withdrawn. Another submission made by de Moleyns for 100,000 acres on Mullens Harbour lapsed the following year because he was unable to prove his financial bona fides.

¹⁵⁶ Buckley & Klugman, p. 98.

¹⁵⁷ *ibid.* AR-BNG (1898/99) p. xxvii, (1899/1900) p. 4

¹⁵⁸ Under the law 'it is illegal for the Administrator – who alone can purchase land from aboriginal owners – to buy land or lease land unless it was clear that it was not required or likely to be required in the future by the native owner'. The Administrator was empowered to take possession of land that he regarded waste and vacant (AR-BNG [1888/90] pp. 23–4).

¹⁵⁹ Table 7. The land mass of BNG was calculated at 57,945,600 ac (238,544 km²). The land mass of GNG was 238,650 km².

¹⁶⁰ See Chapter 12.

¹⁶¹ AR-BNG (1899/1900) p. 110.

¹⁶² AR-BNG (1900/01) p. xl.

Also refused was a 30,000-acre application for cutting sandalwood on Bioto Creek in the Hall Sound region.¹⁶³ The total area granted in 1900/01 amounted to 8,580 acres. This small allocation was massively underscored in the following year. Whilst the land amassed by the Crown was now 696,421 acres, the Le Hunte administration only granted 1,115 acres – most of it to the Christian missions – from a total application of 202,529 acres for 1901/02.¹⁶⁴

After the rejection of Hall Sound's application, the demand for agricultural land was almost non-existent. To improve the situation the Acting Administrator, Christopher Robinson, contemplated changes to the land law. He proposed that the Crown should assume the radical title to all lands in European possession, and for all future land alienation to private persons, companies and missions to be permitted only under lease. Robinson foresaw the leased land being made available at a very low rental, scaled to the capacity of an enterprise or person to pay.¹⁶⁵ Not surprisingly, the expatriates favoured the continuation of the freehold grant system. At the same time they refrained from making any significant investment in land for agriculture or plantations.¹⁶⁶

In 1906 Francis Barton, finally confirmed as the Administrator,¹⁶⁷ ended the granting of freehold rights with The Land Ordinance, 1906. By then, the Port Moresby administration had alienated approximately 1,000,000 acres to the Crown, with only 1,467 acres of this land developed for agricultural and plantation purposes after almost 24 years of European presence in BNG.¹⁶⁸ From 1890 to 1906 the administration granted 465 land titles, mostly to the Christian missions,¹⁶⁹ some to traders and, with the exception of planters like Henry Wickham and the Whitten brothers, to small-scale farmers. Barton's land ordinance repealed the existing land ordinance. It did not assert the Crown's claim to radical title as proposed by Robinson. However, the Administrator enacted that no estate in fee simple would be granted from 13 November 1906. Henceforth agricultural and pastoral land could only be leased, albeit at conditions which were 'probably the most liberal in any tropical country', according to Staniforth Smith.¹⁷⁰ Under section 16 of the ordinance individuals and companies could obtain 'a leasehold of the best class of agricultural or pastoral land for any period up to 99 years, subject to improvement conditions'.¹⁷¹ The government charged no survey fees or any rental for the first 10 years. For the second 10 years the rental was 3d. per acre for agricultural and 10s. per 1,000 ac for pastoral land. Thereafter the rent of agricultural leases was determined at 5% and on pastoral leases at 2.5% of the improved value, with reappraisals conducted every 20 years. Should the valuation rise 33% above the nominal rent in the case of agricultural land or 25% in

¹⁶³ *ibid.*, pp. 104 and 106.

¹⁶⁴ Table 7 and AR-BNG (1901/02) Appendix R.

¹⁶⁵ Minutes of the Executive Council Meetings of British New Guinea, Despatch no. 35, 12 Aug. 1903 (NAA Series G68-CA1417).

¹⁶⁶ Lewis, p. 41.

¹⁶⁷ Barton took the oath and assumed office as Administrator of Papua on 1 September 1906, Schedule of the laws, proclamation, orders in council, etc., see AR-Papua (1906/07) pp. 26–9.

¹⁶⁸ Table 7, AR-Papua (1912.13) p. 23.

¹⁶⁹ Table 7, AR-Papua (1906/07) p. 68.

¹⁷⁰ *ibid.*

¹⁷¹ *ibid.*

the case of pastoral land, the lessee was entitled to disclaim the lease and receive compensation for the improvements.¹⁷²

Summing up

The first 21 years of Anglo-Australian presence in New Guinea reflected poorly on all parties concerned. MacGregor was bold and successful in exploring the territory. He travelled BNG more widely than could have ever been expected of a lieutenant-governor. He prepared maps, collected mineralogical samples for analysis, sent artefacts, flora and fauna specimens to museums in Britain and Australia. MacGregor appeased tribal communities and endeavoured to make them plant coconut palms to engender a local economy. When this failed, he made the labour and land laws more attractive for plantation investments. It was to no avail. At the end of his tenure BNG was still a backwater, with little infrastructure and without a basic health system established. Gold had been discovered in the Sudest in 1888 and on Misima in 1889. Ten years later the alluvial fields in the Louisiades were exhausted and the miners had moved on to the Trobriand Archipelago where they discovered gold on Woodlark Island in 1895. BNG benefited little from these discoveries. The European prospectors and miners paid pittance for a mining licence and, notwithstanding their contribution to the coffers of BNG through a consumption tax (import duty), their presence exerted financial strain on the administration. This was particularly felt by the Le Hunte administration. Whilst the opening of the goldfields brought death and misery to the miners, their carriers and the local tribes, it was also costly in economic terms. It was often left to the administration to sort out the estates of the deceased Europeans and pay the wages owed to the indentured workers. In case of morbidity, miners were generally repatriated on government ships, and labourers taken back to their villages, also at government expense, where an employer, who had either died or left the Territory without notifying the authorities, left them stranded.

The violent contacts between the Europeans, their indentured labourers and the local tribes required policing. The lawlessness in the goldfields of the Gira and the Yodda valleys required courts of law, magistrates, prisons, wardens and gaolers. In this regard the government stations Tamata, Ioma, Bogi, Papangi and Kokoda, established solely to protect the European prospectors and miners, are examples where government expenditures were incurred, without benefiting the development of BNG.

The Australian, New Zealand and Fijian representatives at the 1883 Inter Colonial Conference in Sydney demanded the annexation of East New Guinea for reasons concerning the defence of Australia and the rapid extension of British trade in the region. The Erskine Proclamation of 1884 limited the Deputy Commissioner of the Western Pacific to securing the protection of the New Guineans. When BNG became a Colony of the British Empire in 1888 MacGregor continued with this direction. However, his aspiration to pacify, protect and educate the Papuans only succeeded to a degree, in a very narrow manner. Whilst the government

¹⁷² AR-Papua (1908/09), annex, p. 2.

settlements of Daru, Port Moresby, Rigo and Samarai enjoyed largely peaceful intercourse with the tribal communities, and the Trobriand and Louisiades islanders were relatively calm, European contact with the remote coastal and highland tribes remained bloody and often deadly. MacGregor, Le Hunte, Robinson and Barton left the education and acculturation of the Papuans to the Christian missions. There existed clearly greater emphasis by the administrators to support the missions with land grants than the requirement to promote agricultural development by European settlement energetically. MacGregor promoted the British New Guinea Syndicate only because his policy of encouraging the 'natives' to plant coconut palms and start a market garden economy failed. The Syndicate scheme was politically naïve, since the premiers' support of the contributing colonies was not first secured. Similarly, Le Hunte stood accused of conspiring with the co-founder of BP, then Premier of Queensland, to favour the Hall Sound Company. Unmindful of the shift in the political power in Australia, he did not invest the necessary time to convince the Barton government of the benefits the BP plan would bring to BNG.

Except for alluvial gold, trade copra, trepang, pearls, pearl shell, tortoise shell and artefacts made up the bulk of goods sent from BNG. Whilst the governments in Brisbane, Sydney, Melbourne and London bear much responsibility for BNG's lack of economic growth, the Port Moresby administrations should have achieved some progress in tropical plantation and agricultural industry in BNG by being more proactive. After the MacGregor years, the administrators focused increasingly on gold mining.

CHAPTER 14

THE GOLD-BASED ECONOMY OF BNG AND PAPUA

Papua has been singularly favoured, not only in the fertility of its soil, for there are many fertile lands in the tropics, though probably none more fertile than the richest parts of Papua, but more particularly in the variety of its resources.¹

At the helm of government in Port Moresby since 1907, Lieutenant-Governor Hubert Murray's reference to unlimited wealth could be taken to mean that Papua enjoyed a thriving economy. The opposite was the case. No agricultural development of any note had taken place in BNG for its first 22 years, and the colony's economy was increasingly dependent on government funding and import tariffs.²

MacGregor started his administration with a trade surplus of £8,011 for the fiscal year 1888/89. The trading numbers deteriorated to a deficit of £11,140 in 1891/92, close to the average negative balance for the following 5 years. He left BNG with a trade surplus of £2,888 in 1897/98, which increased to £16,236 under Le Hunte in 1898/99. This was the highest trade surplus for BNG and Papua for the next 25 years. When Australia assumed responsibility for BNG in 1906 the only recognisable industry there was gold. At that time the official export of gold dust, nuggets and ore amounted to £58,496 (or £87,869 if the unofficial figures are believed).³ With the exception of £915 worth of coffee beans exported in 1905/06, there was no plantation industry producing exportable goods. Although discernable quantities of plantation copra had been produced to that time, the value of trade copra had increased to £9,315, thus exceeding the combined exports of sandalwood (£2,522), trepang (£3,027) and pearl shell (£2,478) for the first time.⁴ Gold production remained reasonably steady until 1913, but then started to decline: only £46,233 (unofficial £50,110) was exported during the 1913/14. Copper ore, mined for the first time in 1906 on the Astrolabe Range, provided some mineral exports

¹ J.H.P. Murray, *Papua or British New Guinea*, p. 316.

² John Hubert Plunkett Murray (1861–1940) was born in Sydney. He attained matriculation at Sydney Grammar School in 1877. Murray's father, who died in 1873, had instilled humility and respect for the disadvantaged into his two sons. Suspicious of those who presumed privilege and righteousness, the Murrays were members of the Aborigines' Protection Society. After completing school Hubert Murray followed his mother and his brother to England in 1878. He attended Brighton College, but was expelled for punching a master. In 1880–81 Murray went to the Rhineland to further his knowledge of German, whilst also studying at Oxford to receive his B.A. with first-class honours in Greats. Hubert Murray completed his formal education to read for the Bar at Inner Temple in London. In January 1900 Murray sailed to Cape Town as a special service officer in command of a troop ship. He hated 'the whole business of war' and left the service after 10 months with the rank of lieutenant-colonel. On 16 Sep. Murray assumed the position of chief judicial officer of BNG. Prime Minister Deakin appointed Murray acting administrator of the Territory of Papua in 1907, then as lieutenant-governor in 1908. He remained in office until 27 Feb. 1940, when he died at Samarai from lymphatic leukaemia. During his tenure in Papua, many white settlers accused Murray's administration of its 'hostility to progress' and its 'contempt of the white race'. However, Murray's conviction that economic progress at all cost was against the interests of the Papuans remained central to his administration. Further, he held the view that the Papuan economy should not compete with the Australian economy (H.N. Nelson, *Australian Dictionary Biography*, vol. 10, p. 645–48).

³ The Port Moresby administration was providing export figures on gold, recorded at the port of exit or the port of entry (Australia) and figures that the government believed were taken out of the territory.

⁴ Table 13.

from Papua: by 1914 copper ore worth £19,733 was exported to Australia. Copper ore mining in Papua then declined to insignificant levels until a dramatic resurgence in the 1970s.

From 1888/89 until 1915/16 gold was the most valuable export from the Territory of Papua.⁵ But the failure to make large gold and copper discoveries meant Papua's hope of becoming economically viable became more and more reliant on copra. By 1914 exports had risen slowly to £26,063, most of it still in the cheaper trade copra (£21/t). With the plantation product not starting to impact on the export statistics until 1916, Papua had failed to develop a viable and sustainable economy by the outbreak of World War I. In that Papua differed markedly from GNG. The failure of the German explorers to discover gold, despite searching from 1886 onwards, directed economic development almost exclusively towards plantations. This chapter investigates the gold industry in BNG and Papua until 1914, and its role in the economic development of the British–Australian colony.

Gold was very much in people's minds as the 19th century ended. The discovery of payable gold at Canoona near Rockhampton was the first of many discoveries that spurred development in Queensland and helped to protect that colony during the 1860s depression. Large nuggets found at Gympie in 1867 were followed by the Charters Towers rush and the Etheridge River discoveries in 1872, and by the rich alluvial discovery on the north bank of the Palmer River near Cooktown in 1873. These major discoveries exceeded revenue of all other commodities in Queensland well into the 1890s. One of the most profitable gold, silver and copper mines in the world was started at Mt Morgan in 1882. The Croyden discovery northwest of Charters Towers in 1885 was the last of the major gold finds in Queensland. With the gold mined out, prospectors trekked south to a new discovery in Tasmania at Mt Lyell in 1886 or to the East Kimberley of Western Australia. The last big rush in Australia followed the discoveries at Coolgardie (1892) and the Golden Mile at Kalgoorlie (1893). The last great gold rush in the world started with the discovery of rich placer deposits at Klondike on the Yukon River in northwest Canada. Many Australian prospectors went to Western Australia and Canada, others stayed on to work the fields they knew best or ventured across the Coral Sea to southeast New Guinea where gold had been discovered in the Louisiades in 1888.

The geologist and photographer, Richard Daintree, reported in 1870 that the gold-bearing rock formation of the Peak Downs and a portion of the Gilbert River in north Queensland continued to the southeastern extremity of New Guinea. David Whyte, captain of the Queensland lugger, the *Truganini*, sailed to the Louisiade Archipelago in late 1887 to dive for pearls, during which he believed that he had discovered gold on Pana Tinani Island. With credence given to Daintree's speculation, it appeared possible BNG could duplicate the Queensland experience. The signs were promising. Hank Nelson has told the human story of

⁵ The exception was 1894/95 when the estimated gold exports (£2,565) were less than the receipts from trade copra (£2,830) and sandalwood (£2,568); see Table 13.

the often violent social intercourse between the European miners and the Papuans in *Black, White & Gold* from 1878 and 1930. This chapter assesses the economic impact of gold mining on BNG and Papua until 1914.

The geology of British New Guinea

Whilst MacGregor despised the hordes of often uncivilised prospectors who roamed the country without giving consideration to the rights of the Papuans, he also welcomed the knowledge and assistance that professional miners like William Simpson and George Clark provided when exploring the country. His scientific training in medicine engendered the interest to discover as much as possible about the scientific and economic geology of BNG. In this regard he liaised with Robert Logan Jack, whose geological survey analysed many bags of specimens. Either at MacGregor's request or the Queensland government's insistence, in 1891 Assistant Government Geologist A. Gibb Maitland travelled to BNG for a 5-months examination.

Maitland left Port Moresby for Samarai on the *Merrie England* on 27 May. He examined the geology of portions of the southeast coast and some adjacent islands (including Dinner Island on which Samarai was established). The party investigated geological and geographical features through Goschen Strait, as far as Bartle Bay, and in the D'Entrecasteaux Archipelago near Dawson Strait before returning to Samarai on 24 June. A hasty traverse of the Louisiade Archipelago was made in early July to examine the endogenetic gold ore in the quartz reefs on Sudest and the exogenetic alluvial gold ore on Misima. Back on the mainland, 3 weeks were spent travelling overland from Awaiama on Chads Bay to the flanks of Mt Suckling west of Collingwood Bay. M.H. Moreton, then private government secretary to MacGregor, recruited 40 carriers from Tauputa village for this expedition, which he led personally. During the first 2 weeks of August MacGregor led an expedition that took Maitland from Milne Bay to Mullins Harbour.

After returning to Port Moresby on 13 August the geological assessment and sampling continued along the Laloki River into the Astrolabe Range. During the first 3 weeks in September Maitland journeyed to the St Joseph River. However, according to Maitland, 'the unsettled disposition of the natives, coupled with wet weather and attacks of fever (from which I was not free since leaving Mt Suckling) prevented much geological work being done'.⁶

Following an excursion to the Morehead River on the Dutch border and a subsequent meeting with B.A. Hely, R.M. at Mabudauan Station in the Western Division, Maitland returned to Queensland in early October 1891. Drawing on literature, reports on geological specimens sent by MacGregor to Queensland's Geological Survey, observations conveyed to him by officers, miners and prospectors, as well as his own findings, Maitland completed his

⁶ AR-BNG (1891/92), p. 54.

'Geological Observations in British New Guinea in 1891' together with maps and plates in 1892.⁷ His description of the physical geography of BNG, including the Fly, Aird and Queen's Jubilee Rivers, summarised the geological formations and enabled him to advise the Queensland government: 'the list of minerals of economic importance hitherto met with in BNG is extremely small'. Accordingly, in his 'economic geology' assessment he concerned himself mainly with the examination of the Caledonian reefs on Sudest and the prospecting activities on Misima. Maitland confirmed some gold specks in several bags of wash dirt collected by MacGregor's party on the Vanapa River. He also reported an uneconomic quantity of gold in connection with cinnabar on Normanby in the D'Entrecasteaux Islands and on the St Joseph. In summing up Maitland reported the principal minerals in BNG were gold, copper, iron, sulphur, graphite, lignite and mercury, with only gold recovered commercially in the alluvial wash found on Sudest and Misima. Whilst the list of known minerals had grown 20 years later to include liquid hydrocarbon, osmiridium, silver and zinc, only gold and copper were mined at that time. 'Until the inland regions are thoroughly prospected', Staniforth Smith observed in 1912, 'the diversity, extent and richness of our valuable minerals must remain largely a matter of conjecture'.⁸

Sudest Island, the first discovery of payable gold in BNG

A Cooktown businessman, John Douglas, funded Whyte to take nine experienced prospectors from the Palmer field to Pana Tinani Island to prove his find of 1887. The party set sail from Cooktown on the *Juanita* in May 1888 for Tagula Island, better known as the Sudest. Whyte's previous sighting of gold was not repeated, but he knew that his crew had collected auriferous quartz elsewhere on the island in 1887. Three months later Whyte returned to Cooktown with 142 oz he had washed from the Runcie Stream. This gold discovery on Sudest Island caused much excitement in Cooktown; it set off the first rush to New Guinea in 1888.

Gold mining began in BNG during the month sovereignty was declared. MacGregor had only recently arrived in Port Moresby when he gazetted the first goldfield in BNG in September 1888.⁹ Within a few weeks some 200 miners were panning the creeks emptying into the Runcie River. The first gold declared at the Customs House in Cooktown from BNG was 156 oz on 30 September 1888. One month later a further 1,398 oz had been declared, and by 30 June 1889, Sub-Collector of Customs Burkitt had weighed 3,850 oz for declaration. Gold dust was trading as high as £3 12s 6d/oz, but nuggets would vary downwards by up to 12s. Import into Australia did not attract customs duty, but declarations were legal requirements for statistical information.

Within a few months the number of prospectors on the Louisiades increased to nearly 800, causing considerable problems for the new administration due to a lack of infrastructure,

⁷ QPP, A.G. Maitland, 'Geological Observations in British New Guinea in 1891', 1893, vol. 2, pp. 695–728.

⁸ Smith, *Handbook*, (1912) p. 89.

⁹ British New Guinea Government Gazette, vol. i, (4 Sep. 1888) p. 49

communication, staff and legislation. At first MacGregor regretted the number of miners arriving monthly on the Louisiades. He planned to explore the country first and give priority to establishing control over the Papuans before attending to commercial matters. Yet he considered it prudent to send several hundred bags of rocks, sand and gravel from the Louisiades to Logan Jack and A.W. Clarke for analysis in Townsville. Whilst the assays did not provide sufficient information to construct a picture on the geology of the islands, they confirmed Daintree's theory that the palaeozoic rocks containing gold and other metallic deposits in Australia were also abundant in the Louisiade. MacGregor was informed that:

four of the quartz samples give traces of gold by the iodine process, and this is of importance. Permit me to recommend that you should impress on the prospectors the importance and simplicity of this test, which will detect the presence of gold in quartz or pyrites even though present in such small quantities as to be invisible in a dish "prospect" with the most careful manipulation. The "tincture of iodine" of medicine is the only reagent required, and the only apparatus necessary is a few test tubes, a spirit lamp, a glass funnel, white blotting paper, and asbestos.¹⁰

In February and March 1889 Thomas Downey and J. Blanchfield discovered gold on Gumonina Creek on the western side of St Aignan, an island in the archipelago to the northwest of Sudest.¹¹ But a second rush to these Misima fields was short-lived: there were 500 prospectors there in 1889, 150 a year later and no more than 50 thereafter. By mid 1895 further prospecting in the Louisiade Archipelago (Joannet Island [1888], Rossel Island [1888]), the D'Entrecasteaux Archipelago (Normanby [1889, 1895] and Fergusson [1895]), and Milne Bay [1893] proved unrewarding.¹² By mid 1889 gold was hard to find in the Louisiades: MacGregor reported at the end of the financial year that the creeks were practically exhausted, with men scattered about 'sinking small pits and shafts into the lower terraces near the creek, or digging into the banks of the creek from the bed'.¹³ Whilst gold was found almost everywhere in this part of the Sudest, the return was small. 'I saw a great many dishes of stuff washed, none without "colours" of gold', MacGregor continued, 'but none yielding more than 2 gr. to 4 gr. sometimes below 8 ft or 10 ft of earth and boulders'.¹⁴

In 1890 Messrs McLean and Samuelson started to work a promising reef which they called the Caledonian Reef. Gibb Maitland reported this claim about 1.25 miles inland in open country in the southwest of Sudest, showed 'fairly good results' from samples he assayed when visiting the site in June 1891. He sent other specimens to Charters Towers for analysis. The meagre result of 9 dwts 17 gr of gold and 1 oz of silver to the ton was still sufficient for the miners to continue developing a mine.¹⁵ A mineshaft approximately 40 ft deep intercepted a lode at 34 ft. From a drift cut into the quartz vein the miners excavated and stockpiled material from which they shipped 3 t of ore to Sydney for crushing and processing. The yield of 4 oz

¹⁰ Report by R.L. Jack and A.W. Clarke to MacGregor, 5 June 1889 (AR-BNG [1888/89] p. 52).

¹¹ AR-BNG (1891/92) pp. 80 and 82.

¹² AR-BNG (1894/95) p. xxiv.

¹³ AR-BNG (1889/90) p. 25.

¹⁴ Ibid.

¹⁵ AR-BNG (1891/92) p. 81. (1 ounce [oz] = 20 pennyweights [dwts] = 480 grains [gr.]

18 dwts of gold and 1 oz 21 gr. of silver per ton was only slightly better than the ore assayed by Maitland; it was not enough to make a living. By 1895 the alluvial claims were mined out, with no Europeans digging, sluicing or panning the rivers and creeks. The little gold still obtained was by the locals' fossicking. But even they found it hard to make enough money to buy the European goods to which they had become accustomed.

For a brief period a new claim in 1896, at the foot of Mt Adelaide in central Sudest, raised the hopes of the miners who kept an eye on the Louisiades.¹⁶ A few miles inland from Hinai Bay outcrops of coloured quartz showed enough prospects of gold and silver after crushing and washing for investors to back a new enterprise to exploit the claim.¹⁷ MacGregor was also keen for the venture to proceed. In contrast to alluvial mining, reefing was less transient and did not interfere with the fishing and hunting of the local people. He informed G.F.B. Hancock, who was responsible for establishing the British New Guinea Goldfields Proprietary Co. at Mt Adelaide, that the administration was ready to assist. Hancock recruited his workers from nearby Rossel Island and from the Fly River region; MacGregor supplied prison labour to have a boat landing built on the mud flats of Hinai Bay and the 4-mile road constructed to the mine. Mining was scheduled to start with a 10-head stamp battery in September 1897 but incessant rain delayed this. The weather and substandard food brought sickness to the European and 'native' camps alike.¹⁸ During the first 12 months of construction the overseer, 19 prisoners and many mine workers died. So before crushing commenced Hancock agreed to provide each labourer with an additional blanket and to supplement their diet of rice and sago with vegetables and fish.¹⁹ The company underestimated the difficulty and the cost of driving tunnels into the rock face of a mountain in remote New Guinea. From 1898 quartz was stockpiled. Whether it was ever intended to process the ore locally or in Australia is not clear. The venture was clearly undercapitalised and when Hancock was unsuccessful in raising new capital in Australia, the operations shut down in 1900.²⁰

By the late 1890s the fossicking was left to the Sudest people. Rather than washing for gold the 16 Europeans left on the island now traded for it with the locals.²¹ An application for an auriferous lease of 10 ac in 1899 raised some expectations, as did the discovery of quartz outcrops, containing gold and copper.²² But these were false hopes. By 1900 only nine Europeans were on the island and in 1901 Nivani station was moved to Bonagai on Woodlark Island where gold had been discovered in 1895.

¹⁶ AR-BNG (1896/97) appendix DD (map on Mt Adelaide claim).

¹⁷ AR-BNG (1895/96) p. xvii.

¹⁸ *ibid.*, p. 56.

¹⁹ AR-BNG (1897/98) p. xix; see H.N. Nelson, *Black, White & Gold*, p. 22.

²⁰ AR-BNG (1899/00) p. 83.

²¹ AR-BNG (1901/02) p. 19.

²² AR-BNG (1899/00) p. 83.

Misima: hard rock ore and inadequate capital

The Misima field provided a very clear illustration of the basic problems of the industry in BNG. By 1904 only six Europeans lived on Sudest, including M.H. Moreton who, in addition to his magisterial duties, leased the government plantation on Nivani where his wife attended to the breeding and fattening of cattle. On Misima the European population consisted of eight miners and one trader. They had been working the terraces of the old claims, only just making rations from the few grains they could pan from the gravel, with one or two not even doing that.²³ Their hopes of prosperity were raised when J.W. Reed, A. Grant and J.R. Smith discovered some important lodes towards the end of 1904.²⁴ After pegging their leases – Quartz Mountain, Seasa Gold Mountain, The Galena and The Massive – they contracted a metallurgist from the London-based firm of Bewick, Moreing & Co. to conduct an inspection.²⁵ The result was encouraging and disappointing at the same time. The Massive contained a big lode, but the gold was too fine and required large capital investment to recover.²⁶

It took another 6 years before there was renewed interest in Misima (Table 14.1). In 1911 a new gold-mining venture was formed in Sydney with £5,000 paid-up capital in the Mt Sisa Gold Mining.²⁷ The company acquired a 12-ac lease on the Engubinina Creek in the Mt Sisa district. Mine preparations, including the installation of a mill, stores, three European residences and native quarters, were planned for completion by 1912. While the directors of the company were ‘very sanguine as to the result of the undertaking’,²⁸ a lack of capital and start-up problems prevented the mine reaching economic production. The company went into liquidation in 1914.

The Misima Gold Mining Co. renamed the St Aignan Mining Co. Ltd in 1914, preceded the Mt Sisa Co. Prospecting the same area, and after taking options on several gold leases at Mt Sisa Umuna in 1910, Misima Gold Mining had planned to start mining its No. 1 Massive claim in 1913.

Two exposed veins, which had been assayed by the first Commonwealth government geologist in Papua, E. R. Stanley,²⁹ carried good workable gold.³⁰ However, the ‘sugar-like quartz’ was embedded in a 212 ft ‘highwall’, which made mining and processing difficult. Initially, the company installed a 28 h.p. Hornsby Stockport gas engine – fed by locally produced charcoal – to power two Huntington Mills. Then, when the ore proved too powdery, cyanide leaching without crushing the ore was trialled.³¹ By 1915 the company had completed

²³ AB-BNG (1904/05) pp. 30 and (1905/06) p. 71.

²⁴ *ibid.*, p. 13.

²⁵ *ibid.*, p. 59.

²⁶ AR-Papua (1906/07) p. 84.

²⁷ *Mining Journal*, ‘Gold in Papua’, 23 May 1912.

²⁸ AR-Papua (1912/13) p. 41.

²⁹ *Australian Mining Standard*, Mining in Papua’, 4 May 1911.

³⁰ AR-Papua (1914/15) p. 141.

³¹ *ibid.*

the first stage of its plan: with government assistance it had constructed two 4-mile roads from the harbour to the mine and to the cyanide plant, and was in the process of installing a saltwater pipe line for sluicing. Although half of the road construction was carried out by the government with prison labour, the high overall development and operating cost made the venture unviable. With only 1,341 oz of reef gold won, the company granted the New Guinea Option Syndicate (NL) an option over its leases in late 1914 or early 1915.³²

Table 14.1 Estimated returns from the Louisiade goldfields (Sudest and Misima Islands).

Year	European miners	Indentured labour	Gold yield (oz.)	Value of gold (£)
1888/89	200	600	3,850	14,187
1889/90	400	1,200	3,470	12,140
1890/91	76	228	2,426	8,231
1891/92	65	195	1,235	4,322
1892/93	60	180	1,200	4,500
1893/94	38	114	1,128	3,906
1894/95	30	90	728	2,565
1895/96	20	84	600	2,100
1896/97	20	60	560	1,960
1897/98	28	84	600	2,100
1898/99	20	60	550	1,925
1899/00	16	48	450	1,575
1900/01	9	27	300	1,050
1901/02	13	39	400	1,400
1902/03	10	30	300	1,050
1903/04	8	24	300	1,050
1904/05	10	30	300	1,050
1905/06	14	42	400	1,400
1906/07	11	35	350	1,225
1907/08	11	35	350	1,225
1908/09	n.d.	n.d.	n.d.	n.d.
1909/10	7	30	200	700
1910/11	7	30	200	700
1911/12	9	90	600	2,100
1912/13	19	100	500	1,750
1913/14	19	100	421	1,200
1914/15	31	260	1,941	4,860
	Average 44	Average 147	Σ 23,359	Σ 80,271

In 1914 the Block 10 Misima Gold Mines (NL) – a company started by Broken Hill Pty Ltd Co. (BHP) shareholder – also became active on Misima.³³ By 1917 this company had bought the interests of all the companies and syndicates involved on The Massive line of lodes, including 13 gold-mining leases. The BHP subsidiary operated the mine throughout World War I, selling its interests to the Massive Samarai Syndicate in September 1922.³⁴

Woodlark Island: Papua's most prolific gold producing district to 1919

Maitland did not investigate the Trobriand Archipelago where Woodlark Island soon became BNG'S most prolific gold-producing district. And, it was not until 1912, 17 years after gold had first been discovered near Suloga Bay on Woodlark, that Stanley submitted a report on the

³² The likelihood of common shareholders is not identified.

³³ AR-Papua (1913/14) p. 153; (1914/15) pp. 138 and 141–42; *ibid.*, (1916/17) p. 40.

³⁴ AR-Papua (1917/18) p. 49 and (1921/22) pp. 89–90.

geology of Woodlark Island.³⁵ He delineated fields for further development and exploitation.³⁶ The Murua fields were massively more productive than the neighbouring Louisiade fields (Table 14.2).

Table 14.2 Estimated returns from the Murua goldfields (Woodlark Island).

Year	European miners	Indentured labour	Gold yield (oz.)	Value of gold (£)
1895/96	190	760	12,000	42,000
1896/97	400	1,600	20,000	70,000
1897/98	160	640	10,000	35,000
1898/99	62	248	5,000	17,500
1899/00	76	304	6,000	21,000
1900/01	150	600	7,500	26,250
1901/02	100	400	7,000	24,500
1902/03	115	374	8,500	29,750
1903/04	125	500	9,000	31,500
1904/05	100	400	9,689	33,911
1905/06	80	294	10,527	36,844
1906/07	69	227	5,296	18,536
1907/08	69	227	5,296	18,536
1908/09	70	252	6,339	19,721
1909/10	48	252	9,781	33,594
1910/11	89	343	8,632	32,276
1911/12	89	403	9,447	32,333
1912/13	93	420	12,147	41,515
1913/14	39	347	9,182	29,840
1914/15	58	450	7,171	24,449
	Average 109	Average 452	Σ 178,507	Σ 619,055

The trader Richard Ede, Cooktown miner Charlie Lobb and the Swede Soelberg were the first Europeans to wash gold from the Suloga and Okiduse Creeks. News of their discovery in the south of Woodlark in June 1895 did not take long to reach the Louisiades, where the easy gold had been taken and the few miners left were eager to move on to more prolific grounds. When MacGregor inspected Murua in November that year he found 20–30 European miners, ‘all doing fairly well and there was good reason to think that gold-mining would be prosecuted there for some time’.³⁷ With good indications of gold at both locations, MacGregor proclaimed Murua as BNG’s second goldfield on 6 November 1895. Whilst the miners were keen to keep their finds concealed, a very rich patch of 500 oz was unearthed in the Okiduse Range. In December good alluvial deposits were discovered at New Chum’s Gully (later Karavakum or Bonivat).

The discoveries started the third rush to BNG. When the SS *Merrie England* cast anchor in Suloga harbour in July 1896 the administrator found about 190 miners on Woodlark.³⁸ ‘The greater majority of the men were industrious workmen of good character,’ he reported, who

³⁵ AR-Papua (1911/12) pp. 189–208.

³⁶ ‘Gold in Papua’, *Mining Journal*, 23 March 1912.

³⁷ AR-BNG (1895/96) p. xviii.

³⁸ One of the miners would have been C.A.W. Monckton who worked the Woodlark gold lease in 1896–97 before signing on as R.M. of the North-Eastern Division in 1899 (C.A.W. Monckton *Some Experience of a New Guinea Resident Magistrate*, p. 22).

lived 'in a camp about eight miles from the sea, chiefly under canvas, but with a few houses of native material'.³⁹ He estimated that approximately 12,000 oz of gold had been collected from the miners' pans. To keep the peace between the Europeans and the local people, at the insistence of the Queensland government, MacGregor amended the Gold Fields Ordinance, 1888 to fall in line with the legislation current at the time in Queensland. The Gold Fields Ordinance, 1897 enabled 'the Administrator-in-Council to extend beyond three years from the date of the proclamation of a locality as a goldfield the term during which Asiatic or African aliens shall not be permitted upon such field'.⁴⁰

In March 1897 the *Brisbane Courier* reported that BP had a consignment of some 800 oz of gold from Woodlark on board its ship, and 32 passengers brought at least another 300 oz into Australia.⁴¹ Most of this gold came from the Karavakum field. With the last major discovery in Queensland having occurred more than 10 years earlier, the rush was on for Woodlark. At the peak some 400 miners dug and washed the gravel and sand from the gold-bearing riverbeds of the island with some 1,600 Papuan feeding the sluice boxes and performing most of the back-breaking work. Although approximately 20,000 oz were recovered during 1896/97, the average taking of 50 oz or £175 per miner was too low to make ends meet, particularly when the novices only 'panned off' a fraction of gold given as the average.

A. Campbell, R.M. South-Eastern Division, was responsible for ensuring that law and order was maintained on the 50 square miles that made up the mineral-bearing country. With his headquarters on Nivani, approximately 80 miles to the south, and support at Samarai some 180 miles to the northeast, his mining warden found it difficult to control the fortune hunters who came without mining skills, money, equipment and stores. He believed that the current gold leases would not support more than 170 miners and requested MacGregor to communicate this to the Queensland authorities.⁴² With the help of negative publicity in Australia, death and sickness amongst the miners and the indentured workers, and a realization that gold was only found the hard way, the 160 European miners on the island in April 1898 had dwindled to 62 by June 1899. At this number alluvial mining became profitable on Woodlark. On average 80 oz of gold was washed by each miner and his team of four indigenous workers during the year to June 1899. Subject to the quality of the gold, the annual earnings averaged £300, with similar results in 1899/1900 when 78 miners washed an estimated 6,000 oz of gold.⁴³

The amendment to the Mining Ordinance, 1899 had little bearing on the industry in BNG. Whilst Queensland recognised its declining number of gold leases with a reduction from 10 s to

³⁹ AR-BNG (1896/97) p. xi.

⁴⁰ *ibid.*, p. vi.

⁴¹ *Brisbane Courier*, 5 March 1897.

⁴² AR-BNG (1897/98) pp. 99–101; see Nelson, pp.56–7.

⁴³ AR-BNG (1897/98) p. xix; (1898/99) pp. xxvi and 81–5.

5 s in the annual fees for a 'Miner's Right',⁴⁴ Le Hunte gazetted in October 1899 for the original fees in BNG to be retained.⁴⁵ He needed the revenue, however small. He would also have reasoned that any new discovery would attract the miners no matter what the cost of a mining claim was.

A new and profitable discovery was made in 1899 with the testing of the Ivanhoe reefs at Kulumadau.⁴⁶ The prospects were situated on a hill about 1,470 ft above sea level and 1.5 miles from Bonagai, the port of entry, on the northern extreme of the Kwaipan Bay. Initially worked on an alluvial basis, the confirmation of extensive reefs saw the setting up in 1899/1900 of the Woodlark Island Pty Co., the Woodlark-Ivanhoe Gold Mining Co. and the Kulumadau (Woodlark Island) Gold Mining Co. to exploit the fields. By June 1901 the first of these mining companies had a tramline from its 100-ac mine to the harbour and a 20-head stamp battery, which had started crushing ore in April 1901. When the alluvial leases of the Woodlark-Ivanhoe Co. were exhausted the miners drove a 70-ft semi-circular cross-section tunnel and a 100-ft one into the hill until the two excavations met. A vertical shaft was also sunk to within 80 ft of the 14 ft thick lode. The gold-bearing reef was connected with the inlet shaft via a service tunnel. Its 30-head battery started crushing in 1902 but lasted only briefly. Like so many other hopeful miners, these ventures failed. The Ivanhoe Co. abandoned its lease in 1903 due to a lack of working capital. The Woodlark Island Proprietary Co. toiled until 1905, when the mine closed due to flooding.⁴⁷

The Kulumadau Co. took longer to raise capital and to develop its 120-ac mine. The company started by installing a Huntington Mill to crush the accessible auriferous ore. In 1903 the company acquired and amalgamated the claims of the Ivanhoe Co. and started crushing and treating the ore stockpiled before it abandoned the site. In 1903 the three Kulumadau mining ventures crushed 15,702 t of ore, but only extracted 4,823 oz of gold. Whilst the ore mined by Woodlark Island continued to deliver poor results (4,024 oz from 7,229 t in 1903/04 and 3,808 oz from 11,978 t in 1904/05), the returns from Kulumadau lease were considerably better (3,681 oz from 4,457 t in 1903/04 and 3,588 oz from 4,388 t in 1904/05).

By 1905 Kulumadau was a modern enterprise. The mine set-up delivered steam from a Sterling boiler to the winding engines on the head frames and to the dewatering pumps in the pit and tunnels. The shafts and tunnels were supplied with compressed air and electric lighting. The ore was crushed by the centrifugal rollers of the Huntington Mill and gravity separated by Wilfrey tables. The cyanide plant, comprising 50-t leaching vats, 15-t mixers and a 40-t sump vat, was laid out for maximum metal extraction from tailings. Designed overall for efficiency, the

⁴⁴ The Queensland Mining Act, 1898.

⁴⁵ Mining Ordinance No. V, 1899, §4.

⁴⁶ The contemporary spelling of Kulumadau is also found in several BNG and Papua annual reports (AR-BNG [1899/00] p. 83).

⁴⁷ AR-BNG (1900/01) p. 78.

mining process returned 5,415 oz of gold from 5,044 t crushed material in 1905/06. With the depletion in 1906 of the short (60 ft) but rich vein, Kulumadau amalgamated the adjoining claims to exploit the gold more economically. It acquired in 1907 the leases bordering on the north and south of its mine from the insolvent Woodlark Island Co. and the nearby leases of the Murua Syndicate (formerly the Woodlark-Ivanhoe Gold Mining Co.). To meet shareholders demand for a continuing return on their investment, Kulumadau commissioned its cyanide plant in 1906 for the treatment of tailings. In 1908/09 the company crushed 4,305 t from its consolidated leases, recovering 2,133 oz of gold valued at £7,252, and 1,541 t, yielding 854 oz, from the Murua Syndicate acquisition. Whilst the sale price for this gold is not known, the treatment of 6,600 t tailing at its cyanide works recovered 1,002 oz at a value of £1,694. Further, the company produced 100 t of ore, yielding £2,012 and 0.25 t of slag returning £30 during the financial year. To what extent, if any, the company participated in the mining of the 1,800 oz of alluvial gold on Woodlark during the year – valued at £6,075 – is not known.⁴⁸ By 1911 Kulumadau crushed 11,850 t of ore and treated 3,700 t of tailings whilst still not reaching full capacity. By 1914, under the management of the company's director and attorney, Harry Poole, the miners had driven 604 ft of shafts which were timbered to a maximum depth of 122 ft. Drifts and crosscuts extended over 1,298 ft at that time, and numerous winzes totalled 34 ft in vertical feet.⁴⁹ Three Huntington mills crushed the 1913/14 production of 13,175 t, whilst 7,700 t of tailings were treated with cyanide. The return from the milled gold was 3,028 oz and 668.5 oz from leaching. At the mean price of £3 5s per oz, Kulumadau realised gross sales of £12,013 12s 6d in that financial year. The employment ratio of 22 European miners to 217 indentured Papuan workers returned £546 to the company for each European it employed. With miners earning between £260 and £300, 'boss-boys' and specialist workers £18, and ordinary workers £6 p.a.,⁵⁰ the operational cost of the mine before interest and depreciation – no tax was payable – amounted to approximately £9,000 p.a. To attain a return on the investment and pay an annual dividend to shareholders of 10%, the 1913/14 returns needed to be sustained for at least 10 years. This was not achieved, however, and Kulumadau went into liquidation in 1917/18.⁵¹

There were other gold leases on Woodlark that returned higher profits than Kulumadau, albeit for only a short period. Soon after the 1900 rush, the McKenzie's Creek claim, situated approximately 6 miles from Kulumadau's reefs, yielded several thousand ounces of gold in a few months. It set a production record not broken during the period under review.⁵² There was also the discovery of gold in Federation Reef near Busai in 1902. Situated 4.5 miles east-

⁴⁸ AR-Papua (1908/09) pp. 131-3.

⁴⁹ A winze is a connecting shaft between two levels.

⁵⁰ Statement by Hon. Fred Weekley, MLC on the 'Miners and Leaseholders on Woodlark Island' (Report of the 1907 Royal Commission on the Territory of Papua, §§1360–99).

⁵¹ AR-Papua (1916/17) p. 39 and (1917/18) p. 45.

⁵² AR-Papua (1911/12) p. 193.

southeast from Kulumadau, the area became known as the Busai Mining Centre when high deposits of alluvial gold were obtained from Coleman's Creek. At Reilly's Creek, 1 mile south of Busai, other extensive but short-lived alluvial fields were mined. A rich lode of quartz containing silver (28 oz/t) and lead (75%) was found near McKenzie's Creek around 1910. However, the veins were only 1–5 in. thick, making the discovery unproductive.⁵³



Kulamadau gold mine on Woodlark Island, c. 1909

After declining returns, the syndicate working the Murua leases in the Busai Mining Centre (Kikiti Vinai No. 15, Guiau No. 4, Mary Murua No. 19 and Murua No. 3) consolidated their holding into one gold-mining lease (No. 84) and then, in 1908/09, into the Federation Busai Syndicate. Yielding 62 oz from only 74 t of crushed ore during its first year, Federation Busai returned a satisfactory result in 1909/10 with 444 oz of gold recovered from 289 t of ore. 'This property gives every promise of being most valuable', Mining Warden C.P. Norrier on Murua observed correctly in 1914.⁵⁴ One miner and 20 labourers extracted 214 t from the underground mine in 1913/14. The crushed material yielded 208 oz valued at £659. Treatment by cyanide returned £146 from 6 t, with 18 t of concentrate realising £237 in gold returns and £78 from zinc precipitates.⁵⁵ The mine continued at this level of operation until 1918 when the Busai Gold Mining Syndicate acquired the lease.⁵⁶

Upon examining the Little McKenzie No. 1 claim, E.R. Stanley noted in his journal: 'gold can be seen without the slightest difficulty in the stone [and] one cannot help thinking that this property will have a very bright future'.⁵⁷ Situated in the most northerly portion of the Karavakum leases, Little McKenzie No. 1 started as an alluvial claim in August 1910. The

⁵³ *ibid.*, p. 201

⁵⁴ AR-Papua (1913/14) p. 155.

⁵⁵ *ibid.* The figures stated are rounded up or down.

⁵⁶ AR-Papua (1917/18) p. 48 and (1918/19) p. 82.

⁵⁷ AR-Papua (1911/12) p. 202.

removal of a shallow layer of overburden uncovered a rich vein of gold, returning 40 oz from 23 t of trial crushing. The result encouraged the leaseholders to construct a 122 ft approach to the lode, cut a 250 ft drift into the hill and sink a 12 ft mining shaft to a depth of 73 ft. With the installation of a 45 h.p. steam engine and a 25-head stamp-battery, the crushing of selected ore produced 227 oz 12 dwts from 33 t; 162 oz from 26 t; 287 oz 5 dwts from 30 t; 332 oz from 500 t and 1,044 oz 17 dwts from 612 t.⁵⁸

The good results were not sustained. The high concentration of gold was intermittent, and was only in the initial lode. By 1914 the miners had extended the drift to 645 ft and had sunk the shaft to 125 ft, which included 12 ft of excavated quartz. Only 38 t of ore was mined in 1913/14, yielding only 17 oz and 16 dwts. This result was not greatly improved with the treatment of the crushed ore by cyanide, with only £236 realised from processing 460 t.

Even though the gold in the Karavakum district was not uniformly prolific, in 1911 Stanley rightly regarded the region as potentially the most important gold-producing area on Woodlark. Similar to Little McKenzie the nearby Illawarra lease between the Muniai River and Thompson's Creek had a short but spectacularly productive life. Established in 1904, the mine crushed 48 t of ore in 1905/06 from a slender vein, returning 286 oz of very fine gold which was valued at £987. In the following year it crushed the remaining 456 t from this lode which yielded 256 oz. Thereafter the Illawarra Extended No. 150, the Illawarra Consols No. 160, the Illawarra No. 49 and the Illawarra North No. 149 claims were largely worked for alluvial gold. The other spectacular claim on Karavakum was the Woodlark King claim, first registered in 1903. It produced an astonishing 599 oz from only 65 t of ore in 1904/05, and repeated the result the following year with 944 oz from 188 t. When the mother lode was mined the owners sold the lease to a syndicate in 1906. With a more substantial mill, concentrator and cyanide plant installed in 1910, the Woodlark King, the Woodlark King South No. 148, the Woodlark King (No. 2 South) No. 155 and the Just-in-Time leases yielded on average 3 oz/t, with some of the best results yielding 162 oz from 18 t and 466 oz from 47 t.⁵⁹

Apart from the ongoing returns from the original reefs, new lodes were uncovered with the sluicing of the river and creek embankments. In 1914 Norrie reported: 'This mine is still looked upon as a wonder, and great interest is exhibited by all in regard to its future'.⁶⁰ This acclamation by a government officer is not surprising. The production by two miners and 22 'natives' of 1,596 oz of gold from 372 t of ore realised approximately £5,350 in receipts during the year of the report.⁶¹ The Woodlark King Mine approached a total turnover of £50,000 since it was first worked in 1903.⁶² As with nearly all mines, this one was also not without its

⁵⁸ *ibid.*

⁵⁹ *ibid.*, p. 204

⁶⁰ AR-Papua (1913/14) p. 155.

⁶¹ The alluvial figures are not available and are therefore not contained in the results.

⁶² AR-Papua (1913/14) p. 155.

problems. The presence of large amounts of groundwater required large sums of money for further development. The main shareholder by the name of MacGregor tried to float the company on a stock exchange in Australia in 1914 without success. In 1917 the dewatering pumps failed or were unable to cope with the large ingress of water, resulting in the flooding of shafts, tunnels and drifts. Repeated efforts by the owners to raise new capital also failed; with the 'wonder mine' of Woodlark never opening again in its existing mine configuration.⁶³

As the tables in this chapter demonstrate Woodlark yielded by far the largest quantity of gold mined in Papua. In 1912/13 the miners on the island generated a record £41,515 in gold receipts⁶⁴ In 1914 Woodlark produced 46% of all the gold mined in Papua.⁶⁵

Yet, the miners found it difficult to make a living. Their average annual income for 1895/96–1914/15 of £283 would have barely covered labour, equipment and other operational costs. The years 1905/06, 1909/10, 1912/13 and 1913/14, where the average annual income from mining ranged from £446 to £765, indicate general profitability with some miners likely to have made a small fortune during this period. However, considering that these profitable years form part of the overall average earnings, it becomes clear that the vast majority of European miners on Papua's most prolific goldfields lived at a low subsistence level. As to the indentured workers, they made some money, as did the local people who prospected the abandoned fields, and who had learnt to extract the gold dust with mercury. Their earnings did little for the local economy. Most of their money was spent on tobacco and other European trinkets. Of the indentured workers, many died whilst others deserted. The death rate was the highest in 1902/03, when 37 of the 374-strong indentured workforce on Woodlark died from beri-beri (25) and dysentery. German measles brought from Samarai on the SS *President* and the government vessel *Siai* between June and November 1902 was endemic amongst the workers and the local population; it also affected some European miners.⁶⁶ Whilst not life threatening, the congenital consequences of the virus would not have been understood at the time. The accident rate was particularly high where workers were indentured to inexperienced miners.⁶⁷ Whilst not necessarily as a result of inexperience, six fatalities occurred in 1914 when an ore trolley crashed through the shafthead, taking the workers to the bottom of the 122 ft shaft.⁶⁸

With the Louisiade and Trobriand Archipelagos accounting for more than half of the gold produced in Papua, the discoveries of gold in the northern rivers of the mainland became more notable for the resistance of the local tribes to the intrusions of prospectors and miners on their

⁶³ AR-Papua (1917/18) p. 48; *ibid.*, (1918/19) p. 82 and (1919/20) p. 99.

⁶⁴ AR-Papua (1912/13) p. 36.

⁶⁵ AR-Papua (1913/14) p. 153. The ratio remained above 43% after BHP's Block 10 on Misima reached full production in 1919 (AR-Papua (1919/20) p. 80). However, the ratio changed in favour of Misima after the auriferous country on the mainland of Papua was mined out and the reefs on Woodlark exhausted. In 1938/39 Gold Mines of Papua Ltd booked revenue of £30,755 from its Mt Sisa venture. Intermittently, the Umuna leases became Papua's most productive gold mines in Papua after 1919.

⁶⁶ AR-BNG (1902/03) pp. 30–1.

⁶⁷ Nelson, p. 69.

⁶⁸ AR-Papua (1913/14) p. 155.

land. There were many difficulties for the administration too in subduing the fearless Orokaiva (Binandere) warriors in the Northern and North-Eastern Divisions (see Chapters 12 and 13).

Gold mining on the mainland was restricted to the alluvial fields of the main rivers in the north, the Tiveri and Arabi tributaries of the Lakekamu River in the Gulf Division, the small claims in the Keveri Valley of the East-Central Division, and on Milne Bay in the Eastern Division. Here all mining was carried out by sluicing and panning, with dredging contemplated since 1900 but only started on the Lakekamu field after 1914. No noteworthy reef mining was carried out on the mainland during the period under review.

The Gira and the Yodda: two rivers in an auriferous sea

William Simpson and eight prospectors returned from the Upper Mambare with 46 oz of gold in their packs in January 1896. It was a meagre reward for prospecting a very large district for 5 months, a feat which MacGregor described as 'by far the most arduous undertaking ever performed by any private exploring party in the colony'.⁶⁹ Simpson was there only 3 months after George Clark's killing there. At that time Simpson was leading the Ivanhoe prospecting party which had joined up with Clark. He was encouraged by finding the geological make-up of the country to be mostly 'slate and quartz, with colour of gold in many, if not most, creeks, with occasional traces of osmiridium and cinnabar'.⁷⁰ This time the miners and their 22 carriers from Taupota (D'Entrecasteaux Islands) camped on the Mambare approximately 12 miles upstream from Tamata Junction. From there they tested the creeks for some 60 m, as far as the north-western and southern branches of the Mambare.⁷¹ Simpson and his men prospected along the western foothills of the Owen Stanley Range, investigated the Chirima, tracked south into the Yodda Valley before returning to Mambare Beach and onwards to Samarai and Australia.

Nearly the whole of the area prospected was auriferous, according to Simpson, 'but the gold was in very small quantities and not payable'. The 46 oz they obtained in little over 3 weeks was from the gravel of the MacLaughlin's Creek at the foot of Mt Scratchley. It provided sufficient encouragement for Simpson, MacLaughlin and Clunas of the Ivanhoe party,⁷² and McClelland who had prospected with Clark – together with four new miners – to return to the creek of the original discovery in March 1896. For 2 weeks their 51 carriers shifted 6-months provisions and gear for 75 miles up the Mambare on large canoes they had procured from the locals. Three stores were set up near Tamata, and a new track cut to the MacLaughlin Creek about 65 miles away. Simpson and his party reached the river in the third week of April, and by 30 June they had panned nearly 200 oz of gold from the banks of the creek. By the middle of the year they were joined by four prospectors and 36 carriers who must have picked up the

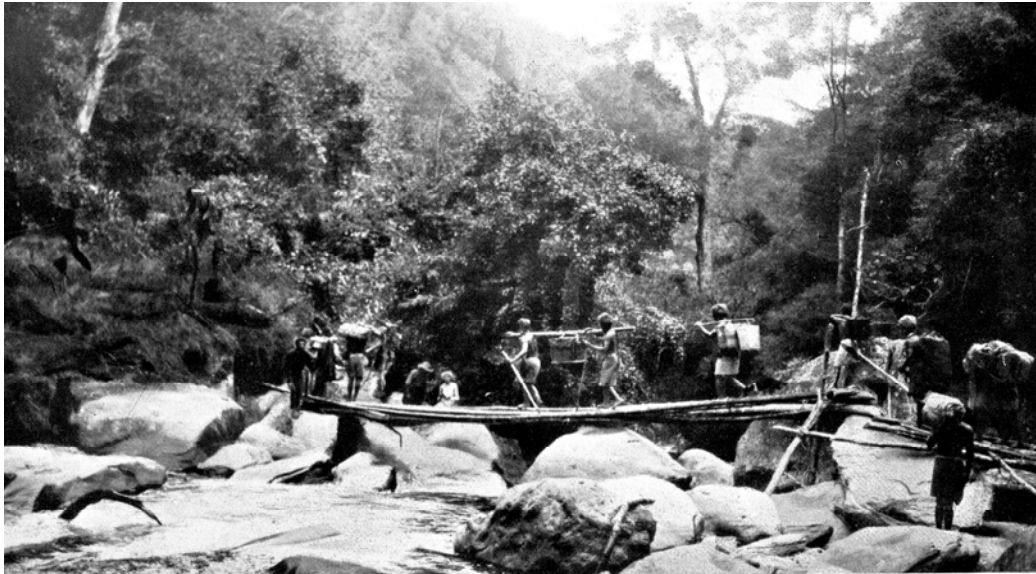
⁶⁹ *ibid.*, p. xii.

⁷⁰ *ibid.*, p. 22.

⁷¹ AR-BNG (1895/96) p. 76.

⁷² Nelson, p. 112.

news of 'a rich lode' on the Upper Mambare.⁷³ Their efforts were not greatly rewarded. By year end the river was worked out, leaving John Schmitt and David Davis, who only arrived on the MacLaughlin with their six carriers in early October – along with one unidentified prospector – to remain on the Upper Mambare during the wet season.⁷⁴



Carriers crossing the Yodda at Oila

With dwindling gold specks panned, Simpson assisted MacGregor to make an easier passage on his epic journey from Mambare Beach to Port Moresby. Then, after MacGregor had reached Mt Scratchley, Simpson was given protection by a detachment of armed constabulary and, assisted by a number of government carriers, prospected the Moni and Adaua Valleys. On his return to Tamata Station, the area around Mt Victoria, he found no gold in the riverbed of the Adaua but must have been close to the northern border of the Keveri Valley where the Pryke brothers discovered payable gold in 1903. They came across 'plenty of quartz and slate showing, and a few colours gold' in the Moni Valley, and Simpson suggested for the eastward part of the valley be prospected soon.⁷⁵

Simpson left BNG at the arrival of the rainy season. He travelled to Brisbane in early January 1897 to add his 'rich specimen of gold and osmiridium to the official collection'. Whilst talking about his exploits in the Owen Stanley Range to anyone who cared to listen, he also forewarned that New Guinea was an unforgiving place at the best of times: the likelihood of a prospector succumbing to malaria, dysentery or the spear of an Orokaiva tribesman was much greater than finding payable gold in the highlands of BNG.⁷⁶

⁷³ AB-BNG (1895/96) p. 76.

⁷⁴ AR-BNG (1896/97) pp. xix and 36.

⁷⁵ *ibid.*, p. 20.

⁷⁶ Nelson, p. 114.



Fluming water across a ravine

To a prospector who had experienced the thrill of the first sight of payable gold in his prospecting dish, this was gratuitous advice. The newspapers had been reporting the discovery of mother lodes in Australia for nearly 50 years, to which the Louisiades and Woodlark Island had now been added. East New Guinea did not measure up to the big discoveries in Australia. But Port Moresby and Samarai were only short voyages from Cooktown. Simpson's widely advertised discovery was highlighted by MacGregor's parting comments in 1897: 'there can be no doubt that gold will now continue to be brought from the interior for many long years to come. The difficulties of getting there and back are great, but not insurmountable'.⁷⁷

Nearly one thousand prospectors sailed to BNG in 1897 to work on Woodlark or prospect the Upper Mambare.⁷⁸ There were men from Germany (W.R. Becker), Austria (L. Sirch), Sweden (Gus Nelsson), Scotland (J. Dourand) and Ireland (M. Mahoney and J. Hayes) amongst the new arrivals. The old hands, Alex Clunas and Robert Elliott, returned from Cooktown to the Upper Mambare on 20 April 1897. They were accompanied by J.F. Close – also from Cooktown – a Queensland boy, 14 carriers and 6 t of gear and stores. Simpson returned to the Upper Mambare on 16 June 1897. Together with Moses McClelland he arrived from Samarai also with 6 t of provisions and 25 carriers.⁷⁹ Prepared for 6 months of mining and prospecting, he only lasted a few weeks. The person, most responsible for discovering the northern river goldfields, died in September 1897 at Tamata Station.⁸⁰ Whilst MacGregor was indebted to this indefatigable man for completing the north–south passage, in his annual report he was no more than a statistic in the mortality rate of 30% or thereabouts (Table 14.3).

⁷⁷ AR-BNG (1897/98) p.14.

⁷⁸ See Chapter 12.

⁷⁹ AR-BNG (1896/97) p. 36.

⁸⁰ Nelson, p. 118.

Table 14.3 Estimated returns from the Gira and Aikora goldfields.

Year	European miners	Indentured labour	Gold yield (oz.)	Value of gold (£)
1897/98	23	115	1,222	4,582
1898/99	80	400	6,000	22,500
1899/00	90	450	7,000	26,250
1900/01	30	150	2,400	9,000
1901/02	50	250	5,500	20,625
1902/03	50	250	6,000	22,500
1903/04	55	275	6,000	22,500
1904/05	52	260	6,000	22,500
1905/06	55	330	6,000	22,500
1906/07	42	300	5,000	18,750
1907/08	37	473	5,000	18,125
1908/09	29	298	4,500	16,875
1909/10	3	40	*2,000	*10,500
1910/11	6	70	900	3,150
1911/12	2	37	200	700
1912/13	3	20	200	700
1913/14	2	27	516	2,000
1914/15	7	131	1,200	3,600
	Average 34	Average 215	Σ 65,638	Σ 247,357

*The information provided in the 1909/10 Annual Report, p. 118 cannot be correct. Gold did not reach £5 5s per ounce as claimed.

Moses McClelland and Gilbert Hudson continued to work their dishes without Simpson at the foothills of Mt Scratchley. They succeeded in panning off over 600 oz from gullies and riverbanks of the MacLaughlin's and nearby creeks. Evidently, Sam McClelland, Clunas and Elliott found these creeks too worked out and instead traced the Mambare eastwards into the Yodda Valley for some new prospects. But when they became aware of Tamata's R.M. Michael Shanahan discovering some good specimens on the Gira in 1898 they headed north immediately for that discovery was only 3 day's walking from Tamata.⁸¹ They arrived to join 20 other prospectors in gathering some 1,200 oz of gold from their dishes in a matter of days.

The mining warden estimated that the Gira would produce 10,000 oz during its first year. With the alluvial fields in the Louisiades exhausted and the reefs on Woodlark only returning half the quantity of former years, it was an easy decision for the administration to proclaim the Gira the first goldfield on mainland BNG.⁸² The sanction started a new rush of some 150 prospectors for the Upper Mambare in late 1898. But panning off gold in the narrow gullies and cold rapids of the creeks was exhausting work, and only a few men would have left the Gira fittingly rewarded. Eighty prospectors made an estimated £22,500 from some 6,000 oz of gold recovered on this field in 1898/99. With many men only arriving on the Gira in early 1899, the average earnings of £281 in the first year of the discovery was, at first glance, satisfactory when compared to Woodlark. However, by then the best claims would have been pegged and the easy gold taken (Table 14.4).

⁸¹ See Chapter 13

⁸² *ibid.* AR-BNG (1898/99) p. xxvi.

Table 14.4 Estimated returns from the MacLaughlin's Creek and the Yodda Valley goldfields.

Year	European miners	Indentured labour	Gold yield (oz.)	Value of gold (£)
1895/96	12	48	246	900
1896/97	3	15	*300	1,125
1897/98	50	200	*4,000	15,000
1898/99	70	280	*6,000	22,500
1899/00	90	450	*7,000	26,250
1900/01	150	600	*10,000	37,500
1901/02	70	350	*6,000	22,500
1902/03	70	350	*6,000	22,500
1903/04	45	225	*5,400	20,250
1904/05	48	180	*5,000	18,750
1905/06	45	225	*6,000	22,500
1906/07	61	305	*5,000	18,750
1907/08	39	312	*3,600	13,050
1908/09	24	312	*3,700	13,875
1909/10	3	30	*1,000	3,500
1910/11	4	40	*675	2,362
1911/12	4	70*	*300	*1,050
1912/13	5	70*	*300	*1,050
1913/14	5	55	418	1,570
1914/15	9	96	1,750	6,562
	Average 40	Average 211	Σ72,683	Σ 271,544

'The results obtained have been very uneven: some have done well, others have done very badly', said the warden.⁸³ Luckily two new fields were discovered towards the second half of 1899. Elliott prospected the headwaters of the Aikora, the southwestern tributary of the Gira River, and found payable gold on a white water creek (Elliott's Creek) high on the slopes of Mt Albert Edward. Further down on the Aikora, Tom Champion made a second discovery which he called Champion's Beach. The significance of these finds was not immediately felt, however. At the time most attention was directed towards the Yodda,⁸⁴ and the discoveries were not intensely prospected because of the steepness of the terrain, where daily torrential rain washed away good gold with soil and gravel. Yet some miners averaged 100 oz each of good quality gold from the crevices and clefts of the ravines under these trying conditions, with two miners even obtaining 45 oz for only 6 days' work.⁸⁵

In 1898 Clunas, Clark, Nelsson and Close cut a shorter track to the Yodda Valley to bring the gold fields within better reach of Tamata Station.⁸⁶ To complete the work expeditiously and to encourage the prospecting of new country, R.M. Michael Shanahan at Tamata, provided an escort of constabulary and 70 carriers. They were unable, however, to take the shortest route. The terrain forced them to enter the Yodda Valley from the south end. The track chosen crossed the Opi and then followed the Kumusi River in a southward direction. It turned west to traverse the Adaua Valley, to then enter the Yodda Valley near the headwater of the Mambare

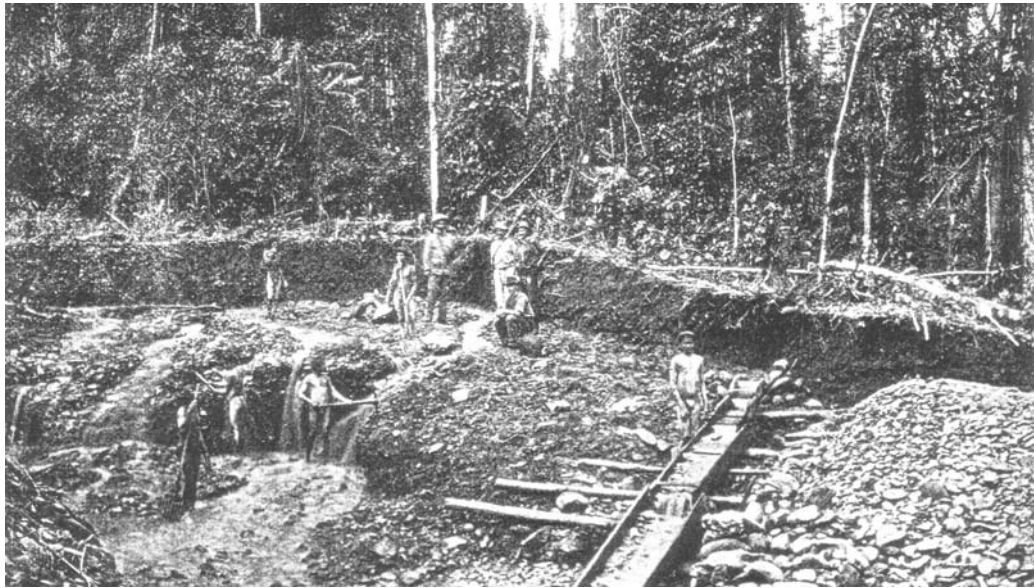
⁸³ *ibid.*

⁸⁴ D.H. Osborne, 'Gira and Yodda Goldfields: Early Discoveries in North-east Papua' in *Pacific Islands Monthly*, xiii (1943) p. 30.

⁸⁵ AR-BNG (1899/00) p. 85.

⁸⁶ AR-BNG (1897/98) pp. xix, 53 and 150 (map).

or Yodda River. Once in the Yodda Valley, Clunas and his party followed the left bank of the river, in a northwest direction, until they reached the foothills on the eastern side of Mt Albert Edward. From here they picked up tracks leading to MacLaughlin's Creek.



Sluicing on the Yodda, c. 1903

Soon after the work was completed, in mid 1899, Matt Crow, Sam McClelland and the new A.R.M. and mining warden at Tamata, Archibald Walker,⁸⁷ took the new track to the valley to probe the source of the Mambare for gold more seriously. Six months later they arrived back at Tamata with the news that good gold existed on the much-easier-worked Yodda Valley. As soon as the news of a new strike became known the prospectors on the Gira hastened to the Yodda Valley to peg new claims, hopefully this time on a placer deposit.

By 1900/01 an average of 150 men worked the Yodda. However, notwithstanding the much shorter path cut by R.M. William Armit of Tamata during the year,⁸⁸ the Yodda fields were – like all other goldfields in BNG – successful for only a few men.

Gold mining in New Guinea: an expensive business

The miners on the Upper Mambare incurred approximately £350 of expenses annually and needed a yield of 100 oz of gold to recover their outlays. The price of food, tobacco, beverages and gear was generally more expensive than in Australia due to shipping costs and the 10% duty imposed on most items brought into Papua. Added to this was the money payable to the Papuan carriers for hauling the 40–50 lb packs along the arduous 55 mile route from Bogi Station to the Yodda fields.⁸⁹ Until the Buna Bay to Kokoda Station road was completed in 1905, the landing place for men and goods travelling to the Yodda was at Bogi Station. Established by the government in 1900, the station was 50 miles from the mouth of the

⁸⁷ Shanahan died whilst building a track to the Gira (Chapter 13).

⁸⁸ *ibid.*

⁸⁹ Bogi Station was established by W. Armit in 1900.

Kumusi, and it was 55 miles from the station to the first camps on the fields. The freight cost up the Kumusi to the station of £5/t and from there to the Yodda of 1s/lb for ordinary articles and 5s/lb for dynamite, medicines and fragile goods, was less than paying for carriers to take the goods through the swamps, creeks and rocky paths of the old 70 mile route from Tamata.⁹⁰ However, depending on the ‘obligatory’ daily consumption of tobacco and rum, brandy or whisky and where he was working, a miner required £3 to £4 a week to exist in the BNG goldfields (Table 14.5).

Table 14.5 Cost of provisions on the principal goldfields in 1906 and Lakekamu in 1910.

Articles	Murua	Yodda	Gira	Milne Bay	Lakekamu
	£ s d	£ s d	£ s d	£ s d	£ s d
Rice, 50 lb	0 12 0	1 10 0	0 10 0	0 7 3	0 15 0
Meat, 1-lb tins, per doz.	0 10 0	0 16 6	0 10 6	0 8 6	0 14 0
Potatoes, per cwt.	1 2 0	8 8 0	2 16 0	0 16 3	n.d
Orions, per cwt.	1 4 0	8 8 0	2 16 0	0 16 3	0 9 0
Flour, per 50 lb	0 12 0	2 0 0	0 16 0	0 7 6	1 10 0
Butter, per lb	0 2 0	0 2 6	0 2 0	0 2 6	0 2 6
Fish, per doz. tins	0 12 0	0 16 6	0 10 6	0 9 6	0 14 0
Salt, per doz. bottles	0 12 0	1 0 0	0 16 0	0 10 0	1 4 0
Sugar, per lb	0 0 4	0 1 3	0 0 5	0 0 4	0 0 4
Tea, per lb	0 2 6	0 3 0	0 2 0	0 1 9	n.d
Coffee, per lb	0 2 6	0 2 6	0 2 6	0 1 6	0 2 6
Milk, per doz. tins	0 10 0	0 16 6	0 12 6	0 7 6	n.d
Bacon, per lb	0 1 3	0 2 6	0 1 6	0 1 1	0 2 0
Tobacco, per lb	0 10 0	0 11 0	0 10 0	0 10 0	0 10 0
Tobacco (Trade) per lb	0 4 3	0 4 6	0 4 3	0 3 3	0 4 3
Rum, per bottle	n.d	0 10 0	n.d	n.d	n.d
Whisky, Gin, per bottle	n.d	0 15 0	n.d	n.d	0 10 0
Brandy, per bottle	n.d	1 0 6	n.d	n.d	n.d
Cartridges (shot) per 100	n.d	2 10 0	n.d	n.d	n.d
Pick	n.d	0 10 0	n.d	n.d	n.d
Shovel	n.d	0 11 0	n.d	n.d	n.d
Prospecting Dish	n.d	0 6 0	n.d	n.d	n.d

The daily running cost did not include gear, ammunition, explosives for mining and fishing, and the payment of wages and food for the indentured labourers. As the average miner would have at least five labourers and was paying 10–20s/month and more for ‘leading boys’, and providing a 50 lb bag of rice at £1 10s to each man, the cost of employing a worker on the Yodda amounted to 17–20s/week.⁹¹ Whilst the cost of some provisions came down slightly when the miners managed to trade hardware and trinkets for food with some villagers – a tomahawk was worth three bags of potatoes in 1901 – it was the exception rather than the norm: the hostilities between the Europeans, their indentured workers and many of the Orokaiva tribes continued with its customary ferocity.

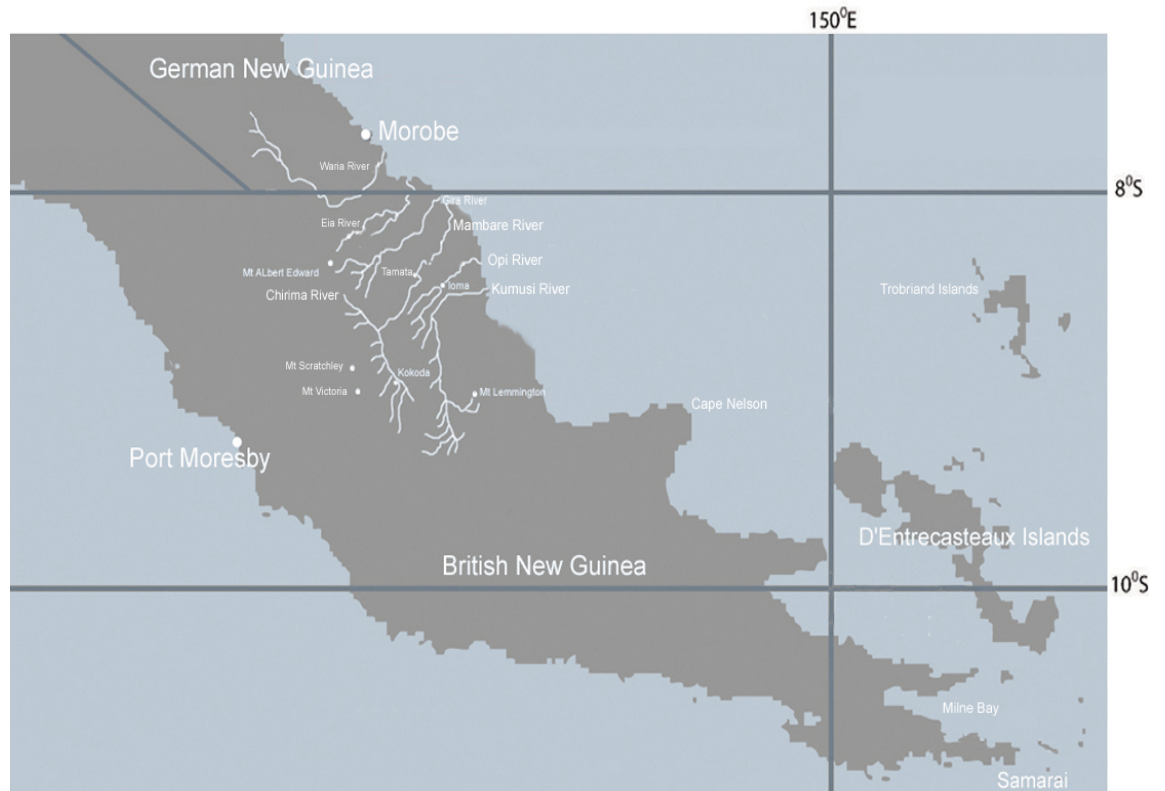
Clunas and Clark joined the Samarai trader Whitten Bros on the Upper Mambare to set up their own store. It provided a relatively secure income and was much safer than mining. The

⁹⁰ AR–Papua (1900/01) p. 48 and (1903/04) p. 36; Osborne, ‘Gira and Yodda Goldfields’, p. 30.

⁹¹ AR–Papua (1900/01) pp. 19 and 48; *ibid.*, (1903/04) pp. 35–6 and (1906/07) p. 79.

flow of prospectors returned to the Gira, Aikora and Elliott fields when, after a short 2 years, the easy gold was mined on the Yodda. Harry Osborne, who went to the Aikora when he first came to BNG in 1899, then to the Yodda and back to the Aikora, recalled 40 years later:

It was not until two years had passed and the richness of the Yodda was on the wane, that miners began to return to Elliott's. By this time the men had learned to utilise natives for mining work – especially those from the D'Entrecasteaux group. Several native villages up in the mountains had been induced to bring in sweet potatoes, which they traded away for knives and tomahawks, and so alleviate the food problems to some extent – and under these improved conditions rich terraces and beaches on Elliott's Creek were successfully worked.⁹²



Map 12: The northern rivers

The search for new goldfields to stem decline

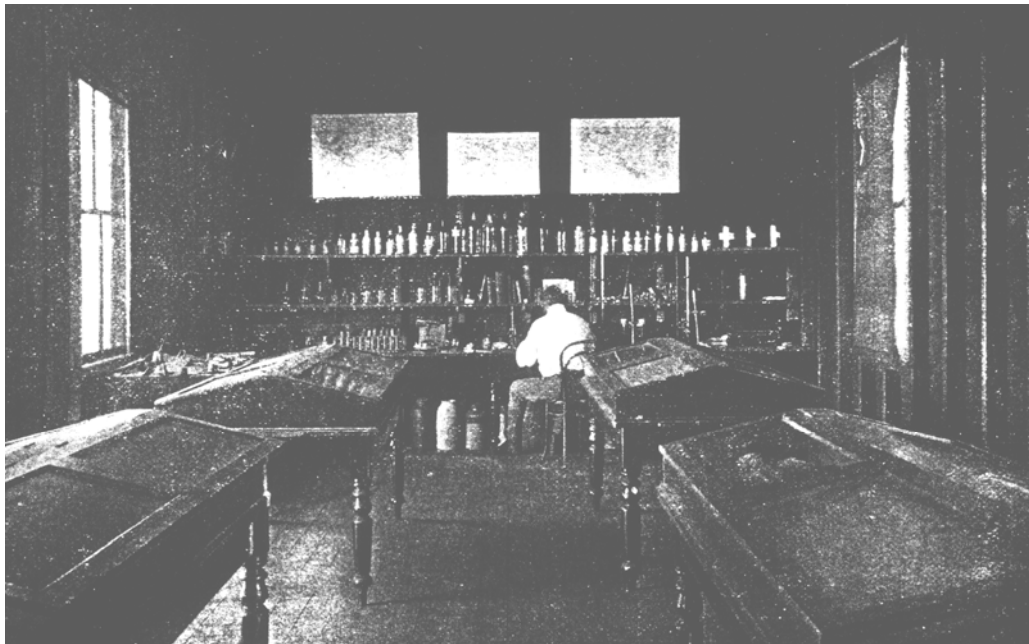
The miners held the view that the 'real' gold was embedded under tons of gravel in the northern rivers. It was a view shared by the government geologist, and on 30 November 1900 Port Moresby awarded approximately 28 miles of dredging leases on the Mambare, with a similar area on the Gira and 16 miles on the Tamata Creek. After completion of the surveys by government contractor, Maguire, Walker reported that 'the owners of the various dredging areas [were] endeavouring to float them into companies in the Southern States with apparently satisfactory results'.⁹³

⁹² Osborne, p. 30.

⁹³ AR–Papua (1900/01) p. 48.

Three years later progress was most unsatisfactory. 'The project of dredging for gold in the Northern Rivers seems to have been entirely abandoned', read Monckton's report.⁹⁴ So as not to ring alarm bells in Port Moresby and Melbourne too strongly, the R.M. assured Le Hunte that the grounds for not proceeding with dredging was not 'because the lands are not auriferous (on the contrary the beaches on the Aikora River were proved to be exceptionally rich in the precious metal), but for reason that the plans of those who were supposed to be promoting the speculation were apparently not supported by any financial strength'.⁹⁵

The miners on the Upper Mambare built a road from Champion's Beach to Elliott's Creek, in which the government assisted with the supply of prison labour. The undertaking, completed in 1903, ensured a consistent return of gold from the Aikora and Gira fields for the next 4 years. However, Mining Warden and A.R.M. John Higginson at Tamata in 1903 found it difficult to estimate accurately the annual output and, therefore, earnings of the miners: 'Taking the gold handled by the storekeeper, which by no means represents the total output, one may say with a margin of safety [that] £200 annual earnings' was a fair estimate according to him.⁹⁶ With 55 miners recovering 6,000 oz in 1903/04 on all Gira fields, this assessment would leave some considerable margin of profit to the successful miners, but also some very poor returns to the stragglers.⁹⁷



The government mineral laboratory at Port Moresby, c. 1909

In search of a new mother lode, miners had crossed the Aikora in 1903 to prospect along and possibly across the GNG border, on the Waria River. But it was not until 1906 that Matt Crowe and Arthur Darling found payable gold on this river. As the German explorers had found

⁹⁴ AR-BNG (1902/03) p. 32.

⁹⁵ *ibid.*

⁹⁶ AR-Papua (1903/04) p. 48

⁹⁷ *ibid.*, p. 47.

out before them, the headwater of the Waria was in very inaccessible country: only by chance had the two veteran prospectors ended up on the Waria. Starting from Finnegan's Creek on the Yodda in early 1906 with 35 carriers, they went in a northerly direction to the western foothills of Mt Albert Edward, crossed the Aikora and came to a larger river which, after some help from villagers, they identified as the Waria. After prospecting some 44 miles on the river and its tributaries they returned to Tamata 4 months after leaving the Yodda. Uncertain of whether they prospected mostly in GNG, Darling only admitted to collecting a few grains from his prospecting dish. The mining warden had no such qualms. He believed that Crowe's and Darling's discovery 'will probably be found to be within the boundaries of the present Gira field'.⁹⁸ The Gira goldfield extended now over 900 square miles, with the Waria as its most northern extremity. The government's attitude was sufficient for many prospectors to make the long and difficult overland trek north to the Waria. Amongst them were the brothers Frank and Jim Pryke, who had discovered the small goldfield in the Keveri Valley in 1903/04, and Fred Kruger. The government sent a mining warden to Lijiugari on the Waria where Whitten Bros had set up a store to cater for the prospectors, who numbered over 100 at times, and their hundreds of Papuan carriers and workers. Men prospected the river and its creeks for many miles into GNG, probably never quite aware where they were or not caring (if gold was found).⁹⁹ After a year on the Waria the Pryke brothers returned from the fields with 300 oz. After taking a year's break in Australia, they returned to the field in 1908/09.¹⁰⁰ According to Arthur Lyons, Mining Warden at Ioma, there was a constant coming and going between the Gira, the Aikora and the Waria:

Men, who hitherto had not tried the Waria, are now prospecting there, whilst others, to whom the Waria had not come up to expectations, have returned to resume work on these fields ... Occasionally, a miner returning from there is reputed as having amassed a good "chamois", whilst others – experienced men too – declare the field a "duffer". One thing is certain, the gold generally which so far has there been won is of exceeding poor and fine quality.¹⁰¹

The Prykes agreed with this assessment. The field yielded approximately 3,000 oz in 1907/08, but not much more thereafter. Whilst the government employed over 200 men to cut a track from Tamata to the Waria, with most of the work carried out by prisoners, it proved to be a wasted effort; the field all but closed in 1910.

The gold industry of BNG did not undergo much change under Murray and his right hand man Staniforth Smith. The small goldfield in Milne Bay attracted 72 miners when discovered in 1900. It was 40 miles by boat from Samarai and would have been a great discovery if it had proven to be a mother lode. However, the field only yielded 13,231 oz between 1899/00 and 1906/07, with most of the gold (4,000 oz) recovered during the first few months of the

⁹⁸ AR-BNG (1905/06) p. 71.

⁹⁹ 'Gold Prospecting in GNG', see Chapter 7.

¹⁰⁰ D. Pryke, 'Correspondence and Papers' (NLA MS 1826, mfm PMB 913).

¹⁰¹ AR-Papua (1908/09) p. 134.

discovery.¹⁰² Even less productive was the alluvial goldfield situated on the eastern slopes of the Owen Stanley Range. Discovered by Frank Pryke and George Klotz in April and May 1901, the Keveri Valley goldfield was about 20 miles inland from Cloudy Bay on the southern coast. A cool and healthy spot, the find was on a portion of the watershed of the Musa River approximately 2,000 ft above sea level. Frank Pryke worked the field with his brother Dan in 1903 and 1905 and was joined by the youngest Pryke, Jim, in 1905. The Keveri Valley field was worked out by 1907. It produced no more than 1,500 oz a year, with a total output no greater than 3,670 oz.¹⁰³

By 1907 the northern rivers had produced over 4 t of gold, 43.4% of the total yield in the Territory. 'The decrease [in gold returns] cannot be taken as evidence that the mining industry is on the wane', Smith stated confidently:

The surface has, in fact, only been scratched, and that only in a few places, and the mineral resources of the Territory are as yet a matter of conjecture, for there is no evidence upon which even an approximate estimate could be based.¹⁰⁴

By seeing to it that the 1899 mining ordinance was amended in 1907, Smith ensured that 'all minerals, gems and precious stones on or under native lands' became the property of the Crown. However, the amended law also prevented any person intending to mine on land not alienated by the Crown to first seek permission from the mining warden to do so. If in the opinion of the warden 'substantial damage' could be caused to 'native villages or land' by the mining activities, a claim was not to be awarded unless the potentially injured party gave its consent. The warden was obliged to estimate any damage likely by the mining activity and demand a deposit to the amount of his assessment. The money was to be held in escrow by the government and paid to the injured party after mining operations had ceased or after land and property were fully reinstated. Further, the ordinance prohibited Papuans from holding any mining tenements on behalf of another person, while at the same time conferring all the rights under the *Mining Act, 1898* for the purpose of mining for gold on alluvial ground to 'aboriginal natives of the Territory'.¹⁰⁵

Smith was wrong with his confident prediction. The decline in gold production he regarded as an aberration in 1906/07 continued. The northern river fields were down to 35.8% of total Papuan output by 30 June 1915, with only one new discovery, Lakekamu in 1909, preventing a steeper decline. The decline in gold production continued except for 1921/22, when the Misima field came into full production, but weakening more rapidly thereafter until the Papuan goldfields were all but exhausted by the beginning of World War II. The miners were successful in exploiting the creeks feeding the rivers, and in digging the dry riverbeds to depths that were humanly possible. They were unable, however, to reach the gold in the deeper parts of the

¹⁰² AR-Papua (1906/07) p. 78.

¹⁰³ *ibid.*; see H.N. Nelson, 'Frank Pryke: Prospector' in J. Griffin, ed., *Papua New Guinea Portraits*, pp. 75–100.

¹⁰⁴ AR-Papua (1906/07) p. 19.

¹⁰⁵ Mining Ordinance, 1907 assented to 2 May 1908.

rivers, if indeed it was present there in commercial quantities; and no new field was discovered after 1909.

Commercial dredging, which could have made a significant difference to the Papuan economy, never went ahead.¹⁰⁶ A company, in the process of being formed with a nominal capital of £240,000, was unable to test the northern rivers as intended. The mining expert and geologist associated with the venture went to Tamata Station in 1901/02, but recommended abandoning the scheme when faced with floods and the general hostility of the country.¹⁰⁷ This left the miners with the proven mining methods used in Australia since the beginning of alluvial mining in the 1850s – ground sluicing, wing damming and blind stabbing.

With no new goldfield declared by Port Moresby since the small discovery in the Keveri Valley in 1904, Murray enacted the Reward Ordinance, 1909 and the Encouragement Ordinance, 1910. Under the ordinances the administration was authorised to pay a sum not exceeding £1,000 to the discoverer of a new goldfield provided that:

- (a) for a period of 18 months within the three years immediately following the report of the discovery a population of not less than 200 miners of European descent has been employed upon the goldfield.
- (b) the goldfield is distant more than 20 miles in a straight line from the nearest place where payable gold had previously been obtained.

The government added to the already onerous conditions by stipulating: 'This Ordinance shall not apply to prospecting or other parties that are subsidised by the government'.¹⁰⁸ The enactment of the encouragement ordinance provided 'a reward claim of six claims of one man's ground' in case of the discovery of payable gold by boring through the false bottom of any existing goldfield.¹⁰⁹

There was little encouragement in these ordinances for the miners. A team of miners was granted £150 by the government to test the layers below the Yodda River gravel but came up empty handed. In the meantime Arthur Darling went about 40 miles up the Markham River to prospect the Watut River which, unbeknown to him, had taken the life of the German explorer Wilhelm Dammköhler only a few weeks earlier.¹¹⁰ Sick with fever, short of food and left for dead by his Orokaiva carriers on the bank of the river, Darling told the story of gold he had discovered when he was picked up by Les Joubert in his launch *Buna*. Apparently the discovery was made in GNG somewhere between the headwaters of the Watut and the Tiveri. Darling never had the opportunity to confirm his find or prove his claim. Short of money and weakened from the spear wounds, he died on his way to Australia in early 1912.¹¹¹ So, not even experienced prospectors like Darling, Preston, Crowe or the Pryke brothers could come

¹⁰⁶ In the wake of the development of the Morobe fields (Bulolo River), the Tiveri Gold Dredging Co. operated a 34 bucket, 13,000 cu yd/month dredger (unprofitably) on the Lakekamu River from 1935 to 1939.

¹⁰⁷ AR-Papua (1906/07) p. 76.

¹⁰⁸ Goldfield Reward Ordinance, 1909 assented to 21 Oct. 1909.

¹⁰⁹ Gold Mining Encouragement Ordinance, 1909 assented to 12 April 1910.

¹¹⁰ See Chapter 7.

¹¹¹ E. Auerbach, 'N.G. Goldfield Pioneers', *Pacific Islands Monthly*, x, no. 6, (1940) p. 59.

up with new discoveries. A properly equipped prospecting party would cost as much as £1,000, well in excess of what the miners could raise amongst themselves.

During the first 20 years the ratio of indentured Papuan workers to European miner remained constant at 5:1. Without new discoveries and with gold increasingly harder to mine, Europeans started to rely more on Papuan labourers. After 1907 the workers were given increasingly more responsibility. In the main they were now sufficiently skilled to set up the water races and the sluice boxes, and could reliably pick the gold from the prospector dishes. Where a Papuan overseer could manage the mining activity the European miner would prospect nearby. By 1914 the ratio had changed to approximately 10:1. This arrangement doubled their output, with average annual returns increasing from £200 to £400 for a European miner.¹¹²

The Lakekamu River: a Papuan life for every 82 oz of gold

By June 1909 Smith admitted that gold was not as easily found as he had predicted when he first arrived in Papua: 'The Gira, Aikora, and Yodda Gold-fields on the mainland all tell the same tale – a gradually diminishing gold yield, and fewer miners and indentured labourers'.¹¹³ He was now prepared to spend government money to change the situation.

The governments of Papua and GNG agreed in 1908 to fund the Anglo-German Border Commission to survey and mark the boundary between the colonies.¹¹⁴ Like the German explorers who had been defeated by malaria, incessant rain and the sheer impenetrability of the mountainous terrain, the joint border expedition was abandoned after 6 months with only a few survey markers set.¹¹⁵ The Australians were confident, however, that enough work had been done to establish that the gold-bearing section of the Waria was on Australian territory. It was a belief which proved to be of little benefit. The Waria and its creeks produced little gold and the prospect for discovering a new goldfield was not increased.

The second initiative Smith took was to set up the first fully funded government prospecting party. As the rivers flowing into the eastern part of the Gulf of Papua sprang close to the source of the Waria and the Aikora, he believed it was possible that the mountains releasing the gold into the northern rivers would do likewise on the southern slopes. He was supported in his view by the miners who were certain that auriferous country existed somewhere in the watersheds drained by these streams, and it was just a matter of finding it.¹¹⁶

The Papuan government appropriated £800 for a prospecting party, and sought a recommendation from miners in Papua on the best person to lead the party. The choice was

¹¹² On the increases in gold output on a per capita basis see Table nos. 14.1–4 and 14.6.

¹¹³ AR-Papua (1908/09) p. 129.

¹¹⁴ See Chapter 7.

¹¹⁵ Delimitation of the Boundary between Papua and German New Guinea, 1899–1910 (NAA Series A1–1914/4329; AR-Papua [1908/09] p. 127).

¹¹⁶ AR-Papua (1908/09) p. 129.

Matt Crowe. A very experienced prospector, both in Western Australia and Papua, Crowe picked his team and decided where to prospect in the Gulf country. Frank Pryke had worked the northern rivers, discovered the Keveri goldfield and was equally highly regarded by the miners. He and his brother Jim joined Crowe for the 6-month prospecting expedition in the eastern Gulf region. Two experienced miners, James Swanson and his son, had prospected the Vailala and Tauri Rivers in 1907. They had only found traces of the precious metal. Chas Higginson, R.M. of the Gulf Division, believed success would have followed 'if these two men had been able to penetrate right into the heart of the mountains from which these streams rise'.¹¹⁷ Crowe and the Pryke brothers agreed with this assessment.

The *Merrie England* left Port Moresby on 6 June 1909 with 35 Papuan carriers and 3 months' provisions to take the party to the mouth of the Tauri River. Crowe and Frank Pryke had decided to first explore this river as far as the main range. They wanted the steam launch *Ruby* to land them 50–60 miles up the winding river. The land expedition started on 19 June and progressed slowly to the headwaters and tributaries of the Tauri. Traces of gold were discovered but nothing payable. After 3 months Crowe returned to the Lower Tauri to replenish stores. He informed Murray that he intended to prospect the nearby Lakekamu or Williams River.¹¹⁸

Matters did not proceed as planned. The provision-laden whaler, towed by the lieutenant-governor's launch, was swamped at the sandbar at the mouth of the river on 10 September. With the cargo lost and the whaler sitting high on the sandbank, the *Merrie England* returned to Port Moresby to pick up new stores, whilst Murray stayed behind with the prospectors to discuss their findings and the new plan.¹¹⁹

The investigations of the headwaters of the tributaries of the Lakekamu proved to be quite successful. When the party returned to Port Moresby on 10 December 1909 they had approximately 30 oz in their bags. Fourteen days later Murray proclaimed the Lakekamu goldfield – 768 square miles from the northeast corner of the Gulf along the GNG border to the northwest corner of the Central Divisions. However, gold was not found on the Lakekamu though. Rather, the Olipai River, which runs into the Lakekamu from the west, the East Tiveri with its tributary the Arabi, and the smaller West Tiveri, and many of the creeks and streams feeding these rivers, carried gold.¹²⁰ Crowe and the Prykes pegged their reward claims 1 mile above Ironstone Creek, approximately 8 miles from where the Tiveri meets the Arabi. Jim Pryke must have been the discoverer of the gold because his brother and Crowe demanded that the government provide him with a reward claim equal in size to 40 ordinary claims. Murray left Port Moresby on 28 December for a 2-week inspection of what he hoped would become

¹¹⁷ AR-Papua (1907/08) p. 50.

¹¹⁸ AR-Papua (1909/10) p. 117.

¹¹⁹ *ibid.*, p. 105.

¹²⁰ *ibid.*, pp. 12 and 117.

Papua's most productive goldfield.¹²¹ Rather than travelling on the *Merrie England* he and his party left Port Moresby on the *Ruby* to make the 5-day journey to the river entrance. Murray was accompanied by his private secretary, Charles Garrioch, police officer George Nicholls (A.R.M. Lakekamu goldfields from 17 May 1910) and Crowe. Insufficient berths on the launch meant William Bowden left for Motu Motu – at the mouth of the Lakekamu – with 20 police and 5 tons of coal a few days earlier. Travelling became more pleasant once the bar of the Lakekamu was crossed. Even though the party had grown with the addition of 10 Muto Muto boys Bowden had engaged on his arrival, the *Ruby* was making light work of the three fully laden whaleboats and a dinghy she was now towing up the non-tidal river that was flowing at a gentle 3 knots towards the Gulf of Papua. Passing Olipai junction after 3 days' travelling, tug and tow entered the Tiveri shortly after midday, and in late afternoon anchored at an island sitting in the fork of the Tiveri and Arabi Rivers.¹²² The location was nearly 90 miles from the mouth of the Lakekamu, and was the same spot where the prospecting party had previously established their base camp. Murray was impressed with 'Tiveri Landing' and proclaimed the entire island a government reserve.¹²³ From here the party crossed to the mainland to walk about 8 miles through a wide river-flat, covered by dense tropical scrub, until they reached the gold-bearing Ironstone and its principal tributary, the Rocky Creek.

After inspecting various locations where the prospecting party had discovered gold, and after some rough climbing and much wading and swimming of creeks and rivers, Murray decided to return to Port Moresby. Whilst Murray explored areas of ethnological interest, Nicholls and Garrioch had cut an 8-ft road, reducing the 8 miles from the Tiveri–Arabi junction to the goldfield by 6 miles.¹²⁴ They were assisted in this by Thomas Scott and his mates – Fletcher, Bernasconi and Haydon – who were the first miners to arrive on the field. The new rush had dire consequences.¹²⁵ On 18 January Dr Colin Simson was proceeding with tent hospitals, medicines and appliances to Tiveri Landing to prepare for the rush of miners and indentured labourers;¹²⁶ by April the Murray administration was dealing with an unparalleled dysentery, pneumonia and beri-beri epidemic on the Lakekamu goldfield.

The entire south coast had been on a health alert in 1909. The outbreak of whooping cough in March spread with great rapidity from the eastern islands to Samarai, passed through Port Moresby as far west as Yule Island, where it was arrested by the establishment of a police cordon between the Mekeo District and the Gulf Division. Further, a dysentery epidemic

¹²¹ AR-Papua (1909/10) pp. 12 and 32.

¹²² *ibid.*, p. 12.

¹²³ The island was below the flood level and a new, nearby site on the mainland, was selected to establish the government station 'Nepa' (*ibid.*)

¹²⁴ *ibid.*, p. 13.

¹²⁵ *ibid.*

¹²⁶ *ibid.*, p. 106.

appeared almost simultaneously at Port Moresby, Sogeri and Galley Reach.¹²⁷ Despite the gazetting of regulations to isolate villagers and with 'over 1,000 bottles of medicine distributed in the villages around Port Moresby alone', the contagion was responsible for heavy mortality amongst the local population. By February 1910 the problem was brought under control in these districts. However, the government was unable to prevent the disease spreading, with a catastrophic outbreak of dysentery appearing on the Lakekamu goldfield.¹²⁸

During its first 5 months Papua's latest goldfield yielded approximately 3,000 oz of the best gold (£3 15s per oz) discovered in the Territory to that time. The mining warden reported that the gold yield 'would probably [have] been larger had it not been for the dearth of indentured labourers, owing to the action taken by the Government in stopping all recruiting of natives consequent on the dysentery outbreak'.¹²⁹ Despite warnings by Crowe, Pryke and Murray that the field was not proven up, a large influx of Australian prospectors – with little money and no experience of the local conditions – ventured to Lakekamu in January 1910.¹³⁰ By the end of February Port Moresby reported 120 miners had come from Australia, but 80 'had returned destitute from the field [and] were supplied with meals, and returned to Australia at Government expense of £163'.¹³¹ Their desperation to find gold was so great that the creek beds were 'torn out of all recognition and present more the appearance of having been through a seismic disturbance than having been altered by the hand of man', according to Arthur Lyons who had transferred from Ioma to Tiveri.¹³²

It was not the land degradation at Lakekamu that the government was concerned about. In the first 6 months 221 indentured labourers and five Europeans had died from dysentery. Many prospectors fled the field for fear of infections and because they had come up empty-handed. And 203 labourers broke their indentures because of sickness, or the death or departure of their employer.¹³³

'The amount of sickness and the gravity of it amongst the natives have been appalling', observed Dr Julius Streeter upon his transfer from the Upper Mambare in March to replace Dr Simson who had left Papua.¹³⁴ Despite large supplies of food, medicines, medical equipment, tents and bedding, the epidemic was at its worse in April when 80 deaths occurred (Table 14.6). Murray arrived with the Revd Copland King on 4 April 1910 to witness the disaster firsthand. After consulting with Streeter, the site was quarantined immediately. Instructions issued by Murray forbade – *inter alia* – all labourers showing symptoms of sicknesses from

¹²⁷ *ibid.*, p. 144.

¹²⁸ *ibid.*, p. 32.

¹²⁹ *ibid.*, p. 117.

¹³⁰ *ibid.*

¹³¹ *ibid.*

¹³² *ibid.*, p. 124.

¹³³ *ibid.* The official report stated 'expiry of contract'. This was unlikely after only five months service.

¹³⁴ *ibid.*, p. 152. Simson retained an interest in the Hisiu plantation which he started in 1906, and remained a major shareholder in the Laloki Copper Mine in the Astrolabe Range. He continued to make annual visits to Papua until 1941 (D. Lewis, *The Plantation Dream*, pp. 95 and 102).

being brought to the medical officer; any 'native' intending to leave the field had to first seek clearance from the resident doctor; and from 21 April the goldfields were closed to recruiting. The highest death rate per month was 9.04% in April. With only three deaths in January, the average rate per month was 6.4% from 1 February to 30 June 1910. However, much to the relief of everyone, the monthly rate did not translate into an annual mortality rate of 76.8%. By June 1910 'only' 34 labourers had died. By 14 November the epidemic was sufficiently under control for the embargoes on recruiting labour and preventing 'natives' from leaving the goldfields to be revoked.¹³⁵

Whilst the ban on recruiting labour was in force, the goldfield's population steadily declined. Lyons bemoaned the slow development of the field, which had been 'throttled for want of labour'.¹³⁶ Initially some 80 miners and 920 labourers returned to the area once the ban was lifted. But by June 1911 only 38 miners remained on field. Crowe and the Prykes stayed on during the difficult years to protect their claim on Ironstone Creek. In 1910/11 the yield was a healthy 1,400 oz. Some miners continued to come up with a lucky strike. After much hard work a gold-bearing terrace was uncovered in the fork of the Rocky and Ironstone Creeks. The exertions were worth it; the terrace was as prolific as the 250–450 oz of gold panned by the miners working the head of Rocky Creek. Others like Fred Kruger, collected 400 oz from his and his labourers' dishes in just over 6 months working the Cassowary Creek, 14 miles northeast from Tiveri Landing and about 16 miles southeast of Nepa Station, from June 1910 to January 1911.¹³⁷

Table 14.6 Total estimated returns from the Lakekamu goldfields.

Year	European miners	Indentured labour	Labour mortality	Gold yield (oz)	Value of gold (£)
1909/10	61	643	*258	3,000	11,250
1910/11	38	428	57	8,000	30,000
1911/12	33	495	26	6,500	24,425
1912/13	14	141	8	5,000	18,750
1913/14	29	386	1	4,000	15,000
1914/15	22	224	11	3,000	11,250
	Average 34	Average 400	Σ 361	Σ 29,500	Σ 110,675

*18 January to 30 June 1910

The spirits of the miners rose when considerable quantities of magnetite and ilmenite were discovered. The samples, analysed by the government geologist in Port Moresby, included specimens of zircon and 'grains of a rose-red, transparent mineral, possessing a well-defined crystal structure ... which was not unlike Colas ruby ... I should imagine'.¹³⁸ The newly appointed Government Geologist Evan Stanley went on:

that there is a splendid field of gems and gold in the vicinity of the Lakekamu (sic) mine, and would have no hesitation in recommending an examination of this part of the district, as I believe that with careful investigation good payable gems will be discovered, and also a rich field for gold.

¹³⁵ AR-Papua (1910/11) p. 47.

¹³⁶ AR-Papua (1909/10) p. 125.

¹³⁷ AR-Papua (1910/11) pp. 24–5.

¹³⁸ *ibid.*, p. 25; *Mining World*, 'Papuan Mining Development', 13 April 1912.

To secure the site from future claims by the local people the government declared 12,960 acres Crown land, and reserved it for a township to meet the requirements of the *Mining Act, 1898* (Queensland adopted).¹³⁹

Another initiative was trialled in April 1911 when Australian investors sent a dredging expert and pumping equipment to test the river and creek beds that could not be accessed by wing damming. However, because of underspecified pumps the experiment was unsuccessful and abandoned after a few days.¹⁴⁰

The goldfield required a lot of 'dead work' before the gold-bearing material could be shovelled into the sluice boxes. The heavily timbered undergrowth and the dense vegetation had to be removed first. To deal with the 'overburden' on this goldfield the miners employed more workers than on other fields in Papua and took home less. The Lakekamu miners, forever hopeful that this large auriferous field would produce a mother lode, approached the government in 1911 to fund a new prospecting party. However, Murray was not certain that Papua could produce another field like Woodlark or the Upper Mambare. He advised the Australian government in 1912:

Gold mining has, on the whole, been less successful during the past year, for the Lakekamu field has apparently been almost exhausted and the attempts of the prospectors to find a new field towards the Vailala have been unsuccessful ... It must be admitted, though Lakekamu has produced 17,500 ounces of gold, has not proved a second Yodda, as it was once hoped would be the case.¹⁴¹

Desperate measures

In the light of decreasing gold output the Papuan government agreed to pay half the expenses incurred by prospecting parties. That is, for any money raised by the miners Port Moresby would contribute an equal sum. This arrangement resulted in two major prospecting expeditions in 1912.

By December 1911 the miners had raised £250 and voted on a new prospecting party. Thus the government paid £250 into the prospectors' fund to allow Frank Pryke, Robert Elliott and Charles Priddle to prospect the Upper Vailala River in 1912. Some of the area had been investigated by the Pryke brothers and Crowe in 1910. Again, after 3 months prospecting during which an encounter with tribesmen on the GNG border nearly took Frank Pryke's life, the party returned empty handed.¹⁴²

The second prospecting party left Lakekamu on 10 May 1912 to examine the headwaters of the Tiveri River. This group was led by Avard (Bob) Newcombe who, with Gordon Robertson and Arthur Hicks, decided to prospect the creeks and watercourses running into the Tiveri and Olipai Rivers. Again not even the slightest indication of gold was found. Some colours were

¹³⁹ *ibid.*

¹⁴⁰ *ibid.*

¹⁴¹ AR-Papua (1911/12) p. 6.

¹⁴² AR-Papua (1911/12) p. 35. Murray remarked in his report: 'Mr Pryke is a man of iron nerve. An arrow went very nearly through his body, and would probably have killed any one else: Mr Pryke, however, simply pulled it out and went on with his prospecting' (*ibid.* p. 12).

obtained below the watershed of the Tauri River, near the junction of the Maiporu River, but nothing that would even resemble a payable goldfield.¹⁴³ Other self-funded expeditions were undertaken. Robertson in January 1913 prospected the Miaru River. He reported that he had found good gold, but he never delivered evidence of his find or returned to his alleged discovery. Two-man prospecting parties set off in 1913 and 1914 to investigate numerous creeks, gullies and crevices of the large expanse Murray had declared the Lakekamu goldfield in 1910. No-one returned with a single grain of gold.¹⁴⁴ William (Sharkey) Park, Matt Crowe, James Preston and Edward (Teddy) Auerbach travelled to GNG via Morobe in 1912 to prospect the Ramu and the Markham districts. They were faced with the same problems the Germans were encountering: 'On the Markham', Auerbach recalled nearly 30 years later, 'we had all the fighting we wanted, two or three times a day. They used to like daylight and dawn to do their fighting. Those natives were game. If trained, they would make splendid soldiers'. The party reported no significant gold discoveries and, before returning to Australian territory, prospected some of the creeks on south New Britain.¹⁴⁵

Sir Rupert Clarke financed the next big prospecting expedition in Papua. Pastoralist, politician, company director and entrepreneur, the immensely wealthy Clarke tried his hand by investing in sundry ventures such as a rabbit cannery and butter factory in Victoria, gold mining at Coolgardie, and in banana, peanut, rubber and coconut plantations in Papua.¹⁴⁶ In 1914 he financed and led an expedition up the Fly River. Because of the isolation and the time and cost involved, no prospector had visited the Upper Fly since McGregor reported traces of gold on the banks of Papua's largest river 24 years previously. Frank Pryke, who had gone to Moree in New South Wales to recover from his arrow wounds and his brother Jim accepted Clarke's invitation to participate in the expedition. Laden with stores they left Port Moresby on 10 May 1914 on Clarke's yachts the *Kismet* and *La Carabine*, and the launch *Ella*. The party included Clarke's Kanosia (Papua) plantation manager, Archibald MacAllpine and a large number of labourers. After establishing a depôt immediately below Macrossan Island – some 425 miles up the Fly – Pryke and his party explored the Black and Alice, upper tributaries of the Fly, and the steep valleys of the Tully and the Alice. They went further than any white man had journeyed before. They returned with much scientific information; but they did not return with any gold.¹⁴⁷

Another expedition was for black gold – anthracite coal – which was undertaken by Staniforth Smith during Murray's absence in 1910/11 with disastrous consequences. The objective was to examine the headwaters of the Bamu and, if possible, reach the Strickland. However, the party did not succeed in travelling much beyond the Kikori River where Kenneth

¹⁴³ AR-Papua (1911/12) p. 35 and (1912/13) p. 40.

¹⁴⁴ *ibid.*, and AR-Papua (1913/14) pp. 153 and 157.

¹⁴⁵ E. Auerbach, 'N.G. Goldfield Pioneers', *Pacific Islands Monthly*, x, no. 6, (1940) pp. 58–9

¹⁴⁶ R.J. Southey, *Australian Dictionary of Biography*, vol. 8, pp. 16–18; see Chapter 16.

¹⁴⁷ AR-Papua (1913/14) pp. 153, see Nelson, pp. 221–2.

Mackay and Yodda Valley gold miner William Little had found coal two years earlier.¹⁴⁸ Rather than staying with the original plan, Smith decided to investigate whether these coal deposits extended westward towards the Omati, Turama and Bamu Rivers. If confirmed, Smith believed that the field could be cost effective.¹⁴⁹

A block of very weathered coal was discovered in a small creak near the unnavigable waters of the Kikori, with 'a large coalfield of excellent hard bright coal found on the upper region'.¹⁵⁰ The discovery was in inaccessible country, however. It was also made at a very considerable cost in human lives. Staniforth Smith, Chief Inspector Native Affairs, Leslie Bell, Alfred Pratt (a licensed surveyor), Acting Private Secretary Hubert Leonard Murray and R.M. John Hennelly of the Gulf Division, together with 25 armed constabulary and 50 carriers started the expedition on 20 November 1910. Smith and Pratt with 17 carriers decided to separate from the others to delineate the coalfield. After running out of food an attempt was made to raft, what they believed to be the Strickland River to Kivai Island where the *Merrie England* was riding anchor. All provisions, tents and gear were lost when the rafts overturned in rapids which had already been negotiated for some 120 miles. After climbing across 300 miles of 'incredibly rough country' Smith and Pratt were rescued by Wilfred Beaver. Rumoured massacred, the R.M. of the Western Division led the search and rescue mission which found the two explorers barely alive. Of their 17 carriers only six men were still with them, with the others drowned or having died of exhaustion. When Murray arrived back in Port Moresby he reprimanded Smith, for he believed that 'the collapse of the expedition [was] mainly due to the deficient organization as regards carriers and supplies'.¹⁵¹

Conclusion

Gold mining in Papua was hard work, unforgiving and for many it was fatal. The geological strata which delivered the rich alluvial discoveries in north Queensland did not continue into southeast New Guinea. Even though gold was discovered in the Louisiade and Trobriand Archipelagos, it was formed differently. It was not as prolific or pure and did not occur in big nuggets as at Mt Morgan, Charters Towers or on the Palmer River in Queensland. Alluvial gold in Papua was mainly dust or granules, rarely ever in sizeable nuggets.

The administrators in Port Moresby, from MacGregor to Murray, believed that the Possession could be a commercially viable proposition based on gold production. The governments of the contributing colonies, and from 1901 the Australian government, believed that Papuan gold would attract the people and economic benefits that were generated by the Victorian, Queensland and Western Australian rushes. The German Emperor Wilhelm II had

¹⁴⁸ AR-Papua (1908/09) pp. 14 and 128.

¹⁴⁹ *Financial News*, 'Exploration in Papua. Large Coalfield found on the Upper Regions of the Kikori', 19 May 1911.

¹⁵⁰ *ibid.*; AR-Papua (1910/11) p. 165.

¹⁵¹ *Financial News*, 19 May 1911; AR-Papua (1910/11) pp. 6 and 165–71.

hoped that New Guinea gold would underpin the gold standard of the *Reichsmark*. The aspiration of the Australian government was not as ambitious. It counted on sufficient gold to be mined in Papua to make the colony financially independent. There was gold in East New Guinea, and plenty of it, but not in Papua, and the discovery came too late for GNG. From 1923 until the outbreak of World War II the Morobe goldfield produced more than 80 t of high-quality gold. In 1937/38 this field yielded 403,652 oz, more than the entire gold production of Papua from 1888 to 1915 (Table 14.7).

Table 14.7 Papuan goldfields at 30 June 1915.

Goldfield	Division	Date proclaimed	Gold yield (oz)	Value (£)	% of total
Louisiade	South-Eastern	28.05.1889	23,359	80,271	6.0
Murua	South-Eastern	06.11.1895	178,507	619,055	46.0
Gira	Northern or Mambare	05.11.1898	65,638	243,757	17.0
Milne Bay	Eastern	06.12.1899	14,230	49,987	3.7
Yodda	Northern or Kumusi	31.07.1900	72,653	271,544	18.8
Keveri (Cloudy Bay)	East-Central	06.08.1904	3,770	14,112	0.9
Lakekamu	Central	13.12.1909	29,500	110,675	7.6
Total			Σ 387,687	Σ 1,393,001	100

Whilst the Germans knew of gold in the Markham tributaries, they could not possibly have imagined that the banks on the Upper Eddie Creek and Bulolo River contained gold up to 8 ft deep for several miles. Until the late 1920s the geography of these fields put them out of reach of commercial mining enterprises. As a result of not having had the opportunity to exploit these fields, GNG spent most of its energy and resources on developing its plantation industry. That was fortunate for the development of GNG.

By contrast, BNG and Papua invested resources in gold mining instead of developing sustainable plantation and agricultural industries. Only when gold production had declined did the governments in Melbourne and Port Moresby take agriculture seriously. But even then the discovery of a rich mineral field engendered high hopes in providing the economic fix for Papua. With gold exported from the Territory not attracting excise, the only direct revenue derived from mining was in gold and copper claim receipts. These amounted to a paltry £17,115 for 1888/89–1913/14. Whilst the government generated £379,689 from import duty for the same period – most of it from the mining community – it was not sufficient to cover the capital and administrative infrastructure that became necessary to cater for and control the mining industry.

The discovery of high-grade copper ore (20–40%) in late 1906 on the Astrolabe Range, southeast of Port Moresby, raised expectations that this mineral rather than gold could generate the economic activity required to make Papua self-sufficient.¹⁵² For this to materialise a railway had to be constructed from Port Moresby to the town of Rona in order to export the

¹⁵² The Port Moresby government proclaimed the Astrolabe copper field on 21 Dec. 1906. The mineral field comprised an area of approximately 1,000 square miles (S. Smith, 'Astrolabe Copper Field', report 17 July 1907, pp. 1–3 (AR-Papua [1906/07])).

60,000 t the Astrolabe copper mines were capable of producing. However, neither the government nor the leaseholders were in the financial position to make this investment. Therefore, only 3,884 t of copper ore was taken to Port Moresby for export – all on pack mules – between 1906/07 and 1913/14. The receipts of £70,153 for the ore had no material effect on the economy of Papua.¹⁵³

Of the least benefit to Papua, both in economic and human terms, was the discovery of the Lakekamu field. By June 1914 nearly £100,000 of gold had been produced for the loss of at least 361 Papuan and 11 European lives. In 1909 and 1910 Murray's administration had to direct most of the Territory's health resources to deal with dysentery in the Port Moresby and Lakekamu region. The health problems on Lakekamu crystallised the level of human suffering the gold industry brought to Papua generally. The loss of lives on the Louisiade, Woodlark and Upper Mambare goldfields from 1888 to 1903 remains largely unknown. Many historians have adopted a death rate of 33% in the Papuan workforce and among the European prospectors and miners for this period. At times it was probably higher. During the first 10 years of the Papuan gold industry, the mortality rate was never below 10%, and the loss of human lives in Papua was on a scale larger than that experienced in Finschhafen in 1891/92 and on a similar level of the fiasco suffered by the GNG tobacco growers from 1892 to 1895. The Port Moresby and Lakekamu dysentery outbreaks in 1909/10 demonstrated an uncontrolled gold industry operating in an under-resourced and under-funded and rudimentary Papuan health system. In the early part of the 20th century colonial administrations may have regarded high mortality rates in the workforce as an unavoidable part of tropical colonisation. But death in the workforce was always costly and disruptive.¹⁵⁴ In short, gold mining delivered few, if any, discernable gains for Papua.

The Australian government was searching for an economic development blueprint when it assumed full control of Papua in 1906. Three reports to the Australian Parliament in 1906 and 1907 provided viable policy changes for Papua. The Australian government's aim was to achieve economic self-sufficiency for Papua as quickly as possible. However, for this to materialise a strong economic course of action had to be implemented by the government.

¹⁵³ AR-Papua (1913/14) p. 158.

¹⁵⁴ Today, death in the workforce is, of course, totally unacceptable.

CHAPTER 15

BLUEPRINTS FOR TROPICAL PROSPERITY

The Department of Lands and Surveys, established by Lieutenant-Governor George Le Hunte in 1899/1900, reported on the land acquired by the Crown and what areas were available to settlers each year. The increase in the number of surveyors to six in 1900 enabled the administration to lay out streets and building plots in Port Moresby and Samarai. At the time, engineering and surveying teams worked on a road from Port Moresby to Kokoda. They determined bridge crossings, culverts and the gradients for water channels. The surveyors pegged mining leases, land for trading stations and some small agricultural plots, as well as numerous land grants to the Christian missions. However, following the debacle surrounding the British New Guinea Syndicate in 1898 and the Hall Sound Co. in 1902, the BNG administration did not receive another application to survey broadacre for plantation and pastoral purposes until 1906.

With economic development of BNG going nowhere, Prime Minister George Reid requested Secretary of External Affairs Atlee Hunt in 1904 'to go to New Guinea, and report what was best to be done to promote the settlement, consistent with preserving the interest of the natives'.¹ The protectionist Alfred Deakin, who became prime minister for the second time on 5 July 1905, received Hunt's report. He was then as interested in finding a solution for BNG as Edmund Barton had been in 1903 and the free trader Reid in 1904. The report urged the immediate passage of the Papuan Bill held over since 1902.

The self-proclaimed expert on tropical agriculture, Senator Staniforth Smith, sought Hunt's support in 1905 to attain Deakin's agreement for him to tour BNG again. Smith had been enthusiastic about the country's agricultural potential since he first visited in 1903, and he wished to inform the Australian Parliament of his detailed findings. With one eye on the appointment of becoming the first lieutenant-governor of the Territory of Papua, Smith outlined

¹ Hunt to Deakin, 25 Oct. 1905; 'British New Guinea Report' (CPP 1905, vol. ii, p. 4). Atlee Arthur Hunt (1864–1935), a trained lawyer, became the private secretary to Prime Minister Barton and the head of the Department of External Affairs (1901–17) to which the Prime Minister's Office was attached until 1909. Subsequent to the passage of the Papua Bill in 1906, Hunt argued for a Royal Commission enquiring into the conditions and method of government of Papua and the means for their improvement. The close personal relationship between BP's Island Manager W. Lucas and Hunt led to an enlargement of BP's mail contract to the New Hebrides in 1902, and to Papua, GNG and the Melanesian islands in 1905. Hunt influenced the drafting of the Immigration Restriction Bill, and saw to it – subject to certain exemptions – that the South Sea islanders working in Australia were repatriated by 1906 in accordance with the *Pacific Islands Labourers' Act, 1902*. The establishment of the Australian High Commission in London in 1910 increased Hunt's influence with the British government. In 1914 Hunt produced a report on Norfolk Island. Following the proclamation of the Northern Territory in 1911, Hunt became the secretary of the Department of Home and Territory (1916–19). He was appointed to a federal committee on post-war issues connected with enemy aliens and was a member of the Royal Commission on Late German New Guinea (1919–20). Hunt was appointed the first Public Service arbitrator under the *Arbitration Public Service Act, 1920*. Notwithstanding his close association with Labor governments, he made himself unpopular with his generous rulings on pay increases. Hunt remained arbitrator until he retired on 31 May 1930 (Obituary, *SMH*, 21 September 1935; K. Buckley & K. Klugman, *The History of Burns Philp*, pp. 99–107 and 140–1; H.M. Davies, *Australian Dictionary Biography*, vol. 9, pp. 403–04).

a plan in the Senate in late 1905 that identified agricultural prosperity leading to a self-supporting Papua, which would ultimately be a significant economic asset to Australia.

The government's procrastination in coming to terms with the reality that southeast New Guinea was now an Australian responsibility continued in 1906 when Deakin called a Royal Commission into the conditions in Papua. He also sought recommendations from the commissioners on how to best develop Papua.

Thus by the end of 1906 Deakin had before him three reports, largely concurring in their recommendations. The corollary of the reports provided the Australian government with a strong blueprint for economic development in Papua, which promised success if followed in its entirety. This chapter outlines the salient issues of these reports.

The Hunt Report on economic development

Atlee Hunt undertook his inspection of BNG from 13 July to 26 August 1905. He commenced his 43-day tour on the BP steamer SS *Ysabel* to Port Moresby via Daru. Hunt discussed matters of concern with the leading officials of the administration in Port Moresby, Samarai and Cape Nelson. On Woodlark Island he met with some 50 members of the local Progress Association and noted their concerns. Visits to the headquarters of the four Christian missions was high on his agenda, as were inspections of the few existing plantations in order to form an idea of the agricultural possibilities in BNG. Due to time constraints the labour, health and policing issues of the Yodda and Gira goldfields were only discussed with C.A.W. Monckton in Port Moresby.²

Hunt started his inspection on horseback at BP's Warirata coffee plantation on the Astrolabe Range and then went to the coffee plantation of the government's treasurer David Ballantine at Sogeri in the valley of the Laloki River. The government steamer *Merrie England* took Hunt's party from there to the mining leases on Woodlark Island. Of the Christian missions, Hunt visited the headquarters of the Wesleyan Mission on Dobu Island in D'Entrecasteaux Archipelago, the Anglican Mission in Wedau, Bartle Bay, the Society of the Sacred Heart Mission on Yule Island, and many of the London Missionary Society's establishments. Of the latter, the Milne Bay coconut plantation, Killerton, and the saw mill and boat-building establishment on Kwato Island – both managed by LMS missionary Charles Abel – stood out as potentially commercial developments in Hunt's view. Other places visited were the Samarai publican's John Clunn's Ramaga station and the government station at Rigo.³

The son of a Queensland grazier and manufacturer, Hunt approached his task like a businessman. Starting from the premise that 'the management of a colony is, in many respects, merely the conduct of a commercial undertaking, [and] that an enterprise started on insufficient capital is doomed to failure',⁴ he quickly concluded that the BNG enterprise was massively

² CPP 1905, vol. ii, p. 3–4

³ *ibid.*

⁴ *ibid.*, p. 28.

underfunded. Before drafting his recommendations on the future of Papua, he discarded several unworkable propositions:

- a) Having achieved ownership, to remain content with the fact that foreign nations may not use the territory as a base from which operations against Australia might be organized and conducted.
- b) To hand over BNG to a chartered company
- c) To limit Government interference to the preservation of peace among the natives.
- d) To leave the natives alone as far as possible, interfering not at all with their mode of life, habits, and superstitions, the Government limiting its interposition to cases where it becomes necessary to secure protection for white settlers.
- e) To promote the settlement of European families.
- f) To encourage the development of the country under European auspices by the employment of imported capital to be expended under European direction, employing native labour, and at the same time extend the influence of the Government until the whole Possession is brought under control.⁵

Hunt was unequivocal about one point: ownership involves responsibilities towards the inhabitants which cannot be evaded by any civilized nation. Whereas the handing over of responsibility for Papua to commercial interests would possibly relieve the government of much trouble and cost, Hunt distanced himself from this because a chartered company would not promote the welfare of their 'native subjects'. In any event, he believed that there were not sufficient grounds for Australia to abnegate its duties in favour of a company whose main interest was to make money with a minimum outlay. At the same time Hunt was greatly concerned with raising revenue as without it Australia could not afford to run Papua: to meet 'all outlays with no revenue', he said, 'would be expensive' and should not be considered in the first instance because it would 'not be in the best interests of the natives themselves'. In regard to settlement by Australian families intending to take up land, Hunt believed that New Guinea could not be fairly promoted as a country for white men to settle in. He also addressed the dearth of capable men in Australia: the class of migrants Papua needed were 'the very kind of man of whom Australia stands in need herself and in Australia such a man can reasonably hope to find a home and raise a family'.⁶

There was nothing in the prospects of Papua to warrant extravagant optimism according to Hunt. Developing the Territory, he cautioned, would require time, patience, energy and most of all money: 'in Australia millions have been and are being spent in opening up the country ... it would be unreasonable to expect that Papua, a country where natural obstacles are far greater than in most parts of the Commonwealth [could be expected to prosper] by spending a very few thousand pounds each year'.⁷ Hunt calculated that 75% of the annual government expenditure in Papua was devoted to policing. The cost of bringing villages and tribes under government control and maintaining order and good government, left virtually nothing for building infrastructure and 'improving' the land.

Because the Australian government was unlikely to commit large sums of money to an enterprise which would not return a profit for many years, Hunt proposed the establishment of

⁵ *ibid.*, pp. 6–7.

⁶ *ibid.*

⁷ *ibid.*, p. 20.

a sovereign loan fund of not less than £300,000 for the exclusive development of the commercial resources of Papua. The loan money was to be extended by the Australian government in a similar manner to the British government providing funding to the Australian colonies.⁸ Regarding Papua he suggested that the Commonwealth loan be advanced annually at £15,000 over a period of 20 years at an annual interest rate of 3–3.5%. The rate was to be increased by 1.5% when the total sum was extended. Hunt did not address repayment other than suggesting amendments to the contract, reflecting changing circumstances in Papua.⁹

Hunt also envisaged that the Papuan administration would solicit venture capital for agricultural and mining enterprises, albeit solely at the risk of the investors.¹⁰ Separate from these financial arrangements he recommended a £5,000 annual increase for 10 years to the government subsidy of £20,000. He insisted that this sum should be spent exclusively on administrative matters and law and order. The duties of the Papuan government were first and foremost ‘the subduing, the pacifying of the people, teaching them to respect the lives of others and better appreciate the value of their own’. In short, Hunt considered it mandatory for the annual subsidy to be spent on ‘inculcating the doctrines of elementary civilization’ into Papuans.¹¹

Java provided the colonisation concept of Hansemann’s GNG in 1885. It was also Hunt’s paradigm for Papua in 1905. He believed that the Dutch colony was remarkably like New Guinea, where millions had been spent on what seemed for many years a hopeless undertaking, but which ‘now repays the Dutch Government most handsomely for all its outlays’.¹² Taking a leaf out of Hansemann’s textbook on the development of GNG, Hunt pointed to the similar soil and climate conditions that provided for excellent opportunities in tropical agriculture development. If applied professionally, it ‘could also be the foundation for profitability in New Guinea ... Crude methods of agriculture no longer sufficed in an increasingly competitive market in tropical products’. Therefore, he urged ‘the adoption of the latest appliances and systems that experience and science suggested would be a fundamental requirement to be successful in the field in Papua’.¹³ Further, Hunt recommended that ‘more experimental plantations and nurseries be established under the control of trained tropical agriculturists. Cotton, tobacco, vanilla, indigo, rubber, tea and cocoa should be grown’. However, ‘most serious attention should be given to coffee of the Arabian and Liberian varieties which already grows well at an elevation of some 2,500 feet on the Astrolabe Range and at sea level in the valley of the Laloki River’.¹⁴ Special consideration was to be given to fibre plants in Hunt’s business plan. Whilst the ‘Americans at present monopolize the supply of

⁸ *ibid.*, p. 28.

⁹ *ibid.*

¹⁰ *ibid.*, pp. 7 and 28. ‘Administration’ and ‘Government’ are interchangeable.

¹¹ *ibid.* p. 27.

¹² *ibid.*, p. 20.

¹³ *ibid.*, p. 22.

¹⁴ *ibid.*, pp. 12 and 25.

Manila hemp, the banana, to which this hemp is closely allied, flourishes widely in New Guinea' and would provide an opening for extensive cultivation.¹⁵

Turning his attention to large-scale plantations, Hunt suggested that fibres, rubber and coconuts, all growing wild in abundance, should be exploited in the controlled environment of plantations. Provided 'the planter can afford to tide over the necessary years of waiting', they were the three most desirable objects of cultivation, which would ultimately repay the outlays handsomely.¹⁶ Hunt was also keen on the cultivation of sugar of which several varieties were indigenous to Papua. No attempt had been made to grow it commercially in Papua because of the cost. Whilst there was an abundance of suitable land to set up large sugar plantations, it required much larger capital to set up a mechanised mill than had hitherto been contemplated by anyone in Papua. But 'it may be that New Guinea will yet take rank with Java as a great sugar-producing country' were Hunt's encouraging remarks.¹⁷

For a plantation and agriculture industry to emerge, the report advocated repealing the cumbersome land laws and replacing them with a short and simple code. Hunt preferred a reversal of the existing policy and a law to enable the government to declare all Papuan land the property of the Crown.¹⁸ Failing that, he suggested that as much land as possible should be secured from the 'natives' in the areas chosen for agriculture. This land should then be made available to settlers and corporations at terms as attractive as possible. Indeed, 'I advocate', Hunt said, 'as a beginning, making [the terms] so easy that they practically amount to giving the land away [but] always under the strictest conditions as to improvements'.¹⁹ Survey maps of the localities chosen for agriculture should contain full disclosure on access, the conditions of the soil, the proximity to water, the roads proposed and the means of obtaining labour and other useful details to prospective purchasers. To attract investors, the information should then be advertised extensively in Australia, East Asia, Europe, Canada and California on attractive conditions, 'remembering always that the objective is not so much to sell the land as to induce permanent cultivation'.²⁰

While agriculture was to deliver the long-term prospects in Hunt's Papua model, gold mining was expected to increase further in importance in the short term. Nothing drives miners more strongly than the discovery of a new payable goldfield. Hunt suggested, therefore, promoting the mining industry in Papua with the government establishing a prospecting vote either 'to be employed as a reward for new finds or to afford temporary assistance in prosecuting likely ventures'.²¹ An export tax on existing and future gold production was his answer to funding the prospectors.

¹⁵ *ibid.*, p. 22.

¹⁶ *ibid.*, p. 23.

¹⁷ *ibid.*, p. 14.

¹⁸ *ibid.*, p. 16.

¹⁹ *ibid.*, p. 21.

²⁰ *ibid.*, p. 22.

²¹ *ibid.*, p. 20.

On taxation the report proposed several schemes that dealt mainly with an impost on the indigenous population: 'civilization has given the natives absolute security ... and it seems but fair that he should be asked to contribute something towards the expenses of maintaining the system that confers this inestimable benefit on him'.²² Hunt suggested alternatives for the government to choose from: 'a land tax as in India, the culture system as today in Java, a poll tax as in Fiji, a hut tax as in Central Africa and Nigeria, or the village tax, which is apparently most suitable to the local conditions of life'. The introduction of a law requiring men to pay a fixed sum of money annually was regarded as the most desirable for Papuan conditions. The tax could be earned from the production of hemp and copra.²³ However, since most of the work of planting and preparing crops would add to the work of the women, with the desirability of encouraging the men to work remaining unachieved, Hunt believed that each village should furnish men for plantation work 'to be performed as a national duty, as military or naval service as in France and Germany, the Government deducting, if thought desirable, a certain proportion from their wages as the tax for their village'.²⁴ Whatever scheme was to be implemented, most important to Hunt was for a personal tax to be imposed on young, able, Papuan men. It was entirely designed to make Papuans work; because if the state of their idleness could not be turned into activity, Hunt saw no future for Papua.

He also saw little future for the Territory unless the Australian government assumed full responsibility quickly: 'so far as expansion is concerned, the Territory is now at a standstill'.²⁵ Investment had not been forthcoming in the past, but there was no hope of this being reversed until the Papua Bill passed the Australian Parliament. People would not invest money in a country without having some idea of the character of the government and the applicable laws.²⁶

The report restated the two 'duties' which he believed would be imposed on Australia when it assumed administrative control of Papua: 'the one to our dark-skinned fellow subjects – to give them the advantages of civilization, divesting them so far as we are able from the evils that too often follow their train; the second, to ourselves – to make the fullest use of the goodly heritage it is our privilege to possess'.²⁷

Hunt delivered a forthright assessment with his 'British New Guinea Report' to Alfred Deakin on 25 October 1905. He excused possible charges of presumptuousness on the grounds that, as permanent head of the Department of External Affairs for the past 4 years, he had endeavoured to familiarise himself with the circumstances of BNG by reading all of the official reports and other available literature concerning the Territory, and neglecting no opportunity of meeting men with local experience.²⁸

²² *ibid.*, p. 24.

²³ Hunt also suggested the growing of cotton by the Papuan people which seems unrealistic.

²⁴ *ibid.*, p. 24.

²⁵ *ibid.*, p. 16.

²⁶ *ibid.*

²⁷ *ibid.*, p. 28.

²⁸ Hunt to Deakin, 25 October 1905 (CPP 1905, vol. ii, p. 4).

The Staniforth Smith's model of economic development

Copra, caoutchouc and other tropical commodities started to boom in the early part of the 20th century. Senator Staniforth Smith, who considered in 1901 that Australia needed to concentrate her financial and labour capital on developing her own resources, discovered his fervour for BNG 2 years later.²⁹ Visiting the Territory in 1903, he found 'a large and valuable estate', lying idle, which 'only requires money judiciously spent in cultivation to make it capable of yielding a large revenue'.³⁰ While vehemently opposed to BP's agricultural development proposal on Yule Island in Hall Sound, he saw opportunities for the Australian settler to become successful in BNG: 'the present revenue is sufficient to maintain the status quo', he reported to the Senate, but it also would ensure that 'New Guinea will remain undeveloped, and always be a financial burden [on the Commonwealth]'.³¹ Smith's solution to the creation of an economically thriving BNG was to attract settlers through the most liberal land and labour laws. Like Atlee Hunt, he suggested virtually giving land away in order to increase the population and develop the economy.

Smith would have been aware that MacGregor's policy to attract small landholders was unsuccessful. And even though the government now had at its disposal more and better quality land, he would have been cognisant that low-cost, high-quality land was but one factor in attracting settlers. Of even greater importance to settlers, in his opinion, was the availability of low-cost labour. Other issues of concern to them were the availability of seeds and seedlings, building materials, food and so forth, all at affordable prices. The ability to export produce speedily and cost-effectively would also have ranked highly. This required coastal shipping for delivering goods to Port Moresby or Samarai. That all this was not available in BNG was precisely why Smith saw a pivotal role for himself in southeast New Guinea. He aspired to be Australia's first lieutenant-governor of Papua so that he could implement change and create a thriving Australian tropical plantation industry.

Smith became an expert on all issues concerning East New Guinea. His visits included trips to GNG and the Solomon Islands, and by the time the *Papuan Act* was debated in the

²⁹ Miles Staniforth Cater Smith (1869–1934) worked for the wool classers and merchants, Goldsbrough Mort & Co., in Melbourne before moving to Kalgoorlie to work as a telegraph linesman on the Western Australian goldfields. In 1896 he opened the office for Reuter's Telegram Co. Elected as a municipal councillor in 1898, he was mayor of Kalgoorlie in 1900–01. Mayor Smith supported the working class by subsidising freight of fresh produce from the coast to the town markets. In 1901 he nominated for the first federal Senate election and received the most votes. In the Senate he sat in opposition to the Barton and Deakin governments. A staunch free trader and opponent of 'coloured' immigration, he supported the election of J.C. Watson to become the first Labor Party prime minister of Australia in April 1904. The Labor government only lasted 112 days. Making use of his training with Goldsbrough Mort, Smith took up the study of tropical agriculture and became the parliamentary authority on Papua. Smith enlisted in the Australian Imperial Force in January 1916. Smith was appointed acting administrator of the Northern Territory in September 1919 to settle the aftermath of the 'Darwin Rebellion'. He sided with the North Australian Workers' Union – against the local Chinese labourers – to resolve the dispute. His recommendation to accept the Baldwin Spencer solution to aboriginal problems by increasing reserved land and spending was rejected by the Federal Parliament. This led to his resignation from his post in 1921. Smith returned to Papua in 1921 as Commissioner for Crown Lands, Mines and Agriculture. He retired in 1930 and settled at Kulikup in southwest Western Australia (Staniforth Smith Papers, NLA MS 1709; H.J. Gibbney, *Australian Dictionary of Biography*, vol. 11, p. 657).

³⁰ Smith Papers, NLA MS 1709, item 1461.

³¹ *ibid.*

Senate in late 1905, there was no person more vociferous on the new constitution for the Territory of Papua than Smith. There were strong parallels between his and Hunt's vision of Papua's future and what Hansemann tried to achieve in GNG. The Dutch East Indies and the British achievements in the Straits Settlements and the Federated Malay States provided Smith with the template for BNG. To lend his model weight and to choose the best methods for developing Papua, Smith asked the government for permission to visit the British and Dutch East Asian colonies. Atlee Hunt agreed with Smith on the requirement of more rapid economic development in BNG. In conveying the Australian prime minister's desire to receive a report from the Senator on the British and Dutch colonies Hunt wrote:

Mr Deakin wishes to say that he much appreciates the public spirit you display, and will be pleased to receive a report on the lines indicated by you. Your knowledge of the Territory of Papua will place you in a position enjoyed by very few others of making your report of such nature that it will have practical value in assisting the development of the Possession.³²

Smith tabled his report in June 1906.³³ His account on the Dutch East Indies mirrored Hansemann's and Hunt's conviction: Java, 'the Garden of the East', was at the same latitude and 'the same isotherm' as New Guinea, so any economic plant growing successfully there would also grow well in Papua.³⁴ Smith strongly favoured coconut and rubber plantations, but also envisaged tobacco and coffee in Papua. He intended to overcome the absence of an experienced and productive labour force by adopting the Dutch method of educating people to work. His report ignored the recruitment of Chinese coolies: he pointed to an increasing apathy in the local people since Chinese coolies and Indian indentured workers had been recruited for work in Malaya. Maintaining his view, Smith narrowed a thriving Papua down to the availability of very cheap farm and grazing land. He advocated the Crown being the landlord to ensure that land speculators were kept out of Papua. But he also supported the idea of virtual freehold provided the lessee developed the land in accordance with their agreement. The lease could then be a perpetual one, charged at a nominal annual rate for at least the first 30 years. He also wanted the government to assist farmers with tropical agriculture research and to provide them with quality seeds and seedlings. He cited the support the Batavian government provided to their planters through the extensive experimental gardens of Buitenzorg (Bogor) in the foothills of Mt Salak. Smith recommended the Port Moresby government set up similar experimental gardens on the coast and in the foothills. Such gardens could become part of an increasing number of government plantations which, Smith insisted, must be operated on a commercial basis. The senator believed that Australia had the advantage of being able to learn from other colonial administrators' mistakes: 'almost every difficulty regarding economic development has either been solved or has been the subject of prolonged investigation', Smith reported in the Senate.³⁵ Preventing the mistakes of others required setting up an agriculture

³² Hunt to Smith, 3 Jan. 1906, Staniforth Smith Papers, NLA MS 1709, item 938; see D. Lewis, *The Plantation Dream*, pp. 57–8.

³³ CPP 1906, vol. 2, 'Report on the Federated Malay States and Java' by Senator Staniforth Smith.

³⁴ *ibid.*, p. 53.

³⁵ *ibid.*, p. 64.

department administered by a person with a thorough knowledge in tropical plantation work. With an eye on his own career, he suggested that such an expert need to be well connected to other tropical enterprises overseas.³⁶

Deakin offered Smith the position of Director of Agriculture, Mines and Public Works in Papua on 4 September 1906. The senator accepted the offer. He believed he was only one step away from becoming Papua's first lieutenant-governor. He did not seek re-election when nominations closed for the federal elections in December 1906, and took up the new posting in Port Moresby on 16 May 1907.³⁷

Deakin's equivocation

Prime Minister Deakin was reluctant to implement the recommendations of Atlee Hunt and of Staniforth Smith. Their blunt messages were to provide the Papuans with the privilege of civilization and for Australia to make full use of the economic opportunities offered. This did not reconcile with the compassionate passages in the Papua Bill. With the obligation of Papuan welfare central in that Bill, Deakin was keen not to create divisions in the House of Representatives.

Deakin was also aware of tensions that had long simmered between senior officers in BNG. The position of lieutenant-governor had not been settled since the departure of Le Hunte in 1903, with Captain Francis Barton only appointed as the acting administrator.

When Hunt requested clarification from the Lands Department in Port Moresby on the process for approving land transfers, Chief Government Surveyor Richmond denied any wrongdoing. He blamed the slow process on Acting Administrator Barton's interference in the paperwork, accusing him outright of destroying certificates. Hunt did not mention the friction between Barton and his senior officer when he praised the Port Moresby administration for its excellent work: now that the Australian government is entirely responsible for Papua, their keen spirit of enterprise and adventure' required appropriate remuneration. Hunt recommended that a pension system for government officers employed in the Territory should be adopted as soon as practicable.³⁸ Regarding Richmond's allegations, Barton had suspended his principal surveyor from duty until the matter was dealt with by a Commonwealth Public Service Enquiry Board in Melbourne.

When the board found against the evidence tendered by Richmond and exonerated Barton, Hunt was no longer able to ignore events. The aggrieved Richmond wrote to the secretary of the department of External Affairs seeking a reconsideration of his case. The prime minister also became involved.

With the handing down of the decision by the Public Service Board, Deakin became aware of the discrepancy between Hunt's report on the quality of senior officers in Port

³⁶ *ibid.*

³⁷ Deakin to Smith, 4 Sep. and Smith to Deakin, 5 Sep. 1906, Staniforth Smith Papers, NLA MS 1709, item 969.

³⁸ CPP 1905, vol 2, 'British New Guinea Report', by Atlee Hunt, p. 26.

Moresby and a senior officer's view of the administrator. Recognising Hunt's friendliness with Barton, he sought the confidential views of Chief Judicial Officer J.H.P. Murray in Port Moresby. 'What I wish from you,' Deakin wrote privately, 'is as complete a criticism of the circumstances in New Guinea as you can make off hand and without delay – I shall be glad to have the fullest and frankest judgement you can favour me with upon our officer's methods and aims'.³⁹ After Acting Administrator and Chief Judicial Officer Christopher Robinson committed suicide, Murray took up the judicial responsibilities in BNG in September 1904. He was obviously pleased to be asked by Deakin for his opinion. The Oxford-educated lawyer regarded himself intellectually superior to Barton. At age 43, with war experience in South Africa, and having been Crown prosecutor in New South Wales, he believed that he, not Barton, should have followed Robinson as the administrator.

Murray's 60-page handwritten reply to Deakin on 26 March 1906 reveals the character of the person who was to preside over the administration of Papua from 1907 until his death in office at Samarai on 27 February 1940. With BNG becoming the Australian colony of Papua in 1 September 1906, Murray played the anti-English, pro-Australian card to impress Deakin:

Government officials here are divided into two parties, the "Colonial Office" party and the "Australian" party. The former strongly adhere to the old regime of MacGregor and Le Hunte, inwardly rejoicing if all white settlers – especially miners – could be removed from the country.⁴⁰

They would feel satisfied, Murray continued, if BNG never became anything more than a 'glorified curiosity shop and an extensive and very expensive ethnological museum'. This stands in stark contrast to the views of the Australians in the administration who 'are anxious for the development of the country, and are sincere in their dislike of a policy which ... has retarded the progress of the Possession in the past ... and under which large sums of Australian money have been expended with very little result'.⁴¹

Turning his attention to Barton, Murray attested to 'His Excellency's personal charm and the attractiveness of his manner: 'my personal relations with him have always been pleasant', he opened his observations on Barton, before back-stabbing his superior officer. Pointing to the necessity of developing Papua by white Australian settlement he noted that 'it is hardly an exaggeration to say that Captain Barton's administration is about as unsatisfactory as possible'. His sympathy with the 'natives', essential and admirable in itself, 'unfortunately misleads [him] into a policy ... of "passive resistance" to white settlement'. Barton openly condemned gold mining in BNG Murray told Deakin: 'I have frequently heard [him] deplore the fact that gold had ever been found in the country'.⁴² A pugnacious Murray accused Barton of opposition or at least indifference to land conveyancing: 'the great hindrance to settlement in the past has been not so much that rents were too high, tenures too short, and survey fees excessive, as that it was impossible to get an application for land attended to within many

³⁹ J.A. La Nauze, *Alfred Deakin*, vol. 2, p. 459; F. West, *Selected Letters of Hubert Murray*, p. 36, fn.

⁴⁰ West, *Selected Letters*, p. 37, letter 32.

⁴¹ *ibid.*

⁴² *ibid.* p. 39.

months – sometimes years’. As a result, Murray wrote, BNG had in land matters acquired a bad reputation which would take some time to overcome.⁴³ Summarising his opinion, Murray claimed that Barton ‘is essentially a man of weak character and indolent disposition who could therefore never be a satisfactory Administrator’.⁴⁴

After this malicious attack, Murray turned his attention to Treasurer David Ballantine. He accused this long-serving officer of lying ‘drunk in his cottage for days together without going to his office’ and with no reproof from the administrator. The strong-willed, pernicious Ballantine completely controlled the administrator, with ‘common talk through the Possession that [he] is the Governor, not Captain Barton’.⁴⁵ Murray made no secret of his loathing for Ballantine: ‘I have always disliked him, but shall endeavour not to do him an injustice’. He accused Ballantine of unscrupulously encouraging the anti-white proclivities of the administrator while leaving the accounts in an unsatisfactory condition. ‘In my opinion one of the crying needs of BNG is the immediate appointment of a Treasury Inspector from Australia to make a thorough inspection of all the Government accounts’. Prejudging the outcome of the audit, Murray proposed the appointment of an experienced treasurer.⁴⁶

Murray reserved particular resentment for the magistrates. With the exception of R.M. Campbell of the Eastern Division, who he regarded an honourable man, they are ‘on the whole, a shady lot’. Lacking legal training and making occasional errors in law, Murray hoped that under a strong and impartial administration they would run straight and do an excellent job.⁴⁷

It must have come as some relief to Deakin that Murray had some kind words for officers in the Lands Department: ‘so far as I am able to judge these officers have done their work conscientiously and well [and] I am unable to give the reason to His Excellency’s objection to them’. The chief draftsman, Matthews, an intimate friend of Murray, was recommended by him to replace Richmond if Barton did not lift the suspension from duty of the capable chief surveyor.⁴⁸

By inviting Murray to provide him with ‘complete criticism’ of his superior and fellow officers Deakin got more than he had bargained for. Secretary Hunt thought highly of Barton and gave a generally satisfactory report on the officers in the administration. The Public Service Board also handed down a favourable report on Barton. Murray’s harsh criticism of Barton and every person in the BNG administration who was ‘English’ pointed to him striving for the lieutenant-governor’s position. There can be little doubt that he believed in the veracity of his account as BNG was indeed rudderless and had not been dominated by an imposing man like MacGregor since 1898. Murray was also imposing. He was physically and intellectually strong. As a

⁴³ *ibid.*, p. 40.

⁴⁴ *ibid.*

⁴⁵ *ibid.*

⁴⁶ *ibid.*, p. 41.

⁴⁷ *ibid.*, pp. 44–5.

⁴⁸ *ibid.*, pp. 42–3.

member of the governing council he influenced policy and administrative outcomes. But rather than contributing positively he resorted to complaining and conniving. In closing his letter to Deakin he recommended an absolute stranger to be appointed lieutenant-governor.⁴⁹ Murray's friends then and many historians today believe that he was sincere when he made the suggestion. It is possible his dislike for Barton and his loyal officer was stronger than his own ambitions, and all that he wanted to see in BNG was a change of personnel for the better. However, Murray would also have known that his letter could become public knowledge, and it was therefore useful to have demonstrated his integrity by openly not vying for the administrator's position.

In contrast to Murray, Staniforth Smith was frank of his own ambitions in Papua. Rather than complaining about Murray's appointment as acting administrator, he wrote to Hunt: 'I am grateful for my appointment as a stepping stone to higher things [and] am doing my best to get the experience that Mr Deakin said was the one thing I lacked'.⁵⁰

Before Deakin considered appointing a Royal Commission he contacted MacGregor, now governor of Newfoundland, to ask him whether he was interested in resuming responsibility for Papua. Deakin believed the 38-year old Staniforth Smith would be a good appointment to the lieutenant-governor's position after some time spent as an understudy to MacGregor to gain experience for the job.⁵¹ MacGregor, who would not have found the fishing community of the most easterly part of North America too exciting, was interested in moving back to a tropical climate. For him it only required the Deakin government to agree to a remuneration package which included a pension scheme.⁵² However, when Hunt informed Barton that adverse criticism had reached Deakin from Port Moresby, Barton wrote to Deakin on 4 July 1906 to request the appointment of a Royal Commission to enquire into his administration's performance.⁵³ With requests from Richmond and Barton for an official enquiry and aware of MacGregor's availability to take charge of Papua subject to an acceptable remuneration package, Deakin was glad to be handed reasons for a Royal Commission, which Parliament appointed on 14 August. Notwithstanding Murray's allegations, shortly before the Royal Commission took evidence in Port Moresby, Deakin appointed Barton the first administrator of Papua on 1 September 1906.

The Royal Commission's recommendation

By reason of the fact that the persons and lands of the natives had to be guarded against "lawless and evil-disposed persons," that time in its original sense is past, and in the opinion of Your Commissioners the hour has struck for the commencement of a vigorous forward policy, so far as white settlement is concerned.⁵⁴

On 13 September 1906 the Royal Commissioners Colonel J.A.K. Mackay (MLC, New South Wales, chairman, W.E. Parry-Okeden, Police Commissioner (retired police commissioner in

⁴⁹ *ibid.*, p. 45.

⁵⁰ Smith to Hunt, 15 July 1907, Staniforth Smith Papers, NLA MS 1709.

⁵¹ For Deakin's thinking on Smith see La Nauze, pp. 464–6 and 468–9.

⁵² *ibid.*, pp. 461–3.

⁵³ Hunt to Barton 12 June 1906, Atlee Hunt Correspondence NLA MS 52.

⁵⁴ CPP 1907, Report of the Royal Commission, p. v.

Queensland) and Justice C.E. Herbert (retired government resident, Northern Territory) arrived in Port Moresby. The terms of reference went well beyond the 'present conditions [and] method of government' as the commissioners were to recommend on all issues concerning the development of Papua.

Over 7 weeks they travelled widely to take evidence from 71 witnesses on wide-ranging issues. Their inspections included the Christian missions and government stations also visited by Hunt; Yule Island, previously evaluated on its agricultural potential by Gors of BP and Senator Smith, and the Whitten Bros coconut plantation on Cloudy Bay, and the gold-producing areas of the Trobriands, Milne Bay and the Upper Mambare. The commissioners did not go to the Gira and Aikora goldfields. Rather, they took evidence from a delegation of miners who came to the coast near the German border.

R.M. Monckton led a party consisting of Kenneth Mackay, Charles Herbert, the Rigo manager Georg Belford, a small escort of the Armed Native Constabulary and a number of carriers from Buna Bay on 15 October to march to Kanderita village which had been visited by Europeans only once before. The party reached Kokoda Station on 21 October and the mining centre of Yodda on the following day. At a height of 8,689 ft (2,600 m) the main range was ascended on 31 October and Monckton returned to Cape Nelson. He had been relieved by Police Commandant William Bruce at Kagi village who then led the party *via* Maneri, Iorobaia and Irutapuna to Port Moresby. The day before reaching the coast on 6 November the coffee plantations at Sogeri were inspected.⁵⁵

Murray, Barton and Robinson were not called to give evidence before the Royal Commission in Port Moresby until the second week of November.⁵⁶ Murray had sought permission from Deakin to submit a copy of the letter he wrote to him in March: 'I intend giving evidence to the same effect, and my letter will be useful in shewing that the opinion which I entertain of the Administration is not a mere transient impression or due to any momentary irritation'.⁵⁷ Murray had no choice. He had thrown the first stone with his outcry to Deakin, and with the now public attack on Barton and the aspersions he had cast on many of the other officers in BNG, he would sink or swim to the top in the administration of Papua.

On the immediate question – the 'Richmond case' – the Royal Commission exonerated Barton by agreeing with the administrator that he was justified in suspending the surveyor.⁵⁸ While not buying into the British versus Australian argument, the commissioners recommended the administration to be thoroughly re-organised.

Giving credence to some of Murray's evidence, the report strongly recommended that Treasurer Ballantine 'be suspended by the appointment of a thoroughly competent man in his

⁵⁵ *ibid.*, pp. viii–ix.

⁵⁶ *ibid.*, pp. 85ff, Murray evidence 8, Nov. 1906; on Barton see p. 137, §§2038, 2048 and 2121.

⁵⁷ West, p. 47, letter 34.

⁵⁸ CPP 1907, Report of the Royal Commission, pp. cxi–cxxiv.

place'.⁵⁹ Ralph Drummond's promotion to be chief government surveyor was, in the opinion of the commissioners, inadvisable. With neither sufficient experience nor administrative ability they recommended Drummond not be retained in his senior position. As regards the Government Secretary's Department, it was found to be in much disorder:

In addition to the general administrative responsibility that rests [with] the Government Secretary as head of the Public Service, he should be held responsible for the work of all the officers grouped immediately under his Department [viz.] Magistracy, Police, Prisons, Native Affairs and Control, Census, Statistics, Supervision of Audit Work, Registrar-General, Registrar of Patents, Registrar of Joint Stock Companies, *Merrie England*.⁶⁰

In its investigations of unseemly conduct by officers the commissioners considered complaints levelled against Commandant W.C. Bruce of the Armed Native Constabulary. The brash and garish Bruce was accused of using obscene language repeatedly in front of women and missionaries. Even though he pleaded diminished responsibility for his actions because of excessive drinking, the commissioners concluded that Bruce was shielded by Barton: 'he should not have been retained in his position in the service after his serious offences'.⁶¹ They recommended that the commandant's position be abolished and the policing placed under the command of the R.M. of the Central Division.⁶²

The commissioners believed that Anthony Musgrave, who had almost 22 years service in BNG, should be assisted immediately by a chief clerk and, because of the demands of the growing Public Service in Papua, retired in the foreseeable future. The commissioners agreed with Murray that R.M. Alexander Campbell of the Eastern Division was the most competent officer in the administration. They recognized him as Musgrave's successor.

The report identified remunerations to be generally inadequate:

The only possible way to induce capable young men to accept service in Papua is to offer them reasonable inducement:

- a) Fair remuneration (no white clerk should be paid a less sum than £200, with junior positions in the Public Service to be performed by trained natives).
- b) Reasonable promotion.
- c) Recognition of special merit and zeal.
- d) Extended periodical furlough.
- e) Some definite provision, such as an annuity on completion of service; (Australian Life Assurance Company of undoubted stability for the issue of a policy to each officer on appointment under which the Company will undertake to pay the assured officer on retirement, after he shall have served 15 years, an annual sum equal to the amount of quarter of his then salary, to be increased by 1-60th of that salary for each additional year's service).⁶³

Promotions, retirement benefits and salaries of the experienced officers also required attention.⁶⁴ C.A.W. Monckton was noted as a 'good officer [with] nearly ten years' service in Papua'. With the transfer of Campbell to be the government secretary, Monckton was promoted to be R.M. of the Eastern Division, and his annual salary increased to £450. R.M. H.L. Griffin of the Gulf Division was then transferred to the Northern Division with his annual

⁵⁹ *ibid.*, p. cii.

⁶⁰ *ibid.*, p. xcix.

⁶¹ *ibid.*, p. lxxvii.

⁶² *ibid.*, p. cii.

⁶³ *ibid.*, p. cix.

⁶⁴ *ibid.*, pp. cvii–cviii.

salary increased to £350. The North-Eastern Division was recommended to be temporarily merged with the Northern Division, and its R.M., G.O. Manning, transferred to the Gulf Division.

R.M. H. Moreton of the South-Eastern Division was 60 years old. The commissioners recommended his retirement after almost 18 years' service in BNG. The commissioners viewed the private plantation interest of A.C. English as conflicting with the proper performance of his magisterial duties in the Rigo district. Proposing to overturn the policy favoured by Le Hunte, the report recommended that 'no public officer should be permitted to have private interests of the kind in the district or place in which he is stationed'.⁶⁵ Whilst not making a recommendation on Barton, the overall assessment of his administration found against him:

A strong under-current of disaffection was found to be running through the Service, which, traced back along the channels opened up for enquiry through public records, and other evidence, disclosed its source mainly at the head of the administration... The two senior Executive officials in the Territory – the Government Secretary, Mr Musgrave; and the Treasurer, Mr Ballantine – form notable examples in this classification.⁶⁶

Regarding Murray, the report did not offer an opinion on him other than to point out that 'the Chief Judicial Officer is not merely "Chief Magistrate" ... but he is virtually a "Minister of Justice" and legislative draftsman ... It is therefore recommended that an officer familiar with Supreme Court procedure should be appointed'.⁶⁷

The general thrust of the recommendations was the requirement of much stronger Australian support than had been hitherto provided. A better staffed, better paid and better run administration was to provide the framework for a 'vigorous forward policy'. The commissioners concurred with the earlier reports by Hunt and Smith in emphasising the importance of encouraging white settlement to make Papua commercially viable.

The commissioners recognised that European settlement 'was vitally interwoven with the native problem in all respects [and that] it cannot be too emphatically laid down that its successful future depends on the preservation of the native races, for the native is one of the best assets that Papua possesses'.⁶⁸ However, the Papuans first needed to be awakened from their 'lotus-eater' dreams, and white settlement was, in the opinion of the commissioners, one of the surest and most practical methods of arresting their present indolent, apathetic state. White settlement would create the laws, and the work and business environment that would achieve these aims.⁶⁹ For the local people to understand Western culture the teaching of English was to be made compulsory in mission schools which the 'native children' were compelled to attend. To pay for the benefit of being hurled into 'the iron period', the 'pacified' Papuans were required to contribute to the development of the country by working for either themselves or the Europeans. By forcing them to recognise the imposed 'obligations' they owe to the government', the commissioners advised strongly a tax be imposed on the natives under

⁶⁵ *ibid.*, pp. ci–cii.

⁶⁶ *ibid.*, pp. lxx–lxxvii.

⁶⁷ *ibid.*, pp. civ–cv.

⁶⁸ *ibid.*, p. xiii.

⁶⁹ *ibid.*

government control.⁷⁰ By considering several tax systems that could be adopted to create value in Papua; the commissioners chose enforced labour as its preferred option. They considered cash payment acceptable in lieu of working for the government if the 'natives' preferred this. The report did not recommend the level of taxation or the duration of work to be performed. Concerns that the administration would be hard pressed to use the large number of labourers available were dismissed. The activities generated by a 'vigorous Roads and Works policy, the creation of (four) Government plantations and the Government Recruiting scheme – with its necessary receiving and distribution depôt' would absorb the labour.⁷¹

Another significant recommendation was for all unalienated Papuan land to be declared Crown land. To achieve this would require amendments to the Land Ordinance, 1906 to give the government power to acquire land compulsorily. Under such legislation 'the natives in the settled districts' were required to mark off their land within, say, 6 months from the date of notification: 'all land thereafter unmarked in any such district shall become Crown lands'. It was further suggested that action be taken promptly to purchase land Papuans may be willing to sell.⁷²

Concerning land, the commissioners pointed to an oversight in the Mining Ordinance, 1899 which required immediate attention: 'all the privileges and powers attached to the ownership of miner's right, and the ownership of all mining tenements under the existing Mining Law, are absolutely confined to Crown lands [with] no ordinance regulating or permitting mining on private property'. With most prospecting taking place on land not owned by the Crown – a situation also applicable to the mining activities taking place on riverbeds – the commissioners expressed concern that many mine operations were conducted illegally in Papua. The acquisition of Crown land was, therefore, regarded as equally necessary to the miners as for agricultural settlement. In order to mine legitimately, the commissioners recommended a law to declare all minerals to be the property of the Crown: 'such legislation should provide for regulations being made for the due protection of native rights and customs, and for compensation to the natives for damages sustained at the hands of those who mine upon their land'.⁷³

Turning their attention to financial matters the commissioners proffered the view:

In a sense the Commonwealth is on its trial as a governing power, and on the verdict which must soon be pronounced in this connexion will depend issues of the gravest import as regards her own future; for should she give practical assurance to the Imperial Government that she is capable of ruling Papua wisely and well, it is not unreasonable to suppose that other island possessions at present held by Great Britain may be handed over to her charge... The true destiny of the Commonwealth is to be the paramount power in the Southern Seas [this] must inevitably increase the respect in which Australia will be held by other nations, and will also cause her voice to be listened to with deeper attention in the councils of the Empire.⁷⁴

⁷⁰ *ibid.*, p. xiv.

⁷¹ *ibid.*, p. xlvi; road programme, see pp. xxxvi–xxxvii; government stations, pp. xxii–xxiv; government labour-recruiting system, pp. xxix–xxx.

⁷² *ibid.*, pp. xxvi–xxii.

⁷³ *ibid.*, pp. xxviii–xxix.

⁷⁴ *ibid.*, pp. l–li.

The prestige and acclaim available with a proven track record in colonial administration was linked to a self-supporting and prosperous Papua. To achieve financial independence, the commissioners believed that a subsidy of £20,000 and local revenue would not be sufficient to meet the extra cost of administration and development if most of their recommendations were to be adopted. Unable to forecast the revenue from agriculture, mining, timber and other pursuits, it was suggested that the Australian government advance without interest to the government of Papua funds sufficient to cover the annual administrative and development costs: 'such advances [to] remain a credit to the Commonwealth and a debit against the revenue of the Territory, until such time as the latter may be in a position to extinguish the liability.'⁷⁵ At the same time an audit by experts could identify existing and future commercial possibilities.

Further, the government was to make low-interest loans of between £25 and £500 available to settlers. Applications for the loans were to be authorised by a board of local government officers for land leases that had been in existence for at least 12 months and where a satisfactory proportion of the improvement conditions imposed by the Land Ordinance, 1906 had been complied with. A similar funding arrangement was recommended for prospectors: 'where actual prospecting work has been carried out in suitable country, but where the prospectors find themselves unable to proceed from want of money', the commissioners recommended the government make available cash advances. Such grants were to be made 'with the clear understanding that the money so provided be expended under the advice and supervision of the mining officials'.⁷⁶ In this context it was also recommended that a government geologist be appointed to explore the country in conjunction with a party of miners for minerals.⁷⁷

In other areas of finance, commerce and trade, it was suggested that tariff preference be given by Australia to Papuan products, and that all government stores be purchased through the Queensland Government Stores Department. A wireless telegraphy system could connect mainland Australia from Port Moresby *via* Thursday Island. A trans-Papuan telephone line should be erected from Port Moresby, *via* Sogeri and Kokoda, to Buna Bay.⁷⁸

The reports by Smith, Hunt and the Royal Commission were bold, confident and consistent. The authors were untroubled by the meeting of two completely disparate cultures. The reports were not commissioned to address 'native' injustices so frequently recounted in the Australian and British newspapers. Australia was burdened – in her view prematurely – with the responsibility to govern Papua. Success or failure in Papua was to be measured by economic success or failure, not by the degree of protection given to the indigenous population by the

⁷⁵ *ibid.*, p. li. The report does not specify whether the Commonwealth should appropriate a recurrent annual sum of £20,000 plus advances as required or whether a total sum should be determined every year by the budget process.

⁷⁶ *ibid.*

⁷⁷ *ibid.*, p. xxix.

⁷⁸ *ibid.*, pp. xlix, liv and lvii–lviii.

administration or the civilisation of the 'natives'. The reports identified the necessity for change at all levels. It was to be effected by changing the quality and number of personnel in the administration, by forcing plantation development and mining ventures, and by changing Papuan behaviour. The Papuan people were identified in this view as a resource, where education would inculcate Western practices, and where training would provide the skills the Europeans needed to grow the economy.

The main clarion call to settlers, investors and minors was the report of the Royal Commission in 1907. The commissioners believed that 'the outside world generally possesses only the vaguest knowledge with regard to Papua'. They recommended every means be adopted to place the great region's natural possibilities before the public so that inaccuracies on climate and the aggressive nature of the indigenous people to be 'swept aside'.⁷⁹ The government followed the commissioners' advice and encouraged Port Moresby to stimulate public interest in Papua by advertising in Australia the availability of land for settlement and the richness of the country.

For Deakin, however, compassion for the indigenous people remained a priority. When asked in the debate on Papua in August 1906, 'who should be supreme – blacks or whites – if their interest clashed in the course of the development of Papua?' Prime Minister replied unwaveringly: 'yes, in our opinion, Papua belongs first to the Papuans ... Their well-being is to be studied in most respects even before that of men of our own colour'.⁸⁰

The tabling of the Royal Commission Report in February 1907 brought some immediate consequences. In view of the adverse judgment Administrator Barton could no longer hope to be promoted to lieutenant-governor. He went on leave early in April 1907 and retired 12 months later. Murray was in Melbourne at the time and he then met Deakin for the first time. Subsequently, the government asked Murray to act as the administrator: this was confirmed on 9 April 1907. His temporary appointment brought about the immediate retirement of Treasurer Ballantine. After 18 years under MacGregor, Winter, Le Hunte, Robinson and Barton, Ballantine retired to his 100 ac coffee plantation at Sogeri where, aged 41, he died of alcoholism. Also retired from the Public Service immediately was Commandant Bruce. Murray did not abolish the Armed Native Constabulary but placed it under the command of the Central Division. Bruce remained in Papua to work as a planting contractor for companies that came to Papua. Later he prospected for gold, cut timber on a concession he obtained along the Vanapa River, and cleared land at Sogeri which he had obtained for planting. Bruce joined the former government printer, Edward Barker, and the Port Moresby merchant, Charles Baldwin, in starting Papua's first newspaper, the *Papuan Times*, in January 1911. The paper became a conduit for Bruce, who was its editor until 1917, to pursue a vendetta against Murray.⁸¹ Government Secretary

⁷⁹ *ibid.*, p. lxiv.

⁸⁰ Question by H.B. Higgins in the House of Representatives, CPD, vol. xxxiii, p. 3345.

⁸¹ Lewis, pp. 123–4.

Anthony Musgrave retired on 30 June 1908 after 20 years service. MacGregor was appointed Queensland's governor.⁸² As recommended in the report, A.M. Campbell succeeded Musgrave.

Three days after Murray was confirmed acting administrator, Monckton began 12 months leave. His proposed transfer to the Eastern Division attracted a 10% salary increase and better living conditions. It was not the lieutenant-governor's position, however, which Monckton believed he could have performed more effectively than Barton or the inexperienced Murray. Fifteen years later he explained his reasons for 'chucking in my hand':

After the departure of Sir William MacGregor and Sir Francis Winter, no Administrator seemed strong enough to cope with the strangle-hold that the headquarters' Bureaucracy apparently were getting on everything, including commerce, mining, agriculture, and the pacification of the country. Sir George Le Hunte might possibly have squelched them, for he had both the knowledge and the training; but then he had been almost perpetually absent; for instance in an Administratorship of four years he had been away from the Possession for no less than two of them.⁸³

Citing an example of the stranglehold, which was also a common complaint with other magistrates, he continued:

The Survey Department had in their employ six surveyors at salaries above those of the Resident Magistrates, and each with an Assistant drawing more pay than the Assistant R.M., and each with a large native establishment, and yet during twelve months they had only done work to the value of £125 in the aggregate, while at the same time an outside surveyor had ... done work to the amount of £1,400, for which he was paid by the Government.⁸⁴

In this Monckton highlighted a contentious point which resonated with many officers. The remuneration for magistrates had remained virtually unchanged since 1888. Living conditions for the resident magistrates in the remote Western and Northern Divisions had also hardly improved. However, the biggest annoyance to the magistrates was that their pay was lower when compared to officers with less demanding tasks. Ignoring that they were provided with a residence, house boys and gardeners, they drew the commissioners' attention to their annual salaries. An assistant resident magistrate received £225, an acting resident magistrate £325 and a resident magistrate between £300 and £450.⁸⁵ A draftsman in the Lands Department received £250 annually, a road overseer £300, the Chief Surveyor £375, and a field surveyor and a road engineer £400.⁸⁶

It is, therefore, not surprising to find that R.M. G.O. Manning, North-Eastern Division did not transfer to the Gulf Division on the same level of pay (£300). He resigned in 1907 but stayed on to clear Paili for the Laka River Rubber Co. at Marshal Lagoon. This company was one of several enterprises taking advantage of the attractive lease conditions for land as regulated in *The Land Ordinance*, 1906.⁸⁷ Other officers to leave the Public Service were A.C. English (A.R.M., Rigo), H.L. Griffin (R.M., Northern Division) and A. Jewell (Barton's private secretary). All stayed in Papua to pursue private initiatives. English had already exported some small quantities of latex from rubber plantation interests in Rigo and intended to plant out his

⁸² AR-Papua (1907/08) p. 44.

⁸³ Monckton, *Last Days in New Guinea*, p. 252.

⁸⁴ *ibid.*, p. 253.

⁸⁵ B.A. Hely, appointed R.M. of the Eastern Division in Oct. 1888, and J.B. Cameron, appointed R.M. of the Western Division in Sep. 1889, drew an annual salary of £500 each.

⁸⁶ Salary list of officers (AR-Papua [1907/08] pp. 44–6).

⁸⁷ The law regulating dealings with land in Papua was assented to on 13 Nov. 1906 (AR-Papua [1906/07] p. 26).

50 ac estate with sisal. Jewell returned to Port Moresby after a year's leave in Australia to plant sisal at Tavai near Gaire, 50 km southeast of the capital.⁸⁸ Griffin, who was not a member of the anti-Murray faction, transferred from the Gulf to the Northern Division. He had to resign, however, in late 1908 when it was reported that he was shooting Bird of Paradise in contravention of the Wild Birds Ordinance, 1908 which Murray had gazetted during the year.⁸⁹ Griffin had previously applied for and was granted 640 ac on the Vama Creek at Galley Reach which he intended to develop for part-sale to Melbourne investors. He also held a share in Jewell's Tavai venture.

Apart from the 'locals' the new conditions for land disposal were received well by planters and investors. Staniforth Smith's appointment in May 1907 to the new position of director of agriculture with the responsibility for development across all issues concerning agriculture instilled confidence in Papua's commercial future. Whilst on 30 June 1906 only 7,544 ac were held under lease, during the next 12 months 62,968 ac were taken up. The attention of the Australian government had paid to Papua since 1905 finally seemed to bear fruit. However, its mantra of commercial development in unison with improving the well being of the Papuans was still a big hurdle.

⁸⁸ Lewis, p. 70.

⁸⁹ AR-Papua (1908/09) p. 3.

CHAPTER 16

PAPUA: THE JHP MURRAY AND STANIFORTH SMITH YEARS TO 1914

BNG did not progress economically during its first 20 years. A focus on marginal gold mining ventures and a reluctance to attract financially strong enterprises which could invest large sums of money in plantations are seen as the reasons for the stagnation. Australia had contributed £20,000 annually to the running of the colony since 1901. When the new nation assumed full responsibility for the Territory under the *Papuan Act, 1905* the government was intent on reducing its financial liability as quickly as possible. An international boom in tropical agriculture, which started in 1901, could have delivered economic growth and increased government revenue for Papuan self-sufficiency. The recommendations in 1907 of the Royal Commission set the direction for Papua to undergo rapid plantation development. An administration was to be installed that would implement laws and create conditions that would attract settlers. Government-generated revenue was derived almost exclusively from import duties. It was the settler who was to create the economic environment that drove the consumption of Western goods in the European and Papuan communities. That was the blueprint the government endorsed so that Papua would reduce its call on the Australian government purse.

Whilst there was no plantation industry in BNG, David Lewis' research into the Papuan plantation industry has been amended for the period from 1907 to 1914 with additional information that has become available. Lewis found that 'comparatively few white men made a living out of Papua',¹ notwithstanding that the price for rubber was at its highest from 1909 to 1911 and the price for copra consistently strong from 1903 to 1914. The findings in this thesis accord with Lewis' conclusion: the economic direction of Papua was set by 1914.

In the same way NGC had profoundly influenced the development of GNG, the British New Guinea Development Co. (BNGD) largely set the economic agenda for Papua following its founding in 1910. Both companies had strained relationships with their respective governments. NGC blamed Berlin for its inability to develop profitably when it was in charge of GNG. When the German government assumed responsibility for the Protectorate in 1899, Governor Hahl was blamed for the high cost of Papuan and Melanesian labour. BNGD went on the warpath over Lieutenant-Governor Murray's protective labour laws. Taking side with the settlers and plantation developers, BNGD blamed the Port Moresby government for overselling the commercial opportunities in Papua whilst failing to enact appropriate labour laws.

The development of NGC and BNGD was surprisingly similar. Ten years after the German company had shut down its tobacco and cotton plantations, the British enterprise

¹ D. Lewis, *The Plantation Dream*, p. 292.

commenced its activities with these cash crops. It soon learnt the same lessons for which NGC had already paid dearly.

This chapter deals with the optimistic beginning of the Papuan plantation industry and its subsequent failures through to the outbreak of World War I when commodity prices collapsed except for copra. The future was obvious by 1914: government policies and local environments were not conducive to strong economic development in Papua.

Discord between the planters and the Lieutenant-Governor

We must resign ourselves to a gradual development, and no longer cherish dreams of exploiting Papua and the Papuans in a single generation ... This is hard upon company promoters and others but I cannot help thinking that is a good thing for the Papuan.²

These were Lieutenant-Governor Murray's sobering words in 1912. Derided in 1907 by Exeter Hall and the Protestant missions in Papua as a champion of unbridled economic progress, 5 years later they saw the Catholic Murray in a different light.³ The Christian missions believed that Murray was now more attuned to Papuan society transforming itself to Western values, slowly and without exploitation by the European mining and settler communities.⁴

A contrary view was taken by the planters and the large plantation companies. As they failed to prosper they quickly turned on the government which had promoted settlement and investment initially. By 1909 many of them accused Murray, appointed to the position in Port Moresby on an anti-English pro-Australian 'ticket', of the same indifference to their call for cheap labour and low taxes that had brought Administrator Francis Barton into disgrace. Their quarrels with Murray were over labour supply, labour cost, the prohibition on the importation of coolies and artisans from Asia, the high impost on imported goods and Australian tariff penalties on Papuan produce.

Since the Royal Commission Report in February 1907 it had become common knowledge that Murray had been central to F. Barton's downfall as well as other officers who were aligned with that administrator. The former commandant of the Native Armed Police, William Bruce, was particularly aggrieved by the 'fallacious accusations' Murray made against him during the Royal Commission. Now the editor of the *Papuan Times*,⁵ Bruce let it be known that he held Murray responsible for his dismissal from the Public Service. Representing the majority views of his readers – the settlers – he pursued his personal quarrel with Murray whom he regarded 'an ambitious liar'.⁶ In particular Bruce attacked him relentlessly for his strong sympathy for the Papuan 'native' whose interest he placed above the law-abiding 'white pioneers'. There was no doubt in the settlers' minds, according to

² J.H.P. Murray, *Papua or British New Guinea*, p. 356.

³ Murray was baptised as an Anglican. He converted to his father's faith, Catholicism, in 1869.

⁴ Murray, pp. 350 and 360.

⁵ The first issue of the *Papuan Times* appeared in January 1911. The weekly newspaper's proprietors were W.C. Bruce, who was also the paper's editor, E. Baker and the merchant C. Baldwin (Lewis, p. 124).

⁶ Lewis, p. 120.

Bruce, 'as to the inferiority of the brown person'.⁷ By 1914 the general manager Lewis J. Cowley, had a personal financial interest in the newspaper. Although couched in Bruce's preferred style of invective, the paper presented BNGD's views on labour supply and its general inability to develop speedily and profitably in Papua.



Port Moresby, c. 1908

Murray seemed untroubled by the attack on his administration then. He regarded himself as intellectually superior to any of his officers and the settlers in Papua. Allegations of unfriendly behaviour towards business and a general lack of understanding in financial accounting were counteracted by a universal acknowledgment of his sharp legal mind. He was an excellent drafter of ordinances, a person who was highly literate and his supporters praised him for his standards of humanity.

Accounting for the administration's achievements since BNG was placed fully under Australian control on 1 September 1906, Murray provided a scorecard on the economic performance of Papua in his 1909/10 annual report.⁸ Even though the European population had only increased by 27%, from 690 in 1907 to 879 in 1910, he pointed to the 60% growth in government revenue from £21,813 to £34,822, plus a host of other achievements during the same period.⁹ Whether Murray regarded the slower growth in government expenditure from £45,445 to £64,873 as positive or negative is not clear.¹⁰ He was unequivocal, however, when expressing deep satisfaction with the Papuan trade figures which had increased from £68,300 to £117,410 from 1901 to 1911.¹¹ Ignoring that the actual increase was 72%, and

⁷ *Papuan Times*, 7 May 1913 and 3 June 1914.

⁸ AR-Papua (1909/10) p. 25.

⁹ *ibid.*

¹⁰ *ibid.*

¹¹ Murray, p. 359.

most of it was based on gold earnings, he continued with his fallacious statistics by aggregating imports, customs receipts and other revenue to argue that 'total territorial revenue ... exclusive of the subsidy from the Commonwealth' had increased by 200%.¹² When dealing in actual figures his assessment, whilst selective, was more accurate: 'the comparison of the progress made before and since the Commonwealth assumed control is to an Australian still more gratifying', he gloated. In the 4 years prior to Australia assuming full responsibility for the Territory (1901/02–1905/06) revenue increased by less than £4,000. From 1906/06 to 1910/11 it increased by more than £25,000. In the same periods exports and imports had increased by £12,000 and £9,000 respectively and by nearly £37,000 and £123,000 respectively.¹³

Murray could also draw attention to the multitude of lease applications since the passing of Barton's Land Ordinance in September 1906. In the first few months after the ordinance was gazetted the lease of land for agricultural, trading and residential purposes had risen from 7,544 ac to 70,512 ac from July 1906 to June 1907, and to 364,088 ac 5 years later. Similarly, the area of plantations had risen from 1,467 ac in 1907 to 15,881 ac in 1911.¹⁴ In his judicial capacity Murray had drafted the amendment to the 'employer friendly' Native Labour Ordinance, 1906. Whilst this was carried out under Barton, it was under Murray's direction that the new law was assented to in April 1907.¹⁵ The ordinance provided for the engagement of labour on a casual basis for 3 months without an employment contract.¹⁶ The terms of indenture determined employment of up to 3 years (previously 1 year) except for miners and carriers whose period of engagement was not to exceed 18 months. Under the ordinance Murray was empowered to proclaim any portion of the Territory of Papua to be a settled labour district. This enabled employers to indenture labour up to 100 miles from their village, with the previous restriction of engagement within 40 miles from the employees' home only applicable to 'natives living in unsettled labour districts'.¹⁷

The new labour law allowed the government to control the movement of Papuans, thus preventing over-recruitment and the depopulation of particular districts. The wages and conditions stipulated under the ordinance gave Papuan labourers a marginal advantage over their counterparts in GNG. The requirements to pay minimum wages, standards of victuals, housing and care, were similar to the requirements mandated by the Germans.¹⁸ Of greater concern, and where a discernible difference with other South Sea employers of plantation labour existed, was the high labour recruitment fees and 3 months advance payment in wages or the lodgement of a security bond. This constituted a tax on capital which was

¹² Imports from 1901/02 to 1910/11 increased by 286% and customs receipts by 246%; see Tables 13 and 16.

¹³ *ibid.*

¹⁴ Land Ordinance, 1906 (AR-Papua [1906/07] pp. 19–21, *ibid.*, [1909/10] p. 25, and [19010/11] p. 15; Table 7).

¹⁵ The Native Labour Ordinance, 1906 (Territory of Papua Government Gazette, 23 Apr. 1907; AR-BNG [1907/08] p. 7; S. Smith, *Handbook of The Territory of Papua* [1909] pp. 118–40).

¹⁶ Casual workers could not be employed on an unbroken basis for longer than three months until 1927.

¹⁷ Smith, *Handbook* (1909), p. 119.

¹⁸ See Chapter 6, 9, 10 and 14. Murray retained the base labour rate until 1927.

particularly costly for the nascent Papuan plantation industry. It was made worse by the low skill levels and productivity of most Papuan workers.

With commodities booming and the number of plantations doubling from 76 in 1907 to 151 in 1910 Murray reported optimistically:

The factors that I have enumerated combined with steadily increasing Customs revenue, justifies us in cherishing the belief that the time is not very remote when this Territory will be able to meet all its financial obligations without requiring any subsidies from the Commonwealth.¹⁹

Two years later, when the number of employed Papuan labourers had increased to a record 10,270 workers, and the number of plantations to 192, he delivered an even more upbeat report: 'in the face of these figures, and of those already given relating to land settlement, it can hardly be denied that the present, or Australian, administration has, so far, been successful as regards the development of the territory'.²⁰

What Murray neglected to mention were stagnant export sales. Five years after he had assumed responsibility for Papua gold receipts were down and only a few tons of coffee had been exported from Papua's plantations.²¹ The planters laid the blame for underperforming production squarely on the government. The strict control on over-recruiting, enforced by Murray, was a problem. However, of greater concern to planters were the recurring dysentery outbreaks and the administration's lack of urgency on civilising and opening up new recruiting districts. Murray's implementation in 1910 of a separate department under the 'Commissioner for Native Affairs and Control' to ensure that indentured labourers were properly treated emphasised the growing mistrust between the administration and the planters. Inspectors whose sole job was to check on the wellbeing of the workers now continually harassed the plantation managers rather than miners: whether they were 'supplied with good wholesome food, and properly housed and attended to when sick'.²² In addition to this bureaucracy, the planters complained that the department had empowered 33 officers under the Native Labour Ordinance, whose duty it was to inspect their adherence to the ordinances and regulations that had been enacted for the protection of indentured labour.²³ Murray answered these concerns with a laconic paragraph in his 1909/10 report:

In spite of the difficulties, which are now rapidly disappearing, no complaints have been received from *bonâ fide* settlers, because they have recognised that, whatever their disabilities and hardships may have been, the Government has strained every nerve to remove the obstacles to settlement, and afford all reasonable facilities to those who are developing the latent resources of the Territory.²⁴

A land of opportunity

The land laws of Papua, 'probably the most liberal in the tropic' claimed Staniforth Smith, Director for Agriculture, in 1907, provided leasing conditions that waived survey charges and levied no rent on plantation land for the first 10 years and only 3d/ac for the following 10

¹⁹ AR-Papua (1909/10) p. 26.

²⁰ Murray, pp. 359–60; the Table numbers 5 and 7.

²¹ Table 13.

²² AR-Papua (1909/10) p. 28.

²³ *ibid.*

²⁴ AR-Papua (1909/10) p. 25.

years.²⁵ *Papua the Marvellous, the Country of Chance*, a booklet circulated by the Port Moresby government in Australia and Britain in 1909, spelled out the same generous leasing terms as advertised in Smith's *Handbook*. Designed to attract the young and daring sons of wealthy estate owners, the pamphlet was written by a close confidant of Murray's, the Anglo-Irish journalist Beatrice Grimshaw. Confronting boldly the misconceptions about Papua's climate and 'savages', Grimshaw wrote about the fertility of the soil and suggested that high profits could be made in this country of opportunities. She was supportive of Murray, writing about his caring for 'the Papuan Savage [who was] the best treated black in the world, eager to work on plantations for the white man'.²⁶ The exaggerations in the book bothered the Government Secretary A. Campbell who protested to Hunt about the misleading propaganda.²⁷ Not so Murray; he saw the value in Grimshaw's booklet in attracting wealthy English investors to Papua: 'the sooner it appears the better', he told Hunt.²⁸

Twenty years after NGC had started agricultural development in GNG, Australian and British investors and speculators started to take notice of the opportunities in agriculture in Papua. The boom years in copra and rubber had already attracted gold prospectors to turn their hands to plantations.²⁹ Many traders, recruiters, contract workers and managers in Papua had taken up to grow crops, coconuts and rubber. This also applied in increasing numbers to government officers.

By 1907 leased Papuan land was very cheap and even though the land was to be planted with government-approved crops, and a security deposit paid with every application to ensure that the government guidelines were met,³⁰ the officers leased plantation land and purchased town allotments in Port Moresby or Samarai to build houses for themselves.

Apart from D. Ballantine, A.C. English, H.L. Griffin and A. Jewell, other officers and miners of the old guard stayed on in Papua to chance their luck in plantation development. John (Jack) Anderson, one of the first miners on the Sudest rush in 1888, hung up his prospector dish when he was 64 years old, to become a planter in 1907 on Panamoti Island in the Calvados Chain. Other miners like Clunas and Clark (Giriwu River and Giropa Point, Buna Bay), G. Nelsson (Kwalapan Bay, Woodlark), E. Auerbach (Muwo, Trobriand Island), and D.H. Osborne (Kanadu and Abuleti, Rossel, Nimoa and Panapompom Islands) extended their plantation holdings after Australia assumed control.

The 6,400 ac Dr Cecil Vaughan had acquired on the Musa River in 1899 remained undeveloped and were returned to the government when he left the Territory in 1902. However, his successor, Dr Robert Jones, maintained a one-sixth share in Henry Wickham's Conflict Island Planting Association for many years. Dr Colin Simson took up 500 ac at Hisiu

²⁵ See Chapter 13.

²⁶ B. Grimshaw, *Papua the Marvellous, the Country of Chance*, pp. 3–59.

²⁷ Campbell to Hunt, 1909, Atlee Hunt (Correspondence, NLA MS 52).

²⁸ *ibid.*, Murray to Hunt, 28 Sept. 1909.

²⁹ See Chapter 13.

³⁰ See Chapters 13 and 15. One-fifth of the leased area had to be planted with government approved plants within the first 5 years, two-fifths within 10 years and so on.

on Redscar Bay in 1906, where his neighbour was Alearce Savery Anthony, a settler from Mauritius who had managed for Ballantine at Sogeri until 1905. The gold miner Fred Weekly managed Simson's property, whilst Simson became involved in other investment opportunities such as the Laloki Copper Mine in the Astrolabe Range.³¹ Dr Julius Streeter, Simson's replacement in 1910, partnered the planter Robert Bunting, to invest in a rubber plantation at Port Glasgow. Captain Archibald Hunter of the *Merrie England* was granted a 600 ac lease at Sogeri which he sold to BNGD in 1910 for equity in the company. Others like Head Gaoler John MacDonald and his subordinate Horace Hides each held a lease of 500 ac on the Lower Laloki and Charles Garrioch (clerk of the Executive Council) who started in partnership with the bank clerk Henry Greene in 1902 to grow coffee on their Sagoro Tano plot at Sogeri. In 1907 Garrioch joined John Bensted (government stores clerk), Cyril Havilland and Albert Ardie (field assistants to the government surveyor) and applied for a £100 share each in the Papua Rubber Co. However, the venture never got off the ground.³²

Following some land speculation involving Government Surveyor Ralph Drummond, a December 1907 amendment to the *Land Ordinance, 1906* barred officers of the Lands Department from acquiring any interest in land other than for their place of residence or in land where their official duties were not compromised.³³ It was a soft change, affecting two officers at the most. The section was repealed in 1914 when all government officers were again permitted to acquire land in Papua, provided transactions were transparent to the Executive Council.

Buccaneers, speculators, planters and the vegetable oil industry

The wake-up call for NGC in Friedrich Wilhelmshafen and Herbertshöhe had come at the turn of the century. The Scotsmen, Dunlop and Thomson, had invented the pneumatic tyre which became a standard on the automobiles Henry Ford started to mass produce on his assembly line. The projections for caoutchouc consumption were on a steep upward curve by 1902. The other commodity increasingly in demand was vegetable oil. Petroleum had replaced whale oil in street lighting and tallow was no longer the favoured ingredient in finer soaps and cooking. Margarine, first produced in France around 1870, was commonly used in Europe in the late 19th century, and started to gain foothold in the United States of America. The Lever Brothers were largely soap makers, and responsible for an increasing demand for oils in the English-speaking world. The Dutch specialised in making margarine and drove the demand for oils on continental Europe.³⁴ When the price of copra more than doubled from £14 in 1900 to £30 in 1912 William Lever (later Viscount Leverhulme) would write in the introduction to *Coconuts, the consols of the East*: there is 'no field of Tropical Agriculture that

³¹ Simpson was a substantial shareholder in the mine. He travelled regularly between Australia and Papua and in 1915 was deputed by Port Moresby citizens to publicise the dissatisfaction of the European community in Papua (see Chapter 14). Weekly became a Member of the Legislative Council in Port Moresby.

³² Lewis, pp. 98–102.

³³ Lewis, pp. 99–101. The constraint was lifted in 1914 when officers from the department of lands could apply for Crown land grants after an appropriate 'cooling off' period.

³⁴ See Chapter 11.

is so promising at the present moment as coconut planting, and I do not think in the whole world there is the promise of so lucrative an investment of time and money as in this industry'.³⁵

The Levers had recognised that copra would be in short supply as early as 1903. Initially their soap factory in Sydney relied on trade copra from the Fiji, Tonga and Gilbert Islands. By 1906 Lever's Pacific Plantation Ltd (LPPL) owned or leased in excess of 300,000 ac on which it grew coconuts. 'To leave the production of Coprah (sic) in the hands of natives, who stop producing as soon as they have supplied their own limited wants, will not give the world the Coprah it wants', was William Lever's observation in 1904. The Lever family intended to make their companies independent of external supplies of vegetable oils, or at least ensure that they would purchase copra and palm kernels at the lowest possible prices.³⁶

Concerns about the unbusinesslike attitude of the Port Moresby administration and the lack of available plantation land and plantation labour in BNG made the Levers set up South Sea copra plantations primarily in the Solomons rather than BNG. The company's first plantation purchase came in 1901 when it bought several widely-dispersed islands in the South Pacific from the phosphate trader and miner Pacific Islands Co. (PIC) for £25,000.³⁷ In 1906 Lever acquired the PIC concession over 193,490 ac in the Solomon Islands. LPPL had already acquired the interests in three smaller islands (51,000 ac) from the trader Olaf Svensen, and 29,000 ac from the Solomon Islanders. Dissatisfied with a 99-year lease for the large parcel, renegotiated terms of the occupancy with the Colonial Office in London gave Lever 999 years of prime coconut plantation land at a peppercorn rent.³⁸

For Papua's plantation industry to become competitive with the well-established Melanesian plantation enterprises it had a lot of catching up to do. J. Kitchen & Sons Ltd of Melbourne was the first Australian company to take up this challenge in 1907. As early as 1901 Kitchen investigated the viability of growing cotton in Queensland for the extraction of cotton seed oil. At that time the industry was in its infancy in Australia and whilst the company became an investor in a cotton plantation for its cotton oil requirements, the investment in cotton was insignificant.

Lever Bros processed some 10,000 t of copra in its Balmain factory in Sydney to meet the requirements for its 'Sunlight' soap whilst also supplying Kitchen & Sons with coconut oil for their 'Velvet' soap. During a visit to the Balmain factory in 1906, the Kitchen directors, J.H. Kitchen and John Ambrose were informed by Lever's Managing Director, Mr Meek, that the company was currently paying £17/t for trade copra and that in due course their plantations in the Solomons would produce plantation copra for less than half this amount, 'and they expect within a very short time to be independent of the outside copra market, as they will

³⁵ H.H. Smith & F.A.G. Pape, *Coconuts: The Consols of the East*, p. v;

³⁶ D.K. Fieldhouse, *Unilever Overseas: The Anatomy of a Multinational, 1895–1965*, p. 460.

³⁷ K. Buckley & K. Klugman, *The History of Burns Philp*, pp. 76–7 and 155.

³⁸ *Ibid.*, pp. 157–8

get sufficient from their own growing'.³⁹ These were impressive arguments indeed to become involved in the coconut plantation industry.

The reasons for Kitchen & Sons acquiring land in Papua rather than the Solomon Islands – as suggested by Meek – were the Rev. C.W. Abel of the London Missionary Society's enterprise on Kwato Island, and Staniforth Smith's piece on coconuts in his *Handbook*. Abel told Theo Kitchen during a meeting in Katoomba near Sydney in January 1907 that 'New Guinea was, in many respects, preferable to the Solomons, it was much more accessible, labour was cheaper, and the climate better [and] it was under Commonwealth Government control'.⁴⁰ Smith told potential coconut plantation investors:

Coconuts: this is a very remunerative and most reliable industry, and one that should receive quite as much attention as rubber cultivation. The natural conditions are in every way suitable, and skilled labour and extensive plant is not required in the production of copra. Papua, being outside the hurricane belt, possesses a great advantage in this respect over such places as Fiji, the New Hebrides, and Samoa. The trees begin to yield in five years, and are bearing heavily when eight or nine years old. A full grown tree should yield 60 nuts a year, and with 50 planted to the acre, that area should yield 3,000 nuts, or half a ton of copra, worth £10.⁴¹

Because of Theo Kitchen's prejudice in favour of anyone connected with a church and Smith's argument in favour of Papua, the company decided in early 1907 to develop coconut plantations in Papua. Seven years later the company rued this decision.

Following a visit to Papua by Fred Kitchen the company committed to a long-term lease of 5,005 ac of densely grown scrub land on Giligili Island in Milne Bay, approximately 30 miles from Samarai. The A.R.M. and Warden C.O. Turner Eastern Division and the Rev. Abel recommended the island as most suitable for growing coconut trees. Whilst Smith told Kitchen that the land was 'as good for coconuts as anything he had seen, with the possible exception of certain portions of Java, but there, there is no more good land available', Kitchen remained sceptical because it consisted mainly of coral outcrops and sand.⁴² Pressed for time and relying heavily on the advice he had received from the Papuan government and particularly from Abel, he engaged the Norwegian sailor Schroder as Kitchen's Papuan manager before returning to Australia.

Kitchen & Sons financed its new venture by incorporating the Commonwealth Copra Co. Pty Ltd on 5 March 1908. The authorised capital was £150,000, issued to £50,000 in £1 shares. Kitchen & Son's subsidiary, Soap & Candle Co. of Sydney, acquired one-third, and the parent company's chairman (T.J. Davey) and directors (J.A. Kitchen, F.W. Kitchen, J.H. Kitchen and G.P. Clarke) acquired the balance of the issued capital. The Commonwealth Copra Co. acquired Kitchen's plantation interest in Papua for £1,256, which was for costs incurred since acquiring the plantation land in 1907.

A newcomer, who started a plantation business on the advice of a missionary and bureaucrats, whose brief was to attract agricultural investment to Papua, was bound to learn

³⁹ A. Riches, *History of J. Kitchen & Sons*, p. 20.

⁴⁰ *ibid.*

⁴¹ *ibid.*, p. 21; Smith, *Handbook* (1909) pp.46–7.

⁴² *ibid.*, pp. 21–3. It is not clear how Smith could have made this claim. Only Turner, Abel and possibly a surveyor, appeared to have seen the land. Kitchen met Smith briefly in Port Moresby (AR-Papua [1906/07] p. 90).

an expensive lesson. Between 1907 and 1910 less than 10% (407 ac) had been cultivated. Schroder had difficulties in recruiting suitable labour, which did not improve after Kitchen complaint to the Papuan and Australian governments on the shortage of suitable labour in Papua.⁴³ Dissatisfied with his conditions of employment and general progress of the venture, Schroder resigned in October 1910. An experienced Ceylon planter by the name of Wright became responsible for the venture. To 1914 he had planted 3,228 ac, but had only produced a few bags of copra. It was found that the poor land on Giligili would require £30/ac to bring coconuts into bearing. This compared to £20/ac the Levers incurred on their plantations. Also, in the Solomons coconut palms started to bear fruit after 6 years, delivering an average 5 cwt (0.25 t) of copra; and Solomon Islanders were regarded as better workers, with 'the boys doing twice as much work as the boys from Gili-Gili'.⁴⁴

When Fred Kitchen saw 200 coconuts growing on Abel's mission estate he was not told by the missionary that only 50–60 nuts would mature. Significantly, Kitchens had to find out that Smith's advice on copra, 0.5 t/ac, applied to the Solomons, not Papua. The copra plantations on Giligili, nearby Maiwara and Waigani produced 0.25 t/ac at best. By then Kitchens were in talks with Lever Bros to merge their Australian enterprise into one listed company. In February 1915 the assets of Commonwealth Copra Co. were sold into the new firm, giving Levers a presence in Papua for the first time.⁴⁵

Whilst Kitchen's venture was one of the smaller investments made by Australian and British companies, Rupert Clarke and Robert Whiting from Victoria had spent some £220,000 on plantations in Papua by 1921.⁴⁶ The Port Moresby propaganda efforts were evidently effective, for Clarke and Whiting's investments provided the catalyst for others to follow. Swayed by the Melbourne accountant and company promoter, Arthur Bloomfield, to spend big on rubber plantations in Papua, the two wealthy entrepreneurs lost most of their investment with the collapse of the caoutchouc price in 1912/13.

In February 1907 Clarke and Whiting had registered The Papua Rubber Plantations Pty Ltd (PRPP) in Victoria, with Bloomfield as the company secretary. By year end Clarke had leased 5,000 ac on the western and northern sides of Galley Reach, 40 miles west of Port Moresby, and Whiting 3,800 ac on the Veimauri River, which enters Galley Reach from the northwest. PRPP developed Para rubber on Kanosia and coconuts on Rorona, both on Clarke's lease, with rubber planted on Veimauri under a separate arrangement. In 1909 Clarke and Whiting acquired a lease over 10,000 ac between Fairfax Harbour and Boera, immediately northwest of Port Moresby, to plant sisal hemp for the manufacture of ropes. Two proprietary limited companies – Fairfax Harbour Plantations and North Fairfax Harbour Plantations – were set up to develop this land.⁴⁷

⁴³ Hunt to Murray, 23 Oct. 1908 (Atlee Hunt Correspondence, NLA MS 52)

⁴⁴ Riches, p. 25.

⁴⁵ *ibid.*, p. 37.

⁴⁶ 'Rubber Plantations in Papua', NAA, Series A606 – 1921/2/26.

⁴⁷ *ibid.*, p. 79.

Bloomfield, who had become interested in Papua after meeting Alexander Campbell and Ralph Drummond in 1906, was the first to move into Galley Reach with a lease of 1,000 ac in early 1907. In 1908 he acquired in his wife's name an additional 1,280 ac nearby and he sold the two properties to The Galley Reach Rubber Estate Ltd in which he retained a controlling interest. Clarke's and Whiting's manager at Galley Reach also looked after Bloomfield's company, which became 'a show case' according to Smith,⁴⁸ with little of Bloomfield's money spent on it. During the same year Bloomfield promoted two other plantation ventures in Papua with the lease of 2,000 ac on the Kemp Welch River. After Smith told Hunt that Bloomfield was 'the most valuable man in the investment line' in Papua,⁴⁹ the head of the Department of External Affairs invested £500 in the Kemp Welch River Rubber Estate Ltd. Geoffrey Syme of the *Melbourne Age* became Bloomfield's other 'victim', by becoming the major investor in his New Guinea Rubber Estate Ltd.⁵⁰

In 1909 Bloomfield followed Murray in producing a booklet on Papua to promote its agricultural opportunities.⁵¹ The results were a multitude of companies whose investors, like the prospectors before them, thought they would strike it rich. David Lewis has written of the buccaneers and speculators who were mostly flushed out by the collapsing rubber market.⁵² It was then left to the owner-managers to struggle on in Papua. An exception was BNGD.



Samarai, c. 1914

⁴⁸ Smith to Hunt, 9 Feb. 1908 (Atlee Hunt Correspondence, NLA MS 52).

⁴⁹ Atlee Hunt Correspondence, NLA MS 52)

⁵⁰ 'Kemp Welch River Rubber Estate Ltd and New Guinea Rubber Estate Ltd' (NAA, Series A606 – 1921/2/26).

⁵¹ A.S. Bloomfield, *Tropical Agriculture in Papua*.

⁵² Lewis, pp. 78–105.

The British New Guinea Development Company

One of the most important projects of Imperial development which have been brought before the British public since the Charter Company was introduced to them by Mr. Cecil Rhodes is that of the British New Guinea Development Company. As every reader of the *British-Australian* knows, British New Guinea (Picturesque Papua as it is familiarly called in Australia) is a country of vast natural resources which has received the attention of numerous adventurous sons of the Commonwealth in recent years.⁵³

This upbeat opening paragraph in the London-published *The British-Australasian* coincided with the simultaneous launching in Britain and Australia of BNGD's prospectus. The British newspapers still considered Papua a British domain, and the choice of company name for the new venture was obviously aimed at reassuring investors.

Opposition by the Victorian, New South Wales and Queensland governments to the British New Guinea Development Syndicate in 1898 on the grounds that it involved British interests and capital was long forgotten.⁵⁴ Murray's concerns in 1906 that the development of BNG was held back by the colony's British administrators and officers no longer rated a mention. Development was the mantra of the Papuan administration. Smith seemed not greatly concerned with the nationality of the white settlers; he realised that any large plantation development could only succeed with the financial resources available from Britain, which would also bring with it British managers.⁵⁵

Speculating on the land boom The Queensland Papuan Syndicate was formed in late 1908 to acquire large tracts of plantation and agricultural land in Papua. A Brisbane stock and station agent, Claude Musson, formed the idea of setting up the syndicate, with the intention of selling the land into a listed shareholder company on the London Stock Exchange. The most notable member of Musson's syndicate was Queensland's Chief Justice Sir Pope Alexander Cooper who held nearly 16% (4,700) of the 30,000 shares. Other syndicate members with the same percentage interest were Queensland graziers J.H. McConnell and P.M. Bigge, and the Brisbane merchants J.H. & T.H. Brown. Musson's share in the syndicate was 20%. The Papuan contacts and participants in the scheme were the public servants John MacDonald and Archibald Hunter and the Port Moresby merchant, Allan Macgregor Sinclair. Whilst not shown as shareholder's in the syndicate, the Port Moresby 'facilitators' were to be paid for their work in free equity after the company was floated.

The syndicate appeared not to have acquired much land: in May 1909 the Papuan Lands Ltd Co. was registered in London with the purpose of acquiring the assets of The Queensland Papuan Syndicate and with the charter to acquire more land in Papua. Whilst Musson appeared again to be the originator of this idea, his authority in the new venture was quickly transferred to the former South Australian premier and then South Australian agent-general in London, John Greeley Jenkins, and 'the genius who has inspired the enterprise, Mr Duncan Elliott Alves' from Tunbridge Wells, who had 'already earned a considerable

⁵³ *The British-Australasian*, 17 Feb. 1910, p. 16

⁵⁴ Chapter 12.

⁵⁵ Whilst Murray employed mainly Australians, before World War I the demographics of the settler and mining communities were evenly divided between Australian-born and British (English, Scottish and Irish) and continental European (mainly Germans and Scandinavians).

reputation as a pioneer of Colonial undertakings'.⁵⁶ The two men assembled a list of important public figures, both in Australia and England, to impress the Papuan government with the seriousness of their intentions. Sitting on the Papuan Lands Company's Advisory Committee were the land speculator, stockbroker, member of Victorian Parliament, company director, industrialist and investor, W.L. Baillieu of Melbourne;⁵⁷ Agar Wynne, an Independent Protectionist Member of the federal House of the Representatives in Melbourne; Queensland sugar grower and former Minister for Lands and Speaker of the Queensland Legislative Assembly, Sir Alfred S. Cowley; London businessman from Adelaide, C. A. Darling; director of the Bank of Adelaide and chairman of Kuala Selanger Rubber, W.H. Horn; and Jenkins.

Jenkins and Horn joined the list of eminent guarantors of the Papuan Lands Co. soon to be listed under BNGD on the London Stock Exchange. Other members included: Viscount Esher;⁵⁸ Sir Westby Brook Perceval,⁵⁹ the Earl of Ranfurly, retired governor of New Zealand; Geoffrey Howard, Government Whip in the House of Commons; Major Bridges Webb, chairman of the Baltic and Mercantile Shipping Exchange; C. Euan-Smith, chairman of Lisbon Tramway; O.J. Trinder, principal of Trinder, Anderson & Co., insurance and shipping brokers; E.E. Robb, principal of Elvyn Robb & Welch; W. Chamberlain, Chairman of W. & T. Avery, Birmingham; B. Newgass, principal of B. Newgass & Co., London; and D.E. Alves.

In preparation for the planned listing, Jenkins and Darling visited Australia and Papua to obtain 'official support and co-operation for the company, and information at first hand as to the conditions under which its work will be carried on'.⁶⁰ They were accompanied to Papua by A.J. Boyd (Queensland Department of Agriculture), G. Burnett (Queensland chief district forest Inspector), H.A. Wickham and A.S. Bloomfield.

Following the report by these 'experts', expressing the utmost confidence in the success of agricultural undertakings in Papua, an agreement between BNGD with the Papuan Lands Co. secured the availability of 112,000 ac of prime plantation land. Subject to the survey regulations under the *Papuan Land Ordinance, 1906*, the prospectus identified parcels of land (Table 16.1) to be transferred to BNGD on 99-year leasing terms:

Table 16.1 BNGD land acquisition plan

Location	Area (ac)	Location	Area (ac)
Brown River	40,000	Orangerie Bay	4,000
Cloudy Bay District	30,000	Milne Bay	5,000
Redscar Bay	11,000	Cape Rodney	2,700
Laloki River District	9,500	Sogeri District	600
Port Moresby District	8,700	Galley Reach	500

⁵⁶ *The British-Australasian*, 17 Feb. 1910, p. 17.

⁵⁷ J.R. Poynter, *Australian Dictionary of Biography*, vol. 7, pp. 138–45.

⁵⁸ Reginald Baliol Brett, 2nd Viscount Esher (1852–1930) was the chairman of the committee set up in 1904 to reform the War Office.

⁵⁹ Westby Brook Perceval (1854–1928), born in Tasmania, was the Liberal party member for Christchurch, New Zealand, agent-general to the United Kingdom, and agent-general for Tasmania. After retiring from public life in 1898 he became director of the Union Bank of Australia amongst other directorships.

⁶⁰ Prospectus, p. 2.

Except for Sogeri the land was easily accessible by water, and was partly in Papua's dry belt (rainfall 750–1000 mm p.a.) for the planting of sisal hemp, tobacco, cotton, and partly in the wet belt (rainfall 2,550–3,825 mm p.a.) for the cultivation of rubber, sugar, cacao and coconuts. Darling and Jenkins made the point that Papua was outside the cyclone belt that occasionally ravaged North Queensland and the Western Pacific,

and by reason of the extraordinary fertility of its soil and splendid rainfall, is an exceptionally favourable position for tropical agriculture. Moreover, as no export duties are levied, the Company will possess an undoubted advantage over similar undertakings established in the Federal Malay States, the Straits Settlements and Java.⁶¹

No mention was made of GNG, which imposed low or zero tariffs on imports, hefty export duties on trepang, mother of pearl and bird of paradise, and a 10s/t export duty on copra.⁶²

Referring to Smith's position on labour, the report pointed to the availability of cheap indentured labour as one of the most important factors in the success of the enterprise: indentured Papuan labour according to Darling was 'considered by competent authorities as quite equal to that of the Kanaka of Polynesia or the Tamil of India and Ceylon', and that there were at present 'about 5,000 indentured Papuans working satisfactorily in the Territory ... with wages ranging from 5s to 10s a month, with food and house accommodation'.⁶³

The advice by Wickham highlighted the suitability of the land on Cloudy Bay for Para rubber. Compared to Ceylon, where trees were not tapped until 7 years, Papuan rubber trees would start producing after 5–6 years. This would, according to Darling, 'mean an early return from Rubber plantations'.⁶⁴



Drying cotton on Baurauguina plantation

The extensive timber resources of Papua were regarded as exceedingly valuable, thereby providing a source of early income: 'although I have met with immense areas of valuable timber on the low-lying country, which fringes the coast-line of the Territory, I believe', forester Gilbert Burnett reported, 'that in years to come ... an even better class of timber will be found on the ridgy country which leads up to the high mountain range'.⁶⁵

⁶¹ *ibid.*

⁶² See Tables 18 and 19.

⁶³ Prospectus, p. 2; Smith, *Handbook* (1909) pp. 59–60.

⁶⁴ Prospectus, pp. 3, 5 and 8.

⁶⁵ *ibid.*, pp. 2, 5 and 13–14

Ignorant of or disregarding the unprofitable cotton and tobacco plantations in GNG 10 years earlier, the directors of BNGD considered that immediate revenue could be derived from these cash crops. The reports by Daniel Jones and Arthur Boyd relied on 40-year's experience in the Queensland cotton industry. These two experts believed that Papua was well suited for cotton and recommended it to be planted on a large scale. Samples of cotton that had been grown on the land in the Laloki district – to be acquired by BNGD under the land deal with Musson – had been assessed by the Liverpool Cotton Association (Ltd) of 'most excellent qualities and worth further cultivation'. Jones estimated that the land he had inspected would yield 3,000 lb of cotton pods realising £37 10s/ac. After deducting for cultivation, picking, baling and transportation to Port Moresby – the cost of (Sea Island) seeds were not mentioned – Jones estimated that cotton would deliver BNGD £32 for each acre planted.⁶⁶

Musson took R.S. Nevill, a tobacco expert with the Queensland government, to Papua: 'I am decidedly of the opinion that it would prove a most valuable crop', Nevill wrote to Musson. 'Here in Queensland we have been growing Cigar tobacco for several years altogether with white labour, [which] has proved very profitable at the comparatively low price of 10.5d/lb'.⁶⁷ With the low labour cost in Papua and on the assumption that no more than one labourer was required to cultivate, harvest and cure tobacco for every 1.5 ac, Nevill estimated the cost of tobacco production in Papua would not exceed 2 d/lb. This erroneous estimate was included in the prospectus. The production cost on the large-scale tobacco plantations in Sumatra averaged 1s 4d/lb and was publicised widely; it would not have been difficult to find out that the production costs on the NGC tobacco plantations in GNG were never below 2s 6d/lb.⁶⁸

Without considering that the sugar industry in Queensland, Java and Fiji was highly competitive, Darling suggested that Queensland's very considerable area under sugar depended largely on the Papuan varieties of cane for the success of its industry. Notwithstanding that Queensland sugar growers may not have been in agreement with Darling on this, the BNGD directors provided in the prospectus an estimate of the considerable expense of setting up sugar mills and other infrastructure, investors were informed that it was 'the intention of the Company to undertake the cultivation of a considerable area, with the varieties of cane and the latest types of machinery'.⁶⁹

Launch of the prospectus

In January 1910 BNGD's prospectus was launched, with subscriptions opening on 21 February and closing on 24 February. The Earl of Ranfurly was presented in the shareholder offer as the chairman of the board of directors. The other members of the board were

⁶⁶ *ibid.*, pp. 3 and 9.

⁶⁷ *ibid.*

⁶⁸ See Chapter 10.

⁶⁹ Prospectus, p. 3

Perceval, Horn, Alves, Jenkins and F.C. Stanley (a brother of Lord Derby, a Director of the Santa Fé Land Co., London and future brigadier-general). Sir Alfred Cowley was to be appointed the 'Local Director' in Brisbane. Charles Darling was appointed general manager for Papua and S. L. Thompson company Secretary. Baillieu, Cowley and Wynne were appointed associate directors, with the firm E.L. & C. Baillieu appointed the Australian brokers for the floatation.

With interests in plantations, banking, hydro-electricity generation, shipping and trading, BNGD was to become the largest enterprise in Papua. Mineral exploration and exploitation was to be carried out by a subsidiary company, Papuan Minerals Exploration Ltd.⁷⁰ As the company's name suggests, BNGD would provide land, capital and credit to white settlers in the manner of a chartered company like Cecil Rhode's British South African Co., though it did not possess such a charter.⁷¹

Apart from the expert reports mentioned above, investors were provided with cash flow and profit projections prepared by Darling on a planting schedule (Table 16.2). After the sixth year Darling projected profits would increase by a minimum £50,000 annually until a proposed 10,000 ac was planted with rubber. To increase profits further proceeding immediately with coconut plantations was also suggested.

The profit projections were based on initial outlays of £110,000 for clearing and planting, including the purchase of seeds (£5 7s. 6d/ac in the dry belt and £6 10s/ac in the wet belt). The prospectus pointed to other income to be derived from the selling, leasing or cultivating of BNGD's vast landholdings and the harvesting of its timber resources. 'To those unacquainted with the extraordinary fertility of these lands', Darling declared, 'these estimates appear high; but it will be observed that in every instance my estimate is considerably below those of the experts employed to report upon the properties'.⁷² What Darling did not reveal or did not know was that the estimates of the 'experts' were unreasonably optimistic. It was also not clear from the information provided in the prospectus whether the cost estimate provided for the establishment of the necessary infrastructure.

The nominal capital of BNGD was £1,500,000 divided into 1,000,000 7% participating preference shares of £1 each and 500,000 ordinary shares of £1 each. The initial subscription was to comprise 500,000 participating preference shares offered at par and the issue of 248,000 ordinary shares in settlement to the vendors. Payment for the shares was 2s 6d/share on application; 2s 6d/share on allotment, and the balance in calls not exceeding 5s/share at intervals of not less than 3 months. After the distribution of 7% profit on the participating preference shares and 7% on the ordinary shares, available profits were to rank equally between the participating preference and the ordinary shares.

⁷⁰ *ibid.*, pp. 2–3.

⁷¹ *The Globe*, London, 7 Oct. 1910; *The Daily Graphic*, London, 17 Oct. 1910.

⁷² Prospectus, p. 3.

Table 16.2 Planting plan and profit projections.

Cloudy Bay (wet belt)	Area (ac)	Profit/ac (£)	Total (£)
First year planting			
Arrowroot	300	15	4,500
Bananas	300	30	9,000
Peanuts	100	8	800
Maize	500	8	4,000
Tobacco (pipe)	500	20	10,000
Laloki District (dry belt)			
Maize	1,500	6	9,000
Tobacco (cigar leaf)	500	40	20,000
Rice (dry)	300	9	2,700
Total			60,000
Second year planting at Laloki			
Same yields as above			60,000
Sugar cane	1,000	20	20,000
Cotton	750	20	15,000
Total			95,000
Third year planting at Laloki			
First year's area, 100% yield increase			120,000
Sugar cane	1,000	20	20,000
Cotton	1,500	20	30,000
Sisal hemp	3,000	10	30,000
Total			200,000
Fourth year planting as per third year			200,000
Fifth year planting as per fourth year			200,000
Sixth year planting as per fourth year			200,000
Rubber	2,000	25	50,000
Total			250,000

By way of purchase consideration Papuan Lands Ltd was to receive £275,000, payable in 223,000 ordinary shares of £1 each and £52,000 in cash. Dividend payments on the ordinary shares ranked behind the subscribed participating preference shares. Under separate agreements BNGD was acquiring the leases from shareholders of Papuan Lands for a total consideration of £68,050, of which £1,800 was payable in cash and £66,250 in ordinary BNGD shares.⁷³ In addition to this land, BNGD acquired 10,000 ac from land-promoters, whilst incurring considerable costs for the expeditions, the expert advice and negotiations.⁷⁴

The unfulfilled plantation dream

There was an element of romance about the registration in February 1910 of the BNGD, which was formed under the powerful auspices to exploit the resources of the practically unknown but enormously rich territory known as Papua.⁷⁵

The romance the *Daily Express* was writing about in 1911 did not last long. On the first progress report BNGD issued in October 1910 *The Joint Stock Companies Journal* reported that the BNGD was making good progress in Papua which showed that the company's directors were 'bent on not allowing the grass to grow under their feet'.⁷⁶ *The Financial Times* and other London and Glasgow dailies informed their readers that BNGD had employed local

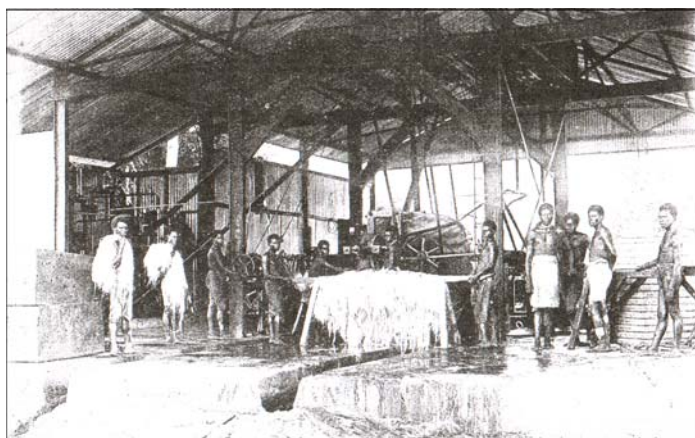
⁷³ The complex exchange of land titles between Papuan Lands Ltd, Pacific Exploration Ltd, BNGD and individual vendors was set out on page 4 of the prospectus.

⁷⁴ *ibid.*

⁷⁵ *Daily Express*, 22 June 1911.

⁷⁶ *The Joint Stock Companies Journal*, 19 Oct. 1910.

labour and subcontractors to clear 2,500 ac for Para rubber, 1,000 ac for coconuts and 250 ac for sisal hemp.



Sisal hemp mill on Bomana plantation

The company had developed plans to interplant the plantation land with catch crops such as maize, peanuts, rice and bananas and to cultivate another 750 ac of cotton, 500 ac of cigar leaf tobacco and 100 ac of tea.⁷⁷ To make an early start on the harvesting of timber, two comprehensive sawmilling plants had been erected, with the felling of timber already in progress. Without checking the story's accuracy, *The Financial Times* reported:

The development of the territory is proceeding apace, and as a result the available plots for building in Port Moresby, the seat of the Government, are eagerly sought for. This was anticipated by the directors ... and a considerable number of plots have been acquired by the company on which houses, warehouses, shops and offices are being erected. The appreciation in value of the building sites has been very rapid, as the available space in Port Moresby is small.⁷⁸

A progress report on the Papuan Minerals Exploration Ltd, in which BNGD held rights to 20% profit distributions, mentioned the options the company had secured over several high-grade copper and gold leases. In accordance with the option agreement the fields were delineated by Papuan Minerals to prove the extent and value of the lodes. 'Altogether', BNGD reported, 'the prospects of Papua as a payable mineral field are most hopeful'.⁷⁹

What BNGD did not reveal in its circular was the retirement of Charles Darling for health reasons after only a few months in Port Moresby. The 1910 dysentery epidemic, which affected the south coast from Cloudy Bay to the Lakekamu River, may also have infected Darling; it certainly had a major effect on the company's recruitment program.

The labour shortage was at the centre of the discussions Murray held with BNGD's directors when he was in London in September 1910. He cautioned the Board not to start on too many developments at once because of a general shortage of suitable plantation labour.⁸⁰ Conveying Murray's concerns, S.L. Thompson (the company secretary) advised

⁷⁷ Cash crops, planted at least once a year were exported or sold locally. Fast-growing vegetables were planted between slow-growing plants like coconut palms, rubber, coffee, etc. Cotton was planted as a catch as well as a cash crop. Apart from generating income it was planted to stabilise the soil and provide shade for seedlings (coconuts, rubber, coffee, etc.)

⁷⁸ *The Financial Times*, 18 Oct. 1910.

⁷⁹ *ibid.* The story was also carried in Glasgow by *The Scotsman*, *Glasgow Evening News* and *The Evening Citizen* (Glasgow) on 15 and 17 Oct., and in London by *The Globe*, *The Daily Graphic* and the *Westminster Gazette*.

⁸⁰ Letters from the Secretary to the General Manager in Port Moresby, 8 April 1910–12 March 1915, p. 101 (ANU, deposit 95/1/1).

Darling not to lay down any more plantations than originally planned unless sufficient labour was available and that he kept him fully informed.

Darling was only too aware of the problem. Captain Archibald Hunter, who started recruiting for him after exchanging his Sogeri leasehold for BNGD shares, sailed the company steamer SS *Wakefield* up and down the coast in search of labour without much success. Darling, the Rev. Charles Abel, Guy Manning (Laka River Rubber Estate), Raymond Dubois (Papua Plantation Ltd) and Wallace Westland (manager for Clarke and Whiting's rubber plantations in Galley Reach) together with eight other prominent plantation managers wrote to Staniforth Smith requesting an official inquiry into labour resources.

Smith, who was acting for Murray at the time, had advertised the readily available labour in his 1909 *Handbook*. He also cautioned that experienced and properly qualified overseers (managers) were essential in industrial plantation development.⁸¹ Rather than discussing the issue with the plantation managers in Murray's absence, he forwarded the letters to Atlee Hunt who tabled it in Parliament.⁸² In a covering letter Smith explained the current shortage of labour on the dysentery epidemic in the Central and Gulf Divisions, and that only the managers in the Central Division out of 140 plantations in the Territory had made the complaint. A month later Smith dispatched his assessment of Papuan labour requirements for the subsequent 20 years to Melbourne. Calculated on 10% available labour from a Papuan population of 400,000–500,000, he argued that the Territory could meet all the labour requirements of the planters.⁸³ The Federal Parliament in Melbourne decided against an inquiry.

The labour problems, the debilitating dysentery and the stressful job of setting up a large plantation and trading enterprise led to Darling's resignation, which was readily accepted by the Board in London. Also short-lived was the appointment of D.E. Alves to BNGD's board. For unexplained reasons he was replaced by Evelyn Metcalfe soon after the company became incorporated.⁸⁴

The labour issues and the rate at which capital was spent during the first few months alarmed the board to such an extent that Metcalfe visited Papua during October and November 1910 to inspect all of BNGD's principal activities. In Papua he was joined by Alfred Cowley. They reported that the business was not altogether satisfactory, and attributed this to the poor state of health of Darling.⁸⁵ A young man of considerable energy and experience in plantation management in Australia, Metcalfe visited Papua on numerous occasions, where he clashed personally with Murray over labour and tax issues. He appointed Lewis Jesse Cowley as Darling's successor. According to his uncle, Alfred

⁸¹ Smith, *Handbook* (1909) p. 59.

⁸² *CPP* 1910, vol. iii, pp. 155–9, Despatch of Administrator of Papua relating to Native Labour.

⁸³ *ibid.*, pp. 158–9; Smith, *Handbook* (1909) p. 11.

⁸⁴ D. Lewis, 'Labour and Development in Papua, 1912–1922' (p. 7 n.6) wrote: Alves, 'a shadowy figure ... appears to have been reluctant to meet calls on his shares and [was] last reported ... as drinking heavily in Brisbane'.

The correspondent of the *Illustrated Finance* of 27 June 1911 hinted that Alves was the author of a hoax.

⁸⁵ AR-BNGD (1910) p. 2; *ibid.*, minutes of meeting, 1911.

Cowley, Lewis was a planter of high repute and considerable experience in Queensland extending over some 12 years.⁸⁶ A gregarious man, who did not like to pick a quarrel, he was soon to become the leader of the business community in Port Moresby. In 1913 he was appointed a Member of the Legislative Council (MLC). However, Lewis Cowley was not able to present the directors with the first annual report to appease the investors and the newspaper editors.

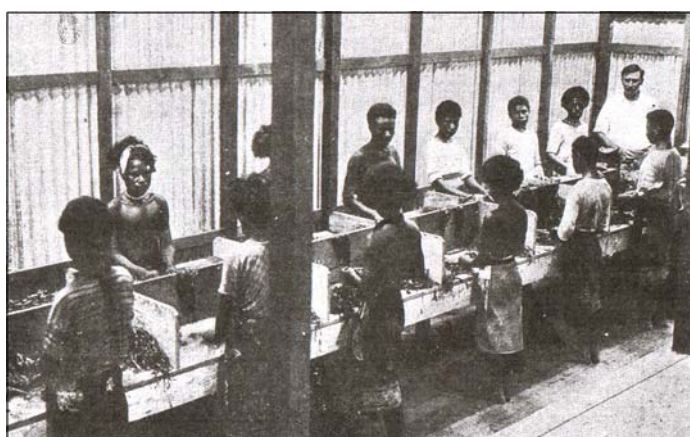
When profits failed to materialise, the share price of BNGD fell. Critics of the company emerged after an abbreviated, three-pages, annual report appeared in June 1911. This led the *Manchester Dispatch* to report on 21 June:

The first annual report of the BNGD is not a very informing document from the point of view of work done, but it is interesting in showing the very large amount of money paid away in underwriting commission, preliminary expenses, and brokerage. The issued capital – excluding vendors' figures – is £324,234, and to obtain this the company appears to have paid away £73,253, or 20%. Thus it starts heavily handicapped.

More vitriolic was the *Bulletin* of 31 August 1911 when it wrote that BNGD had 100,000 ac of plantation land for which it paid a 'shocking price considering the money ex-Premier and book agent Jenkins of S'Australia got it [for]'. At about the same time the *Stockbroker* in London called BNGD 'a perfectly hopeless affair [with] not the remotest chance of the Company ever paying a dividend'.⁸⁷

A useful distraction – the discovery of oil

BNGD's directors reported in the 1911 annual report that they were satisfied with the work performed by Lewis Cowley, who was displaying 'zeal and energy'.⁸⁸ The company reported the planting of 2,814 ac of coconuts, 624 ac of rubber, 342 ac of sisal hemp, and emphasised the planting of 320 ac of tobacco and other staples: 'the experimental crop of Tobacco has been highly successful, and Cigars are being manufactured by the Company's staff in Papua'.



Tobacco factory – Port Moresby

Reminiscent of what NGC's Chairman Adolph Hansemann told NGC's shareholders in 1891, Lord Ranfurly told BNGD's investors: the cigars 'are sold as fast as they can be

⁸⁶ *ibid.*, p. 1.

⁸⁷ ANU, deposit 95/3/1, Book containing newspaper cuttings relating to BNGD, 1910–40.

⁸⁸ AR-BNGD (1911) p. 3.

produced at 20s to 22s 6d per hundred, which price should provide a handsome profit on cost of production'.⁸⁹

Apart from tobacco, the directors forecast an early cash flow from a Para rubber (266 ac) and coconut (96 ac) estate the company had purchased for £1,500 in cash and 5,000 fully paid ordinary BNGD shares. Deflecting attention from an unsuccessful trial shipment of timber, the shareholders were informed that the purchase price was a bargain as it included stores at an estimated value of £1,100.

In April 1912 *The Financial Times* took a lead from Reuter's to report on the discovery of petroleum in the Gulf Division by R.M. Laurence Henderson. A series of minute craters – at intervals of a few yards for about a quarter of a mile – discharged water and mud at considerable velocity on the Vailala Rivers in the Kiri district. Henderson reported that mud and water was lifted by gas which ignited easily into a bluish flame. The Papuans, who had long known of this phenomenon, led Henderson and his party to a spot some 30 miles upstream where much larger craters of similar occurrence were present. After sinking an 8-ft shaft into one of the craters of approximately 30-in. diameter, Henderson struck gas which he found difficult to extinguish. While not professing to be an expert, Henderson was certain he had made an important discovery which would prove enormously valuable after its extent had been confirmed.⁹⁰

London's *Daily News* also reported on the discovery of petroleum in Papua; a fact 'not altogether a surprise', according to the petroleum expert J.D. Henry who wrote:

New Guinea has an important geological association with the Borneo fields, and there are oil indications at various points', Henry told the paper. 'In the case of the Australian markets [the discovery] is exceedingly important [because] the American exporting fields on the Pacific coast do not produce the more volatile oils [and] the oil fields in Europe are prevented by high transport charges for going into these far-away markets.'⁹¹

It should not be difficult 'to organize the commerce of liquid fuel', Henry suggested.

BNGD reported on the discovery of oil in Papua at the June 1912 annual meeting, which they considered sufficiently promising to engage a capable petroleum engineer from London. 'Instructions have been telegraphed to the General Manager', the directors advised, 'to proceed with the development of the field by means of hand wells in the localities of most promise'.⁹²

It was a short ray of hope. The company spent £1,477 on its expert from London and advised shareholders a year later:

The Directors regret that the Government have so far declined to grant any leases for development of the oil field, although their intention to do so in June 1912, when engineers were sent out by this Company, was quite clear. The decision of the Government is the more regrettable in that promising developments have recently taken place and the field is believed to extend over a very large area.⁹³

⁸⁹ *ibid.*, p. 2.

⁹⁰ *The Financial Times*, 4 April 1912, 'Important Petroleum Discovery in Papua'.

⁹¹ *Daily News*, 5 April 1912, 'Petroleum in the Empire'.

⁹² *ibid.* The first petroleum indications were discovered on the Gira River (AR-Papua [1910/11] p. 23). Geological report on the 'Petroleum Oil Field, Vailala River' (AR-Papua [1911/12] pp. 33-4 and 174-80).

⁹³ AR-BNGD (1912) p. 5.

The government was indeed of the opinion that a very large oilfield was present in the wider Vailala district and that initial delineation should be carried out by the experienced British geologist and oil expert Dr Arthur Wade. The results were both promising and disappointing at the same time. The geological structure was not a capped shale proposition, but a clayey rock with little permeability. After completing his geological assessment in 1914 Wade suggested an extensive drilling program be undertaken.

Seventeen years later, Murray wrote that his original intention to keep the petroleum exploration and production entirely in the Commonwealth's hands was overturned by the federal government when oil exploration was farmed out to the Anglo-Persian Oil Co. When this production-sharing agreement was discontinued for lack of success, the Papuan government decided to 'throw open to private enterprise all but a block of 1,000 square miles situated in a district where oil was first found'.⁹⁴

BNGD was fortunate that it had not been given the opportunity to participate in oil exploration in Papua, for 17 years later no payable oil or gas had been discovered. The company wrote off the oil development expenditure of £1,498 when restructured in 1923.

BNGD's first informative annual report

In 1914 Lewis Cowley provided his first and only detailed report on BNGD's plantation development in Papua. He resigned in December 1914 and was replaced by George Archibald Loudon, who had been the commercial manager of BNGD from November 1913.

The report included a table (Table 16.3) and map on the size and location of the plantations. It showed that on 31 January 1914 the area under cultivation was 7,231 ac, with nearly 6,000 ac planted and 1,248 ac prepared for planting by the end of the wet season. Cowley made a point of the three consecutive years of droughts: the condition was particularly prevalent during the second half of each year. Although the Port Moresby region, where many of the BNGD plantations were located, was in 'the so-called dry belt', Cowley explained that, 'the average for 17 years for the last six months, including 1910 was 11.162 inches of rain, while for the three years following and ending 1913, the average for the same period was only 4.825 inches'.⁹⁵ By way of explanation for not having generated any meaningful revenue, let alone profits, Cowley pointed to the difficulties all tropical plantation enterprises experienced in new countries. He noted the labour shortages until recently and the persistence of malaria, which affected every European manager and overseer in Papua. A synopsis on farming outlined crop growing and plantation development in the report:

Para Rubber — because of the non-germination of the imported Para rubber seeds the company had decided to plant nearly all of its coastal land with coconuts. This still left an estate of some 800 ac of Para rubber at Itikinumu and Jawarare, where rainfall was more reliable at 1,500 ft above sea level. The tapping for 9 months of 700 Para trees produced

⁹⁴ J.H.P. Murray, *Papua of To-Day*, p. 10.

⁹⁵ General Manager's report, 28 April 1914 (AR-BNGD [1914] p. 12).

satisfactory, albeit commercially insignificant, results. It was hoped that the depressed caoutchouc market would have recovered by the end of 1916, when about 18,000 trees would be ready for tapping. This tally was to increase to 54,000 trees in the following year. In contrast to the slower-growing Para class, the Ceara rubber planted on 176 ac at Katea and Baubauguina could be tapped when 3–4 years old. Even without any rise in the current price in caoutchouc, Cowley suggested that it would pay to tap 15,000 of these trees in 1915, increasing to some 40,000 trees within in the following 2–3 years.

Coconuts — the 58 ac of palms 4 years and older had been purchased with the Aroa estate on Redscar Bay, and the Otomata and Pailee plantations at Cape Rodney and Vilirupu Harbour respectively. Seed nuts from the 5 ac of mature palms at Aroa were mainly planted on the Eastern Division estates of Gadaisu at Orangerie Bay and Waigani at Milne Bay, and on Obu, also on Redscar Bay. More than 3,700 ac of coconuts had been laid down in 1913 and 1914.

Sisal Hemp — some 360 ac of sisal was planted at Bomana, which started within 3 miles of Port Moresby. The company reported that the first 70 ac could be harvested in 1914. However, because of the high milling, treatment and freight costs, and the low prices for the fibre in Australia, it was decided not to harvest until an economy of scale was attained. A sisal estate of at least 1,000 ac, yielding approximately 100 t of no. 1 fibre and about 5% of accompanying tow, was considered economical. By 1916 Bomana grew 1,258 ac of sisal hemp, still only returning marginal profits.

Tobacco — what started with great fanfare and hope, the growing of a good tobacco leaf proved more difficult than the optimistic annual report conveyed in 1911. For two years', Cowley wrote later,

We experimented on the growth of Tobacco, first of all with cigar leaf, and later with pipe. After great difficulty we managed to secure the services of a few skilled cigar makers, and manufactured what was pronounced by most of those who sampled them, a high grade article.⁹⁶

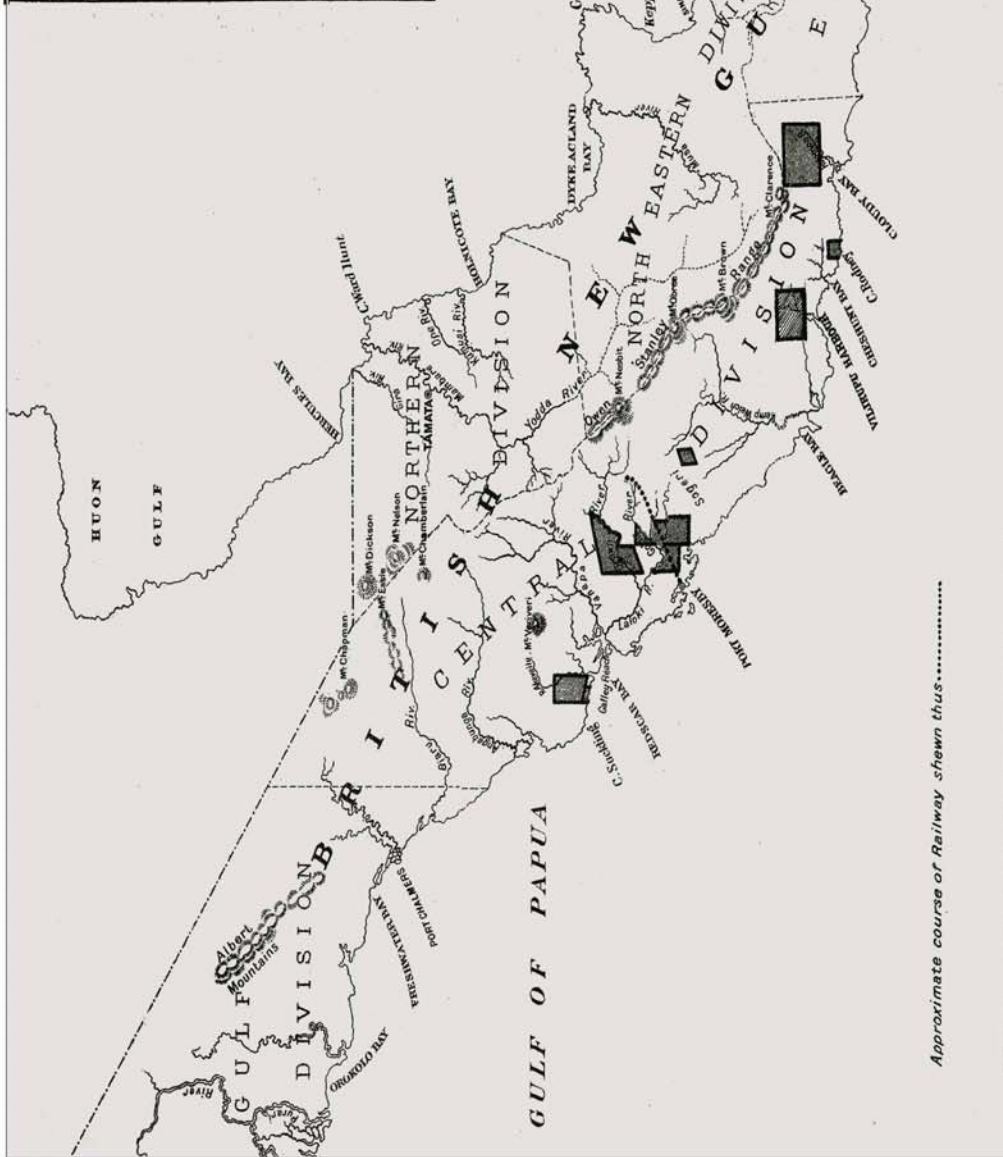
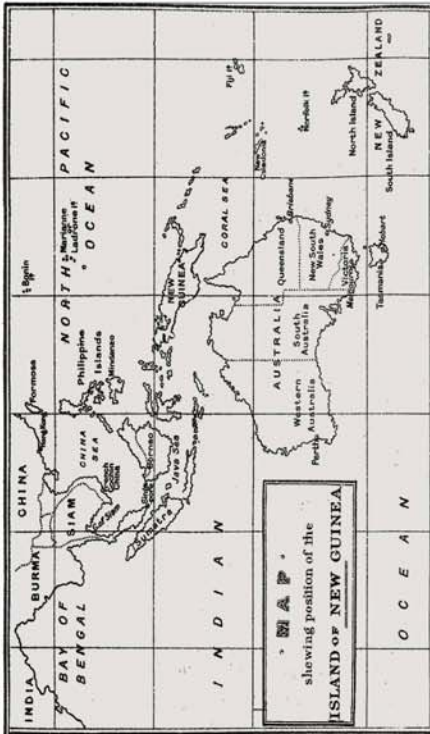
William Bruce, the editor of the *Papuan Times*, knew something about the smoking quality of these cigars. He reported in February 1912 that the 'Colorado Madura' type cigars were still too green, but over time the Papuan product should become as important a product as copra and rubber.

The importance of tobacco that Bruce and BNGD identified lay more in the local consumption of the product than in exporting it. Since the 1880s tobacco was a major trade item with the Papuans, comprising approximately 10% of the value of all imports annually until 1907 and, with growing terms of trade, still comprising 6.75% of annual imports in 1914.⁹⁷ Trade or twist tobacco attracted import duty of 2s 3d/lb, rising to 8s/lb for cigars and cigarettes in 1914.⁹⁸ In an expanding Papuan economy, the directors thought local tobacco would be highly profitable.

⁹⁶ AR-BNGD (1914) p. 14.

⁹⁷ Table 13 and Chart 31.

⁹⁸ Table 18.



Approximate course of Railway shown thus.....

**BRITISH NEW GUINEA DEVELOPMENT
 COMPANY, LIMITED,
 APPROXIMATE LOCATION OF PROPERTIES.
 ANNUAL REPORT 1914**

C O R A L S E A

Courtesy of Goodson, Ltd. Originals by Trenchards, S. and P. Court, E.C.

Map 13: BNGD plantations - 1914 (page 1 and 2)

Table 16.3: Plantations and crops – January 1914

Name of Plantation	Coconuts						Para Rubber					Ceara Rubber			Sisal Hemp	Tobacco	Area cleared and ready planting	Total area under cultivation	Area of plantation	Total expenditure	
	≥10 Years	4 Years	3 Years	2 Years	≤1 Year	Total	8 Years	4 Years	3 Years	2 Years	≤1 Year	Total	2 Years	1 Year	Total	2 – 3 Years					Part of 1914 crop
Aroa	5	-	115	45	215	380	-	-	-	-	-	-	6	-	6	-	-	340	726	8,101	1,958
Baubauguina	-	-	116	147	404	667	-	-	-	15	-	15	115	-	115	-	-	-	797	6,358	3,722
Bomana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	361	-	72	433	8,578	1,318
Gadaisu	-	-	-	391	241	632	-	-	-	-	-	-	-	-	-	-	-	230	862	4,300	2,698
Itikinumu	-	-	-	-	-	-	12	-	63	176	361	612	-	-	-	-	-	25	637	1,522	3,389
Jawarare	-	-	-	-	-	-	-	30	20	50	50	150	-	-	-	-	-	10	160	180	1,410
Katea	-	-	-	22	53	75	-	-	-	-	-	-	57	4	61	-	30	165	331	4,435	6,080
Obu	-	-	250	500	270	1,020	-	-	-	-	-	-	-	-	-	-	-	48	1,068	2,098	2,746
Otomata	-	30	67	129	240	466	-	-	-	-	-	-	2	-	2	-	-	40	508	2,700	2,195
Pailee	-	23	37	-	128	188	-	11	96	10	56	173	-	-	-	-	-	116	477	6,166	2,940
Waigani	-	-	-	572	432	1,004	-	-	-	-	-	-	-	-	-	-	-	102	1,106	5,000	4,186
Brown River	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100	6,613	323
Nomo	-	-	6	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	6	6	0
Kapa Kapa	-	-	20	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	20	21	0
Total	5	53	611	1,806	1,983	4,458	12	41	179	251	467	950	180	4	184	361	30	1,248	7,231	56,078	32,965

In 1913 the company started investing several thousand pounds sterling to prepare 200 ac of tobacco at Katea, approximately 20 miles north of Port Moresby. Twenty large curing sheds had been erected and equipment ordered from America and Europe. Cowley had hoped to procure the machinery and tobacco experts from Australia, but settled for the greater expertise residing in Holland and its Far East colony. The Dutch tobacco ‘twisters’ Arie Otte and Willem Akkermann arrived in Port Moresby in late 1913. The first consignment of equipment for twist tobacco arrived at the end of 1914. The company suffered further delays with the cigarette making machines ordered from America, together with an American tobacco expert, not arriving in Papua until 1916.⁹⁹

Again reminiscent of the NGC reports, BNGD informed its shareholders in 1916 that with the commissioning of the ‘up-to-date’ tobacco factory: ‘we think we can this year show very satisfactory results’.¹⁰⁰ Twelve months later the Directors advised:

The Preferential Tariff granted on tobacco manufactured in Papua has not given the results expected, as the Papuan Government has increased the Excise Duty on the ingredients of tobacco, and further, those ingredients are now costing 300 % more than in pre-war days.¹⁰¹

Within a few months of starting up the new factory in Papua, BNGD discontinued the cultivation of tobacco. The disclosed write off in tobacco equipment in 1917 (£3,029), in 1918

⁹⁹ AR-BNGD (1914) p. 15 and (1915) p. 21.

¹⁰⁰ *ibid.*, p. 21

¹⁰¹ AR-BNGD (1918) pp. 14–15.

(£6,352) and in 1919 (£3,449) was a fraction of the total costs BNGD incurred on this failed venture.¹⁰²

Catch and cover crops — the outcome of planting cotton was not much different, albeit not as expensive an investment as tobacco. After harvesting 160,376 lb of cotton ball in 1913, Cowley decided to interplant 917 ac with cotton in the 1914–15 seasons.¹⁰³ The crop failed, with only 345.5 lb/ac of raw cotton harvested. BNGD made no further attempt to cultivate this crop.

The company was more successful in producing staples for domestic consumption. By interplanting the young coconut, rubber and sisal plantations with catch crops, the 1913 harvest was: Mauritius bean (112,784 lb), maize (164,528), sweet potatoes (169,344 lb), cow peas (1,176 lb), horse fodder (72,800 lb), 193 bunches of bananas and 636 pineapples.¹⁰⁴ In 1919 the harvest of sweet potatoes had risen to 952,447 lb. The quantity far exceeded the in-house requirements of BNGD, and was sold to other plantation owners in Papua.¹⁰⁵

Trading stations and general merchandising — the establishment of coastal trading stations along the coast, principally as depôts for labour recruits and to barter for copra and sago, was unsuccessful. Little trade copra, if any, was procured, and the recruitment of labour was carried out by contractors. By 1914 the stations were leased to independent traders or closed.¹⁰⁶ The merchandise department of BNGD had been profitable from inception. The two general stores established in Port Moresby and Samarai respectively returned gross profits of approximately £6,000 in the 1913/14 financial year.¹⁰⁷

The financial position of BNGD

BNGD remained cash flow negative in 1914, a situation that did not improve for another 12 years. The 1914 balance sheet showed land and property investments of £283,402, capitalised plantation expenditures of £124,428, and buildings, ships, livestock, plantation produce and inventory valued by Cowley at £54,174. The debtors account stood at £6,704, with £8,690 owed to creditors. Cash on-hand in Papua and in the banks in London and Australia amounted to £8,189. To remain afloat BNGD made the remaining calls on the outstanding participating preference shares, issued debenture notes and secured a loan from BP. On 1 January 1915 Loudon assumed responsibility for BNGD in Papua. He remained with the company until 1926.¹⁰⁸

BNGD's funding requirements post 1914

The initial public offering of BNGD was successful, with the 500,000 participating preference shares issue fully subscribed at 5s, with an immediate call of 2s 6d also paid by the balance

¹⁰² AR-BNGD (1917) pp. 4, 8, 15 and 16, *ibid.*, (1918) pp.3, 4 and 14–15, *ibid.*, (1919) pp. 2, 6 and 11

¹⁰³ AR-BNGD (1915) p. 17.

¹⁰⁴ AR-BNGD (1914) p. 16.

¹⁰⁵ AR-BNGD (1920) p. 9.

¹⁰⁶ AR-BNGD (1914) p. 20.

¹⁰⁷ The company earnings are not broken down in the 1914 P&L account.

¹⁰⁸ Lewis, p. 201.

date of 31 December 1910. Papuan Lands subscribed for 96,114 of these shares, whilst only receiving 136,778 ordinary shares of £1 each and £36,043 for the land it transferred to BNGD, rather than the 223,000 ordinary shares and cash consideration of £52,000 outlined in the prospectus.¹⁰⁹

On 31 December 1912 BNGD changed its balance date to 31 January in 1914. Ranfurly and Jenkins had resigned from the board in July 1913 to reduce general overheads in London. W.A. Horn was elected chairman and the board now comprised him and Perceval, Stanley and Metcalfe. Local Director Alfred Cowley retained his position in Brisbane: he retired in 1917.

Prior to the change in directorships the board called an extraordinary shareholder meeting on 17 December 1912. The Papuan Lands Ltd had failed to pay a 2s call made on 5 July 1912. Following an arrangement between the directors of the two companies, supported by the shareholders of BNGD at this meeting, Papuan Lands was to pay 1s of the money owed immediately, with the balance of 1s (and any other call by then) by 1 August 1914. Papuan Lands agreed to forfeit an entitlement of 70,000 ordinary shares subject to BNGD writing off the £50,000 in underwriting commission and £23,253 in preliminary expenses and brokerage.¹¹⁰

Reminiscent of the frequent calls NGC directors made on its shareholders, the directors of BNGD made six calls between 1 January 1911 and 31 January 1917, when the original issue of 500,000 partly paid participating preference shares were fully paid. To finance what was a loss-making venture until then, the company issued 7% convertible debentures for £100,000 in 1919. By the balance date of 31 January 1921 the notes were fully paid and BNGD continued to draw heavily on its cash reserves. Expenditures on plantations and infrastructure had been capitalised in accordance with accounting practices. By January 1921 these non-performing assets had accrued to £608,556 in the 'Plantation Investment' account and a year later BNGD provided shareholders with the option of a capital restructure or liquidating the company. The shareholders voted for a substantial capital restructure and for changes of the board of directors.

The application of the Australian *Navigation Act* to Papua in 1921 all but bankrupted the Papuan plantation industry. Under the Act all Papuan exports were required to be shipped to Australian ports, on Australian owned ships, crewed by European (Australian) seaman.¹¹¹ The application of this Act to Papua, the classification of Papua as a foreign country under the *Import Tariff Act* and depressed commodity prices meant that BNGD was unable to pay

¹⁰⁹ The sum of £43 2s 6d on calls remained in arrears (AR-BNGD [1910]).

¹¹⁰ AR-BNGD (1911 and 1912); *The British-Australasian*, 19 Dec. 1912; *Statistic*, 21 Dec. 1912, *Evening Standard*, 18 Dec. 1912.

¹¹¹ AR-Papua (1921/22) p. 5; Murray, *Papua of To-Day*, pp. 142–3.

an accrued interest of £122,000 on the debentures.¹¹² At the June 1922 annual meeting Horn and Metcalfe resigned. The shareholders re-elected Perceval as chairman, re-elected Stanley, and voted O.J. Trinder (insurance and shipping broker), T. Boyd (planter from the Federated Malay States) and Sir William McCheyne Anderson from Sydney to the board. Thompson remained the company secretary.

At the June meeting shareholders agreed to write down the plantation assets by approximately £200,000 and to initiate a script issue of three new 10s shares for each £1 share held in BNGD, with the 10s shares paid to 66.66% with the balance payable at call. The share capital restructure required a change of the Papuan law (passed in May 1923) in order to provide the debenture holders of BNGD with security over the company's assets. This risk was increased with a first mortgage over the assets to secure a bank loan of £50,000.

The restructure of BNGD and the lifting by the Australian government of the *Navigation Act* as it applied to Papua in 1925 enabled BNGD to pay its maiden dividend of 5% in 1926. However, a second capital restructure was necessary in 1935. The plantation assets of £478,531 were now written down to £191,412, a fraction of the original development costs. A rights issue in 1937 gave shareholders the opportunity to acquire two 2s shares for each 10s shares held. A tariff of 4d/lb on all rubber imported by Australia other than from the territories of the Commonwealth (Papua and the former GNG) in November 1930, and a 50% recovery in the rubber price in 1936 enabled the directors to declare dividends in 1936 (3%), in 1937 (interim 3%, final 5%), 1938 (2% and 3%), 1939 (2% and 5%) and 1940 (2.5% and 5%).¹¹³

Murray survived the planters' discontent and remained in charge of Papua until he died in Samarai in 1940. BNGD also survived. It was acquired by Eastern Plantation Holdings, a subsidiary of the British Jessell Group, in 1970. In 1984 the company was acquired by the Belgian plantation conglomerate S.A. Sipfel N.V. of Antwerp.

Conclusion

The Papuan agricultural 'revolution' was at its most productive from 1907 to 1914. With virtually no plantations laid down by 1906, Smith, more so than Murray, facilitated the planting of 42,921 ac by 1914. Plantation numbers had risen to 228 in 1914, most of it planted with coconuts (29,030 ac), caoutchouc (6,606 ac) and sisal hemp (3,110 ac). BNGD cultivated more acreage between 1910 and 1915 than in the company's history from then until 1950. Of the 14 plantations shown in Table 16.3, Pailee (477 ac) was acquired from Laka River Rubber Plantation in which Bloomfield had an interest. Former gold miner Robert

¹¹² In 1920 the fob price for copra had fallen to below £12/t. With excise of 25s/t applied to the export of Papuan copra from 20 Nov. 1920, it became unprofitable to produce (AR-Papua [1920/21] pp. 7-8 and 19, *ibid.*, [1921-22] pp. 5-6). Appeal to Murray for not applying excise on copra, 22 March 1921 (NAA Series M2096-CA 1413).

¹¹³ AR-BNGD (1925-1940) *The Financial Times and Investor's Chronicle*, (1911-39)

Hunter sold his large coconut estate Obu (1,068 ac) to BNGD in 1914. The company never developed the 40,000 ac lease on the Brown River and relinquished it in 1921.¹¹⁴

Generally, BNGD cultivated its plantations with subcontract labour thereby avoiding the worst of the labour problems in the Central Division. In many ways Smith was right: there was enough labour in Papua. For the planters the problems were, for the most part, that the productivity of the Papuans was low and the protective rights provided under the Labour Ordinance were 'couched in very courteous terms'.¹¹⁵ The proposed 'native taxation' or work to be provided by 'natives' as promulgated by Atlee Hunt and the Royal Commission in 1907 was never enacted. Murray regarded the imposition of a tax in order to induce natives to work 'equivalent to an admission of the principle of forced labour, and forced labour had been definitely disapproved'.¹¹⁶ Importation of labour from Singapore, China or India would have greatly increased the planters' bargaining powers with the government and the Papuans, but such a situation could not be obtained with Murray. Instead the planters had to deal with transitory labour shortages, brought about mainly by the unreliable assurances of the recruiters, who sourced much of the planters' requirements from the remote areas of the Kumusi, Gulf and Western Divisions.¹¹⁷

BNGD, like most planters in Papua, relied on early cash flow from tobacco, cotton and rubber. Serious consideration of the cultivation of coconuts was only given when the imported Para rubber seeds did not germinate. This was most fortunate for BNGD as the world rubber market had well and truly collapsed by 1913.

Cash crops never became a paying proposition. BNGD put great store in the production of tobacco and cotton. They ignored NGC's experience. The hardship of receiving not enough or too much rain, the high labour input for constantly setting up new fields or spending on fertilisers, the pest controls and the setting up of drying sheds and warehouses for curing and mould control, and the dearth of expert labour and overseers had all been experienced in earlier years by the Germans. In human terms BNGD did not experience the massive loss of life in coolie labour that the Germans suffered on their tobacco plantations simply because their use was barred on the basis of racist fear. At their peak the Papuan tobacco fields produced approximately half the volume of the German plantations at Astrolabe Bay. The Papuan product was grown solely for domestic trade and consumption. This required investment in cigarette-making machines, importing cigarette paper and aromatic ingredients, and building dry storage facilities. Notwithstanding high protective

¹¹⁴ Table of Papuan coconut and rubber plantations owners (Lewis, pp. 305–09).

¹¹⁵ Champion to Murray, 10 Feb. 1919, NAA Series M2096–CA 1413 and A1–CA15.

¹¹⁶ Murray, *Papua of To-Day*, p. 267.

¹¹⁷ The annual reports give totals of labour entering and leaving contracted services in any one year. In 1928 and again in 1933 the Papuan government destroyed documentation relating to labour contracts entered into prior to 1923 and 1928 respectively. The extent of labour shortage as claimed by the planters is not verifiable. The annual reports and minutes of meeting of BNGD refer to general shortages in labour without specifying the shortfalls; see Table 5.

import duty on all tobacco products entering Papua, BNGD spent approximately £150,000 on its tobacco venture before finally shutting it down in 1918/19.¹¹⁸

With cotton also not living up to the expectations identified in the prospectus, BNGD's directors were relieved when the headlines of the discovery of oil in 1912 drew attention away from the underperforming plantations. Promoted as the new bedrock on which BNGD's prosperity was to be built, this optimism faded when the government prevented private enterprise from exploring for oil. By the time BNGD became profitable on copra, and to a lesser extent, rubber in the late 1920s, Papuan oil was all but forgotten.

Increasing planter frustration came with the deteriorating economic situation during the war and indifference by the Australian government towards the plight of the Papuan industry. It spilled over into open conflict between BNGD and Murray during the war years. In April 1914 Murray wrote to his brother in Oxford: 'there is a gang of capitalists interested in Papua who want to get rid of me in order to have a free hand with the natives'.¹¹⁹ Justifying Papua's slow economic development, Murray considered it his duty to look after the 'weaker people not yet able to stand for themselves'. From a materialistic standpoint he agreed that 'the industrial races of Asia' would have made a difference to the economic development of Papua. Murray was worried Chinese success would cause other problems. He wrote in 1925: 'I shudder at the possibility of its practical application [Chinese immigration], for it is conceivable that a people might be discovered whose fitness for survival is superior to our own'. Returning to the mantra of Australian security, he contended that it was an obvious advantage to Australia 'to preserve a race like the present inhabitants of Papua, who can never be a menace to the Commonwealth'.¹²⁰

When Robert Belfort and Johannes Hoyer wrote about the potential of Papuan agriculture in their coconut manual they relied on BNGD's statement:

when Australia has realised what a valuable asset she possesses right at her very doors, Papua will have become the most prolific and richest exporter of tropical products outside Ceylon. Land is easily obtainable on the most liberal terms, and labour is plentiful and cheap.¹²¹

This prognosis remained unfulfilled. By 1914 it had become clear that Papua offered no discernible economical advantage that was not available in Australia. The Territory's soil lacked the nutrients for intensive agriculture, the dry belt proved more extensive – with droughts occurring more regularly – than expected, and no efficiency advantage with Papuan labour. With no new payable discoveries in precious metals, coal and oil, Australia had lost interest in Papua by 1914.

¹¹⁸ AR-Papua (1915) p. 15; *ibid.*, (1916) pp. 17 and 21; *ibid.*, (1917) pp. 4 and 15; and (1918) p. 3; Lewis, p. 230.

¹¹⁹ F. West, *Selected Letter of Hubert Murray*, p. 80

¹²⁰ Murray, *Papua of To-Day*, pp. viii–ix.

¹²¹ R. Belfort & A.J. Hoyer, *All About Coconuts*, p. 45.

CONCLUSION

THE REASON FOR EUROPEAN PRESENCE IN EAST NEW GUINEA

This thesis demonstrates that commercial success, or the lack of it, was the key factor in the European development of GNG, BNG and Papua. All of the important differences between the two colonies had their base in commercial realities, not in the moral or the strategic intents of their founders. The close study shows that GNG's laws did not differ greatly from those in BNG and Papua, and that the conduct of individuals was, on balance, as good or as bad in both colonies. Whilst many examples of human behaviour described above make one or the other colonies appear better or worse at times, the two colonies in East New Guinea were – at least on this aspect – remarkable for their similarities rather than their differences.

Neither Germany nor Britain had expressed real interest in colonising Eastern New Guinea. However, once the last big wave of colonisation started in Africa in the last quarter of the 19th century *Reichskanzler* Otto von Bismarck determined that Germany should annex northeast New Guinea, but only if the cost of development was borne by private enterprise. This position had a remarkable parallel in Britain when Prime Minister William Gladstone agreed to place southeast New Guinea under British protection with the proviso that the Australian colonies pay for the cost of administration.

GNG and BNG were conceived because of German and British commercial interests in the South Pacific. With prospects of large gold discoveries in East New Guinea, the two European powers expected those commercial interests would develop the colonies and both kept government subsidies to a minimum by not deploying military forces. Whilst GNG's economic development differed from BNG's: both colonial administrations depended on a co-operative indigenous workforce and in both the employment of local labour became a crucial issue. Both administrations regarded military intervention as an ineffective and undesirable way to pacify the indigenous people. Both tried to minimise government expenditure and to stimulate exports. By 1914 the differences between the two colonies were largely due to the commercial drivers, or lack of, that had been applied.

German New Guinea

Commercial imperatives in GNG were clear from the start. Under the terms of the Imperial Charter of 17 May 1887 NGC was granted the exclusive possession of 'ownerless land' and acquire land that the New Guineans were prepared to sell. The government also consented for NGC to exploit the natural resources of the territory. The company was to exercise the sovereign authority vested in the emperor, except in foreign relations and the administration of justice. In return the company was obliged to pay for the administration, explore the territory for its economic resources and potential, experiment with the economic exploitation of plants and create an economic environment for the benefit of all Europeans (and Japanese) living in

GNG. The pacification of the New Guineans was to be left to the missions. NGC was obliged to protect the 'natives' without being instructed by the government what this actually entailed. Teaching the local people to work and to acquire European goods was seen as the main aim of their cultural advancement: this was to be achieved mostly whilst in employment with NGC. In this, the German approach to New Guinea differed markedly from the British approach.

NGC expected to defray the cost of government by raising taxes and customs duty, as well as fees and fines. Hansemann set up NGC in the first instance to acquire land that settlers were to acquire in order to colonise the country. NGC was to become a miner of precious metals and coal. The revenue base was expected to grow as an increasing number of settlers were expected to arrive in response to NGC establishing infrastructure for agricultural development. But the inland region proved too difficult to explore and develop and the settlers did not arrive because malaria and dysentery decimated NGC's staff and workforce. As a result Hansemann switched from land promoter and explorer to planter.

NGC trialled cacao and coffee, invested in cotton, and embarked on planting tobacco on a large scale on Astrolabe Bay in KWL. After 10 years the company switched its efforts almost exclusively to coconut and rubber plantations. The cost of planting cotton and tobacco had reached unsustainable levels, both in human suffering and financial terms. Tobacco and cotton were never profitable for NGC; from 1888 to 1902 they consumed approximately RM10,000,000 in shareholder funds.¹

High losses of European lives required Finschhafen to be closed in 1892. NGC had started the cultivation of tobacco with optimism and determination, only to experience high labour mortality, labour shortages, a lack of expertise, a shortage of shipping capacity and harvest failures partly due to pests and unseasonal weather. Hansemann invested in cotton gins and tobacco curing barns only to find that at best every second harvest was successful. Keenly aware that shipping was central to establishing a colonial footprint in GNG, Hansemann was unwavering in ordering new vessels following the frequent wrecking of his ships on the underwater reefs of the Bismarck Archipelago.

Negotiations between NGC and the German government in 1895 for the transfer of local sovereignty concluded with the signing of a settlement agreement in 1898. The government paid NGC RM4,000,000, and granted it 50,000 ha and the exclusive exploration and mining rights in the Ramu Valley for the losses the company had sustained in colonising GNG until 1899. With the transfer of a few NGC buildings, inventory and harbour installations to the Reich, a new administration began in GNG on 1 April 1899.

NGC's accumulated write-off in non-performing assets amounted to RM8,212,100 (£410,605) by 1899. Whilst this expenditure was largely the consequence of poor managerial decisions, it was, nonetheless, akin to a subsidy payment for GNG. NGC's contribution towards

¹ See Chapter 4.

the development of GNG until 1899 was considerably higher than the £223,822 payment for the administration of BNG in the decade from 1888/89.

Whilst NGC destroyed capital it also created value. It cleared land and built infrastructure, interplanted kapok, coconut palms and rubber with cotton, so that the young trees could develop in the shade-giving seasonal crop. In the first 14 years NGC established an economic environment on the KWL coast and in the Bismarck Archipelago which laid the foundation for its successful copra plantations. However, it required the government payment and further substantial injections of shareholder funds for NGC to become profitable by 1911/12.² Now in a position to forecast profit growth that would reward shareholders handsomely for their support over 30 years, World War I destroyed NGC's projections.

British New Guinea and Papua

Delegates at the 1883 Intercolonial Convention in Sydney urged the immediate incorporation of non-Dutch New Guinea into the British Empire on the grounds that the 'acquisition of territory south of the equator by any foreign power would be highly detrimental to the safety and well-being of Australia'.³ The delegates left it open as to who posed a threat to Australia, and whether it was military or economic. If Germany, France, Holland, Spain, Japan, Russia or even the United States of America were identified as the countries that could threaten the safety of Australia, no consideration was given to those countries' military capabilities or political situation. Germany had only a small ocean-going navy in 1883 and France offered Germany her Southeast Asian colonies in settlement for the 1870/71 war reparations. Holland was occupied with the ongoing development of her Southeast Asian colonial possessions while giving practically no attention to West New Guinea. Spain was a colonial empire in decline; the United States was, and Japan was to become, an ally of Great Britain. This left Russia, which some Australians feared planned to invade Australia.⁴ However, there was little debate in Australian politics that Russia would occupy East New Guinea as a staging post for invading Australia.

Adolph von Hansemann's interest in northeast New Guinea led him to inform Bismarck in 1880 that the territory could provide better access to an important market – Australia.⁵ If the Australians knew about Hansemann's memorandum they would have seen it as a threat to their agricultural industries, Queensland's sugar cane in particular. Clearly, the Australian colonies' first interest in New Guinea was to protect its own agricultural base at home. It was not in the interests of growers in Australia to see viable competitors in New Guinea, let alone

² *ibid.*

³ NSW V&P, vol. 9; see Chapter 3.

⁴ Russo-phobia started in Australia with the Crimean War (1854–56) in which Australians fought. Australian colonies started building coastal fortresses after Britain actively supported Turkey in her war with Russia in 1878. Fortification was intensified in Australia when British and Russian colonial interests clashed in the north of Afghanistan in 1885. New South Wales Governor Henry Lock accused Russians of cutting an underwater telegraph cable connecting Australia with England via East Asia in 1888.

⁵ Denkschrift Hansemann, 9 Sep. 1880 (RKA 1001:2927, pp. 2–7); H. Münch, *Adolph von Hansemann*, pp. 226–7, see Chapter 3.

through cheap labour and cheap land. Attaining political control over the region could best be preventing this.

Therefore, Australia did not actively engage in the creation of a strong economy in Papua. Government subsidies declined as a percentage of government budgets after 1906. From 1910 receipts from import duty exceeded government subsidies. This transfer increased the cost on business whilst slowing down development. Foreign labour drove the economies of the British and Dutch colonies in Southeast Asia; it developed Fiji, Samoa and German Nauru; it would also have contributed to the development of Papua. The relatively small requirements by Australia for tropical goods were imported from the low-cost producers of the South Sea Islands, including GNG, and Southeast Asia. David Lewis's proposition that by 1940 'Papua had not stood the commercial test',⁶ was apparent even by 1914 as it had not developed an economy of scale that allowed her to compete in the international market place. By not engaging in rising copra and rubber markets by 1902, Papua 'missed the boat' for the next 50 years.

Queensland Premier Thomas McIlwraith told the Royal Colonial Institute in 1894 that he had not insisted on the annexation of East New Guinea in 1883 because of the desire for 'more land or to get natives to work on the sugar plantations of Queensland'. Rather, he claimed that the desire to annex New Guinea 'arose simply for the purpose of preventing undesirable neighbours from coming near them [Queensland]'.⁷ This statement by McIlwraith comes closest to explaining why the Australian colonies insisted on annexing southeast New Guinea. Whilst the Australian and British governments were relieved that Papua was in Australian hands shortly after the outbreak of World War I, this was not McIlwraith's foresight in 1883: his strategic thinking was not military. When Melanesian labour was no longer available to Queensland's farmers, he insisted on protecting them from low-cost producers on their doorstep in the already competitive sugar export market. This was best accomplished by annexing the southern part of New Guinea and restraining investments in agriculture there. The European population of BNG started at 735, nearly all prospectors, but declined to 97 in 1894 when the first gold rush had finished.⁸

The annual Papuan workforce, not including casual and prison labour, for the 1888–1914 period averaged 2,867. The 4,230 indentured workers in 1907 had risen to 7,681 by June 1914. By then 3,702 casual employees, 1,392 village constables and sailors on government vessels, and many of the 2,391 prisoners had entered the workforce intermittently.⁹

The mix of a low population base, an uneducated workforce, few mineral resources and the absence of risk capital meant massive government funding was required. This was not

⁶ D. Lewis, *The Plantation Dream*, p. 292.

⁷ Chapter 3; cited by MacGregor in 'British New Guinea: Administration', *Proceedings of the Royal Colonial Institute*, vol. xxvi, (1894–95) p. 195.

⁸ Table 4.

⁹ Table 5. Data for 1888 to 1890 are unreliable. Not included are prospectors and other Europeans who had entered and had left the territory without notifying the authorities.

forthcoming in BNG and Papua. Aggregate government revenue in 1888–1914 amounted to £512,787 (£456,561 in 1899–1914), an average of £19,723 over 26 years. Nearly 75% of the receipts were derived from import duty (£379,683), with land sales (£24,164), postal income (£21,904) and mining permits (£17,115) contributing only small amounts of revenue.¹⁰ No-one, including the Papuans, paid personal, business or land tax. By not implementing a poll tax, as recommended by the 1907 Royal Commission, Papua's tax system stood out from other colonies.

The total government subsidies by Britain and Australia for 1888–1914 amounted to £556,794, an average of £21,415 each year. Several Australian colonies and the Australian federal government from 1901 contributed £448,098 of this sum in annual subsidies and £36,634 in infrastructure grants and loans. The British government paid for the steamer *Merrie England* and contributed towards the vessel's operational costs of £72,062.¹¹ Government subsidies for the 26-year period accounted for 48% of the total funds available to the Port Moresby administration. In the first 7 years of Murray's administration, subsidies as a percentage of available funds declined to 40%. Shipping subsidies paid to BP by the Australian governments, the costs incurred for survey work and other assistance provided by officials were not included in the annual government appropriations for BNG or Papua.

Labour and racial issues

In both colonies severe outbreaks of influenza and dysentery, combined with the ever-present malaria, brought work on the plantations to a standstill for weeks on end. The introduction of Chinese coolies to NGC's tobacco plantations in 1891 made an already catastrophic situation worse. Since the Dutch in DNG would not employ coolies infected with malaria on its tobacco plantations, NGC was probably correct in claiming that it ended up with many of these unwanted coolies.

But the recruitment of coolies from the Straits Settlements and China did not reduce the mortality among the Chinese, with the company finding it difficult to keep track of the thousands of workers dying on its plantations. Mortality rates of 15% among the Papuan and Melanesian workers and up to 60% in the coolie work force on the tobacco fields of Stephansort and Erima may be a conservative estimate.¹² Stewart Firth described the death rate in GNG as being on a scale of magnitude never experienced in Queensland, Fiji or Samoa.¹³ Why Firth excluded the high mortalities experienced in BNG is not known: Hank Nelson estimated the rate at 30% among the European prospectors and their indentured labourers during the late 1880s and through the 1890s, increasing to 40% at Lakekamu in 1909/10.¹⁴

In reality both colonial administrations did not know the actual number of deceased other than to agree that it was unacceptably high. What was known was the effect mortality and

¹⁰ Table 16.

¹¹ *ibid.*

¹² See Chapters 9 and 10; Tables 1 and 2.

¹³ S.G. Firth, *New Guinea under the Germans*, p. 35

¹⁴ See Chapter 14; Tables 4 and 5; H. Nelson, *Black, White & Gold*, pp. 69, 118 and 197

morbidity had on the profitability of the enterprises. Given the scale of death and sickness NGC experienced among its staff and workforce in KWL, NGC's survival is surprising.

Given that the Japanese were accepted as culturally equal and Chinese and Javanese workers were recruited for GNG, the government could have gone the next step by accepting Asian migrants as well as international capital. Hahl did not pursue this path, partly for racial concerns, but also because, like his superiors in Berlin, he wished to retain control over GNG; in this they did not differ from the Australian government which retained complete investment and immigration control in Papua.

Murray left the education of indigenous children to Christian missionaries; Hahl built government schools and set up trade schools to train young men in administration, woodwork, farming and other skills. Although MacGregor was a trained doctor, official health care was absent in BNG until the first surgeon arrived in 1895. When the 1908 land boom did not convert into the expected agricultural development, when BNGD found it difficult to grow cash crops profitably and when government sponsored gold, coal and oil exploration efforts returned empty handed, the well being of the Papuan people again became the administration's priority. Murray's views were matched by Sir Charles Bruce who wrote in 1910:

the policy of the Continental Powers has adhered to a principle ... long since abandoned, that a tropical colony is a possession to be worked for the profit of the colonizing power—we adopted instead the policy of holding them in trust for their own benefit.¹⁵

But the first hospital in Port Moresby was not completed until 1905, and then only because of private initiatives. Meanwhile, the Germans had built a vastly superior health system in GNG to that in BNG or Papua.

Hansemann, like the Australians, had no intention of acquiring GNG for the benefit of the indigenous population; and, despite the name, the German government under Hahl had no plans of developing and maintaining the Protectorate for the New Guineans. The Germans regarded them as a resource that required looking after in order to extract the greatest benefit from them. This commercial attitude was not designed to treat the workers or the local population harshly or unjustly. Whilst Germany entered colonial conquest in 1884 without a strong legal framework of colonial law for her possessions, the ordinances proclaimed in GNG generally followed the British experience and were based on similar Christian ethics.¹⁶

Some historians have made much of Hahl permitting the use of the cane (under strict government guidelines) whilst Murray regarded the practice as indefensible and preferred incarceration to corporal punishment.¹⁷ But there is scant information on the treatment of prison labour in either colony. As for labour relations, like in any other colony they were conducted by the individual. Some Europeans were callous, even cruel, with their men and women. But a sensible employer cared for his employees as much in GNG as he did in Papua. This was not

¹⁵ C. Bruce, *Broad Stone of Empire*, vol. i, pp. 30–1; see J.H.P. Murray, *Papua of To-Day*, p.136.

¹⁶ On German colonial law see P.G. Sack, *Land Between Two Laws* and P.G. Sack, *Phantom History. The Rule of Law and the Colonial State*:

¹⁷ Chapters 9, 10 and 16. On corporal punishment see Firth, *New Guinea under the Germans* and H.J. Hiery, *The Neglected War*.

solely a reflection of decency; it was common sense because equitable treatment of labour and staff increased efficiency and profitability.

Better schools and hospitals did not make the Germans better colonisers. Apart from a government responsibility with a duty of care, better public institutions delivered better economic outcomes. Murray, fluent in German and in contact with Hahl occasionally, would have known of the better government installations in GNG even before Australian troops occupied the German territory. Murray did not condone the mandated administration's introduction in 1921 of an education tax of 10s on Melanesians who were not indentured by Europeans and who wished to attend school. But by not taxing education and not finding money for education in his budget, he remained content to have some Papuans educated through the Christian missions.

Government activities

In Hansemann the German government had a man with the wealth and determination to stay the distance before the Reich had to assume administrative control or else it would not have allowed northeast New Guinea to be colonised. To minimise expenditures NGC governed GNG from 1885 to March 1899 with only eight full-time staff and a constabulary of 36 part-time policemen. Company employees lent additional administrative assistance. But Hansemann's complaint that NGC spent too much time and money running GNG was not justified. With total administrative expenses accounting for only RM413,499 (£20,675) between 1889 and 1899, it was less than the revenue raised by NGC from taxes, customs duty, licences and fines (Table 17.1). Compared to BNG the company spent a fraction of the cost incurred for administration by Lieutenant-Governor MacGregor (£270,785) notwithstanding that the BNG sum included maritime operations and maintenance of infrastructure.

Table 17.1 Government revenue, expenditure, subsidies and grants (RM20 = £1).

	1887–1899		1899–1914	
	GNG (RM)	BNG (£)	GNG (£)	BNG-Papua (£)
Revenue				
Taxes	80,720	0	2,347,985	0
Customs duty	338,380	60,231	6,636,996	319,452
Miscellaneous receipts	122,980	7,718	4,067,533	125,386
Total	542,080	67,949	13,052,514	444,838
Expenditure				
NGC payments	0		4,000,000	
Administration ¹⁸	413,499	270,785	19,289,870	790,007
Capital investments	14,558,463	25,938	4,981,060	122,024
Total	14,971,962	296,723	28,270,930	912,031
Government subsidies	8,212,100	145,997	15,975,958	302,101
Supplementary funding	0	7,537	762,853	29,097
Shipping subsidy ¹⁹	n.d.	70,288	n.d.	1,774
Total	8,212,100	223,822	16,738,811	332,972

¹⁸ NGC amounted for the cost of government separately since 1889/1890. Administration costs from 1886 to 1889 are not identified.

¹⁹ The German government subsidised NDL £10,000 p.a. for the Sydney–Samoa–GNG–Singapore service.

Hansemann's request to have GNG administered with imperial officials from May 1889 so that management could devote its attention exclusively to the commercial activities did not benefit NGC either. Rather, it added to the company's financial woes because the officers chosen by the government – for which NGC had to pay – were determined to establish government policy. When NGC reverted to govern GNG with its own staff in September 1892 government expenses declined but so did the government services.

A considerably larger cost to NGC was the establishment and maintenance of government buildings, ports and other infrastructure. The company also had to maintain shipping services within GNG and to connect the Protectorate with Australian and Asian ports. Maritime activities cost NGC RM250,000 annually until the German government agreed to subsidise a shipping service between Sydney and Singapore via Samoa and GNG in 1893. The German government paid Spain RM17,250,000 (£862,500) in 1899 for her Micronesian islands excluding Guam,²⁰ more than four-times the acquisition cost of the Old Protectorate of GNG. Combined with the Marshall Islands in 1906, the Island Territory no longer received government subsidies after 30 June 1909 on account of its strong guano and copra exports. In 1910 Albert Hahl rationalised the two administrations into a single bureaucracy in Rabaul.²¹

Although the Old Protectorate was an inexpensive purchase in 1898 it was governed expensively. On 1 April 1899 the imperial government of GNG started with five officials.²² But NGC's minimal approach to government was quickly rejected. Within a few months the administration had risen to eight, increasing to 32 employees by 1906. Whilst this was still a relatively small government compared to the Papuan administration of 60, GNG proved much more expensive to run than its neighbour. Apart from the RM400,000 annual payment to NGC, which was to continue until 31 March 1908, the Reich appropriated RM753,925 (£37,696) for the 1906/07 GNG budget. With government receipts approximately the same for both colonies (£21,000), the GNG budget was considerably higher than the subsidy (£20,000) sent by the Australian government for Papua the same year. The gap between German and Australian government assistance increased each year until the end of German colonial administration.

From 1914 GNG formed a single budgetary unit. The Old Protectorate accounted for 102 government employees and the Island Territory for 32; the Papuan government still employed more officers (136) for a much smaller territory. However, the *Reichstag* appropriated RM1,717,022 (£85,851) in GNG subsidies for 1913/14, in addition to its receipts of RM2,117,402 (£105,870), mainly for customs duties (RM1,115,000 [£105,870]), poll tax RM301,550 [15,776] and guano royalties RM209,142 [£10,457]). This compared to only £30,000 in Australian government subsidy and £54,703 in receipts for the Papuan government in Port Moresby for the 1913/14 fiscal year.

²⁰ The purchase price was 25,000,000 Spanish Pesetas.

²¹ Tables 14 and 15

²² The imperial judge in the BA was also acting governor; he was supported by a court clerk and a constable. The imperial judge in KWL had a constable.

The total European population of 11,014 in the Old Protectorate from 1886–1914 included a small number of Japanese. This number was considerably smaller than the 14,206 Europeans living in BNG and Papua from 1888 to 1914. Indentured labourers in GNG for the same period were 151,992. Compared to BNG and Papua, relatively few workers were employed on short-term contracts or on a casual basis in the German colony. Government receipts for this period amounted to RM13,052,514. Total government expenditures were RM28,270,93 (including the RM4,000,000 payment to NGC for the 1888–1898). The government balanced its 1899–1914 accounts with total appropriations of RM16,738,811.²³ Government subsidies paid to NDL for providing regular shipping services from Southeast Asia via GNG to Australia are not included in this sum. This shipping subsidy was a considerable government expenditure, growing to RM700,000 annually from 1909 to 1914. Whilst the traffic for cargo and the passengers was mainly between Singapore, Batavia and eastern Australian ports, GNG could not have functioned without the shipping services provided by NDL.²⁴

The cost of administrating GNG grew by a factor of 46 after the German government took over the administration from NGC in 1899 (Table 17.1). Even though this expansion catered for the acquisition and operation of government ships (six steamships and numerous boats in 1913), and the improvement and maintenance of infrastructure, it was a massive increase compared to the minimal approach to government by Hansemann. Even though receipts from customs duty and taxes had grown quicker than government subsidies, the Hahl government was unable to run GNG without the considerable financial assistance provided by Berlin.

MacGregor started his administration in 1888 with 15 public officers (eight in administration, four legal and three in public works). When Murray assumed responsibility for Papua in 1907, there were 60 officers (16 in administration, 23 legal and patrol officers, 17 in public works and 4 medical staff). Seven years later Murray's bureaucracy comprised 136 officers (40 in administration, 45 legal and patrol officers, 44 in public works and 7 medical staff).²⁵

In 1906 Murray complained that the 'English' in New Guinea had no interest in developing BNG, regarding it no more than a 'glorified curiosity shop'. Yet Murray deputised development to Staniforth Smith in 1908, for he admitted to a lack of understanding economics. In 1910 he asked rhetorically: 'When will this Territory become self-supporting, so far as the financial obligations of the Commonwealth are concerned?'²⁶ Whilst Murray thought the question was difficult to answer with any certainty, Staniforth Smith (who was then responsible for administering the mines, agriculture and public works) believed the question was answered with the handing down of the Royal Commission report in 1907: renewed emphasis on

²³ Tables 1, 4 and 14. The government expensed the payments to NGC in its accounts rather than treated them as capital or a subsidy...

²⁴ Chapter 8.

²⁵ *ibid.*

²⁶ AR-Papua (1909/10) p. 26.

exploration and the development of a strong tropical agricultural industry would see Papua become successful within a few years.

Prime Minister William Morris Hughes determined that the practice of financial self-support in the Australian Mandated Territory of New Guinea was to be continued. Export and import duty, and poll tax continued to provide the major revenue for the administration in Rabaul. By having to finance an economically under-performing Papua, Hughes was not about to provide Australian funds to former GNG which was the responsibility of the League of Nations in Geneva. There were other companies that did not fit into the Bruce mould. The British-controlled Pacific Phosphate Co., for instance, mined German guano deposits on Nauru with Chinese coolies, and the Australian subsidiary of Lever Bros worked its coconut plantations in the German and British Solomons with low-cost labour as did the Australian owned and controlled BP.

Murray professed a reluctance to compare the economic performance of Papua with that of GNG: 'comparisons are proverbially odious and often misleading', he wrote in 1925.²⁷ However, it suited him to mention that Papua was catching up to GNG economically because by 1910 the Territory's agricultural development matched GNG's achievements in this area: 'German statistics for the few years before the war are available', he wrote; 'they show [that] the increase of the planted area each year in the German territory as about equal to the increase in the same year in Papua'.²⁸

Statistical comparisons are indeed misleading if applied selectively. In this instance Murray was mischievous by comparing plantation areas without disclosing the full picture as he would have known it from the published German statistical reports. The parallel accounts of the two colonies presented in this thesis, together with the statistical data, rectify some of the incorrect or misleading data that have become historical orthodoxy.

The Papua government had alienated – to a lesser extent purchased from the local people – 1,013,790 ac (410,275 ha) by 1910. This compared to 364,487 ac (147,506 ha) acquired by the German government in GNG.²⁹ Papuan planters had cultivated 10,053 ac by 1910 with various crops, coconut palms and rubber trees, compared to a cultivated area of 50,705 ac in GNG in the same year. Four years later the planted area in Papua had increased to 42,921 ac, with a similar increase (84,484 ac) achieved by GNG.³⁰

Although the area under lease by plantation companies and settlers in Papua rose five-fold to 364,088 ac in 1911, only 15,880 ac had been cultivated. By 1914 many agricultural investors and settlers had turned their backs on Papua, with one-third of the 1911 leases forfeited by 1914.³¹ Thus, whilst Murray was correct in his comparison on the increased land

²⁷ J.H.P. Murray, *Papua of To-Day*, p. 147.

²⁸ *ibid.*

²⁹ Tables 6 and 7.

³⁰ *ibid.*

³¹ Table 7.

leases, it did not mean much, for in 1914 hardly any Papuan plantation contributed to export earnings

Export earnings of GNG, BNG and Papua

GNG, excluding the Island Territory, exported RM47,439,650 (£2,371,982) worth of produce between 1886 and 1913.³² The average annual figure for 1887 to 1913 was RM1,694,273 (£84,714) compared to £59,905 for BNG and Papua. A sharp difference between the GNG and Papuan export figures emerged with the maturing of the coconut plantations laid down by NGC from 1900 onwards. In 1910 plantation copra from GNG amounted to RM3,037,622 (£151,881), making up 84.5% of the total export for that year. By June 1913 copra exported from GNG had doubled to RM6,173,680 (£308,684), but had tapered off against total sales (76.8%) because of a large increase in the export of Bird of Paradise plumes in 1912–13.³³ This stood in stark contrast to £89,075 for the highest single commodity exported from Papua in 1899/1900 – gold. During the same period GNG imported RM60,945,896 (£3,047,295) of goods, averaging RM2,176,639 (£108,832 p.a). This compared to an average annual figure of £59,905 for Papua.

Despite these figures GNG should have produced better economic results considering the funds invested in the colony. Both NGC and the German government were unable to tap the resources of KWL in any significant manner. By 1914 the hinterland remained largely unexplored and the considerable labour resources in the local communities had not been brought on side or even contacted. The economy of the Bismarck Archipelago (RM83,824,641) grew more than three times the economy of KWL (RM24,560,906) during the 30 years of German rule in New Guinea. In export earnings the ratio was nearly five times in the Archipelago's favour.³⁴

Apart from limited input from the general Papuan population, the Europeans and their workers were responsible for generating £1,557,533 in exports and £2,105,356 in imports during this period.³⁵ Broken down, this sum comprised £1,375,143 in gold exports,³⁶ including an estimated £474,069 of gold not declared with customs, and £70,153 of copper ore.³⁷ The mean annual export from Papua until June 1914 was £78,139. The highest annual export during the period was achieved in 1913 when goods worth £128,016 were shipped through the ports of Samarai, Port Moresby and Daru. Whilst gold (£62,332) and copper (£18,997) still made up the largest component, plantation copra (£16,912) and sisal hemp (£3,039) started to contribute to the export earnings for the first time in 1913.³⁸

³² Table 11.

³³ Bird of Paradise was recorded in the GNG export statistics for the first time in 1909 (RM65,360), increasing to RM1,181,712 in 1913; see Table 11; P. Swadling, *Plumes from Paradise*, pp. 248–9.

³⁴ Table 11.

³⁵ Table 13.

³⁶ The sum includes £33,343 of ore containing gold and other minerals.

³⁷ Table 13.

³⁸ The amount shown for copra comprises the trade and plantation product. Other major export items in 1913 were pearl shell (£8,512) and pearls (£9,284); see Table 13.

The eventual mainstay of the Papuan agricultural economy, BNGD, committed the same errors NGC had made 18 years earlier. The company's staple of tobacco, cotton and sugar were either unsuccessful or, in the case of sugar, had not been proceeded with. Imported Para rubber seeds had not developed, and the company's considerable coconut plantations were only starting to set harvestable fruits in 1914.

With BNGD's inability to develop its plantations profitably, Murray reflected in 1925: 'the brief history of Papuan agriculture had been disappointing'.³⁹ But rather than recognising the errors of past governments and his inability to think commercially, Murray blamed the non-performance of this sector on 'sheer bad luck'.⁴⁰ He cited the collapsed international rubber and copra markets during and after World War I and the application in 1921 of Australia's *Navigation Act* to Papua as the cause of the poor state of the Papuan economy in 1925. Blaming also Australian import tariffs on Papuan produce for this 'ruinous' situation,⁴¹ Murray considered in 1925 that 'had it not been for these misfortunes ... Papua would probably have realized the promise of her former years and might now have a prosperous future before her'.⁴²

From Murray's perspective Papua's economic history started in 1907, with agriculture going through four phases.⁴³ The first phase began with his appointment as lieutenant-governor. With the bold recommendations of Royal Commissioners Atlee Hunt and Staniforth Smith in his armour, Murray called this the 'initial stage of experimental and tentative effort which lasted about three years'.⁴⁴ The second phase was defined by rapid development, with more than 30,000 ac planted, relatively low freight costs and unhampered communication; but with little export of copra. A period of comparative stagnation during the war years with only 16,000 ac planted in 5 years, marked the third phase. Murray identified the post-war period as one of 'almost complete stagnation due, partly, to the low price of copra and rubber'.⁴⁵

World War I ends the period

What had become obvious by 1914 was confirmed by Murray in 1925: gold mining, the first reason for Europeans to venture to New Guinea, was, on balance, a failure.⁴⁶ Murray had staked Papua's economic future on extensive exploration and on the dredging of the northern river fields and increased revenue from the copper mines in the Astrolabe Range. He also hoped that the discovery of petroleum might go far in retrieving Papua's economic reputation.⁴⁷ However, between 1914 and 1921 only an estimated £232,845 worth of gold was taken out of Papua. The Misima mine, Murray wrote, 'was expected to prove the herald of a new era of

³⁹ Murray, *Papua of To-Day*, p. 141.

⁴⁰ *ibid.*

⁴¹ *ibid.*, p. 142.

⁴² *ibid.*, pp. 144–5.

⁴³ C.G. Goldthorpe (*Plantation Agriculture in Papua New Guinea*, p. 58) argued that the four phases of the plantation cycle in tropical colonies were: a) the pioneering settler; b) the capitalist company surpassing the settler planter; c) industry consolidation introduces capital from downstream manufacturers, d) the successor state determines the agenda of the plantation industry.

⁴⁴ AR-Papua (1921/22) p. 6.

⁴⁵ *ibid.*

⁴⁶ Murray, *Papua of To-Day*, p. 141.

⁴⁷ *ibid.*

gold-mining activity on a larger scale than ever known before. [But it was only] the final flicker, before extinction'.⁴⁸ Gold mining in Papua with its fleeting successes attracted a degree of attention that was out of proportion to its real importance.

Looking at the territory mandated to Australia (the Old Protectorate of former GNG), Murray made out that Eastern New Guinea under Australia's administration could be of great importance to Australia: 'It is probable that in time they may supply practically all the tropical requirements of the Commonwealth'.⁴⁹ This could well have been the case. Unlike Papua, the development of the plantation industry in GNG accelerated during the war. By then the German coconut plantations were profitable, and with the military administration preventing German nationals from repatriating profits, the available funds were invested in improving plantations, and establishing new ones in GNG.

Neither Papua nor the Mandated Territory ever became the tropical food bowl of Australia. Plantation interests in Australia were intent on preventing an over-supply of cheap tropical goods and Australian trade unions were keen not to compete with low-cost Papuan and Melanesian labour. Murray agreed on relegating Papuan interests behind those of Australia:

I am one of those persons who put "Australia" first and I should never seek any advantage to Papua which would be injurious to the Commonwealth. I quite understand and quite agree that the coloured labour of Papua should not be allowed to compete with the white labour of Australia, but where an industry obviously does not pay with white labour ... and where [there is] no Australian industry to protect ... I cannot see why Papuan coffee should not be admitted duty free ... The economic progress of the natives of Papua can be no disadvantage to Australia, for the tariff can always be used to prevent competition.⁵⁰

In both colonies land was not alienated where Papuans would use it to grow vegetables, crops or coconuts, but this was not the case where the land held mineral resources. Precious metals, gemstones and fossil fuel were too valuable to be left in the ground for the indigenous owners. There was not a colonial administration anywhere that did not exploit minable resources to the exclusive benefits of its European population.

The Port Moresby administration had obtained 1,208,419 ac of Papuan land by 1914 compared to the 493,753 ac acquired by the government, religious missions and private enterprise in GNG. The land grab made little sense as only a fraction was used commercially.

Colonel William Holmes, commander of the Australian Naval and Military Expeditionary Force, quickly understood the German economic achievements. On 31 December 1913 the Old Protectorate of GNG had twice as much land under cultivation as Papua on 30 June 1914. With similar numbers of Europeans in both colonies, the GNG economy generated two-and-a-half as many indentured workers, producing nine times as much copra and, despite Papua's gold production, one-third more in export earnings. Holmes told the Australian government that the German territories should be kept as valuable possessions for colonising purposes. Prime Minister Hughes agreed, for he understood the value of the possessions when he convinced

⁴⁸ *ibid.*

⁴⁹ *Ibid.*, p. 294.

⁵⁰ *ibid.*, pp. 294–5.

the British government to also pass on the mandate for Nauru without the agreement of the League of Nations.⁵¹

The economy of the Island Territory grew rapidly after the commencement of guano export from Nauru in 1907. Whilst Papua was running out of gold by 1914, the phosphate deposits on Nauru, Angaur and Feis were starting to deliver excellent profits to their owners and operators, and corresponding royalties to the GNG government. Within 7 years exports of guano (RM45,025,741) and copra (RM19,307,761) outgrew the exports of the Old Protectorate.

Total GNG trade (RM33,221,182 [£1,661,059]) in 1913 was almost five times the total Papuan trade (£335,274) for 1913/14,⁵² and with German government subsidies remaining nearly three times higher than the Australian subsidies for Papua,⁵³ GNG was booming.

Although mainland GNG remained largely unexplored – the colony's plantations were almost exclusively on the coast and in the Bismarck Archipelago – the European, Japanese and even Chinese population could enjoy a comfortable life towards the end of German colonial rule. Lillian Overell encapsulated this lifestyle:

Rabaul is a beautiful little town built on low-lying land with the steep ridge of hills for a background. The well-laid-out streets are lined with rows of trees ... The wooden bungalows, standing on high piles, usually have only two or three rooms, but these are large and airy with many windows and doors. They are surrounded by wide verandas, opening here and there into spacious porches which are furnished as sitting-rooms ... Behind the town the road winds up to Namanula where Government House, the hospital and various officials' residences stand on the saddle that overlooks Simpsonhafen on one side, and the open sea on the other. Near the wharf are the big stores of the New Guinea Company ... Life in the Bismarck Archipelago under the German regime was a delightful thing. The planters had beautiful homes, cheap black labour, every encouragement from the Government, good roads, telephones, a sanatorium in the hills ... a regular shipping service, ice, fresh milk and meat.⁵⁴

Overell also observed that the German policy regarding the 'natives was severe, and in the early day cruel floggings were common'.⁵⁵ In this Stewart Firth agreed when he wrote: the Germans 'laid down more plantations, built more roads and bridges, provided better shipping, lived in more imposing official residences and at Rabaul constructed a capital with amenities far superior to those offered by Port Moresby'.⁵⁶ But, Firth argued also that such development was not worth the price of mass mortality, floggings and summary executions that the indentured labourers in GNG paid.⁵⁷

Overell also writes of her experience in Samarai, 'the drinking hell of the Pacific'.⁵⁸ Here an employer 'flogged a boy so brutally that he died two days afterwards'.⁵⁹ No doubt the law would have dealt with the culprit appropriately. Yet flogging and other cruelties continued in GNG, BNG and Papua as in every other colony: it was illegal but nevertheless customary colonial behaviour.

⁵¹ Hiery, p. 240.

⁵² The economies of GNG were evenly divided between the Old Protectorate (RM16,540,581) and the Island Territory (RM16,680,601); Tables 11, 12 and 13.

⁵³ Table 17.1.

⁵⁴ L. Overell, *A Woman's Impression of German New Guinea*, 7–8 and 29.

⁵⁵ *ibid.*, p. 52.

⁵⁶ S.G. Firth, 'German Recruitment and Employment of Labourers in the Western Pacific before the First World War', p. 314 and Firth, *New Guinea under the Germans*, p. 174.

⁵⁷ *ibid.*

⁵⁸ Overell, p. 188–9.

⁵⁹ *ibid.*

This thesis has shown that East New Guinea and, indeed, the Western Pacific region were colonised for commercial reasons, not for the strategic purposes or territorial ambitions of metropolitan governments; nor were the territories annexed for humanitarian or religious motives of the citizens of the founding countries. The morality that was prevalent in both colonies was similar. It was the commercial approach to development that provided the major difference between them. After its unnecessarily long, difficult and expensive beginning, GNG became commercially successful in the period under government control as a German Protectorate. The governments' responsible for BNG and Papua spent less money there from the outset and the commercial interests operating seemed not to have learned any lessons from the commercial operations in GNG. Coupled with the British and Australian governments' indifference to East New Guinea it is no surprise that southeastern New Guinea remained economically unsuccessful.

Assessments of the development of Papua after World War I have been published. The economic development of GNG during the war period and after the colony had been mandated to Australia by the League of Nations, needs to be evaluated. Further, the industrious activities of the Christian missions in East New Guinea were significant drivers of the respective economies of the two colonies. Assessment of the missions' business activities in East New Guinea and the economic development of the Mandated Territory should be subjects for further investigations.

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ANNEX

Table 1

Kaiser Wilhelms-Land and Bismarck Archipelago

European and Japanese Population –Year ending March, from 1903 calendar year

Year	European and Japanese	Males (age ≥15 years)	Females	Children	German	British, Australian and North American	Dutch	Austrian, Scandinavian, Russian, Swiss, Italian, French and Japanese	Government Employees	Doctors, Nurses and Orderlies	Planters	Merchants and Traders	Engineers, Tradesmen, Sailors, Fishermen and Artisans	Missionaries (including Woman and Children)	European and Japanese Mortality
1886/87	122	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	3	3	3	n.d.	19	n.d.	8
1887/88	128	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	7	4	4	n.d.	74	n.d.	8
1888/89	130	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	5	2	10	n.d.	38	n.d.	5
1889/90	133	115	10	8	79	18	9	27	7	5	31	45	5	40	8
1890/91	150	115	21	14	79	18	4	49	7	5	29	45	4	60	30
1891/92	163	126	18	19	78	15	4	66	12	7	34	43	9	58	7
1892/93	185	139	27	19	83	20	3	79	8	8	38	45	9	77	9
1893/94	209	147	34	28	95	25	4	85	12	10	37	45	18	87	14
1894/95	225	161	34	30	109	19	6	91	8	10	37	50	20	100	7
1895/96	231	163	34	34	108	34	8	81	8	10	35	53	28	94	9
1896/97	251	170	39	42	142	42	10	57	8	9	35	59	39	101	12
1897/98	262	177	41	44	152	46	10	54	7	8	35	58	44	110	11
1898/99	278	203	41	34	164	46	17	51	8	10	22	63	48	127	16
1899/00	306	229	42	35	186	50	20	50	8	10	22	78	44	144	9
1900/01	301	228	46	27	199	50	20	32	9	9	22	78	57	136	14
1901/02	311	235	49	27	216	52	21	22	12	10	23	76	52	128	7
1902/03	390	309	54	27	280	57	21	32	16	11	41	73	56	199	10
1903	417	318	67	32	301	59	22	35	21	10	52	72	56	222	10
1904	433	321	87	25	315	49	25	44	22	9	52	71	56	256	25
1905	463	338	87	38	348	49	23	43	35	11	56	68	68	294	14
1906	532	381	100	51	397	58	23	54	32	16	76	60	75	289	12
1907	542	395	107	40	407	51	25	59	50	16	93	68	55	365	22
1908	647	465	118	64	540	45	19	43	62	17	101	65	58	353	18
1909	671	465	135	71	549	47	21	54	67	16	99	82	51	373	16
1910	688	469	141	78	557	60	12	59	80	18	99	83	52	416	15
1911	748	512	149	87	578	61	33	76	99	20	108	83	58	473	14
1912	968	656	218	94	746	61	33	128	102	26	126	118	67	529	17
1913	1,130	770	257	103	903	48	29	150	103	29	180	145	72	601	11

*Japanese presence was concentrated in Rabaul: 3 women and 3children in 1893; one seaman in 1909; five tradesmen in 1910, 25 tradesmen and merchants in 1911; 41 tradesmen and merchants in 1912; increasing to 103 tradesmen and 33 merchants in 1913.

Table 2

Kaiser Wilhelms-Land and Bismarck Archipelago

Indentured Labour –Year ending March, from 1903 calendar year

Year	Europeas employed by NGC (including ship crews)	Chinese coolies employed by NGC	Javanese and Sumatrans employed by NGC	Melanesians and Papuans employed by NGC	Indentured labourers employed by NGC	Papuan and Melanesian labourers indentured in GNG	Chinese in GNG	Javanese and Sumatrans in GNG	Mortality Indentured Labour - Rate per 1000 (from 1887 to 1902 data by Governor A. Hahl)
1886/87	50	n.d.	101	n.d.	101	351	n.d.	101	n.d.
1887/88	120	n.d.	100	n.d.	100	400	n.d.	100	178
1888/89	96	95	125	n.d.	220	475	95	125	178
1889/90	97	114	270	743	1,127	1,527	114	270	178
1890/91	67	603	336	714	1,653	2,253	603	336	178
1891/92	70	1,085	757	1,135	2,977	3,777	1,085	757	178
1892/93	61	435	530	1,261	n.d.	3,026	435	530	178
1893/94	46	548	431	1,082	2,061	3,061	548	431	178
1894/95	49	467	544	1,246	2,257	3,457	467	544	178
1895/96	49	310	414	1,215	1,939	3,139	310	414	178
1896/97	52	168	254	1,108	1,530	2,730	168	254	178
1897/98	53	126	200	1,188	1,514	2,714	126	200	178
1898/99	62	367	260	1,122	1,749	2,949	367	260	178
1899/00	68	372	221	1,541	2,134	3,114	372	221	178
1900/01	69	172	221	1,541	1,934	3,096	178	n.d.	178
1901/02	67	306	130	1,737	2,173	4,437	306	n.d.	178
1902/03	61	143	39	2,555	2,737	4,652	323	142	38
1903	71	113	36	2,991	3,140	5,006	327	141	41
1904	71	114	39	2,903	3,056	5,259	322	139	31
1905	78	95	39	3,370	3,504	6,025	392	139	27
1906	78	98	44	3,682	3,824	7,537	404	119	25
1907	75	105	55	3,494	3,654	8,275	386	129	13
1908	78	95	50	3,471	3,616	8,311	476	128	32
1909	80	95	50	3,428	3,573	9,469	340	157	34
1910	83	87	49	3,844	3,980	10,984	555	136	35
1911	80	71	41	3,902	4,014	13,449	720	126	29
1912	83	62	40	4,176	4,278	14,990	986	149	63
1913	81	43	35	4,136	4,214	17,529	1,377	163	40

* Hahl estimated the labour mortality in GNG from 1887 to 1902 at 2,734 (17.77%). The number was based on 15,386 Papuans and Melanesians recruited for GNG, and 3,231 Melanesians recruited for Samoa, (Hahl to KA-AA, June and September 1904 Report, RKA 1001:2309)

Table 3

German New Guinea - The Island Territory

Population Statistics - calendar year

Year	European and Japanese	Males (age ≥ 15 years)	Female	Children	German	North American	British and Australian	Spanish and Portuguese	Japanese	Dutch, French, Scandinavian, Austrian and South American	Government Employees	Engineers and Tradesmen	Planters	Merchants, Traders and Fishermen (Europeans, Japanese and Chinese)	Missionaries, Europeans, Samoans and Fijians (including Women and Children)	Chinese Indentured Labour (from 1906 onwards mainly Nauru)	European Mortality
1887	62	n.d.	n.d.	n.d.	34	10	11	4	n.d.	3	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1888	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1889	95	95	n.d.	n.d.	30	23	23	2	2	15	4	4	4	78	6	11	n.d.
1890	99	99	n.d.	n.d.	34	20	24	n.d.	2	19	4	3	3	76	13	10	n.d.
1891	82	82	n.d.	n.d.	30	18	17	n.d.	2	15	4	7	3	61	7	11	n.d.
1892	78	78	n.d.	n.d.	39	13	14	n.d.	n.d.	12	4	8	4	59	3	11	n.d.
1893	67	67	n.d.	n.d.	32	11	13	n.d.	n.d.	11	4	10	3	48	2	15	n.d.
1894	71	71	n.d.	n.d.	37	10	13	n.d.	n.d.	11	4	11	5	50	1	14	n.d.
1895	68	62	2	4	33	11	11	n.d.	n.d.	13	5	8	6	49	0	15	n.d.
1896	72	70	2	n.d.	39	8	12	n.d.	n.d.	13	4	5	6	52	5	9	n.d.
1897	74	70	2	2	43	8	11	n.d.	n.d.	12	5	7	6	46	10	9	n.d.
1898	79	74	3	2	50	9	9	n.d.	n.d.	11	5	7	6	46	15	11	n.d.
1899	71	64	4	3	39	10	8	n.d.	n.d.	14	4	7	3	40	26	10	n.d.
1900	233	186	31	16	92	36	13	32	38	22	11	10	6	57	155	26	n.d.
1901	222	169	33	20	74	45	19	24	43	17	15	11	5	45	143	26	n.d.
1902	254	178	45	31	93	45	20	25	48	23	14	12	5	53	170	24	n.d.
1903	259	184	44	31	95	42	20	29	45	28	14	12	8	56	184	201	2
1904	298	218	44	36	119	42	19	34	53	31	21	12	8	57	200	203	4
1905	339	259	46	34	134	30	32	28	85	30	23	12	8	56	212	173	8
1906	352	263	51	38	135	23	29	19	107	39	23	9	8	70	268	330	8
1907	292	197	51	44	157	17	44	18	36	20	19	54	12	81	191	627	3
1908	344	220	73	51	185	16	45	12	66	20	27	71	11	107	205	438	4
1909	411	302	69	40	191	14	72	8	90	36	24	71	11	138	205	432	6
1910	447	341	68	38	236	14	66	8	81	42	24	65	11	131	190	371	4
1911	425	328	64	33	224	6	66	9	83	37	28	59	11	140	187	316	5
1912	459	352	75	32	232	8	67	8	90	54	27	53	11	122	246	n.d.	3
1913	477	362	78	37	229	7	74	8	133	26	32	120	12	121	225	n.d.	5

Table 4

British New Guinea - Territory of Papua
European Population - Year ending June

Year	European	Males (age ≥ 16 years)	Females	Children	European Mortality	Government Officers	Administration	Judiciary and Magistrate Offices	Medical	Public Works, Marine and Harbours and Exploration
1888/89	735	n.d.	n.d.	n.d.	n.d.	15	8	4	0	3
1889/90	447	n.d.	n.d.	n.d.	n.d.	17	9	5	0	3
1890/91	143	n.d.	n.d.	n.d.	n.d.	19	9	7	0	3
1891/92	132	n.d.	n.d.	n.d.	n.d.	20	9	9	0	2
1892/93	127	n.d.	n.d.	n.d.	n.d.	20	9	9	0	2
1893/94	105	n.d.	n.d.	n.d.	n.d.	20	9	9	0	2
1894/95	97	n.d.	n.d.	n.d.	n.d.	21	9	9	1	2
1895/96	299	n.d.	n.d.	n.d.	n.d.	21	9	9	1	2
1896/97	490	n.d.	n.d.	n.d.	133	21	9	9	1	2
1897/98	334	n.d.	n.d.	n.d.	n.d.	21	9	9	1	2
1898/99	314	n.d.	n.d.	n.d.	n.d.	21	9	9	1	2
1899/00	450	297	85	68	n.d.	35	13	11	2	9
1900/01	452	284	96	72	n.d.	36	14	13	1	8
1901/02	361	181	103	77	n.d.	41	15	16	2	8
1902/03	435	238	118	79	n.d.	39	15	14	2	8
1903/04	573	374	120	79	n.d.	48	16	19	2	11
1904/05	542	343	120	79	25	50	16	21	2	11
1905/06	687	488	120	79	10	53	16	23	3	11
1906/07	690	491	120	79	16	60	16	23	4	17
1907/08	711	511	124	76	18	79	22	26	4	27
1908/09	702	489	132	81	20	83	24	28	4	27
1909/10	879	662	135	82	32	112	36	29	5	42
1910/11	1,032	771	173	88	17	117	37	30	5	45
1911/12	1,064	761	194	109	28	125	39	33	4	49
1912/13	1,219	847	223	149	25	132	36	34	9	53
1913/14	1,186	807	223	156	23	136	40	45	7	44

*Until 1905/06 numbers are extrapolated from the total European population

Table 5

British New Guinea - Territory of Papua
Indentured and Casual Labour - Year Ending June

Year	Indentured Labour (estimate, engaged for the goldfields only until 1902)	Casual Labour (estimate)	Papuans employed as - constables, village constabulary, boat crews	Prison Labour (approximate numbers)	Malays	Japanese	Chinese	Filipinos	Javanese	Fijians	Solomon Islanders	Rarotongans	Samoans and other South Sea Islanders	Other Countries	Total Asians and South Sea Islanders	Labour Mortality - Rate per 1000 (until 1902 estimate by H. Nelson)
1888/89	600	n.d.	n.d.	n.d.												300
1889/90	1,200	n.d.	n.d.	n.d.												300
1890/91	228	n.d.	n.d.	n.d.												300
1891/92	195	n.d.	n.d.	n.d.												300
1892/93	180	n.d.	n.d.	n.d.												300
1893/94	114	n.d.	n.d.	n.d.												300
1894/95	90	n.d.	67	295												300
1895/96	892	n.d.	78	377												300
1896/97	1,675	n.d.	108	367												300
1897/98	1,039	n.d.	112	400												300
1898/99	988	n.d.	124	428												300
1899/00	1,544	n.d.	125	616												300
1900/01	1,457	n.d.	130	578												100
1901/02	1,159	n.d.	150	607												100
1902/03	2,114	n.d.	150	1,014	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	104
1903/04	3,550	n.d.	454	1,057	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	78
1904/05	4,434	n.d.	506	1,440	7	7	2	8	1	12	14	3	15	5	74	16
1905/06	4,180	n.d.	534	1,748	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	45
1906/07	4,230	n.d.	586	1,791	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	25
1907/08	4,395	n.d.	605	1,916	13	9	4	27	5	49	67	n.d.	297	40	511	39
1908/09	4,266	n.d.	604	1,800	11	7	4	41	6	44	54	40	207	63	477	33
1909/10	5,585	1,947	856	1,580	12	6	4	50	6	63	52	73	161	24	451	74
1910/11	7,806	1,000	959	3,372	14	8	3	47	3	30	57	41	226	21	450	46
1911/12	7,963	2,307	1,438	2,769	16	7	4	26	3	28	43	41	212	25	405	35
1912/13	6,975	2,945	1,496	2,148	20	9	3	19	5	32	47	47	207	19	408	24
1913/14	7,681	3,702	1,392	2,391	17	9	3	15	2	37	45	42	204	13	387	13

Table 6

Kaiser Wilhelms-Land, Bismarck Archipelago and The Island Territory

Land area (ha) –Year ending March, from 1903 calendar year.

Year	Plantation Land - Bismarck-Archipel and Kaiser-Wilhelms-Land	Total Area Planted	Area Producing	Plantation Land - NGC	Coconut Palm Plantation	Coconut Palm Plantations Producing	Cotton	Kapok, Hemp and Sisal	Tobacco	Coffee	Coffee - Producing	Cocoa	Cacao - Producing	Caoutchouc and Gutta-percha	Caoutchouc and Gutta-percha - Producing	Maize, Rice and Millet	Spices and Tropical Fruit	Coconut Plantation in the Island Territory of GNG	
1886/87	25,000	98	0	10	88	0	0	0	0	0	0	0	0	0	0	0	0	10	n.d.
1887/88	30,000	113	4	10	97	0	0	0	4	0	0	0	0	0	0	0	0	12	n.d.
1888/89	40,000	197	39	24	103	0	38	0	39	3	0	0	0	0	0	0	0	14	n.d.
1889/90	50,000	231	74	110	123	0	49	0	36	5	2	0	0	0	0	0	0	18	n.d.
1890/91	55,000	322	89	125	173	0	73	0	40	5	0	0	0	0	0	0	0	31	n.d.
1891/92	58,921	478	245	225	199	0	101	0	40	5	0	0	0	0	0	0	0	29	n.d.
1892/93	68,761	682	406	377	326	85	117	0	40	5	0	0	0	0	0	0	0	30	n.d.
1893/94	73,000	811	471	528	398	95	214	0	70	5	0	0	0	0	0	0	0	32	n.d.
1894/95	78,000	951	477	427	534	100	249	0	68	5	0	0	0	0	0	0	0	34	n.d.
1895/96	80,743	980	382	593	614	120	130	0	132	21	0	0	0	0	0	0	0	32	n.d.
1896/97	96,283	1,191	404	892	810	150	200	0	97	53	0	0	0	0	0	0	0	30	n.d.
1897/98	103,791	1,821	464	1,437	1,405	180	230	0	74	53	0	0	0	0	0	0	0	31	n.d.
1898/99	105,620	2,052	545	1,868	1,981	310	235	0	30	53	0	0	0	0	0	0	0	32	n.d.
1899/00	133,362	4,626	640	2,051	3,608	380	240	0	35	53	20	6	0	0	0	0	0	30	n.d.
1900/01	135,381	6,645	810	2,256	5,830	510	264	85	0	125	36	5	0	0	0	0	0	33	n.d.
1901/02	137,046	8,310	1,127	2,766	7,665	753	271	92	0	198	36	5	0	172	0	0	0	31	2,889
1902/03	135,357	9,057	1,172	3,528	8,528	1,666	412	122	0	198	36	5	5	172	0	0	0	32	3,200
1903	140,647	9,491	2,064	4,793	8,528	1,666	412	142	0	201	31	10	5	191	0	0	0	33	4,105
1904	139,758	12,109	2,337	5,020	10,181	1,843	537	72	0	202	38	117	5	954	0	0	0	32	5,105
1905	137,519	13,530	2,495	5,704	12,313	2,174	0	7	0	202	38	117	10	815	24	0	0	32	6,432
1906	142,168	15,829	2,496	6,412	13,717	2,174	0	7	0	154	133	117	10	1,586	86	0	0	31	7,270
1907	147,255	16,769	3,171	7,462	14,671	2,980	0	21	0	35	34	163	130	1,765	95	0	0	32	7,364
1908	147,556	18,236	4,029	7,265	15,963	3,722	0	28	0	36	34	225	130	1,909	168	0	0	33	7,532
1909	147,506	20,520	5,050	7,511	17,773	5,284	0	36	0	36	26	334	85	2,251	258	2	0	33	7,625
1910	147,270	23,810	6,910	7,511	20,765	6,003	4	97	1	22	20	418	160	2,414	765	13	0	65	7,716
1911	169,363	25,616	8,676	7,756	22,677	7,452	0	89	1	9	6	413	234	2,353	958	12	0	67	7,839
1912	180,733	29,328	10,331	8,288	26,242	8,717	0	79	2	8	4	394	206	2,339	1,197	28	0	252	7,976
1913	199,900	34,190	11,329	8,381	31,098	9,519	18	66	3	73	26	384	310	2,248	1,352	36	0	252	n.d.

Table 7

British New Guinea and Territory of Papua

Land Area (ac) - Year ending June.

Year	Land held by the indigenous population of BNG - Papua	Crown land	Freehold (agricultural, industrial, residential and religious)	Leasehold	Arable Land	Number of Plantations	Coconut	Caoutchouc and Gutta-percha	Sisal Hemp	Cotton	Tobacco	Maize	Coffee	Other Cultures incl. Fruit Trees
1888/89	57,944,640	584	376	0										
1889/90	57,941,258	914	376	3,052										
1890/91	57,941,258	914	376	3,052										
1891/92	57,941,258	914	376	3,052										
1892/93	n.d.	n.d.	1,724	3,052										
1893/94	n.d.	n.d.	5,323	3,052										
1894/95	n.d.	n.d.	5,679	3,052										
1895/96	n.d.	n.d.	6,571	3,052										
1896/97	n.d.	n.d.	6,571	3,052										
1897/98	n.d.	n.d.	6,571	3,705										
1898/99	57,862,261	72,508	6,810	4,021										
1899/00	57,490,723	442,965	7,891	4,021										
1900/01	57,426,198	499,259	16,122	4,021										
1901/02	57,220,456	696,421	24,702	4,021										
1902/03	57,229,949	692,602	17,594	5,455	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1903/04	57,219,792	702,759	17,594	5,455	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1904/05	57,211,016	705,539	23,590	5,455	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1905/06	56,913,426	1,000,000	24,630	7,544	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1906/07	56,759,829	1,088,849	26,410	70,512	1,467	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1907/08	56,605,708	1,070,899	26,598	242,395	4,955	76	3,468	85	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1908/09	56,580,387	1,000,864	26,546	337,803	7,740	130	5,365	1,698	382	n.d.	n.d.	n.d.	180	115
1909/10	56,541,789	1,013,790	26,596	363,425	10,053	151	6,716	1,886	1,131	n.d.	n.d.	n.d.	176	143
1910/11	56,518,843	1,036,123	26,546	364,088	15,881	167	9,513	2,889	2,332	n.d.	15	n.d.	132	1,015
1911/12	56,563,582	1,023,049	26,547	332,422	24,707	192	15,993	4,496	2,757	n.d.	15	n.d.	14	1,433
1912/13	56,538,569	1,092,800	23,295	290,936	35,363	216	21,958	6,256	3,057	609	n.d.	n.d.	n.d.	3,483
1913/14	56,483,217	1,208,419	23,085	230,879	42,921	228	29,030	6,606	3,110	453	66	190	n.d.	3,466

Table 8 Kaiser Wilhelms-Land and Bismarck Archipel

Livestock						
Year	Horses, Donkeys, Mules and Water Buffalos	Cattle	NGC - Cattle	Pigs	Poultry	Sheep and Goats
1886/87	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1887/88	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1888/89	n.d.	52	52	n.d.	n.d.	n.d.
1889/90	13	78	78	n.d.	n.d.	n.d.
1890/91	16	n.d.	n.d.	n.d.	n.d.	n.d.
1891/92	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1892/93	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1893/94	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1894/95	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1895/96	17	141	141	38	n.d.	n.d.
1896/97	24	217	217	19	n.d.	n.d.
1897/98	20	299	299	n.d.	n.d.	n.d.
1898/99	35	238	238	n.d.	n.d.	n.d.
1899/00	38	253	253	n.d.	n.d.	34
1900/01	38	310	310	n.d.	n.d.	34
1901/02	34	442	442	n.d.	n.d.	27
1903	40	459	459	n.d.	n.d.	40
1904	40	n.d.	329	n.d.	n.d.	n.d.
1905	131	379	308	116	358	92
1906	151	498	336	299	938	n.d.
1907	230	621	416	433	1,517	n.d.
1908	239	850	480	592	1,049	n.d.
1909	295	972	579	752	2,002	n.d.
1910	337	1,407	677	1,214	5,359	290
1911	339	1,904	818	1,884	8,716	833
1912	383	2,085	967	2,599	8,242	1,033
1913	593	2,466	1,140	2,442	13,813	1,351
1914	558	3,067	1,258	3,081	14,256	2,290

Table 9 British New Guinea and Territory of Papua

Livestock						
Year	Horses, Mules and Donkeys	Cattle	Sheep	Goats	Poultry	Pigs
1888/89	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1889/90	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1890/91	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1891/92	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1892/93	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1893/94	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1894/95	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1895/96	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1896/97	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1897/98	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1898/99	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1899/00	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1900/01	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1901/02	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1902/03	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1903/04	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1904/05	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1905/06	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1906/07	201	648	n.d.	797	n.d.	n.d.
1907/08	244	822	39	523	n.d.	195
1908/09	269	664	36	550	n.d.	n.d.
1909/10	384	1,123	71	557	n.d.	n.d.
1910/11	339	1,149	177	619	6,341	30
1911/12	372	1,286	144	585	5,267	95
1912/13	483	1,727	99	974	10,129	421
1913/14	423	1,533	50	930	8,707	418

Table 10

Kaiser Wilhelms-Land and Bismarck Archipelago

Annual Rainfall (mm)

Year	Modilon Station at Friedrich Wilhelmshafen	Kieta	Hatzfeldhafen (1886-1890); Seleo/Aitape from 1902	Stephansort	Constantinhafen	Erima until 1901; Erimahafen thereafter	Finschhafen (1886-1891); Simbang from 1895; Wareo from 1905	Herbertshöhe
1886/87	n.d.	n.d.	1,942	3,766	n.d.	n.d.	2,416	n.d.
1887	n.d.	n.d.	2,483	n.d.	3,431	n.d.	2,859	n.d.
1888	n.d.	n.d.	2,381	n.d.	2,614	n.d.	2,338	n.d.
1889	n.d.	n.d.	3,127	n.d.	n.d.	n.d.	3,936	n.d.
1890	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	1,922	n.d.
1891	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	3,387
1892	n.d.	n.d.	n.d.	2,982	3,625	n.d.	n.d.	2,702
1893	4,596	n.d.	n.d.	2,932	2,982	n.d.	n.d.	n.d.
1894	3,343	n.d.	n.d.	3,168	3,432	n.d.	n.d.	1,667
1895	3,523	n.d.	n.d.	3,052	2,592	2,606	5,450	2,089
1896	3,036	n.d.	n.d.	2,961	n.d.	0	4,307	2,300
1897	2,622	n.d.	n.d.	3,971	n.d.	3,001	4,915	2,157
1898	3,832	n.d.	n.d.	2,657	n.d.	3,375	4,119	2,068
1899	2,919	n.d.	n.d.	3,129	n.d.	n.d.	5,742	2,298
1900	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	2,456
1901	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	2,096
1902	n.d.	n.d.	n.d.	2,296	n.d.	2,007	3,938	2,114
1903	n.d.	n.d.	2,355	3,188	n.d.	n.d.	3,591	1,801
1904	n.d.	n.d.	0	0	n.d.	n.d.	n.d.	2,080
1905	1,235	n.d.	1,655	1,932	n.d.	n.d.	2,908	2,068
1906	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1907	1,332	2,816	n.d.	2,964	2,933	3,372	3,492	2,153
1908	1,964	3,042	3,429	3,074	2,821	3,533	3,711	2,206
1909	n.d.	4,392	n.d.	n.d.	3,511	3,217	2,545	n.d.
1910	1,687	3,823	n.d.	n.d.	4,612	3,034	2,581	n.d.
1911	1,687	2,022	2,562	n.d.	n.d.	2,653	3,602	1,903
1912	1,494	n.d.	2,111	2,937	2,356	n.d.	4,502	n.d.
1913	1,342	3,228	2,155	n.d.	n.d.	n.d.	3,304	n.d.

The Island Territory of German New Guinea

Annual Rainfall (mm)

Year	Station Jaluit, Marshall Islands	Nauru	Station Palau and Yap, West Caroline Islands	Kusaie, East Caroline Islands	Station Ponape, East Caroline Islands	Station Garapan (Saipan), Mariana Islands
1886/87	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1887	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1888	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1889	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1890	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1891	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1892	4,366	n.d.	n.d.	n.d.	n.d.	n.d.
1889	4,618	n.d.	n.d.	n.d.	n.d.	n.d.
1890	4,550	n.d.	n.d.	n.d.	n.d.	n.d.
1891	4,421	n.d.	n.d.	n.d.	7,262	n.d.
1892	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1893	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1894	4,399	n.d.	n.d.	n.d.	6,457	n.d.
1895	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
1896	n.d.	n.d.	n.d.	n.d.	n.d.	2,245
1897	n.d.	n.d.	n.d.	0	n.d.	1,979
1898	n.d.	n.d.	3,634	6,544	5,112	1,790
1899	n.d.	n.d.	n.d.	5,618	n.d.	n.d.
1900	n.d.	n.d.	n.d.	6,771	n.d.	n.d.
1901	n.d.	n.d.	n.d.	0	n.d.	n.d.
1902	n.d.	n.d.	n.d.	0	n.d.	n.d.
1903	3,619	n.d.	3,091	4,536	3,518	2,174
1904	4,296	n.d.	3,899	4,940	5,558	1,748
1905	4,033	n.d.	4,141	4,708	4,539	2,102
1906	3,949	n.d.	3,694	5,983	n.d.	2,024
1907	3,591	3,730	2,751	n.d.	n.d.	1,796
1908	n.d.	4,145	3,238	4,130	5,267	1,796
1909	3,390	1,772	3,108	3,088	3,581	1,824

British New Guinea and Territory of Papua

Annual Rainfall (mm)

Year	Port Moresby	Dogura Station; Samarai from 1904/05	Daru Island	Inawi, Mekeo District; Sogeri from 1901/02; Kokoda from 1905/06
1886/87	n.d.	n.d.	n.d.	n.d.
1887/88	n.d.	n.d.	n.d.	n.d.
1888/89	n.d.	n.d.	n.d.	n.d.
1889/90	n.d.	n.d.	n.d.	n.d.
1890/91	n.d.	n.d.	n.d.	n.d.
1891/92	783	n.d.	1,913	n.d.
1892/93	752	892	1,850	n.d.
1893/94	1,227	1,959	n.d.	n.d.
1894/95	1,019	1,273	2,960	n.d.
1895/96	817	1,105	1,765	n.d.
1896/97	990	1,158	1,565	n.d.
1897/98	958	1,127	2,377	n.d.
1898/99	1,124	n.d.	2,106	n.d.
1899/00	860	n.d.	n.d.	n.d.
1900/01	1,377	n.d.	3,691	n.d.
1901/02	2,164	n.d.	1,943	Sogeri
1902/03	1,033	n.d.	n.d.	1,690
1903/04	1,290	n.d.	1,595	3,131
1904/05	765	Samarai	1,738	2,235
1905/06	687	2,009	n.d.	Kokoda
1906/07	986	2,537	3,954	n.d.
1907/08	1,163	1,558	3,418	4,573
1908/09	971	3,726	3,033	n.d.
1909/10	888	4,008	2,508	3,370
1910/11	1,074	3,591	1,886	3,627
1911/12	1,168	2,120	1,290	2,385
1912/13	1,043	2,910	2,020	3,602
1913/14	1,005	1,575	2,035	2,499

Table 11 Exports and Imports by the Bismack Archipelago and Kaiser Wilhelmstand

Date Compiled 31 March	1885/87	1887/88	1888/89	1889/90	1890/91	1891/92	1892/93	1893/94	1894/95	1895/96	1896/97	1897/98	1898/99	1899/00	1900/01	1901/02	1902/03	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	
Exports: Bismarck Archipelago and Kaiser Wilhelmstand - Currency in Reichs Mark (RM)																													
Germany	n.d.	n.d.	n.d.	n.d.	n.d.	154,000	36,000	470,000	121,000	204,000	210,000	362,000	360,000	341,000	335,000	300,000	299,636	342,339	379,718	571,007	906,585	1,329,319	1,039,986	1,822,530	2,361,949	3,228,868	4,489,084	7,515,123	
England	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	265,541	280,856	131,465	109,436	38,218	13,745	90,544	96,277	233	2,930	0	22,940	
Australia and South Sea Islands under British control	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	172,390	172,959	440,700	460,767	526,203	541,559	536,893	456,812	1,087,844	575,972	410,242	327,601	
Asian countries	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	292,666	247,305	299,994	36,252	51,184	40,496	16,874	59,389	49,515	69,254	110,494	77,466	
North America	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	4,851	28,198	12,466	157,225	39,871	67,990	23,096	23,836	103,570	125,826	31,286	97,099	
Unidentified destinations	n.d.	n.d.	410,200	513,297	556,728	664,703	788,068	593,694	909,513	797,143	689,194	590,010	863,600	778,399	829,522	1,182,807	171,636	134,063	0	0	0	0	0	0	0	0	0	0	
Total Export (RM)	626,600	370,000	410,200	513,297	556,728	818,703	824,068	1,063,694	1,030,513	1,001,143	899,194	952,010	1,196,600	1,119,399	1,164,522	1,482,807	1,206,720	1,205,720	1,264,343	1,334,687	1,562,061	1,993,109	1,707,393	2,458,844	3,593,111	4,002,850	5,041,106	8,040,229	
Imports: Bismarck Archipelago and Kaiser Wilhelmstand																													
Germany	686,860	242,078	286,947	210,842	276,687	327,282	267,194	291,000	259,000	416,431	248,077	n.d.	n.d.	n.d.	n.d.	1,010,115	1,169,338	919,630	1,089,661	1,366,185	1,352,185	1,083,369	1,042,512	1,452,469	2,542,907	2,221,150	3,684,585		
Great Britain	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	115,785	86,151	72,735	105,365	147,138	130,336	108,459	136,429	68,010	185,096	213,786	420,844	
Australia and South Sea Islands under British control	56,054	15,157	62,990	219,006	217,756	689,740	464,821	496,292	480,000	362,923	320,987	n.d.	n.d.	n.d.	n.d.	n.d.	665,023	923,052	859,257	1,103,476	0	1,076,346	1,203,742	890,250	1,117,979	1,325,227	1,894,409	2,464,987	
Asian countries	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	321,635	457,056	350,503	519,876	590,584	638,526	575,718	456,828	747,174	1,005,468	1,183,807	1,476,100	
America and other countries	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	97,966	278,217	123,534	119,238	175,509	205,771	136,394	139,923	121,039	190,443	358,688	453,836	
Unidentified destinations	0	0	0	0	0	0	0	0	0	0	200,000	873,000	1,726,000	1,618,607	1,666,685	1,660,030	303,233	0	0	0	0	0	0	0	0	0	0	0	
Total Imports (RM)	742,914	257,235	349,937	429,848	494,443	1,017,022	732,015	787,292	739,000	779,354	769,064	873,000	1,726,000	1,618,607	1,666,685	1,660,030	2,513,757	2,913,814	2,325,659	2,937,616	3,307,812	3,403,164	3,107,682	2,665,942	3,506,671	5,249,141	5,871,840	8,500,352	
Balance of Trade (RM)	-116,314	112,765	60,263	83,449	62,285	-198,319	92,053	276,402	291,513	221,789	130,130	79,010	-529,400	-499,208	-502,163	-177,223	-1,307,037	-1,708,094	-1,061,316	-1,602,929	-1,745,751	-1,410,055	-1,400,289	-207,098	86,440	-1,246,291	-830,734	-460,123	
Total Trade (RM)	1,369,514	627,235	760,137	943,145	1,051,171	1,835,725	1,556,083	1,850,986	1,769,513	1,780,497	1,668,258	1,825,010	2,922,600	2,738,006	2,831,207	3,142,837	3,720,477	4,119,534	3,590,002	4,272,303	4,869,873	5,396,273	4,815,075	5,124,786	7,099,782	9,251,991	10,912,946	16,540,581	
Exports: Bismarck Archipelago and Kaiser Wilhelmstand																													
Coffee (t)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,00	1,64	0,10	12,00	1	0	5,00	10,67	16,76	0,98	1,35	0,25	0,14	
Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,733	1,539	133	14,562	182	0	5,542	11,791	13,225	9	18	270	17	
Cocoa (t)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0,52	2,51	11,41	54,75	54,50	83,50	135,26	
Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,003	2,543	9,243	55,440	72,763	115,200	170,724	
Tobacco (lb)	0	0	1,600	20,656	37,872	46,577	108,630	159,440	112,000	106,666	93,926	70,100	61,000	57,568	104,384	87,000	94,688	0	0	0	0	0,4	0	0,01	0	0	0	0	
Value	0	0	5,200	67,132	123,084	151,375	271,575	360,074	387,500	262,500	211,334	162,880	137,250	119,360	234,864	195,750	59,086	0	0	0	0	927	0	431	0	0	5	0	
Copra (t)	3,250	1,760	1,980	2,000	2,090	3,032	2,250	2,828	2,300	2,237	2,367	2,458	3,632	3,410	2,989	4,383	3,261	3,565	4,447	4,916	4,391	5,694	6,286	8,653	9,242	9,546	11,374	14,526	
Value	510,000	320,000	356,400	360,000	376,200	545,760	405,000	509,040	414,000	402,660	426,060	516,285	726,400	716,141	619,187	1,008,141	816,216	749,205	1,015,829	1,234,109	1,418,921	1,807,957	1,549,460	2,172,251	3,037,622	3,328,430	4,052,053	6,173,680	
Cotton and Kapok (metric pounds are converted into tonnes)	n.d.	n.d.	n.d.	35	49	75	84	87	73	98	43	53	48	60	58	24	24	52	16	12	8	3	0	0	1	0	0	0	
Value	21,000	n.d.	n.d.	39,665	29,642	88,928	98,600	73,980	80,846	124,943	50,000	59,880	72,000	91,000	86,372	35,937	24,612	39,000	29,941	18,834	4,929	1,130	0	0	640	30	0	100	
Ivory Nut (t)	0	0	n.d.	n.d.	n.d.	n.d.	n.d.	30,00	160,00	75,00	75,00	20,00	93,00	0,00	0,00	0,00	10,00	0,00	0,00	70,00	21,00	32,00	59,00	68,27	117,23	76,81	117,92	174,92	
Value	0	0	n.d.	n.d.	n.d.	n.d.	6,000	26,000	6,000	3,750	1,000	3,400	0	0	0	0	1,826	0	0	9,024	3,101	5,957	9,831	8,853	32,051	20,293	26,155	46,734	
Timber (cbm)	0	0	0	0	0	24	92	68	42	78	47	0	19	0	0	79	0	0	0	0	0	37,092	2,282	400	1,800	71,065	17,100		
Value	0	0	0	0	0	6,000	22,000	16,000	11,000	19,000	11,000	0	4,545	0	0	15,883	0	0	0	0	0	2,455	300	202	150	11,443	3,530		
Gutta-percha and Caoutchouc (Tonne)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0,5	0	0	0	0,948	1,751	5,775	6,616	8,559	19,381	23,826	19,736	
Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,498	0	0	211	3,697	15,756	41,828	45,746	79,453	107,208	162,892	126,609		
Treapang (t)	n.d.	n.d.	n.d.	n.d.	n.d.	25,00	37,00	78,00	123,00	154,00	194,00	155,00	302,00	218,82	136,37	96,12	69,08	151,00	166,00	57,00	72,00	67,00	53,36	67,69	59,35	50,11	89,68	58,12	
Value	25,800	n.d.	n.d.	n.d.	n.d.	10,000	15,910	33,540	55,350	69,300	93,120	62,000	120,800	113,786	77,324	48,062	62,000	80,086	96,548	25,872	33,885	38,341	15,320	47,597	18,719	21,447	28,073	24,713	
Turtle shell (t)	n.d.	n.d.	n.d.	n.d.	n.d.	1	n.d.	n.d.	n.d.	1,057	2,050	0,551	0,472	3,419	0,946	1,427	0,860	2,205	2,295	1,471	3,052	3,820	1,070	3,672	0,574	0,510	0,540	0,630	
Value	19,800	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	21,480	5,400	5,760	31,958	8,846	13,340	7,403	14,975	18,735	12,003	24,912	31,174	11,229	21,404	15,983	14,813	18,509	21,860		
Trochus and other Pearl-shell (t)	n.d.	n.d.	n.d.	n.d.	n.d.	4,0	n.d.	n.d.	n.d.	6,00	4,70	3,30	15,00	0,00	0,00	290,000	293,97	417,00	209,00	127,00	0,00	0,00	179,43	218,54	312,18	365,59	320,02	360,34	
Value	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	3,440	3,200	7,500	32,514	123,056	136,600	137,334	117,494	68,744	32,573	65,115	62,961	26,231	35,624	92,690	161,923	125,221	175,338		
Birds of Paradise, Goura Pigeons and Cassowaries (pcs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,268	4,817	8,577	13,520	29,147
Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	65,360	152,406	228,330	467,866	1,181,712
Sisal (t)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63	0	0	0	2	0	3	14	8	21	11	
Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	51,698	0	0	0	0	1,050	0	1,945	8,269	3,843	10,450	6,100	

Table 12 Exports and Imports by The Island Territory of German New Guinea

Date Compiled 31 December	1887	1888	1889	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913		
Export Currenc: Marshall Islands, Marianas, East and West Carolines, currency (RM)																													
Germany	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	491,400	445,200	438,000	591,400	640,845	383,517	352,911	424,294	314,521	473,586	608,919	841,000	1,411,109	2,991,858	3,154,659	4,311,712	n.d.	17,874,931	
England	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	69,233	100,600	71,200	115,000	44,200	3,792	250,450	185,400	0	10,572	3,701	318,000	63,343	242,923	0	906	n.d.	1,479,320	
Australia/New Zealand	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	34,506	14,954	47,419	37,970	28,563	174,515	364,450	2,262,041	2,213,534	3,140,010	2,599,011	3,919,446	n.d.	14,836,419	
Asia - Japan and China	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	113,481	218,407	289,087	424,269	248,810	175,123	243,035	205,167	205,440	1,412,153	3,181,684	1,624,590	2,970,769	n.d.	11,312,015
North America and other Countries	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	61,419	271,354	217,535	166,869	516,485	151,725	295,673	710,508	769,177	1,485,909	539,171	121,542	n.d.	5,307,367	
Total Export (RM)	406,276	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	480,042	540,809	541,740	869,100	545,800	509,200	819,881	999,377	962,704	1,292,585	1,063,343	1,034,692	1,053,433	1,477,910	4,336,989	5,869,316	11,042,384	7,917,431	11,324,375	13,180,601	65,381,670	(1895 - 1913)
Imports (RM)																													
Germany	101,804	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	282,000	196,400	166,000	446,000	412,000	392,424	449,556	349,688	1,139,194	669,617	620,251	449,748	1,733,630	597,400	868,537	956,190	n.d.	9,830,439	
England	101,088	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	45,800	67,800	80,000	84,000	106,858	153,587	174,677	145,175	317,124	263,921	246,248	324,757	477,611	303,831	154,469	57,248	n.d.	3,104,194	
Australia/New Zealand	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	116,133	159,900	174,800	225,900	304,145	178,544	253,147	199,329	382,737	754,002	862,789	862,907	1,014,994	958,333	1,055,913	1,493,162	n.d.	8,996,735	
Japan and China	10,836	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	3,200	3,900	3,500	2,500	121,400	136,098	99,145	226,934	350,214	476,426	358,227	213,693	347,976	321,596	492,830	755,567	n.d.	3,924,042	
North America and other Countries	75,208	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	113,500	37,700	30,000	298,224	278,500	127,264	374,117	233,212	344,566	183,368	227,471	130,895	241,244	183,412	144,343	73,052	n.d.	3,096,076	
Total Imports (RM)	288,936	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	326,100	387,140	560,633	465,700	454,300	1,056,624	1,222,903	987,917	1,350,642	1,154,338	2,533,835	2,347,334	2,314,986	1,982,000	3,815,455	2,364,572	2,716,092	3,335,219	3,500,000	32,875,790	(1895 - 1913)
Balance of Trade	117,340	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	214,709	154,600	308,467	80,100	54,900	-236,743	-223,526	-25,213	-58,057	-90,995	-1,499,143	-1,293,901	-837,076	2,354,989	2,053,861	8,677,812	5,201,339	7,989,156	9,680,601	32,505,880	(1895 - 1913)
Total Trade	695,212	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	866,909	928,880	1,429,733	1,011,500	963,500	1,876,505	2,222,280	1,950,621	2,643,227	2,217,681	3,568,527	3,400,767	3,792,896	6,318,989	9,684,771	13,406,956	10,633,523	14,659,594	16,680,601	98,257,460	(1895 - 1913)
Exports (RM)																													
Copra - (t)	1,635	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	2,146	2,422	2,417	3,967	2,730	2,546	4,058	4,758	4,753	6,650	5,281	4,052	2,844	4,707	4,624	5,283	4,971	5,928	5,250	n.d.	5,250	
Value	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	472,042	532,809	531,740	859,100	545,800	509,200	815,658	952,942	1,258,841	994,437	974,674	837,988	602,913	941,274	1,055,834	1,273,422	1,168,501	1,958,217	2,100,000	n.d.	2,100,000	
Guano Phosphate - (t)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trepang - (t)	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	1.00	16.73	2.00	5.02	26.00	9.83	11.00	1.25	12.80	26.87	18.53	7.19	6.00	n.d.	
Value	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	630	1,071	1,185	20,645	11,279	3,010	5,465	518	6,424	13,201	10,861	3,513	2,556	n.d.	
Turtle-shell - kg	47	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	0.42	0.38	0.27	1.9	0.13	0.09	0.27	0	0.59	0.10	0.16	0.18	0.05	n.d.	
Value	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	4,223	6,360	5,753	3,565	23,997	3,075	1,722	4,948	0	4,137	2,796	3,997	5,454	1,125	
Trochus and other Pearl-shell - (t)	3	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	0.05	14.52	1.5	1	732	401	320	266	273	72	72	90	n.d.	90	
Value	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	7,761	1,315	897	5,578	162,331	71,577	402	73,822	122,045	133,135	32,646	43,200	n.d.	43,200	
Ivory Nut - (t)	29	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	16	37	14	65.21	47.00	0.48	9.63	0.00	0.58	1.42	1.84	14.61	7.00	n.d.	
Value	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	2,887	4,608	2,350	8,046	5,438	825	0	37	159	239	2,419	1,000	n.d.	1,000	
Shark Fin - kg	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	1.77	2.10	0.34	3.94	2.85	0.56	3.30	1.00	0.37	0.74	1.92	1.63	1.50	n.d.	
Value	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	3,200	3,780	612	7,302	5,135	1,015	5,965	1,829	669	66	1,634	1,346	1,320	n.d.	
Sundry Items, including re-exports: Value	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	8,000	8,000	10,000	10,000	n.d.	n.d.	n.d.	33,358	17,234	24,717	8,019	29,513	37,937	63,271	91,826	32,745	133,250	41,084	50,780	25,000	n.d.	
Money (RM)	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	9,364	25,146	0	800	0	0	0	0	
Total Exports (RM)	406,276	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	480,042	540,809	541,740	869,100	545,800	509,200	819,881	999,377	962,704	1,292,585	1,063,343	1,034,692	1,053,433	1,477,910	4,336,989	5,869,316	11,042,384	7,917,431	11,324,375	13,180,601	65,381,670	(1895 - 1913)
Exports from the East Caroline Islands	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	187,081	365,087	166,158	184,305	200,395	101,591	136,417	111,292	98,296	146,484	211,262	Incl. in Marshall Islands			n.d.	
Exports from the Marshall Islands and Nauru	406,267	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	480,042	540,809	541,740	869,100	545,800	509,200	556,400	516,800	504,845	522,210	583,353	700,054	570,589	1,111,418	4,015,579	5,217,418	9,377,831	6,271,189	9,442,361	11,144,600	n.d.	
Exports from the West Caroline Islands, Palau and Marianas	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	76,400	117,490	291,701	586,070	279,595	233,047	346,427	255,200	223,114	505,414	1,453,291	1,646,242	1,882,014	2,036,001	n.d.	
Total (RM)	406,276	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	480,042	540,809	541,740	869,100	545,800	509,200	819,881	999,377	962,704	1,292,585	1,063,343	1,034,692	1,053,433	1,477,910	4,336,989	5,869,316	11,042,384	7,917,431	11,324,375	13,180,601	65,381,670	(1895 - 1913)
Imports																													
Foodstuff	120,608	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	262,577	239,464	385,347	332,388	472,288	477,440	592,134	698,729	729,898	709,228	732,778	978,266	n.d.	n.d.	
Tobacco, Cigars and Cigarettes	29,756	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	75,245	83,248	46,705	70,034	78,882	78,553	93,598	59,648	50,164	58,261	50,627	66,028	n.d.	n.d.	
Beverages (alcoholic)	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	110,484	97,411	88,226	69,986	137,997	145,991	100,189	114,986	123,355						

Table 13 Exports and Imports by British New Guinea and Papua

Data Compiled 30 June

	1888/89	1889/90	1890/91	1891/92	1892/93	1893/94	1894/95	1895/96	1896/97	1897/98	1898/99	1899/00	1900/01	1901/02	1902/03	1903/04	1904/05	1905/06	1906/07	1907/08	1908/09	1909/10	1910/11	1911/12	1912/13	1913/14	Total	
Exports (£)	19,120	18,895	16,202	12,616	14,966	14,952	16,215	19,401	44,345	49,859	68,496	56,167	49,659	68,309	62,881	75,506	76,435	80,290	63,756	80,616	79,692	100,599	117,410	99,990	128,016	123,140	1,557,533	
Imports (£)	11,109	16,104	15,530	23,756	25,261	28,501	28,302	34,521	51,392	46,971	52,170	72,286	71,618	70,817	62,367	77,631	67,188	79,761	87,776	94,061	94,680	120,177	202,910	240,010	218,323	212,134	2,105,356	
Balance of Trade	8,011	2,791	672	-11,140	-10,295	-13,549	-12,087	-15,120	-7,047	2,888	16,326	-16,119	-21,959	-2,508	514	-2,125	9,247	529	-24,020	-13,445	-14,988	-19,578	-85,500	-140,020	-90,307	-88,994	-547,823	
Total Trade	30,229	34,999	31,732	36,372	40,227	43,453	44,517	53,922	95,737	96,830	120,666	128,453	121,277	139,126	125,248	153,137	143,623	160,051	151,532	174,677	174,372	220,776	320,320	340,000	346,339	335,274	3,662,889	
Exports (£)																												
Gold (ounces)	3,850	3,470	2,426	1,235	582	1,128	728	1,373	7,148	6,830	12,012	5,920	9,188	14,752	11,537	14,976	15,091	14,633	11,657	14,557	14,710	16,151	18,497	17,047	18,247	14,666	252,411	
Value	14,387	12,440	8,371	4,322	2,050	3,906	2,565	4,735	25,018	25,612	44,185	22,130	32,646	42,205	40,323	52,083	52,310	50,250	39,048	51,024	51,108	59,427	68,705	49,316	62,332	47,233	867,731	
Gold Ore and concentrate (ton)	0	0	3	0	0	0	0	0	0	0	0	209	37	0	49	154	201	487	54	0	0	0	0	0	0	0	0	
Value	0	0	15	0	0	0	0	0	0	0	0	9,986	280	9	816	3,603	4,052	8,246	662	1,813	3,861	0	0	0	0	0	33,343	
Copper ore (ton)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	137	176	67	72	403	594	1,285	1,150	3,884	
Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,098	2,479	1,340	1,439	12,386	9,681	18,997	19,733	70,153	
Copra (ton)	76	43	198	340	194	450	427	381	440	312	338	286	315	450	332	388	521	828	563	553	962	2,020	1,166	1,041	794	1,202	14,620	
Value	550	250	1,433	2,084	1,159	2,885	2,830	2,748	3,494	2,425	2,907	2,225	2,527	4,631	3,783	3,933	5,671	9,315	7,467	7,515	13,376	24,498	17,837	19,368	16,912	26,063	187,886	
Sisal hemp (ton)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.d.	n.d.	113	n.d.	113	
Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	340	720	3,039	7,732	
Rubber/gum (ton)	5	2	15	13	2	13	2	5	17	15	8	6	4	n.d.	5	n.d.	0	3	5	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	3	121
Value	53	30	137	145	48	61	68	650	3,479	3,689	1,945	1,479	868	928	1,029	498	117	1,145	1,385	483	113	904	2,054	935	517	1,536	24,296	
Trepang (ton)	39	70	64	49	22	28	21	18	13	37	22	20	32	n.d.	279	35	43	83	43	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	918
Value	2,178	4,682	5,030	3,401	1,573	1,714	1,087	929	1,016	3,395	1,644	1,155	1,694	3,726	6,892	1,431	1,542	3,027	1,960	1,069	286	171	180	1,355	1,871	2,857	55,865	
Sandalwood (ton)	0	0	0	42	899	321	378	300	304	307	307	726	205	n.d.	356	n.d.	418	210	272	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	5,263
Value	0	0	0	290	7,183	1,896	2,568	4,035	2,323	2,940	2,920	8,698	2,957	8,353	4,494	8,382	7,872	2,522	3,932	6,346	2,701	4,628	190	259	74	85	85,648	
Timber (super ft)	0	0	0	0	0	0	0	0	0	0	0	0	466	n.d.	2,960	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	3,426
Value	0	0	0	0	0	0	0	0	0	0	0	0	31	n.d.	267	n.d.	n.d.	12	n.d.	n.d.	488	263	681	2,685	340	365	5,132	
Cotton - value	0	0	0	0	0	0	0	0	0	0	0	0	20	0	0	0	0	0	0	0	0	0	0	0	0	74	1,566	
Coffee beans - value	0	0	0	0	0	0	0	0	0	0	0	0	30	349	4	560	120	915	700	470	325	654	0	48	488	488	5,151	
Tortoiseshell - value	49	96	204	390	409	395	397	611	569	294	1,724	1,127	1,124	869	565	758	551	568	937	579	1,025	943	701	665	330	527	16,407	
Pearl shell - value	1,510	1,050	85	542	1,623	3,366	3,005	2,387	6,004	8,812	10,799	7,862	5,601	3,500	1,872	824	1,121	502	728	157	685	1,445	1,114	2,442	8,512	11,212	86,760	
Pearls - value	0	0	0	0	450	250	1,330	890	980	500	345	1	400	1,060	1,150	1,225	420	2,478	1,700	3,310	1,529	4,290	7,635	9,605	9,284	4,602	53,434	
Natural history specimens/curiosities - value	360	95	278	693	273	101	1,063	1,512	662	1,076	1,610	884	1,129	553	331	1,250	2,260	780	356	3,661	626	232	2	442	610	284	21,123	
Sundries and re-exports	33	252	649	749	198	378	1,302	904	800	1,116	417	620	352	2,126	1,355	959	399	530	783	1,710	2,229	1,705	5,585	2,469	4,636	2,956	35,212	
Total	19,120	18,895	16,202	12,616	14,966	14,952	16,215	19,401	44,345	49,859	68,496	56,167	49,659	68,309	62,881	75,506	76,435	80,290	63,756	80,616	79,692	100,599	117,410	99,990	128,016	123,140	1,557,533	
Gold Production (estimate ounces)	3,850	3,470	2,426	1,235	1,200	1,128	728	12,840	20,860	15,822	17,550	24,450	21,703	20,873	24,048	23,380	22,729	24,227	16,103	14,557	14,710	16,151	18,497	17,047	18,247	14,666	372,497	
Value	14,387	12,440	8,371	4,322	4,500	3,906	2,565	45,000	73,085	56,682	64,425	89,075	79,060	76,047	87,545	84,930	82,736	87,869	58,886	51,024	51,108	60,181	68,803	60,628	64,115	50,110	1,341,800	
Import (£)																												
Foodstuff and agricultural products	5,389	7,124	4,463	6,038	6,252	7,181	7,997	9,328	19,707	17,246	19,093	23,316	20,565	25,905	24,308	30,452	23,095	26,176	28,358	33,440	32,563	35,785	57,743	80,576	67,109	55,723	674,932	
Textiles and household goods	1,735	1,978	2,285	3,358	4,926	4,878	4,501	5,989	7,950	7,672	8,210	9,932	10,068	9,445	8,635	9,872	9,893	10,177	11,088	10,923	12,802	17,766	34,645	31,921	35,796	27,939	304,384	
Hardware and building material	1,173	2,209	2,759	4,642	4,310	6,277	5,268	6,760	6,402	7,345	9,427	9,948	12,524	10,358	9,318	10,374	9,618	13,594	12,199	12,676	13,275	22,038	26,251	37,388	40,800	42,049	338,982	
Machinery, mining and agriculture tools	0	153	500	750	1,182	1,085	1,186	1,671	2,602	1,614	1,391	1,706	6,907	1,555	1,889	1,413	2,012	1,414	2,219	1,966	2,388	4,322	8,516	8,849	17,082	13,581	87,953	
Boats and launches	33	125	556	629	260	333	2,045	2,387	850	2,650	3,359	4,870	2,367	1,468	929	677	430	2,650	1,446	1,234	988	3,969	3,866	7,569	2,440	2,930	51,060	
Livestock	0	312	0	19	140	215	32	474	338	516	111	309	312	432	531	871	1,119	1,252	1,301	n.d.	n.d.	2,130	5,516	4,891	5,338	3,571	29,730	
Guns, ammunition and dynamite	117	143	161	363	388	386	317	387	535	453	975	552	1,065	442	457	441	669	454	953	1,233	970	1,206	1,570	1,275	1,209	1,627	18,348	
Tobacco trading (includes minor personal consumption)	992	1,290	2,354	3,272	2,348	3,843	3,059	2,738	5,050	4,564	4,184	4,970	5,205	6,104	3,487	8,181	6,102	7,615	8,769	7,653	8,477	9,659	11,445	14,090	12,577	14,321	162,349	
Drugs and chemicals	228	250	157	231	274	348	296	419	734	609	874	680	967	693	720	998	963	1,259	1,057	1,387	1,168	2,281	2,773	3,1				

Table 14 **Income and Expenditure for German New Guinea** Consolidated with the Island Territory from 1910

Financial Year 1 April to 31 March until 1900; 1 July to 30 June thereafter

	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	Total
Revenue Currency Reichs Mark (RM)																	
Budget Income from excise, royalties, fines government charges	75,000	75,000	100,000	100,000	107,500	108,500	323,120	329,300	361,300	381,900	719,608	1,176,822	1,379,110	1,556,535	1,754,885	2,095,810	10,644,390
Budget Savings carried forward and Budget supplementation	0	0	0	0	0	37,377	8,413	5,977	0	56,849	62,215	108,323	44,714	74,294	240,031	21,054	659,247
Government Subsidy	657,000	848,500	709,700	722,000	882,500	907,500	852,436	1,158,963	1,153,925	1,141,569	916,060	922,612	759,597	1,207,543	1,419,031	1,717,022	15,975,958
Total Budget (RM)	732,000	848,500	809,700	822,000	990,000	1,053,377	1,183,969	1,494,240	1,515,225	1,580,318	1,697,883	2,207,757	2,183,421	2,838,372	3,413,947	3,833,886	27,204,595
Head Tax - Europeans	0	0	0	0	0	0	0	0	0	0	10,960	12,300	12,320	14,160	15,400	15,800	80,940
Head Tax - Indigenous	0	0	0	0	0	0	0	0	30,000	45,000	63,000	143,900	175,000	217,225	271,225	301,550	1,246,900
General tax	11,590	12,000	12,000	15,000	15,000	16,000	22,000	25,000	25,000	30,000	36,400	66,100	64,900	69,850	78,350	81,100	580,290
Excise on imports and exports	48,330	52,000	52,000	45,000	45,000	45,000	245,000	240,000	245,000	245,000	565,000	810,000	806,300	869,800	955,000	1,150,000	6,418,430
Royalty on phosphate	0	0	0	0	0	0	0	0	0	0	75,000	55,000	112,360	162,500	162,500	209,142	776,502
Court cost (marriage license, legal action, bankruptcy, etc.)	4,526	1,346	1,500	3,200	3,200	3,200	1,500	1,500	2,000	2,000	5,600	17,500	17,150	13,250	20,000	20,400	117,872
Fines	1,640	3,090	1,500	1,500	1,500	1,500	1,500	2,000	3,000	3,000	3,000	6,000	6,800	7,300	8,200	11,300	62,830
Labour-pilot and quarantine fees		1,795	1,700	1,700	1,700	1,700	1,700	1,700	1,500	3,700	12,410	12,750	13,350	12,500	16,200	19,500	103,905
Permit for the conduct of running a business	1,050	1,050	1,000	1,000	1,000	1,000	1,000	4,900	4,900	4,900	3,200	2,000	3,500	4,200	14,200	18,200	67,100
Labour recruitment fees	7,912	7,912	8,490	8,490	8,490	8,490	9,500	10,000	12,000	12,000	13,000	27,300	24,900	26,100	33,200	50,000	267,784
Hunting license	0	0	483	500	500	500	500	600	600	600	900	5,000	8,000	11,650	11,750	1,750	43,333
Land sales, incl. surveys fees, stamp duty, lease income	5,355	5,355	14,630	14,630	14,630	21,610	18,320	10,000	14,200	14,200	12,500	34,700	45,960	48,850	59,300	88,000	422,240
Permit to run a hotel	0	0	0	0	0	0	0	0	0	0	3,700	5,550	4,660	10,300	11,200	23,200	58,610
Hospitals and dispensaries, social security and pension fund	0	0	0	0	0	0	7,500	8,000	8,000	9,400	16,000	17,100	28,290	34,450	38,000	52,500	219,240
Contribution by NGC and NDL towards the cost of schools and health care	0	0	0	0	0	7,100	7,100	11,600	12,100	12,100	11,600	16,700	17,900	13,400	13,400	19,200	142,200
Contribution by the Jaluit Gesellschaft towards the cost of policing on Nauru	0	0	0	0	0	0	0	0	0	0	28,080	23,830	19,370	21,200	21,200	21,200	134,880
Sundry items	0	0	422	4,100	4,100	4,100	7,500	12,000	11,600	18,700	19,575	15,200	18,350	19,500	25,760	34,560	195,467
Estimated Receipts (RM)	80,403	84,548	93,725	95,120	95,120	110,200	323,120	327,300	369,900	400,600	879,925	1,270,930	1,379,110	1,556,235	1,754,885	2,117,402	10,938,523
Tax	n.d.	n.d.	12,312	15,110	20,851	30,891	43,185	56,349	105,826	117,529	126,284	308,251	348,433	397,539	365,975	399,450	2,347,985
Customs duty	n.d.	n.d.	50,518	38,159	48,387	47,701	129,467	208,448	211,774	419,903	527,202	848,573	961,598	1,040,266	955,000	1,150,000	6,636,996
Miscellaneous - receipts	82,155	90,756	38,029	28,888	64,380	64,715	80,365	58,748	103,495	117,925	214,050	452,763	586,685	732,617	596,460	755,502	4,067,533
Receipts (RM)	82,155	90,756	100,859	82,157	133,618	143,307	253,017	323,545	421,095	655,357	867,536	1,609,587	1,896,716	2,170,422	1,917,435	2,304,952	13,052,514
Supplementary budget for preceding Year(s)	0	0	0	0	0	31,400	8,413	25,610	26,710	30,468	89,738	174,366	50,939	64,124	240,031	21,054	762,853
Government subsidy	657,000	848,500	709,700	722,000	882,500	907,500	852,436	1,158,963	1,153,925	1,141,569	916,060	922,612	759,597	1,207,543	1,419,031	1,717,022	15,975,958
Total Revenue (RM)	739,155	939,256	810,559	804,157	1,016,118	1,082,207	1,113,866	1,508,118	1,601,730	1,827,394	1,873,334	2,706,565	2,707,252	3,442,089	3,576,497	4,043,028	29,791,325
Approved Expenditures (RM)																	
Treasury (NGC Instalments)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	0	0	0	0	0	0	4,000,000
Salaries - administration, judiciary, policing	20,000	20,000	19,589	24,981	26,554	30,240	32,475	37,575	32,516	35,753	33,558	498,090	521,538	547,131	626,840	758,600	3,265,440
Zone allowances	30,000	30,000	30,141	28,322	37,507	37,596	37,800	40,848	34,503	40,649	39,522	n.d.	n.d.	n.d.	n.d.	n.d.	386,888
Pension Fund	n.d.	n.d.	5,000	4,116	6,174	6,516	6,516	7,962	9,924	13,662	20,271	35,198	47,543	51,195	50,456	56,251	320,784
Retirement and sick pay; severance and repatriations pay	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	500	5,487	10,590	6,400	6,419	10,400	11,161	11,611	15,300	19,500	97,368
General expenses, incl. removal, housing, travelling, uniforms/clothing costs	20,000	34,000	84,430	28,631	43,421	27,478	83,427	63,018	61,968	124,889	91,386	183,256	168,828	193,867	187,996	240,920	1,637,515
Salaries - European officers, incl. temporary staff	60,000	68,400	73,372	72,117	101,339	113,027	153,545	214,577	268,495	318,349	318,764	185,215	270,018	295,080	367,590	551,755	3,386,643
Wages - Indigenous Labour, incl. Police, Hospitals, Servants, etc.	30,000	37,340	59,352	110,669	91,807	120,104	126,356	195,636	194,798	218,097	197,725	293,449	322,261	335,245	371,266	425,970	3,130,075
Health-care, incl. hospitals, medical supplies, equipment	4,000	10,000	10,000	13,930	15,698	24,686	37,849	48,924	31,743	57,979	58,661	73,218	125,353	122,914	95,120	194,900	924,975
Maintenance - houses and inventory	16,000	16,000	30,000	36,813	22,493	39,953	56,209	35,051	50,665	94,384	69,662	76,787	122,441	82,400	82,400	118,700	949,958
Maintenance - road, bridges, gardens, parks; water and power and sewerage	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	3,869	3,772	10,000	10,000	17,500	45,141
Expeditions - scientific	n.d.	5,000	12,000	1,184	1,701	2,514	166	1,503	5,207	22,318	59,387	7,214	7,653	11,500	11,500	61,500	210,347
Procurement and maintenance of equipment for indigenous police force	2,000	6,000	10,000	12,934	590	29,111	28,054	23,840	5,092	20,569	24,040	7,647	21,509	35,828	51,260	54,010	332,484
Rewards, legal aid, assistance to destitute Europeans, etc.	1,000	7,000	7,000	7,610	13,241	8,486	48,972	5,906	4,528	6,615	9,010	26,549	47,698	54,779	49,920	44,920	343,234
Agriculture, livestock breeding, forestry research; survey and cartography	n.d.	n.d.	n.d.	n.d.	10,042	6,177	10,336	37,031	15,778	26,933	7,129	21,364	19,656	28,225	68,300	57,800	308,771
Schools	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	5,101	6,255	8,451	19,711	25,091	27,005	20,500	31,000	143,114
Native traineeship and general Native Affairs	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	1,000	1,000	2,000	2,450	0	2,064	4,106	19,000	129,000	162,620	192,200
Postal - newspapers, library, stationary, freight, letters, insurance	3,768	5,000	10,000	11,691	10,023	23,401	35,054	33,525	34,034	46,998	30,299	39,819	61,188	47,075	51,500	53,500	496,875
Expeditions - punitive	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	98,215	21,906	4,991	n.d.	n.d.	125,112
Sundry expenditures	0	4,760	-6,101	14,636	14,063	24	-25	0	0	0	316,897	8,000	8,000	6,872	10,100	17,900	395,126
Total Expenditure (RM)	586,768	643,500	744,783	767,634	794,653	869,313	1,058,234	1,151,883	1,166,942	1,396,850	1,293,631	1,588,001	1,807,680	1,869,824	2,089,048	2,833,726	20,662,470
Allowances - European ship crews	0	0	0	0	645	0	0	0	0	0	0	0	4,009	4,925	26,050	36,825	72,454
Wages and Victuals - for non-European crewing	1,500	0	0	608	2,494	4,050	5,432	2,231	3,100	4,421	5,864	9,997	9,089	10,869	17,185	29,435	106,275
Crewing and operating costs of government steamers	14,000	0	0	0	0	172,998	162,117	197,282	170,562	235,490	67,931	206,988	385,047	460,305	489,900	416,000	2,978,620
Maintenance - marine installation, ships, launches, boats	12,000	30,000	30,000	29,872	124,036	10,655	19,927										

Table 15 Statement of Financial Performance for the Island Territory of German New Guinea (Palua, Marianas, Carolines; Marshall Islands from 1 April 1906)

Financial Year 1 July to 30 June	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909
Government Revenue Currency Reichs Marks (RM)											
Budget	0	0	25,000	33,100	50,950	60,200	64,030	58,075	127,141	175,171	577,275
Budget Savings Carried Forward and Budget Supplementation	0	0	0	0	0	100,000	120,000	0	10,000	0	117,829
Reich Subsidy	465,000	370,000	286,500	305,000	377,650	168,400	161,095	507,550	340,300	383,369	0
Total Budget	465,000	370,000	311,500	338,100	428,600	328,600	345,125	565,625	477,441	558,540	695,104
Revenue (RM)											
Personal and Business Tax	0	0	0	0	20,923	27,233	31,387	66,289	63,120	92,558	77,203
Import and Export Excise	0	0	0	0	722	921	0	0	0	109,288	150,037
Royalty on Phosphate Export (RM25,000 lump sum p.a. plus RM0.50/ t)	0	0	0	0	0	0	0	25,000	25,000	27,000	37,391
Sundry Income: Harbour and Labour Recruitment Fees; Court Fines; Licenses	6,964	33,591	37,989	43,845	42,074	40,074	45,902	58,125	84,976	65,064	97,676
Miscellaneous Receipts	0	0	0	0	0	0	0	0	1,838	116,162	0
Total Revenue (RM)	6,964	33,591	37,989	43,845	63,719	68,228	77,289	149,414	174,934	410,072	362,307
Supplementary Budget appropriated from preceding year	0	112,946	204,147	209,475	214,880	202,278	169,962	0	39,242	39,669	73,115
Government Subsidy	365,000	270,000	286,500	451,441	431,208	168,400	161,095	507,550	340,300	383,369	0
Total Receipts (RM)	371,964	416,537	528,636	704,761	709,807	438,906	408,346	656,964	554,476	833,110	435,422
Government Expenditure Consolidated into New Guinea Budget from 1910											
Budget Estimate (RM)	465,000	370,000	311,500	338,100	428,600	328,600	345,125	640,365	506,683	598,209	650,390
General Expenses - Houses, Travelling, etc. (Cost of Salaries in New Guinea Vote)	259,017	212,390	103,787	12,835	13,348	17,906	8,804	16,898	28,733	42,823	33,316
Administration - Health and Social Security Insurance, Pension Fund	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	2,400	5,255	5,031	11,149
Salaries - European Officers, incl. relief staff	n.d.	n.d.	73,911	78,447	83,629	85,764	100,966	121,365	135,806	160,327	186,590
Wages- Indigenous Labour - Admin., Police, Hospitals, Servants, etc.	n.d.	n.d.	50,915	60,001	54,399	48,246	55,994	51,735	57,767	94,785	81,523
Medical Care - Hospitals, Doctors, Orderlies, Administration	n.d.	n.d.	n.d.	2,861	2,368	4,337	9,555	17,841	7,456	14,486	12,947
Native Affairs - Schooling, Training, Re-Settlement, Acculturation	n.d.	n.d.	n.d.	5,880	9,000	9,313	11,672	9,466	4,910	8,828	2,971
Research & Development in Agriculture, Survey and Cartography	n.d.	n.d.	n.d.	1,826	3,394	8,868	14,600	17,875	10,560	14,073	13,244
Expeditions - Scientific/ Exploration	n.d.	n.d.	n.d.	1,125	2,397	2,299	1,245	867	134	1,894	1,120
Procurement and Maintenance of Equipment for Indigenous Police Force	n.d.	n.d.	n.d.	2,887	6,107	454	3,378	1,748	775	9,932	7,011
Native/Coloured Prisons - Food and Rewards	n.d.	n.d.	n.d.	6,894	5,224	6,838	8,145	17,427	7,136	15,092	15,779
Maintenance - Houses, Road, Bridges, Government Gardens and Parks	n.d.	n.d.	n.d.	9,906	14,167	11,784	12,598	11,969	9,143	19,514	20,318
Expeditions - Punitive	n.d.	n.d.	n.d.	n.d.	n.d.	9,164	9,869	2,751	0	21,279	2,488
Postal - Newspapers, Library, Stationery, Freight, Letters, Insurance	n.d.	n.d.	n.d.	4,943	5,477	6,882	11,069	13,025	8,229	11,430	10,801
Extraordinary Expenses (Natural Disasters, etc)	n.d.	n.d.	n.d.	0	0	0	106,593	0	20,426	17,895	649
Unforeseen Expenditures	n.d.	n.d.	-941	-449	10,586	737	8,173	1,037	320	52,830	0
Admin. Cost incurred by the Old Protectorate on behalf of the Islands	n.d.	n.d.	0	0	0	0	0	0	0	8	62,215
Expenditure - Administration (1913 and 1914 Budget Estimates)	259,017	212,390	227,672	187,156	210,096	212,592	362,661	286,404	296,650	490,227	462,121
Salaries European Ship Crews	n.d.	n.d.	n.d.	5,000	4,988	7,493	16,170	14,278	10,385	0	32,336
Wages - Indigenous/Coloured Labour - Harbour & Marine, Crewing	n.d.	n.d.	n.d.	2,103	3,750	1,371	8,281	10,599	4,643	3,107	34,645
Proportionate Costs for Running and Crewing Government Vessels	n.d.	n.d.	n.d.	0	0	0	0	30,000	30,000	30,000	7,500
Maintenance - Harbour Installations, Equipment, Boats; Marine Insurance	n.d.	n.d.	n.d.	9,750	17,304	20,988	42,621	56,000	22,420	48,446	62,382
Expenditure - Harbour and Marine	0	0	0	16,853	26,042	29,852	67,072	110,877	67,448	81,553	136,863
Capital Expenditure Public Works - Buildings, Roads, Bridges	0	0	91,488	185,874	27,630	26,196	22,502	184,074	67,313	43,904	56,966
Capital Expenditure Marine and Harbour - Wharfs, Boats, Launches	0	0	0	0	204,614	146,945	8,940	4,183	1,451	133,702	3,194
Land Acquisition and Reserves for Indigenous People	0	0	0	0	0	0	0	0	0	0	0
Expenditure - Capital Improvement	0	0	91,488	185,874	232,244	173,141	31,442	188,257	68,764	177,606	60,160
Total Expenditure	259,017	212,390	319,160	389,883	468,382	415,585	461,175	585,538	432,862	749,386	659,144
Operational Surplus /Deficit for the Year	112,947	204,147	300,964	500,752	473,669	196,462	-21,387	259,683	190,378	261,330	-163,562
Surplus /Deficit for the Year after Appropriations and Capex are Expensed	112,947	204,147	209,476	314,878	241,425	23,321	-52,829	71,426	121,614	83,724	-223,722
Appropriation for Unbudgeted Expenditures - prior Years	0	0	0	53,558	102,278	9,000	0	29,242	39,670	40,932	31,317
Sum Carried Forward	112,947	204,147	209,476	261,320	139,147	14,321	-52,829	42,184	81,944	42,792	-255,039

Table 16 Statement of Financial Performance for British New Guinea and Papua

Financial Year 1 July to 30 June	1888/89	1889/90	1890/91	1891/92	1892/93	1893/94	1894/95	1895/96	1896/97	1897/98	1898/99	1899/00	1900/01	1901/02	1902/03	1903/04	1904/05	1905/06	1906/07	1907/08	1908/09	1909/10	1910/11	1911/12	1912/13	1913/14	
Budgeted Revenue Currency Pound Sterling (£)	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	12,461	15,575	20,900	19,400	16,939	18,192	18,009	18,363	20,094	28,000	35,918	45,589	50,000	64,133	50,598	
Budget savings carried forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,340	2,772	3,275	6,557	5,439	2,483	5,272	2,065	9,100	
Colonial and Federal Government subsidies	11,238	15,162	15,162	15,162	15,162	15,162	15,162	15,162	15,162	15,162	5,435	0	0	0	20,000	20,000	20,000	20,000	20,000	25,000	23,000	26,000	25,000	25,000	25,000	25,000	
Total Revenue	11,238	15,162	15,162	15,162	15,162	15,162	15,162	15,162	15,162	15,162	5,435	12,461	15,575	20,900	39,400	36,939	38,192	42,349	41,135	48,369	57,557	67,357	73,072	80,272	91,198	84,698	
Receipts (£)																											
Customs Receipts and warehouse charges	2,419	2,894	2,526	4,434	3,757	5,070	4,644	5,996	9,350	9,208	9,933	10,865	11,427	13,196	13,449	17,927	15,692	16,008	15,924	18,206	20,758	24,901	32,554	37,751	33,453	37,341	
Postal and telephone receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	829	1,094	332	416	512	1,318	2,339	1,734	2,274	4,484	3,294	1,916	1,362	
Judicial fines and fees	30	45	47	39	28	22	28	37	51	51	116	143	119	201	330	349	260	218	256	396	446	517	464	561	814	637	
Sale of land, livestock, produce; surveys and land leases	8	0	38	130	157	290	86	119	388	271	646	403	811	699	1,744	979	704	722	1,098	820	922	2,653	2,674	2,275	2,769	2,758	
Mining permits	188	21	23	24	24	54	26	78	262	285	317	1,757	1,631	988	571	412	583	656	662	634	891	877	1,333	1,472	1,221	2,125	
Native labour fees	0	0	0	0	0	0	0	0	0	0	0	31	278	231	401	500	493	391	494	616	648	845	1,213	1,415	1,821	2,295	
Sanitary and hospital fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56	57	62	55	63	74	74	97	140	245	512	756	
Liquor and billiard licenses	0	0	0	30	15	59	59	110	109	164	273	273	177	169	216	230	193	169	284	230	307	297	309	284	713	525	
Fishing and timber licenses and timber royalties	0	0	0	0	90	253	189	177	139	141	155	183	330	127	254	421	355	169	548	156	495	367	162	364	324	318	
Miscellaneous including insurance recovery and asset sales	35	55	40	127	533	119	78	30	365	161	283	180	341	428	992	1,020	516	1,336	1,166	2,548	1,214	1,994	2,638	3,374	12,782	6,586	
Total Receipts (£)	2,680	3,015	2,674	4,784	4,604	5,867	5,110	6,547	10,664	10,281	11,723	13,835	15,114	16,868	19,107	22,227	19,274	20,236	21,813	26,019	27,489	34,822	45,971	51,035	56,325	54,703	
Government current account subsidies	9,378	15,323	15,162	15,162	15,162	15,162	15,162	15,162	15,162	15,162	0	0	7,101	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	25,000	25,000	25,000	30,000	30,000	
Government grants	0	0	0	0	0	0	4,000	0	0	1,000	0	0	3,000	0	0	0	0	0	0	5,000	3,000	1,096	0	-9,684	4,000	4,085	
Government loan Account	0	1,153	0	0	0	0	0	0	1,384	0	0	0	3,000	-3,000	0	0	0	1,600	0	0	0	1,000	5,000	5,000	10,000	-4,000	
Imperial and Australian colonial government grants (SS Merrie England)	0	13,148	7,000	7,000	7,000	7,000	7,000	7,000	7,000	5,333	2,807	162	1,612	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Receipts (£)	12,058	32,639	24,836	26,946	26,766	28,029	31,272	28,709	34,210	31,776	14,530	13,997	29,827	33,868	39,107	42,227	39,274	41,836	41,813	51,019	50,489	61,918	75,971	71,351	100,325	84,788	
Accumulated revenue fund brought forward	25	1,314	7,357	8,031	11,139	13,156	16,059	17,356	19,219	23,292	28,957	20,904	6,600	3,779	-1,599	-69	0	2,740	2,772	3,275	5,769	5,439	2,483	7,755	-2,066	9,099	
Available Funds (£)	12,083	33,953	32,193	34,977	37,905	41,185	47,331	46,065	53,429	55,068	43,487	34,901	36,427	37,647	37,508	42,158	39,274	44,576	44,585	54,294	56,258	67,357	78,454	79,106	98,259	93,887	
Expenditures (£)																											
SS Merrie England net operating costs	0	8,776	6,935	6,932	7,249	6,456	7,430	7,114	7,314	7,370	6,417	6,887	7,084	7,405	7,940	7,056	6,614	6,029	6,234	7,457	8,239	7,890	0	0	3,990	0	
Salaries government officers	2,634	3,300	3,291	3,300	3,300	3,300	3,249	3,186	3,196	3,175	3,180	3,242	3,279	3,310	2,679	2,454	2,767	2,975	2,295	1,746	1,250	1,250	947	1,250	1,250	1,250	
Allowances - housing, travel and entertainment	1,371	2,548	1,500	1,356	1,749	1,454	1,613	1,388	2,061	1,511	1,373	824	850	805	581	484	463	382	500	448	556	785	1,410	1,423	1,839	2,315	
Legislative Council	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112	189	740	364		
Government Secretary's Department - Central Office	0	0	0	0	0	0	0	0	0	0	0	811	1,133	821	863	888	954	933	1,658	1,618	2,666	2,330	6,222	4,187	3,741	3,716	
Treasury - customs, postmaster, printing and agent fees	n.d.	n.d.	n.d.	1,390	1,741	1,785	1,874	1,804	1,838	1,843	1,774	1,414	1,195	1,935	2,255	2,158	2,347	2,559	3,052	2,956	3,456	4,382	6,919	6,919	7,142	8,810	
Central Court, magistrates, armed constabulary and gaoler	1,796	3,522	5,062	3,893	4,368	5,083	4,822	4,821	5,270	5,640	5,250	6,221	8,442	8,805	9,535	10,266	9,833	10,499	11,707	11,144	11,704	14,529	20,893	22,974	26,162	28,893	
Department of Land and Mines	3	n.d.	n.d.	716	469	56	36	54	55	53	27	1,312	2,859	4,632	3,808	3,642	4,105	2,489	2,972	3,617	4,803	3,990	5,520	7,124	11,271	12,642	
Agriculture	0	137	355	336	147	204	155	142	95	88	130	57	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	683	2,200	1,864	2,194	2,139	2,673	1,181	1,631	
Department of Public Works (buildings, roads, bridges and utilities)	240	1,145	979	781	872	436	397	661	755	394	1,107	1,107	1,852	1,887	2,572	1,304	1,958	4,119	6,767	4,647	6,685	11,193	10,707	17,882	11,828	7,756	
Department of Public Works (Harbour and Marine)	2,748	2,564	2,939	2,993	1,600	1,308	1,214	1,587	1,259	1,588	1,572	1,354	1,711	2,029	2,371	2,014	2,708	2,755	3,292	2,667	1,641	2,577	n.d.	1,556	3,087	691	
Medical Department	88	70	52	59	118	119	104	154	115	110	120	620	507	1,160	1,573	1,565	1,513	1,395	2,158	2,406	2,416	5,230	5,768	6,035	5,961	6,534	
Native Affairs Department	468	27	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	792	1,371	1,633	1,464	1,516	
Government stores (debit/credit)	722	350	0	0	0	0	0	0	0	0	0	3,697	-812	2,639	1,087	1,130	532	1,269	-1,235	1,258	-1,168	-95	1,455	828	1,139	1,388	
Mail Service subsidy	445	n.d.	n.d.	n.d.	450	750	900	900	900	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Miscellaneous	254	1,313	815	176	0	504	323	303	324	589	440	409	1,833	3,323	2,313	2,531	2,740	2,946	1,227	4,920	4,799	6,043	7,453	10,963	4,365	3,589	
Refund to contributing colonies and unbudgeted expenditures	0	2,048	2,642	1,965	2,810	3,546	7,858	4,845	7,057	3,750	1,193	346	2,715	495	0	6,666	0	3,454	0	1,441	1,908	1,784	0	-4,464	4,000	4,085	
Total Government Expenditures (£)	10,769	25,800	24,578	23,897	24,873	25,001	29,975	26,959	30,239	26,111	22,583	28,301	32,648	39,246	37,577	42,158	36,534	41,804	41,310	48,525	50,819	64,874	70,699	81,172	89,160	85,180	
Balance paid to the contributing colonies or carried forward	1,314	8,153	7,615	11,080	13,032	16,184	17,356	19,106	23,190	28,9																	

Table 17 Neu Guinea Compagnie - Statements of Profit and Loss

	1886/87	1887/88	1888/89	1889/90	1890/91	1891/92	1892/93	1893/94	1894/95	1895/96	1896/97	1897/98	1898/99	1899/00	1900/01	1901/02	1902/03	1903/04	1904/05	1905/06	1906/07	1907/08	1908/09	1909/10	1910/11	1911/12	1912/13	1913/14		
Revenue: Currency Reichs Mark (RM)																														
Taxes	0	0	0	3,944	6,852	7,365	9,322	7,628	8,207	10,266	9,676	8,760	8,703	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Customs Excise	0	0	24,054	13,573	30,901	45,452	48,562	55,243	18,662	22,487	22,759	22,379	34,312	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Permit and license fees - Labour recruitment, shipping, beverages (alcohol)	0	0	0	2,416	11,444	7,219	5,392	5,054	6,989	3,234	11,770	15,359	20,247	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Court fines and fees	0	0	2,130	1,194	2,599	5,249	921	5,974	1,635	3,644	4,344	2,373	3,798	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Labour hire	0	0	5,322	91,192	94,790	75,172	109,588	123,993	85,854	0	6,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Proceeds from the exports of plantation produce	0	1,917	12,196	39,144	88,768	102,558	10,310	30,594	33,394	48,336	59,409	129,468	123,649	178,175	167,229	140,890	106,349	232,427	434,360	367,454	485,827	608,329	1,003,107	1,408,247	1,580,877	2,283,856	2,746,481	2,863,656	2,746,481	
Net Proceeds from trade	22,858	0	0	10,936	11,969	2,047	3,229	12,076	9,755	8,800	20,989	69,021	57,524	77,913	78,309	65,956	108,365	292,204	388,204	391,074	409,013	401,649	465,491	461,181	489,105	389,659	658,923	617,605	617,605	
Net proceeds from shipping, incl. insurance recovery	3,769	13,296	23,103	144,475	163,457	50,991	46,552	79,978	99,827	125,412	24,278	32,775	193,513	48,044	41,304	39,224	109,121	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	155,559	n.d.	n.d.	n.d.	n.d.
Net proceeds from the sale of land, incl. survey charges and stamp duty	0	0	2,284	1,239	2,025	300,104	0	2,035	219	5,014	5,822	10,652	8,151	3,077	0	0	0	0	0	0	0	32,714	25,000	25,000	5,000	0	0	0	0	
Sundry Income	0	2,920	4,951	32,316	10,830	34,133	30,896	47,713	36,442	22,550	44,892	7,868	18,254	20,638	79,262	25,967	19,458	0	0	0	0	0	0	0	0	0	0	0	0	
Increased Value - Plantations, Buildings, Roads, Rail, Bridges, etc.	0	0	0	15,066	10,985	24,156	22,232	0	2,496	5,083	233,445	266,940	342,112	295,417	246,300	401,686	615,064	943,150	846,668	852,843	939,683	850,832	736,465	596,675	267,163	602,460	0	0	0	
Reimbursements of Expenses incurred on behalf of the Government	0	0	0	0	0	0	37,526	78,900	76,950	81,000	81,000	81,758	77,056	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Foreign exchange gains/losses, interest income	4,999	2,051	839	0	0	19,611	16,307	24,838	12,491	6,517	8,087	14,813	6,484	5,483	8,830	11,462	14,827	0	0	0	0	0	0	0	0	0	0	0	0	0
Under spent infrastructure account	38,737	151,958	114,383	52,279	67,507	19,990	26,546	67,836	64,828	55,955	93,740	89,645	165,587	171,519	218,516	224,085	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Management charges - subsidiary and associated companies	0	0	0	0	0	10,000	15,000	16,500	24,900	26,900	13,450	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reimbursement by the government for establishment costs	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000		
Total Revenue (RM)	70,363	172,142	183,940	321,904	498,529	723,665	347,967	543,957	520,878	511,052	583,738	762,156	983,448	1,194,334	1,192,753	1,303,701	1,681,519	1,741,703	1,867,299	2,078,277	2,116,150	2,171,022	2,235,285	2,085,963	2,164,515	2,733,555	2,942,779	3,364,086		
Expenses (RM)																														
Excise and business tax (Gewerbesteuer)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.d.	n.d.	n.d.	n.d.	n.d.	49,200	82,196	92,569	145,912	189,966	172,143	237,989	281,299	368,605		
Land - acquisition, survey, land clearing	0	8,304	0	5,014	10,351	0	0	0	0	0	5,340	1,511	1,725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Salaries - staff incl. travel, expenses, overhead and on-costs	293,935	327,243	357,860	294,630	269,733	288,185	288,298	270,150	261,407	243,200	259,426	280,471	306,694	213,701	216,224	245,591	241,836	n.d.	n.d.	264,123	n.d.	285,004	267,656	n.d.	n.d.	114,676	n.d.	n.d.	n.d.	
Wages - indigenous and Asian labour, ship crews	29,369	110,090	134,315	127,182	297,691	253,116	168,772	207,843	206,073	232,850	244,309	332,651	345,281	346,931	383,444	386,239	425,362	886,008	1,108,175	541,400	1,298,745	482,383	392,170	1,645,439	717,720	513,724	552,275	465,532		
Fleet operations - coal, victuals, harbour pilots, repairs, Sship charter	185,008	193,313	307,489	334,942	387,917	187,762	154,148	139,715	166,994	161,138	97,381	61,880	248,992	108,740	125,021	187,362	180,421	n.d.	n.d.	122,902	n.d.	133,911	185,726	185,726	49,127	98,197	n.d.	1,303,796		
Administration of trading and plantation stations	0	0	0	0	0	0	0	0	0	0	655,240	0	0	10,241	16,115	31,444	74,819	n.d.	n.d.	169,213	n.d.	181,223	280,537	n.d.	628,575	1,156,052	1,327,919	n.d.		
Office services in the Protectorate	34,706	13,777	10,119	817	1,160	719	1,844	2,600	2,200	2,420	2,600	2,300	0	0	4,989	3,233	3,837	3,033	2,649	n.d.	2,146	2,915	1,917	1,580	1,653	2,087	1,701	1,826		
Health care	0	0	0	7,091	0	0	0	0	0	0	20,964	21,322	10,922	17,604	19,701	28,206	22,653	n.d.	n.d.	30,609	n.d.	28,314	42,296	n.d.	n.d.	n.d.	n.d.	n.d.		
Depreciation	70,363	0	0	41,570	32,300	316,636	368,992	118,152	88,052	116,141	211,094	126,983	96,821	105,080	158,480	157,038	129,441	185,722	126,080	145,067	79,624	62,157	55,390	279,365	102,956	69,580	76,098	200,740		
Indigenous police force	0	0	0	5,193	6,719	4,921	12,353	15,000	14,500	13,000	13,000	9,300	13,444	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Trade commissions	18,862	4,395	1,081	1,245	1,427	2,634	1,384	1,843	1,184	1,470	964	981	1,111	1,284	1,304	1,504	1,270	1,284	1,053	161,743	1,723	199,330	166,810	2,092	244,535	291,368	3,390	3,660		
Administration - Berlin, salaries, office services, bonuses and insurance	187,617	93,404	69,243	36,633	24,559	51,552	53,627	48,846	54,991	98,969	54,298	53,211	57,853	53,087	66,010	64,828	63,772	58,964	58,763	65,873	59,574	57,167	54,624	62,385	64,808	67,013	78,003	76,032		
Interest payment	0	8,503	12,689	2,777	15,289	21,483	28,622	10,122	14,080	47,638	78,013	88,279	19,142	22,860	41,357	58,943	88,380	76,396	56,495	114,397	151,004	71,998	94,328	137,545	124,965	196,600	221,836			
Labour-recruitment - mobilisation and demobilisation of labour	2,293	0	0	0	66,714	100,456	57,501	0	4,350	28,321	149,494	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Scientific expeditions and land surveys	26,897	7,130	2,316	17,032	9,725	14,015	4,216	312	7,267	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Incidental expenses including expeditionary patrols	105	3,068	n.d.	10,501	48,820	35,554	37,830	51,134	43,097	42,523	34,862	20,373	16,308	17,401	22,289	2,516	0	122,868	102,884	118,058	89,962	81,511	58,689	42,597	47,349	50,479	0	0		
Provisions, catastrophic losses, write-down/off of investment	88,334	70,000	70,000	70,000	70,000	70,000	70,000	200,000	200,000	500,000	500,000	0	0	23,197	47,371	81,800	42,577	909,837	0	0	0	0	0	0	0	0	0	0	0	
Total Expenses (RM)	937,489	839,227	965,112	954,627	1,175,691	1,257,310	1,213,403	941,718	1,055,887	1,125,791	1,251,466	1,017,317	1,336,924	921,397	1,182,052	1,231,722	1,244,247	2,255,712	1,475,497	1,727,598	1,728,138	1,755,942	1,723,517	2,317,752	2,166,411	2,726,130	2,517,285	2,642,027		
Capitalised infrastructure expenditure	0	-867,126	-667,085	-781,172	-632,723	-677,162	-533,645	-865,436	-397,761	-535,009	-614,739	-1,567,728	-255,161	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Expenses after capitalisation of infrastructure expenditure	937,489	-27,899	298,027	173,455	542,968	580,148	679,758	76,282	658,126	590,782	1,536,727	-550,411	1,081,763	921,397	1,182,052	1,231,722	1,244,247	2,255,712	1,475,497	1,727,598	1,728,13									

Table 19

Tariffs for German New Guinea Imports	Year Unit rate	1888 RM	1895 RM	1904 RM	1906 RM	1908 RM	1909-14 RM
Alcoholic Beverages							
Beer and alcoholic cider	1.00 l	0.10	0.10	0.12	0.12	0.40	0.20
Alcoholic cider	n.d.	n.d.	n.d.	0.25	0.25	0.60	0.25
Wines	0.75 l	0.20	0.20	0.50	0.60	1.00	0.20
Wines shipped in vats	1.00 l	n.d.	0.30	0.60	n.d.	n.d.	n.d.
Sparkling wines, port and other dessert wines	0.75 l	0.40	0.40	1.00	1.00	2.00	0.25
Fortified wines, liquors and other sprits	0.75 l	0.60	0.60	1.25	1.25	4.00	2.00
Fruits preserved in alcohol	1.00 l	0.40	0.40	0.40	n.d.	n.d.	n.d.
Tobacco							
Cigarettes	1,000 ea	2.00	2.00	2.00	2.00	4.00	10.00
Cigars	1,000 ea	20.00	20.00	20.00	20.00	20.00	20.00
Trade Tobacco	1 kg	3.00	3.00	3.00	3.00	3.00	3.00
Articles Exempt from Duty							
Industrial alcohol, coal, petroleum		Free	Free	Free	Free	Free	Free
Machinery, Engines, vehicles, ships, boats		Free	Free	Free	Free	Free	Free
Livestock, Rice		Free	Free	Free	Free	Free	Free
Other Items							
Dried and salted fish, ice, mineral water,	ad valorem	Free	Free	Free	Free	10%	Free
Foodstuff, household goods, seeds, fertiliser	ad valorem	Free	Free	Free	Free	10%	Free
Agricultural and mining equipment, fencing wire	ad valorem	Free	Free	Free	Free	10%	Free
Building material, seeds, seedlings, fertilizer	ad valorem	Free	Free	Free	Free	10%	Free
Exports							
Copra	tonne	4.00	4.00	4.00	4.00	10.00	10.00
Trepang class one	tonne	Free	Free	Free	Free	100.00	100.00
Trepang class two	tonne	Free	Free	Free	Free	50.00	50.00
Trepang class three	tonne	Free	Free	Free	Free	30.00	30.00
Tortoise-shell (complete)	kg	Free	Free	Free	Free	5.00	5.00
Tortoise-shell	each	Free	Free	Free	Free	10.00	10.00
Mother-of-pearl	tonne	Free	Free	Free	Free	100.00	100.00
Other nacre	tonne	Free	Free	Free	Free	10.00	10.00
Bird of Paradise (RM20 on 22. Nov. 1911)	each	Free	Free	Free	Free	2.00	5.00
Crowned pigeon	each	Free	Free	Free	Free	0.50	0.50
Guano (from 21 Nov. 1905 RM25,000/p.a.)	tonne	surcharge >50 t/p.a.			0.50	0.50	0.50

Table 21

Government officials in the Old Protectorate of GNG

Name	Position	Engaged	Retired
Oertzen, Gustav von	Imperial Commissioner	3 Nov. 1884	3 Jan. 1887
Schleinitz, Georg von	Administrator	10 Jun. 1886	19 Mar. 1888 ⁴
Kraetke, Reinhold	Acting Administrator & General Director	1 Mar. 1888	Aug./Sep. 1889
Arnold, Hans	General Director	1 Nov. 1889	31 Jan. 1890 ⁵
Rose, Friedrich	Acting Imperial Commissioner	21 Aug. 1889	30 Sep. 1890 ⁶
Rose, Friedrich	Imp. Commissioner & Administrator	1 Feb. 1890	17 Jul. 1890 ⁷
Rose, Friedrich	Imperial Commissioner	17 Jul. 1890	28 Feb. 1891
Wißmann, Eduard	General Director	17 Jul. 1890	28 Feb. 1891 ⁸
Rose, Friedrich	Imp. Commissioner & Administrator	28 Feb. 1891	31 Aug. 1892 ⁹
Schmiele, Georg	Administrator	2 Sep. 1892	17 Feb. 1895 ¹⁰
Rüdiger, Hugo	Acting Administrator	17 Feb. 1895	18 Aug. 1896
Hagen, Curt von	Acting Administrator	22. Sep. 1896	14 Aug. 1897 ¹¹
Hahl, Albert	Acting Administrator	15 Aug. 1897	11 Sep. 1897
Skopnik, Hugo	Acting Administrator/Governor	11 Sep. 1897	31 May 1899 ¹²
Bennigsen, Rudolf von	Imperial Governor	1 Apr. 1899	10 Jul. 1901
Hahl, Albert	Acting Imperial Governor	10 Jul. 1901	26 Jun. 1902
Knake, Wilhelm	Acting Imperial Governor	2 Jun. 1902 ¹	10 Apr. 1903
Hahl, Albert	Imperial Governor	20 Nov. 1902	13 Apr. 1914
Haber, Eduard	Acting Imperial Governor	8 Mar. 1914 ²	17 Oct. 1914
Haber, Eduard	(Managing) Governor GNG in Berlin	4 May 1915 ³	10 Jan. 1920

¹ A. Hahl, Gouverneursjahre in Neuguinea, pp. 163–5.

² While Hahl was on home leave Haber was the Acting Governor. With the capitulation to the A.N.M.E.F, Haber was deported as a POW to Sydney.

³ Haber departed from Sydney on 16 Jan. 1915. He was appointed Managing Governor of GNG on 4 May 1915 and Governor of GNG on 14 Dec. 1917. The position was abolished on 10 Jan. 1920.

⁴ Through the executive authority given to NGC with the enactment of the Imperial Charter the position of Imperial Commissioner and Administrator were merged.

⁵ H. Arnold died 31. Jan. 1890 (*NKWL*, 1890, Heft i, p. 9).

⁶ The Government and the NGC agreed to separate the Imperial from the managerial authority; i.e. at the request of the NGC the general administration of the protectorate -not the company- was once again to be handled by an Imperial Commissioner, albeit at the expense of the company. *NKWL*, 1889, p. 31.

⁷ With Arnold's death, NGC and government businesses were combined under Rose, *NKWL*, 1890, p. 9

⁸ E. Wißmann died on 28 Feb. 1891.

⁹ After Wißmann's death, NGC and Government offices again under Rose (*NKWL*, 1891, p. 3).

¹⁰ With the retirement of Rose in June 1892 the administration by Imperial official was discontinued. Berlin recalled Schmiele on 17 Feb. 1895; Schmiele died in Batavia on 03 March 1895 while on his home voyage.

¹¹ Hagen died on 14 Aug. 1897 on a punitive expedition shortly before he was to have returned to Germany.

¹² With the enactment of the Imperial Ordinance 27 March 1899 the Imperial Charter of the NGC was rescinded. Henceforth the Reich assumed full responsibility for the colony by exercising her regal sovereignty over GNG. The office of Administrator was discontinued. The NGC appointed a General Director to the company's senior position in GNG and the executive power of the government was returned to the Imperial Governor.

Table 22

Plantations and owners in GNG including the Island Territory 1914.¹

Name of Owner or Company	Plantation Name and Area	Head Office
Andexer and Merseburger	Singana Morobe District (New Guinea)	Singana
Assunto, Costantini	Munuwai, Sali, Peno, Nguam, Awalus, Balus and Omo (New Ireland)	Munuwai
Batze, Wilhelm B.	Neu-Möbisburg (New Britain)	Baining
Beck, Ernst Otto	Panapei - Kaewieng (New Ireland)	Panapei
Bismarck Archipel Co.	Aropa (Bougainville)	Berlin
Blumenthal, Rudolf von	Natava and Vunamarita (New Britain)	Natava
Bolten, Wilhelm	Lassul, Nambung (New Britain)	Baining
Bopire Syndikat	Bopire (New Ireland)	Bopire
Bremer Südsee GmbH	Friedrich Wilhelmshafen (New Guinea)	FWH
Brinkmann, Robert	Kerawop (New Guinea)	Kerawop
Buka Plantation & Trading GmbH.	Numa-Numa (Bougainville)	Numa-Numa
Calder, Emmie Phoebe	Mortlock Island	Mortlock Island
Catholic Mission	St. Michael, Matukar Maegil [Elisabethhafen], Megiar, Bogia [Prinz Albrechthafen], Morumbo [Potsdamhafen], Wam-Wowäk, Beukin, Juo [Dallmannhafen], Jakumul, Walman, Alii, Tumleo, St. Anna [Berlinhafen], Malol, Sissano, Marienberg (New Guinea)	St. Michael
Deckner, Hans	Lempin (New Guinea)	Lempin
DHPG, Mgrs Schuster & Keidel	Mioko (Duke of York Group)	Hamburg
Diercke, Carl	Woskawitz/Tinputz (Bougainville)	Woskawitz
Engelhardt & Co. W. Bradtke	Kabakon Island, (Duke of York group)	Kabakon
Ernst Edgar R.	Djaul Island (New Ireland)	Djaul
Fehr, Johannes	Iwi (Bougainville)	Iwi
Fischer, Albert	Lungatan (New Hanover)	Lungatan
Forsayth Kirchner GmbH, H. Wahlen	Kawieng, Butbut, Lemarett, Mongal, Laburua, Kabien, Bobsi, Kasalok, Lonan, Lakurafanga, Nanan, Panakondo, Lamusong; Nago, Eruk Kabatheron Island, Limonak Island (New Ireland)	Rabaul
Fröhlich, Otto	Metawoi (New Hanover)	Metawoi
Gathen, Friedrich Wilhelm	Dylup, Madang (New Guinea)	Sarang
Genten, Adolf	Ramat (New Ireland)	Ramat
Glasemann und Kempfer	Beukin (New Guinea)	Beukin
Gramms, Wilhelm and Bruno	Awar, Bobis (New Guinea)	Hansabucht
Grigat, Bruno	Laur and Kalili (New Ireland)	Laur
Grigat, Bruno.	Kalili (New Ireland)	Kalili
Guyot, Emil	Kabaira (New Britain)	Kabaira
Hahn, Wilhelm	Dagumor-Hatzfeldthafen (New Guinea)	Hatzfeldthafen
Hamburg South Sea Co.	Rabaul, Ralum, Kabakaul, Matanatar, Malapao, Tokuka Giregire, Araw (New Britain), Buka, Bougainville and Fead	Hamburg
Hamilton, W.	Enus (Bougainville)	Enus Worurtau
Hansen, Arthur	Karu (New Ireland)	Karu
Hartig, Walther	Konomala – Maritsoan (New Ireland)	Maritsoan
Heinrich Rudolph Wahlen GmbH;	Maron (Hermit) and Western Islands	Hamburg
Hernsheim & Co; Mng. E. Sjöberg	Jikobolau (Bougainville)	Jikobolau
Hernsheim & Co.	Matupi, Rabaul, Makada (New Britain), Kaewieng (New Ireland), Kieta (Bougainville), Komuli (Portland Island)	Hamburg
Hofmokol, Max C.	Meteingebach (New Hanover)	Meteingebach
Hornung, Hermann	Komalu near Namatanai	Komalu
Hörstmann, Hermann Heinrich	Toma/Varzinberg (New Britain)	Toma

Name of Owner or Company	Plantation Name and Area	Head Office
J. M. Rondahl, Mgr. K. B. Müller	Kabakaul, Kulon, Gazelle Peninsula	Kabakaul
Janke, Georg and Rudolph	Neinduk, Bredner Island (New Britain)	Baining
Jolley, Frederik	Raulawat and Tombaule (New Britain)	Raulawat
Josef Pieper	Tepier/Eitape (New Guinea)	Tepier
Kalili GmbH, Manager B. Grigat	Kalili Lamban (New Ireland)	Kalili
Katzer, Martin Otto	Ablingi (New Britain)	Ablingi
Kaumann, Georg	Varavara, Mantu, Tolovir, Talili Bay (New Britain)	Kurakakaul
Keese, Friedrich, H.W.	Vunakambi/Weberhafen (New Britain)	Ulango
Kessner, Willy	Umbugul (New Hanover)	Umbugul
Komine, Isokichi	Bitelu, Kalli Domalnal, Langendrowa and Momote (Admiralty Islands)	Bitelu
Komine, Isokichi	Ponam, Bitelu, Kalli Domalnat, Langendrowa & Mote (Admiralty Islands)	Ponam
Konrad, Erich	Panakondo (New Ireland)	Panakondo
Krafft, Werner	Kaewiang (New Ireland)	Kaewiang
Krockenberg, Arthur	Katu (New Ireland)	Katu
Labur Company, Otto Phillips	Kl. Kurumut, Rabeheh (New Ireland)	Kl. Kurumut
Labur GmbH, Manager, O. Phillips,	Robehen, Kurumut (New Ireland)	Robehen
Londip Plantation Company	Londip, Lakuramau (New Britain)	Rabaul
Macco, Eduard	Nono (New Ireland)	Nono
Macco, Marie	Balus (New Ireland)	Balus
Macco, Marie Ann	Ulul-Nono, Balus, Goliago, Waiau (New Ireland)	Ulul
Maristen Mission	Kieta (Bougainville)	Kieta
Meiro Plantation Co.	Meiro (New Britain)	Meiro
Methodist Mission	Ulu Island (Duke of York Group)	Raluana
Metzner, Fritz & Enders,	Fileba, Panaras (New Ireland)	Fileba
Mouton, Jean Baptiste Octave	Kiniguna, Watom, Bitgalpi (New Britain)	Kiniguna
Neuendettelsauer Mission	Finschhafen, Sialum Wareo, Sattelberg, Bukaua Simbang, Loganeng, Jubim, Janie Deinzerhöhe,	Finschhafen
New Britain Co. Ltd	Torimonaper (Bougainville)	Sydney/Rabaul
NGC	KWL and Bismarck Archipelago	Berlin
Ohlsen, Carl	Metakawiel (New Guinea)	Metakawiel
Ortloff, Alexander	Baining - Sachsenberg (New Britain)	Baining
Oström, Carl	Lakurafanga, Nonopai (New Ireland)	Lakurafanga
Parkinson, Phoebe	Kuradui, Malmalaun (New Britain)	Kuradui
Parkinson, Phoebe	Tatavana, Palaupai (New Britain)	Palaupai
Penn, Emil	Alexishafen (New Guinea)	Alexishafen
Pettersson, Gunna	Marakon (New Ireland)	Marakon
Peuker, Max	Mumm (New Guinea)	Mumm
Peuker, Max	Mumm and Munne (New Guinea)	Dallmannhafen
Pourteau, Leopold E	Seeberg (New Britain)	Baining
R. v. Blumenthal, Matandeduk GmbH; Manager Charles Winand	Matandeduk (New Ireland)	Namatanai
Rheinische Mission	Ragetta, Bongu, Stephansort, Nagada, Hansemann Berg (New Guinea)	Ragetta
Rosenstern & Co.	Kapsu (New Ireland)	Kapsu
Rudolph H. J. Wolff	Varzinpflanzung, Toma (Gazelle Peninsula)	Paparatava
Ruge, Julius,	Bangatan, Neuwerk Island (New Ireland)	Nusame
Rundnagel, Carl Wilhelm	Tomalili (New Britain)	Tomalili
Sacred Heart Mission	Vunapope, Vunakakabi Tolovir, Manfres, St. Paul, Rakadi, Toriu (New Britain)	Vunapope
Sarang Plantation Ltd, Owner, P. Ahr	Sarang (New Guinea)	Sydney
Schlüter, Jakob Heinrich	Patio (New Ireland)	Patio
Schneider, Carl	Iboki (Bougainville)	Iboki
Schnibbe, Gustav	Lassul (New Britain)	Baining
Schultze, Curt Adolf	Lebrechtshof and Butbut (New Ireland)	Lebrechtshof
Smith & Heathcoate,	Tsio Launung	Tsio Launung

Name of Owner or Company	Plantation Name and Area	Head Office
Smith, James	Kaselock Saw-mill (New Ireland)	Kaselock
Solomon Islands Development Co.	Soraken (Bougainville)	Soraken
Stamer, Theodor	Maritsoan (New Ireland)	Marakon
Stehr, Alfred	Manuan (Duke of York Group)	Manuan
Stiller, Kurt	Haranap or Idom Plantation in Sarang	Sarang
Thurm, Gustav	Dewau (Buka)	Dewau
Ulderup & Schlüter: C. Rink	Hilalon (New Ireland)	Hong Kong
Ullberg, F.	Sarang (New Guinea)	Sarang
Wafler, Reinhard	Kabakab C Birara (Gazelle Peninsula)	Birara
Wahlen GmbH; Mgr. W. Mac Nicol	Pak [Manus] (Admiralty Islands)	Pak
Werner, Karl Friedrich	Gute Hoffnung, Kappenberg Gazelle Peninsula	Baining
Wuchert, Hans	Pondo (New Britain)	Pondo

¹ K. Baumann, D. Klein & W. Apitzsch. *Biographisches Handbuch Deutsch-Neu Guinea*; British Administration into (Late) German New Guinea. 'Statistics', A. Mulleit, Government Printer, (Melbourne, 1916) pp. 20-23, K. Buckley & K. Klugman. *The History of Burns Philp*, pp. 172-177

Chart 1

European and Japanese population trend in German New Guinea and The Island Territory, 1886–1913

1 April to 30 March from 1886 to 1899, calendar year thereafter

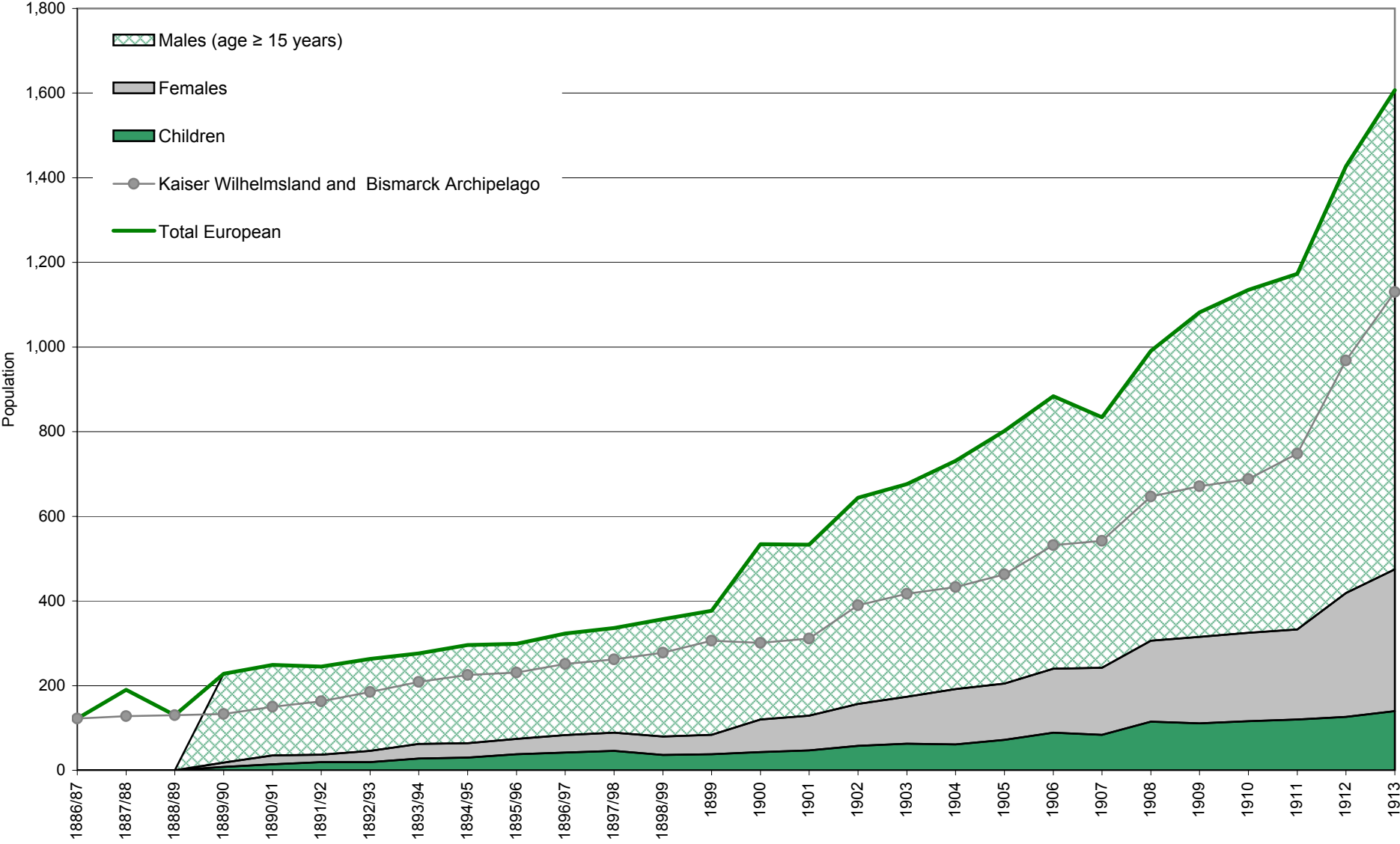


Chart 2

European and Japanese population in German New Guinea, 1886–1913

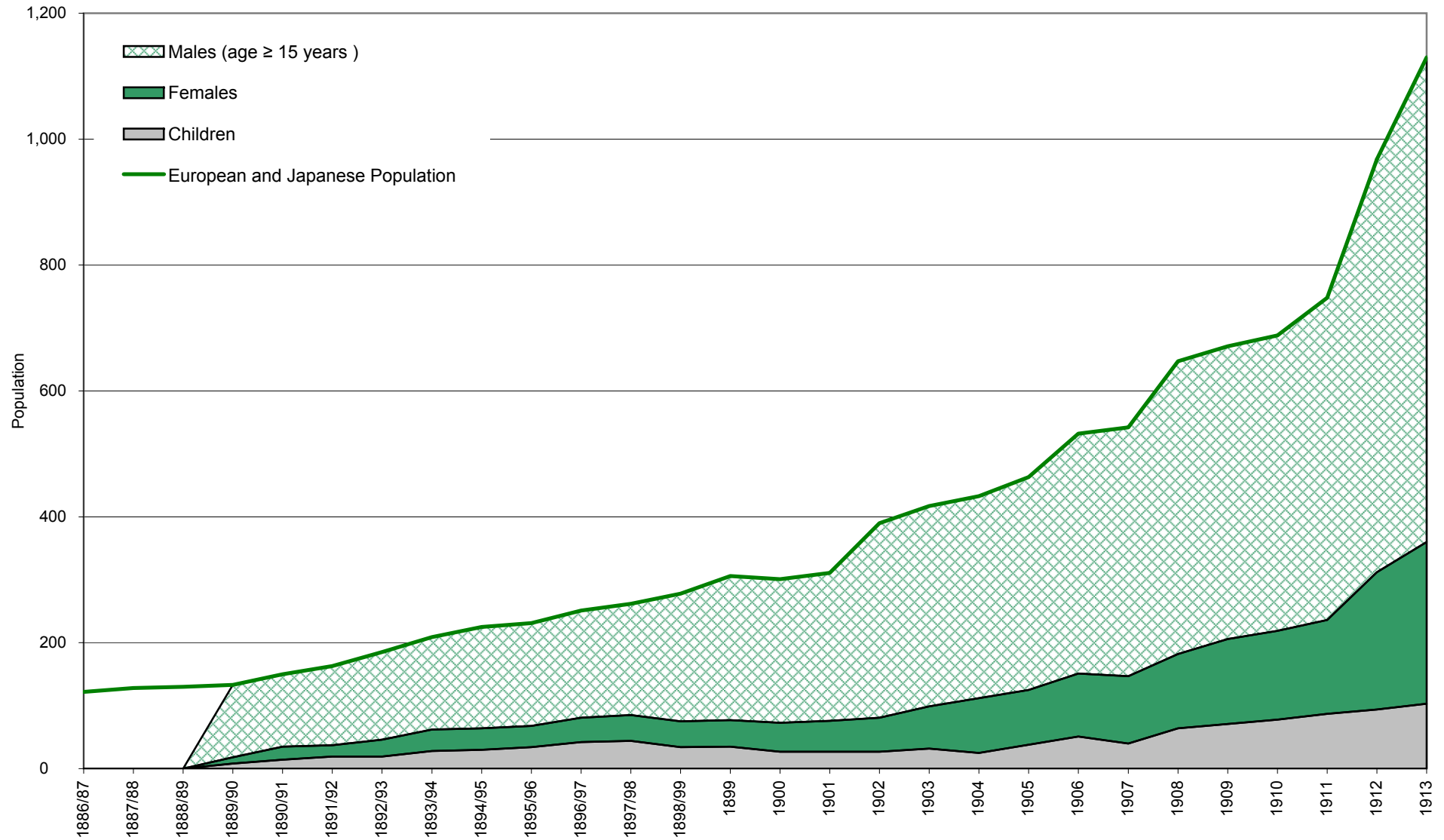


Chart 3

European and Japanese population by citizenship in German New Guinea, 1886–1913

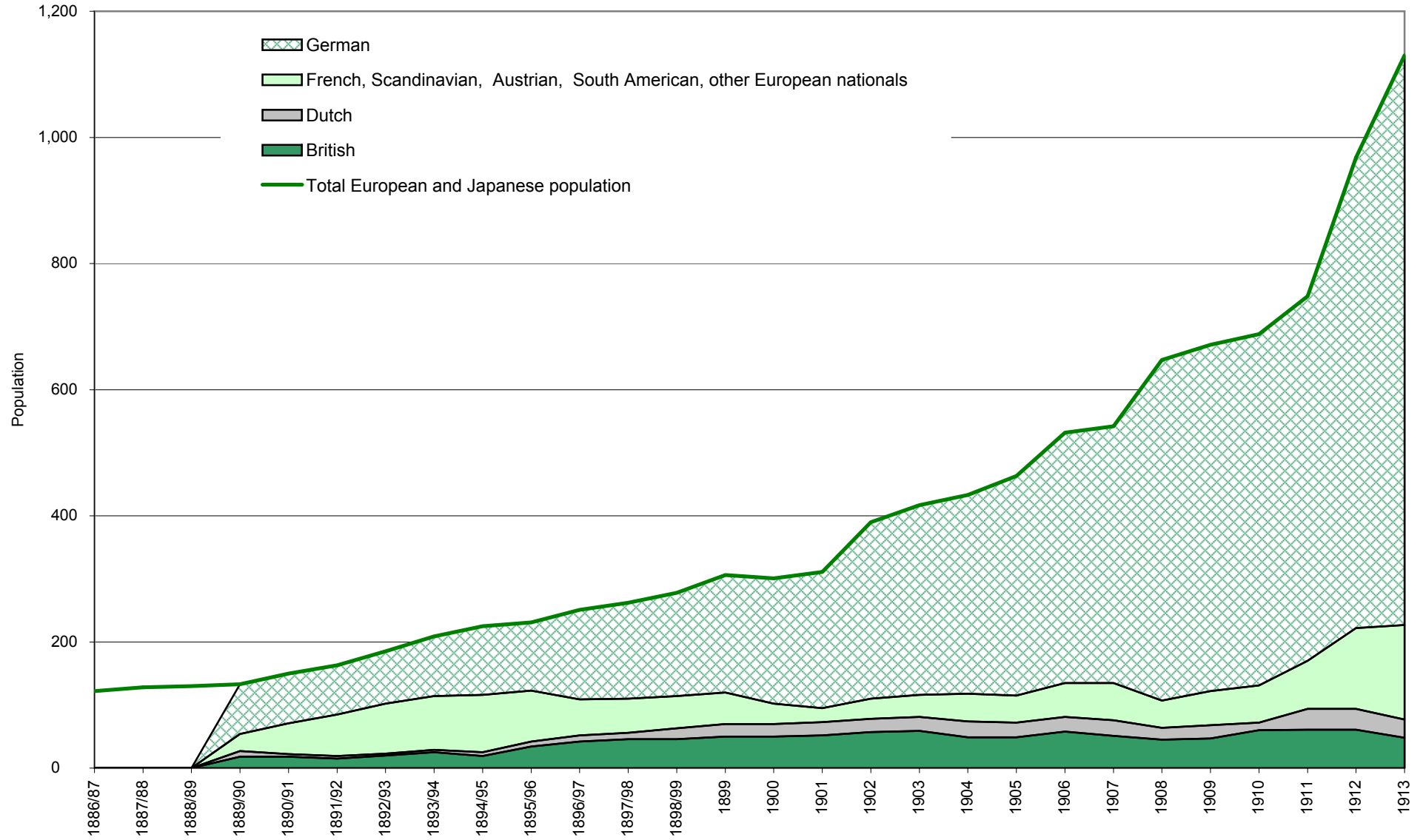


Chart 4

European and Japanese population by citizenship in German New Guinea and The Island Territory, 1888–1913

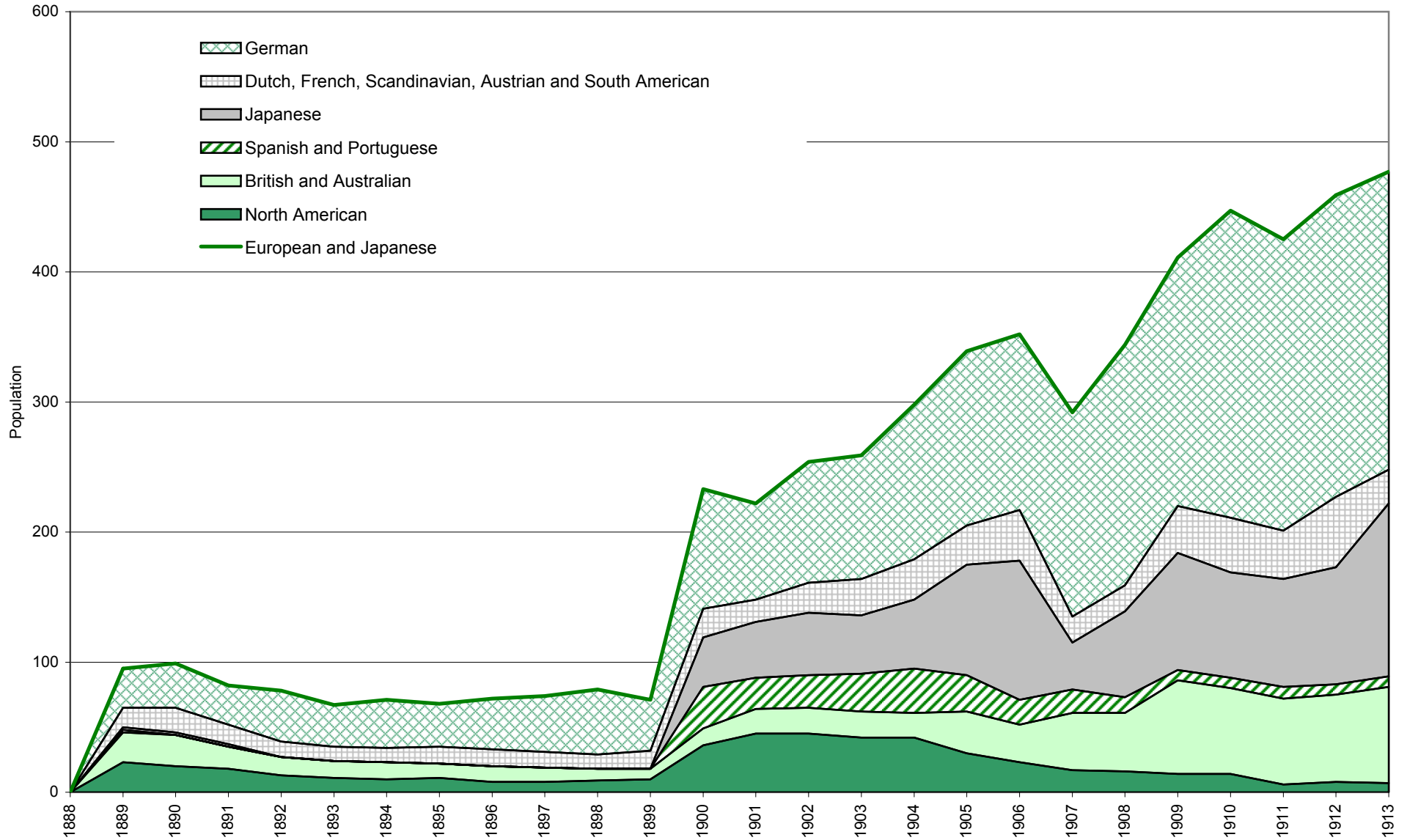


Chart 5

European population by profession in German New Guinea, 1886–1913

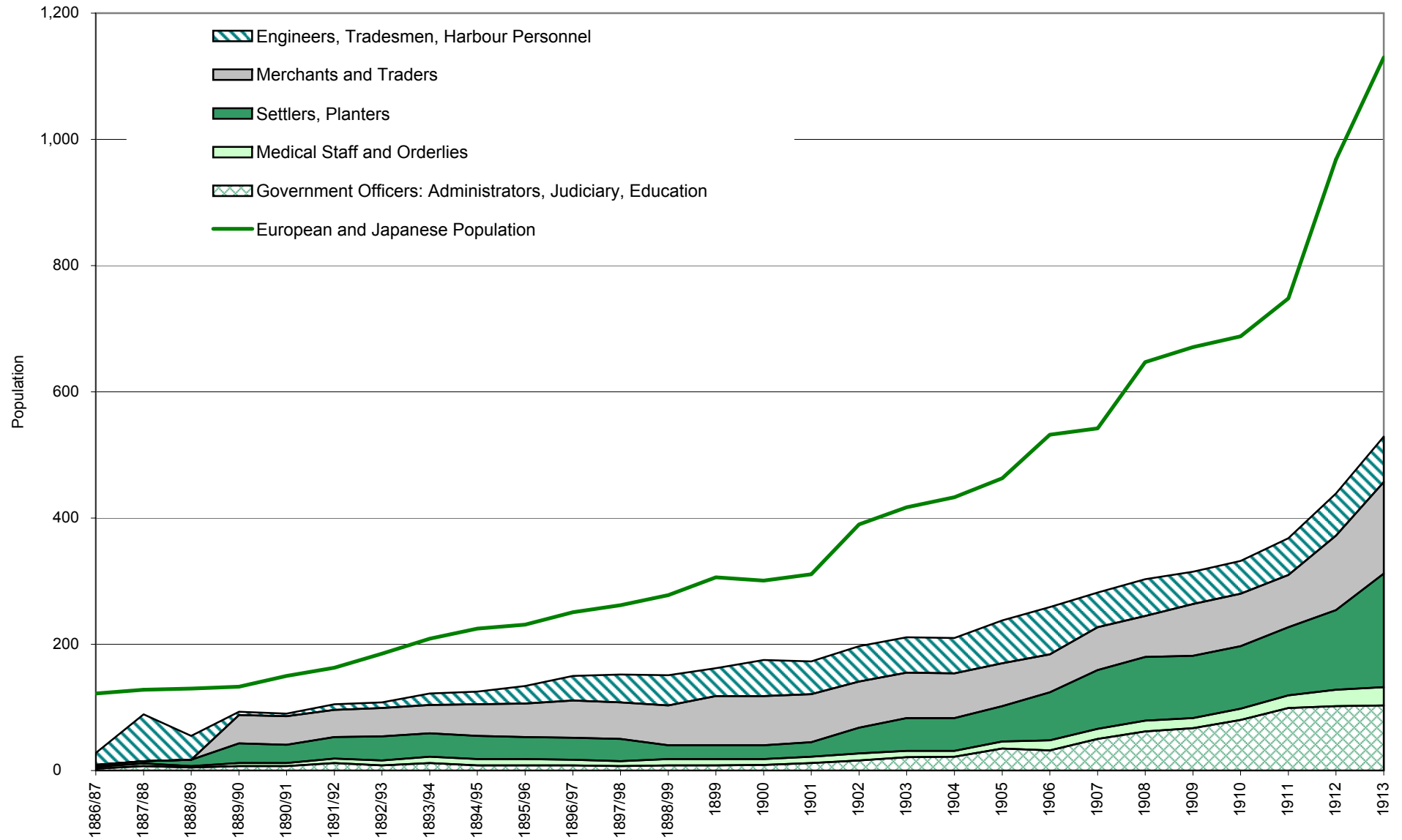


Chart 6

European population by profession in German New Guinea and The Island Territory, 1886–1913

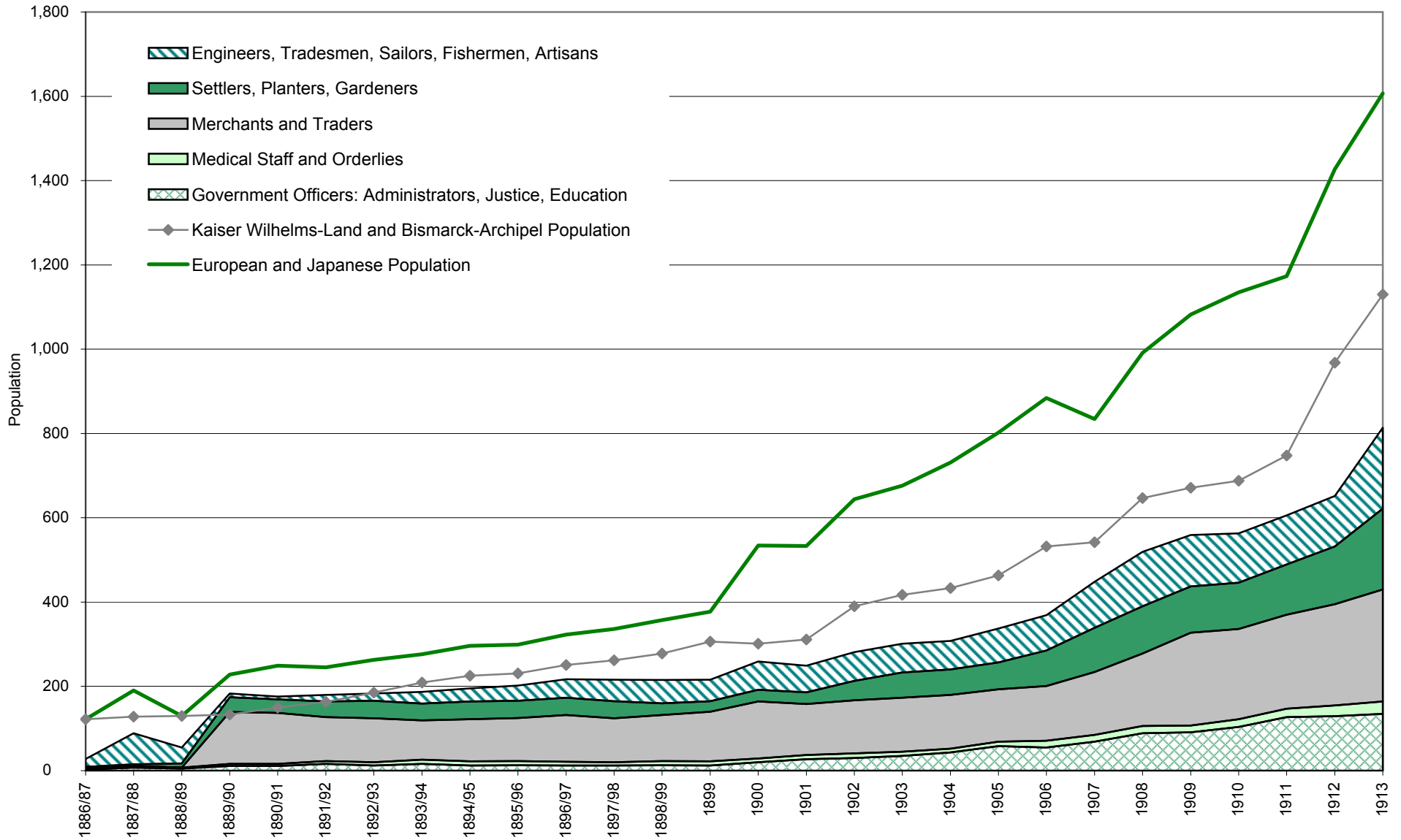


Chart 7

European population in British New Guinea and Papua, 1888–1914

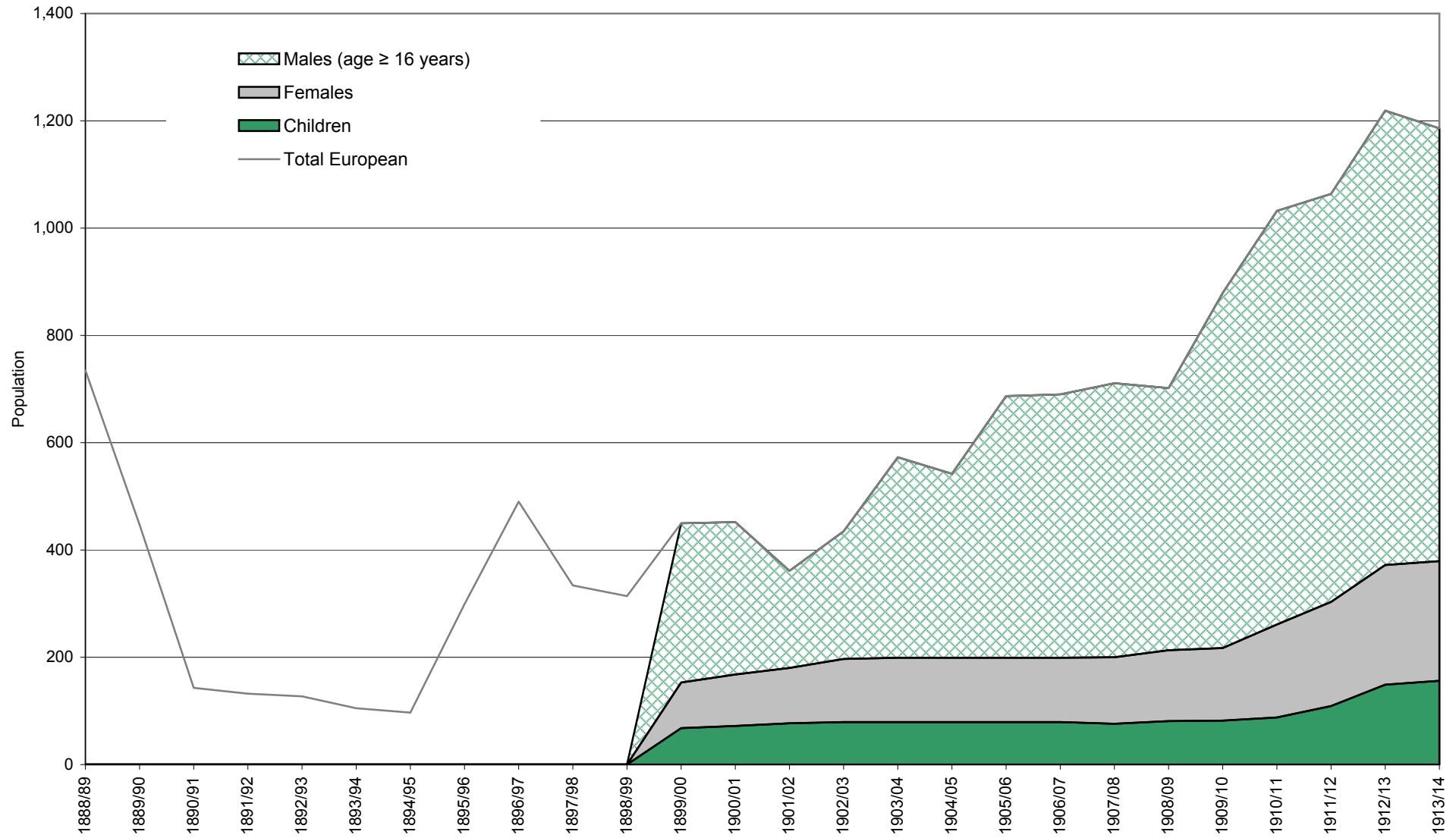


Chart 8

European population and government officers in British New Guinea and Papua, 1886–1914

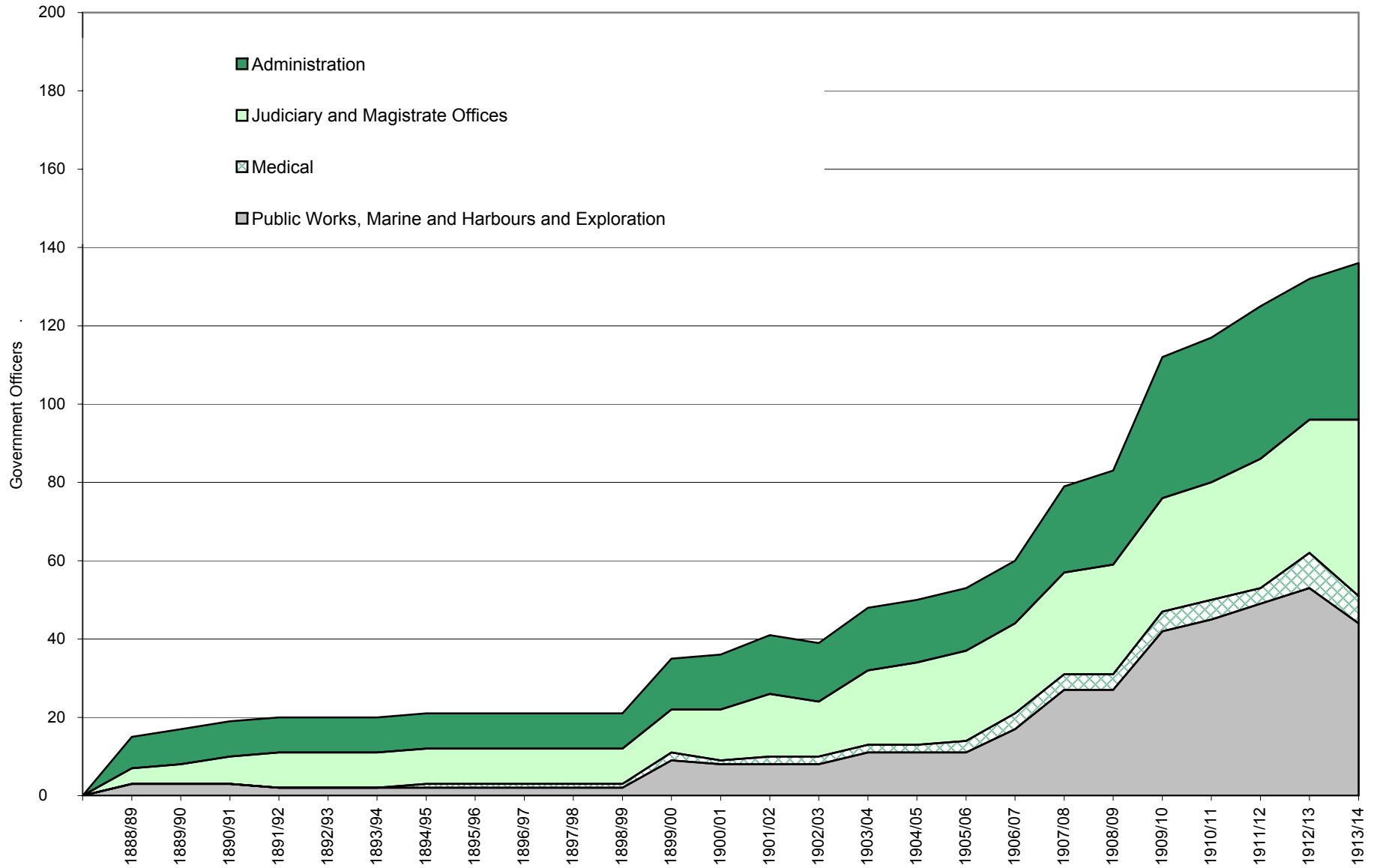


Chart 9

European population in British New Guinea, Papua, German New Guinea and The Island Territory, 1903–1914

German New Guinea from April to March, from 1900 calendar year; British New Guinea and Papua from 1 July to 30 June

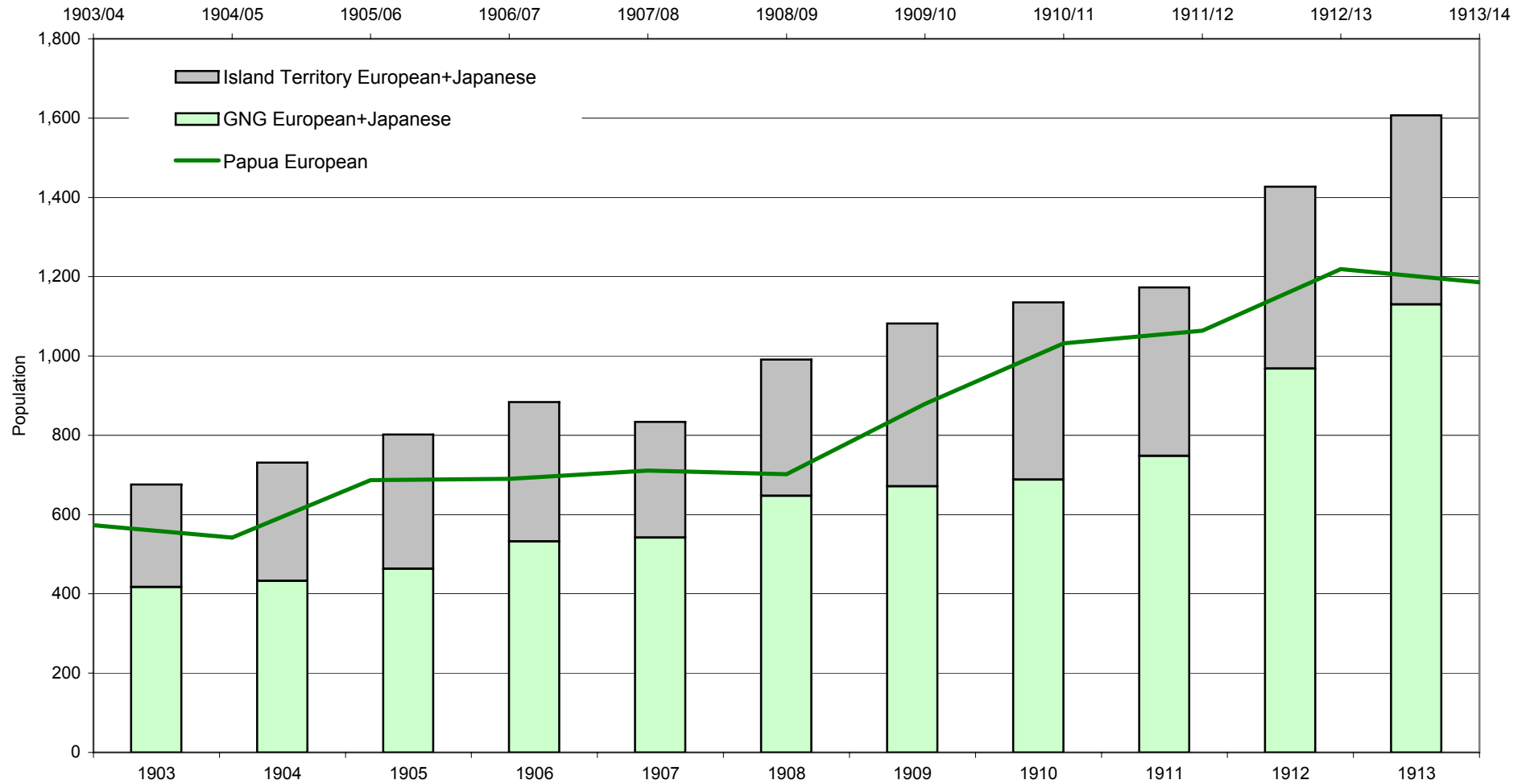


Chart 10

Mortality rate for European and indentured labour in BNG, Papua and GNG, 1888–1913

German New Guinea from April to March, from 1900 calendar year; British New Guinea and Papua from 1 July to 30 June

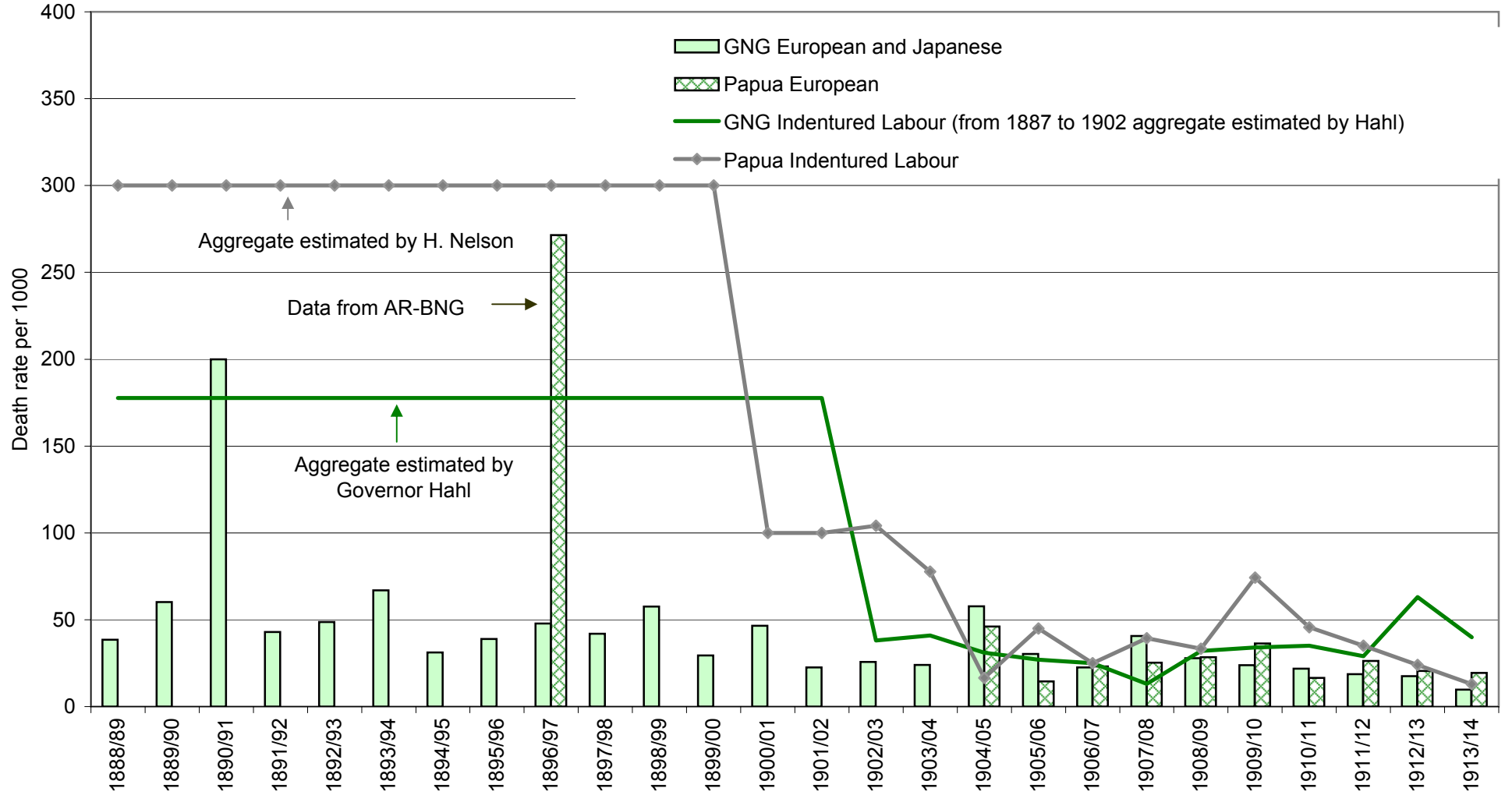


Chart 11

Medical expenditures in German New Guinea, 1899–1913

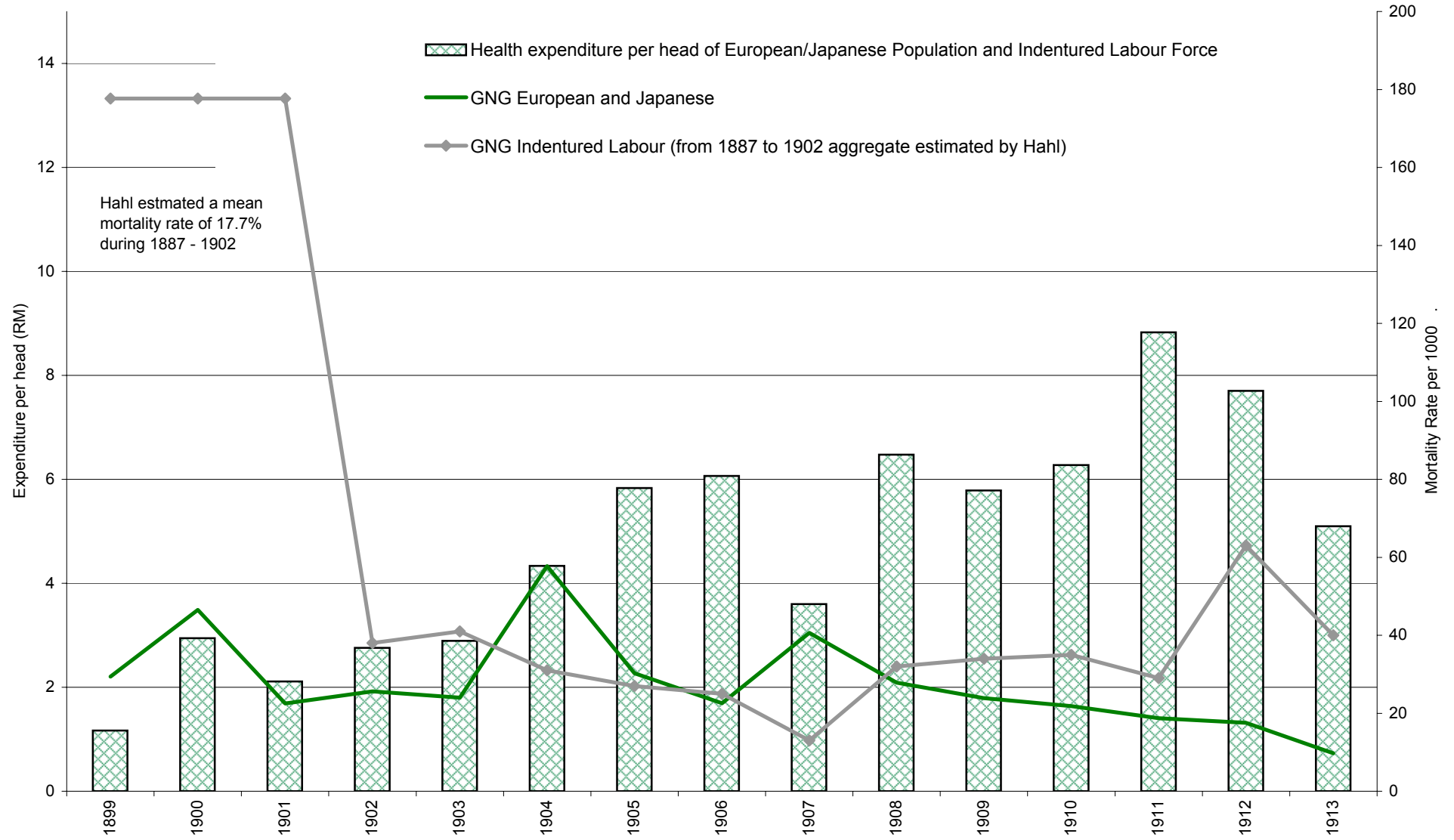


Chart 12

Land and plantations in British, Papua and German New Guinea, 1887–1913

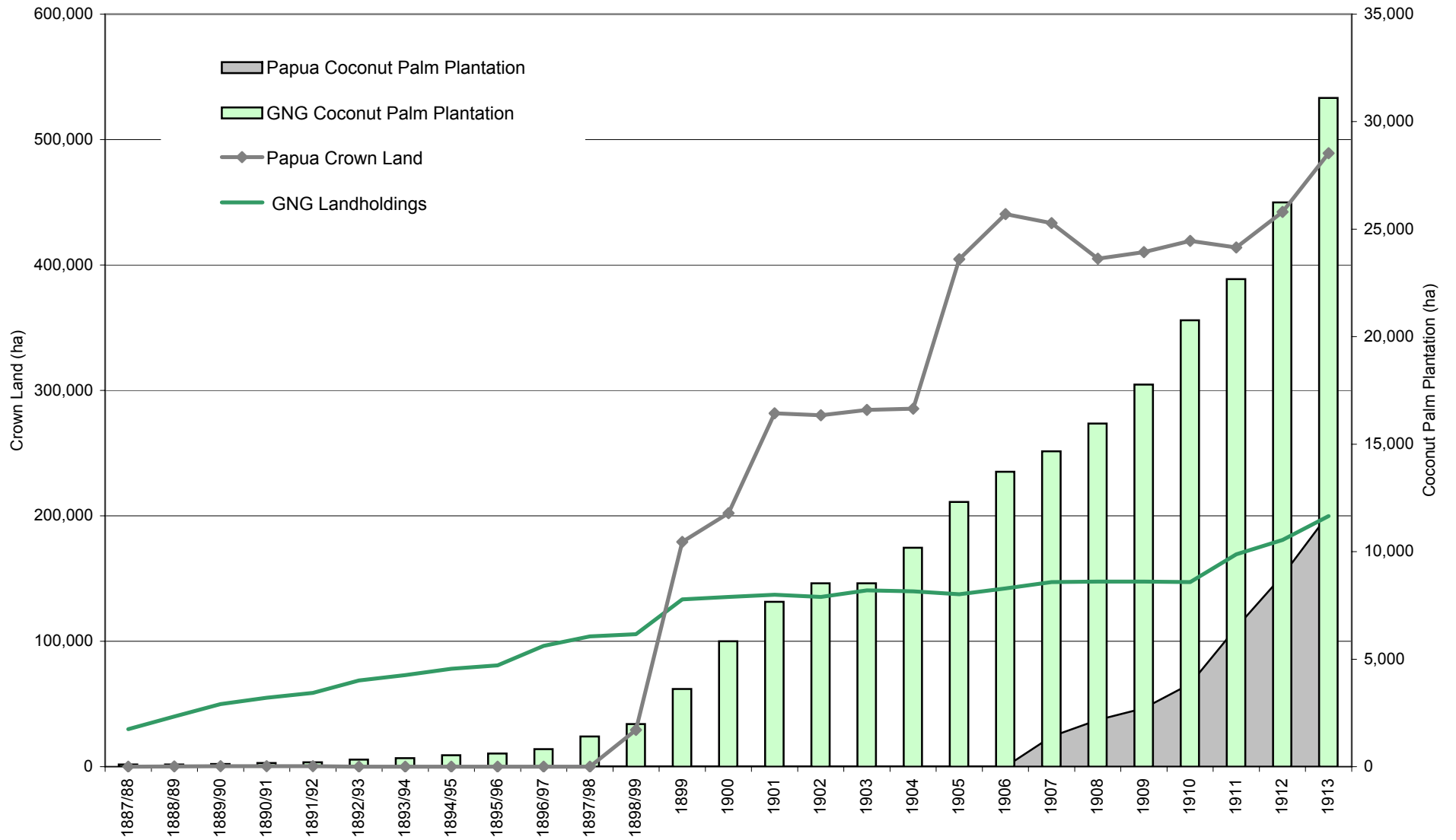


Chart 14

Producing plantation area in German New Guinea, 1886–1913

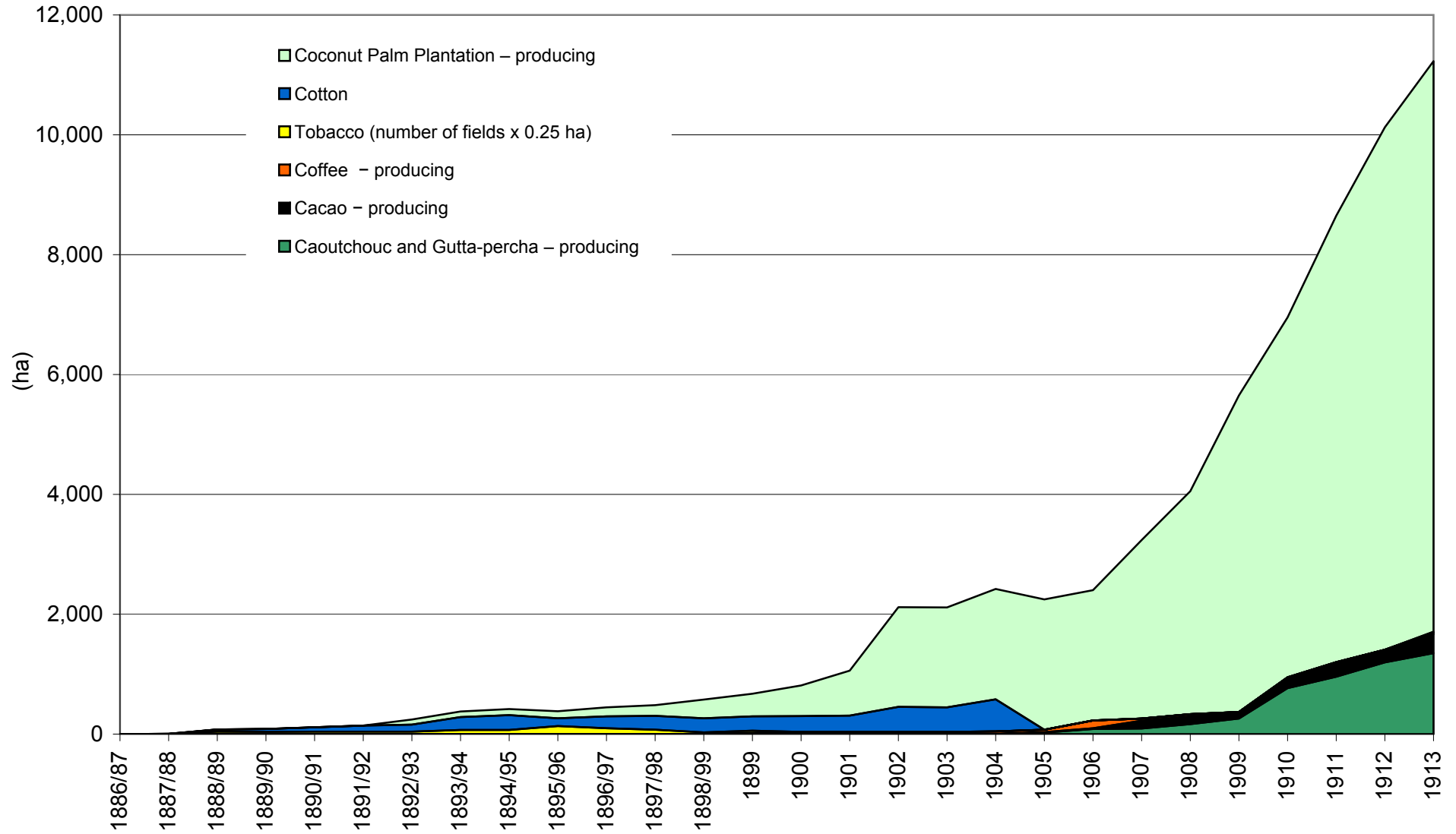


Chart 15

Development and administration expenditures in German New Guinea and The Island Territory, 1886–1914

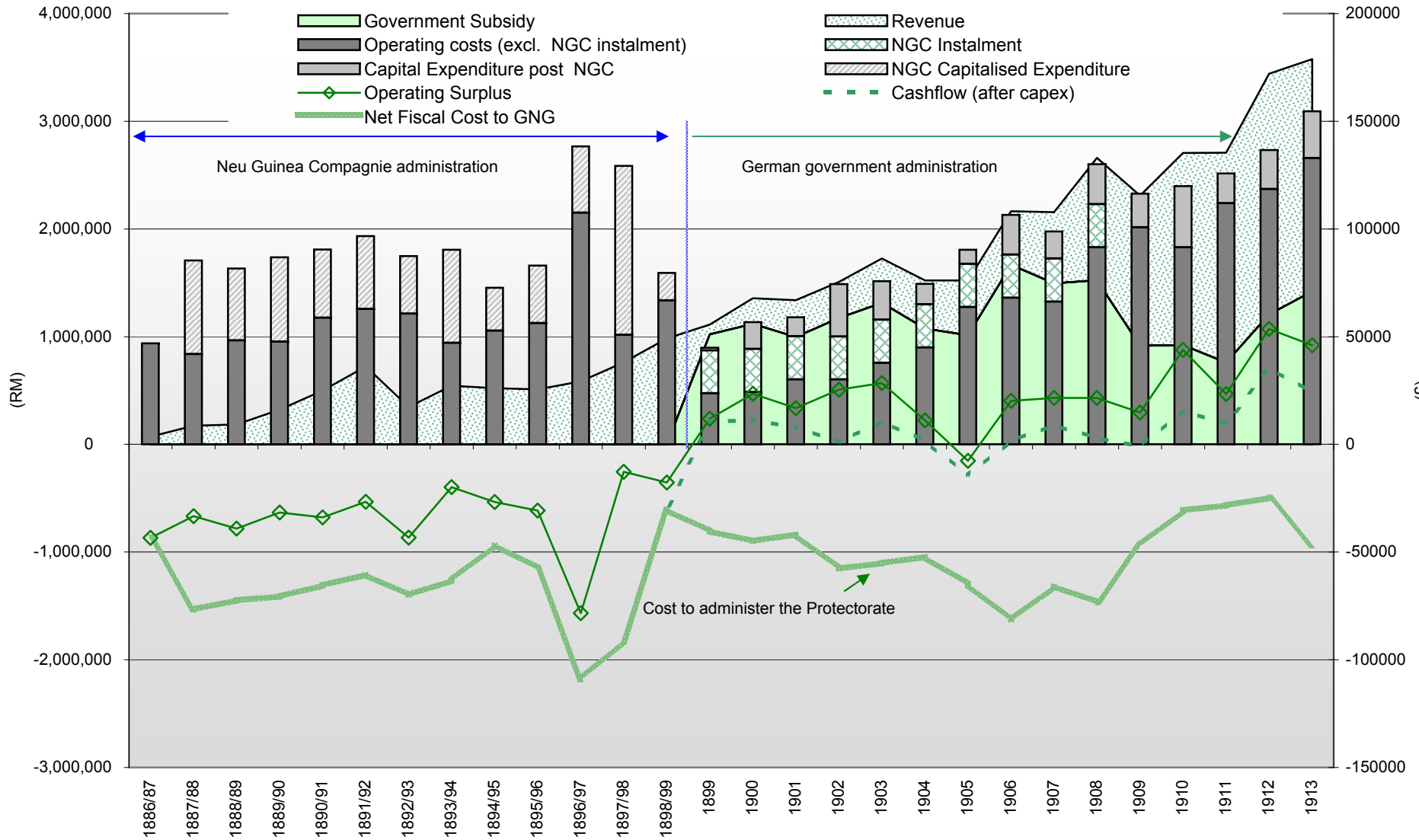


Chart 16

Development and administration expenditures in British New Guinea and Papua , 1887–1915

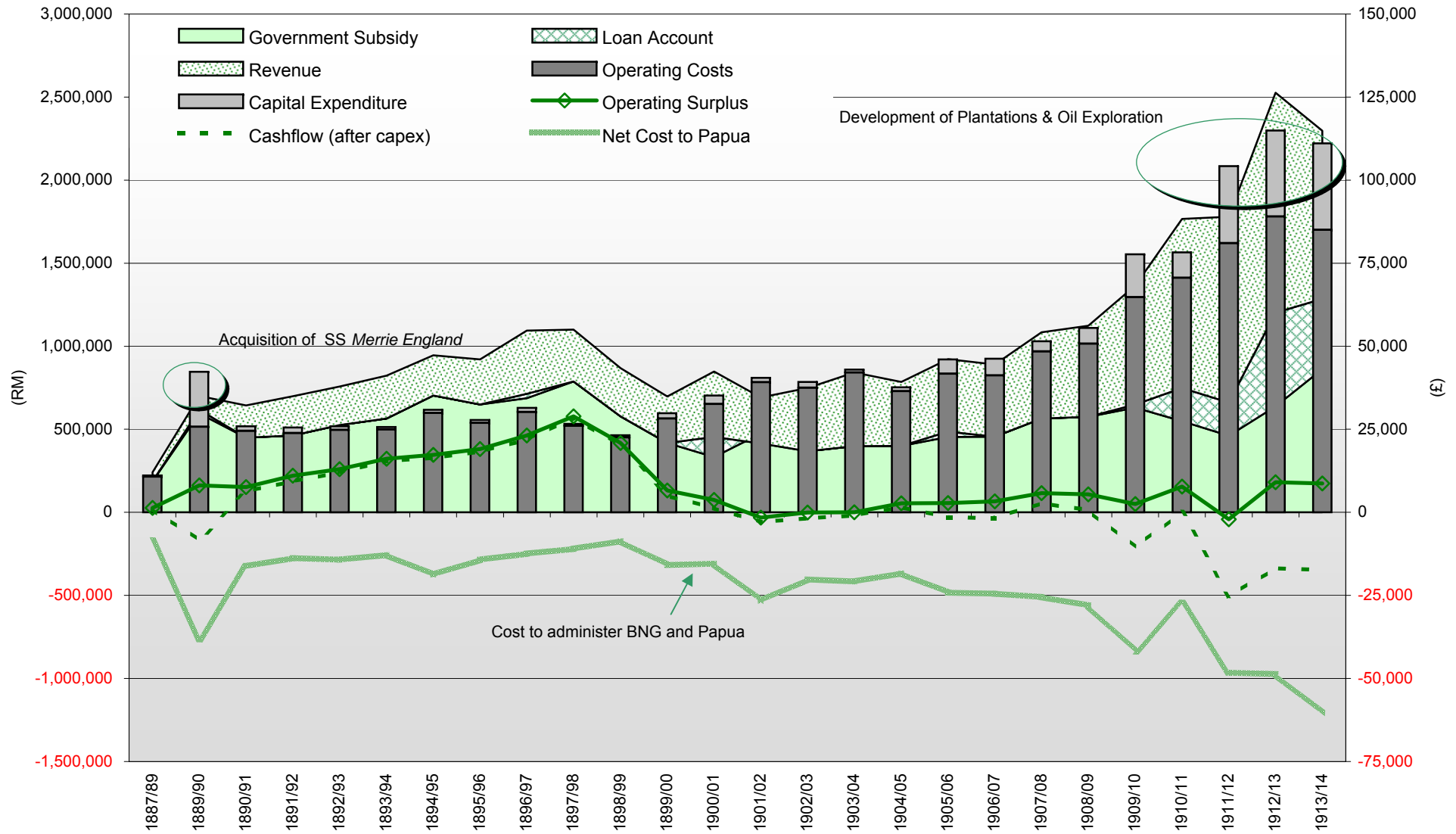


Chart 17

Annual running cost per head of European population in Papua and German New Guinea, 1886–1913

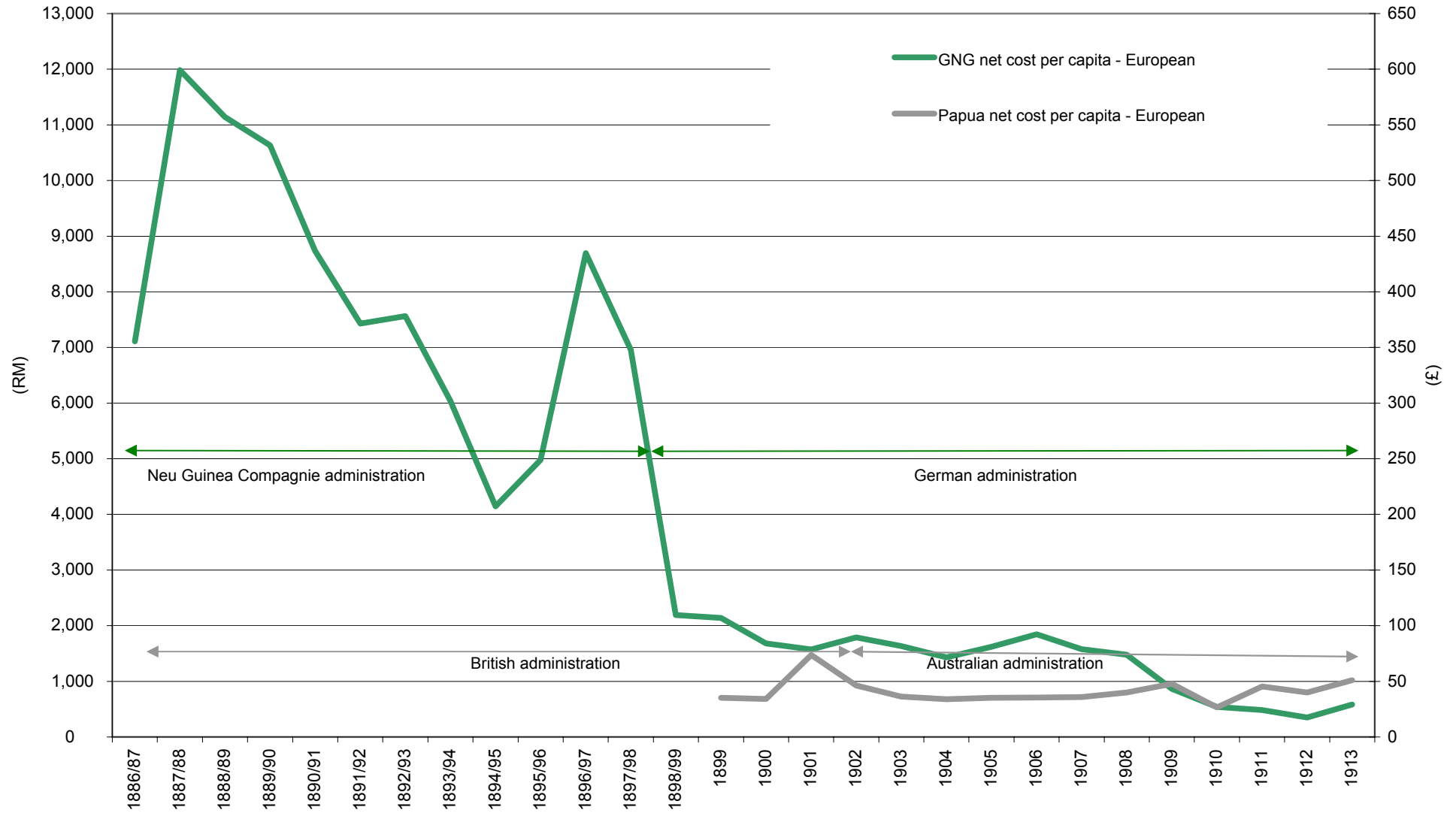


Chart 18

Annual running cost per head of indentured labour in British New Guinea, Papua and German New Guinea, 1897–1913

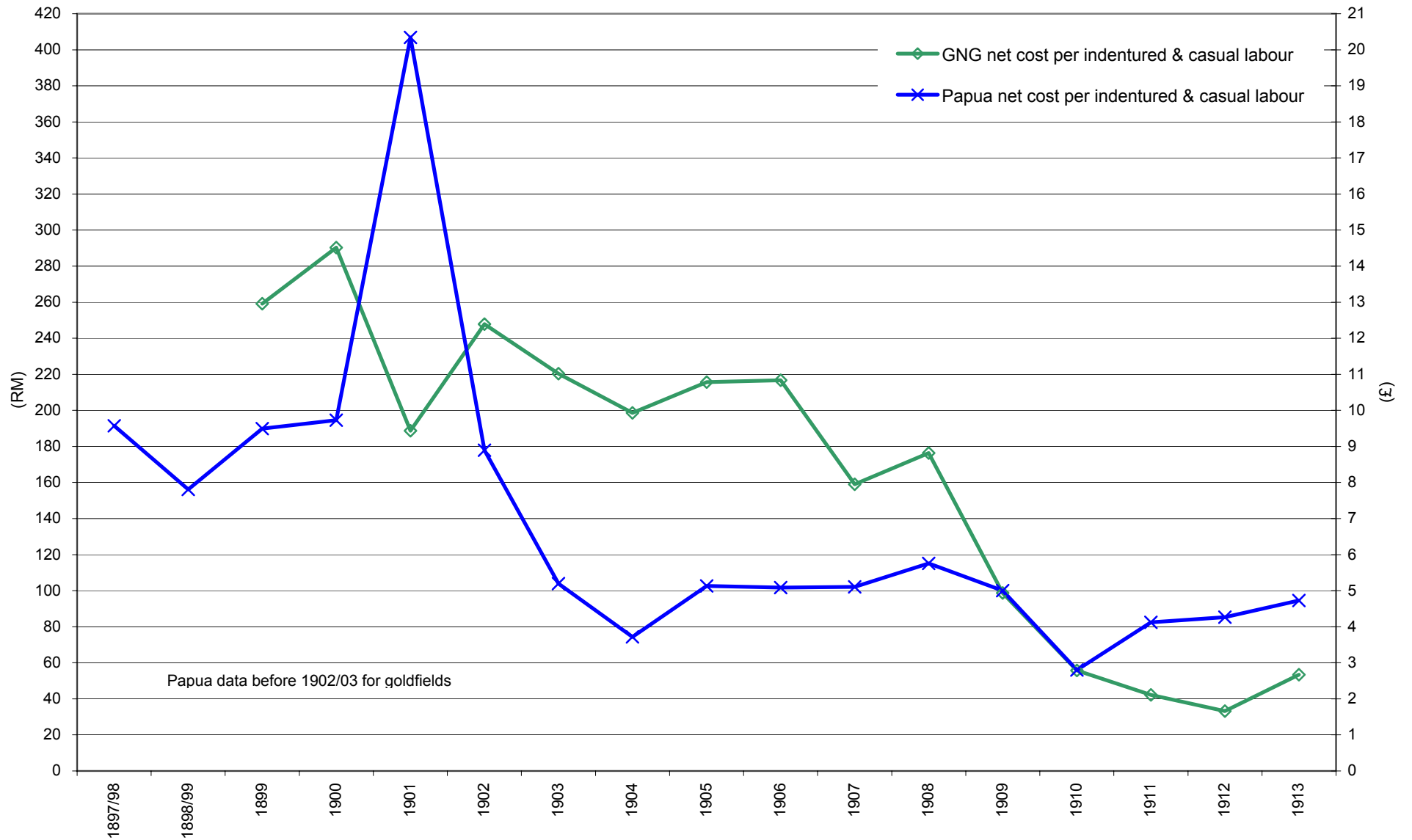


Chart 19

Import and Export Trade Data for German New Guinea and The Island Territory, 1886–1913

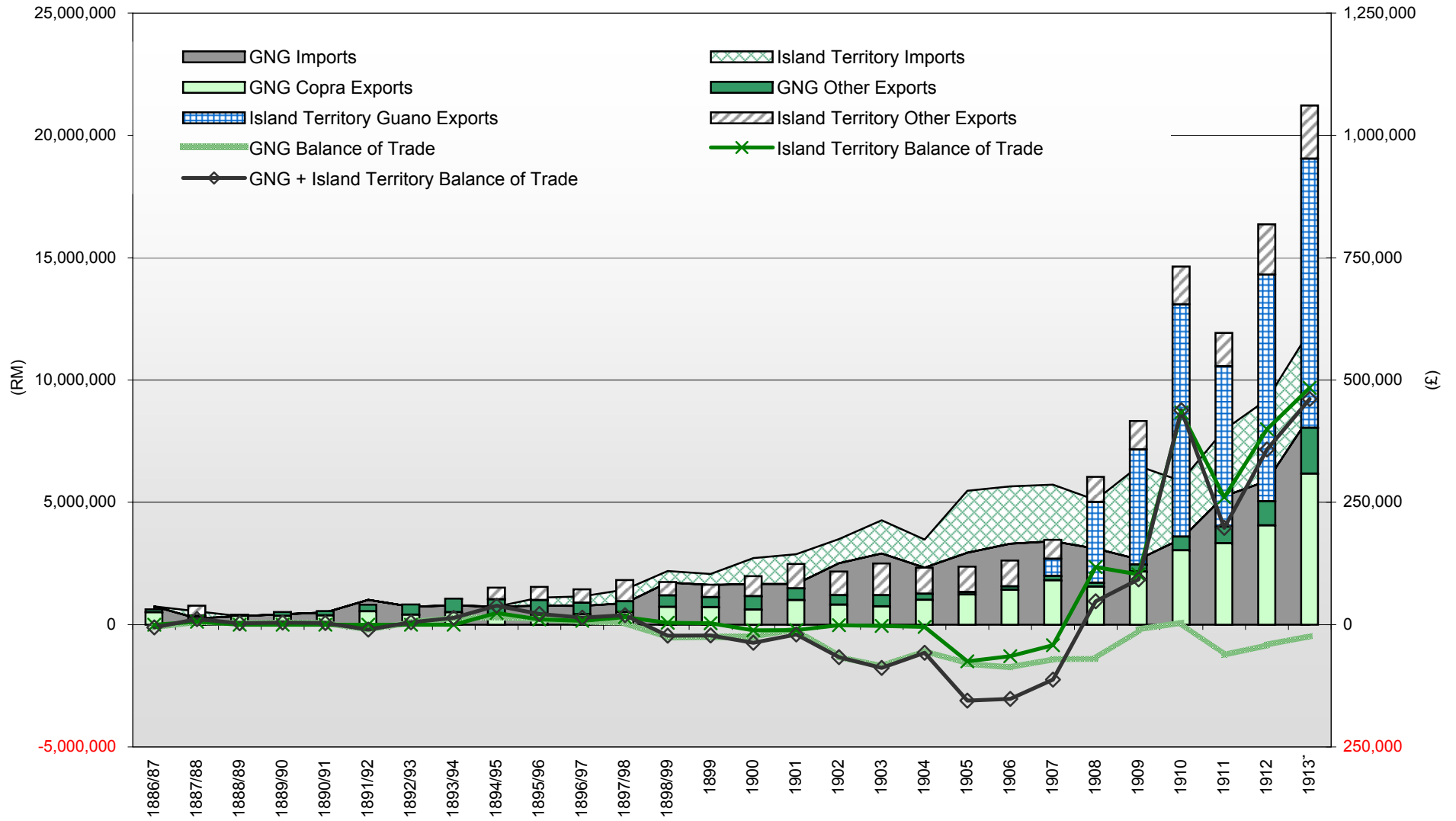


Chart 20

Exports by countries or regions from German New Guinea, 1886–1913

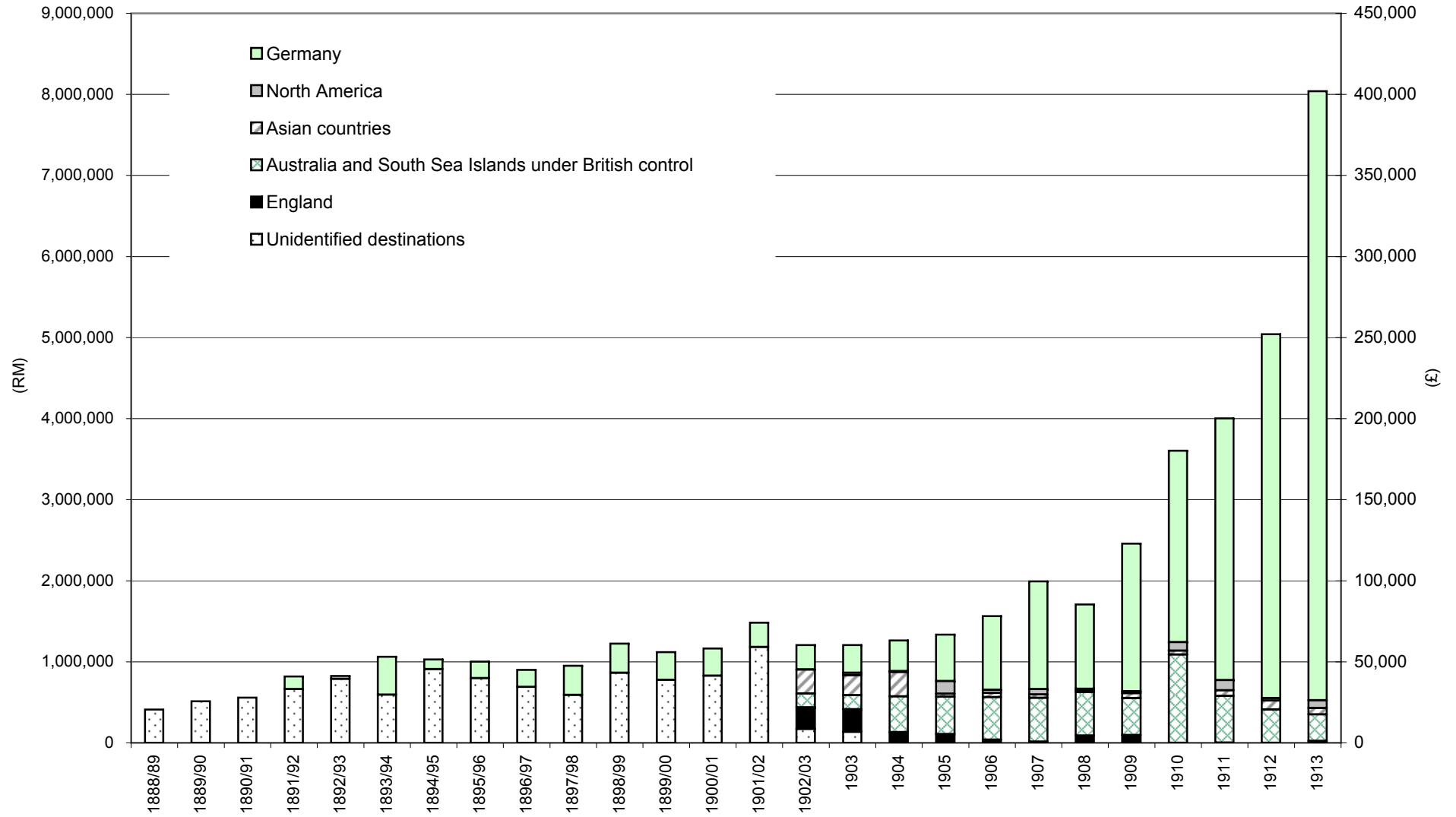


Chart 21

Imports by countries or regions to German New Guinea, 1886–1913

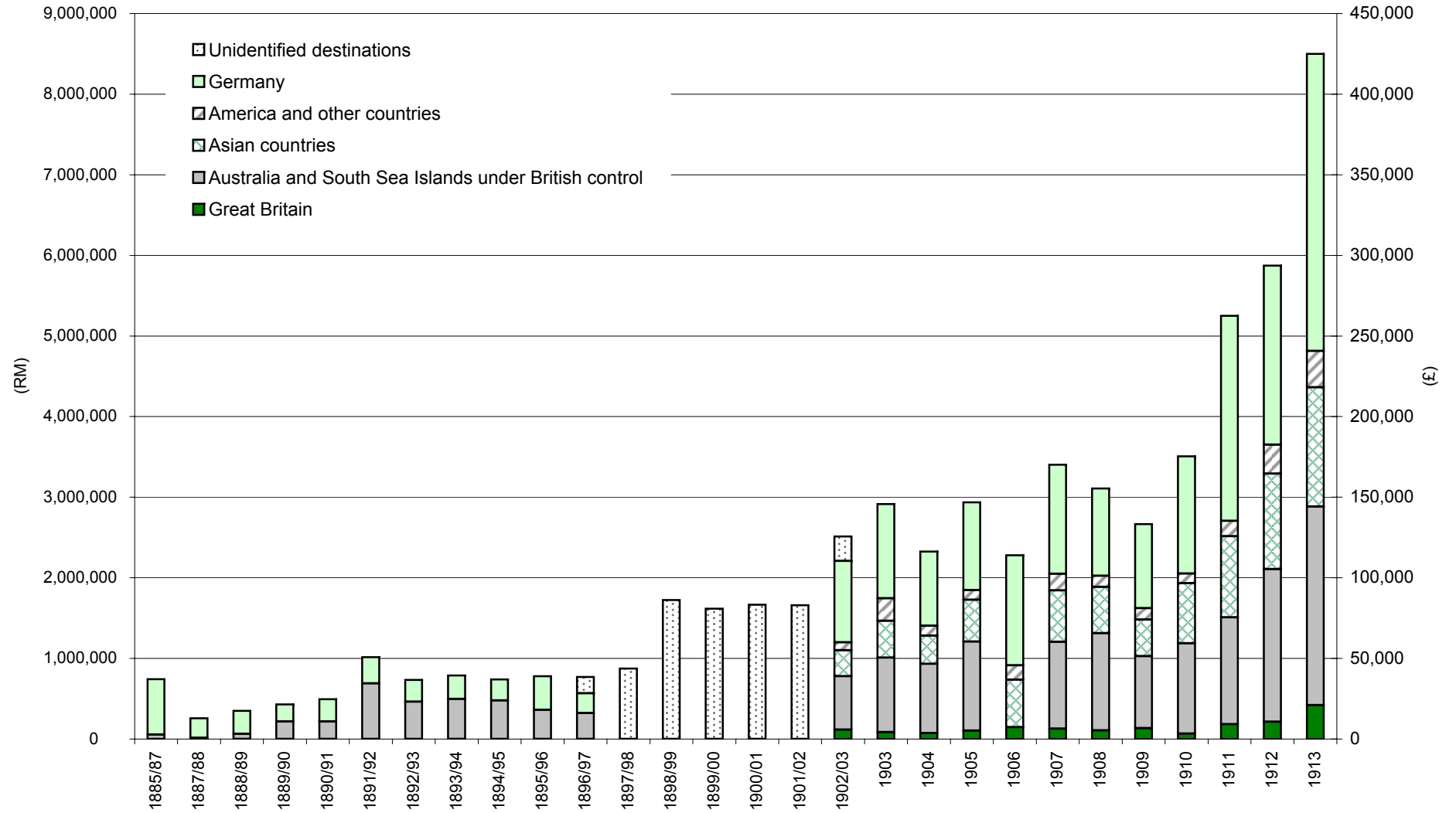


Chart 22

Exports from German New Guinea, 1886–1913

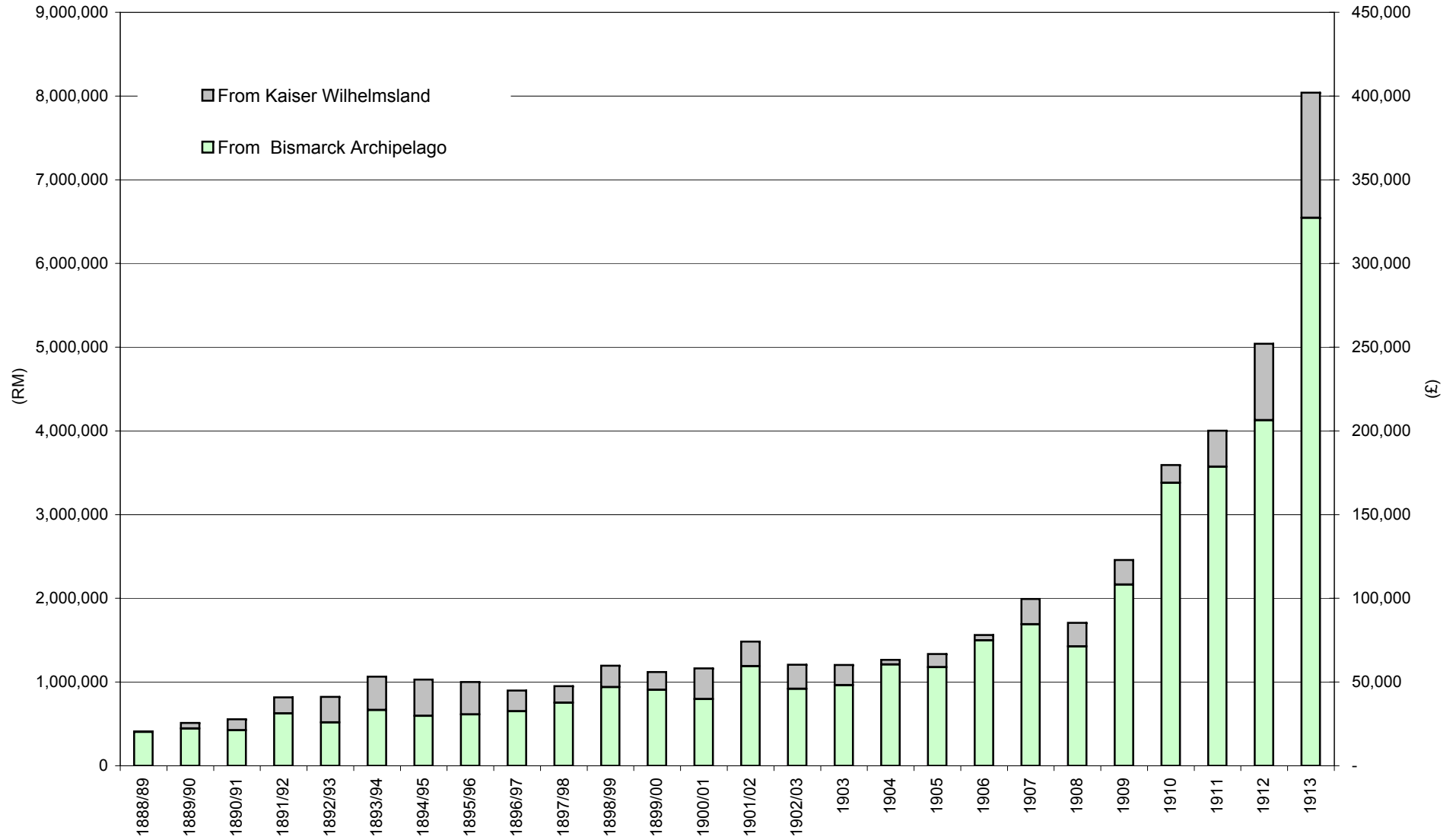


Chart 23

Imports to German New Guinea, 1888–1913

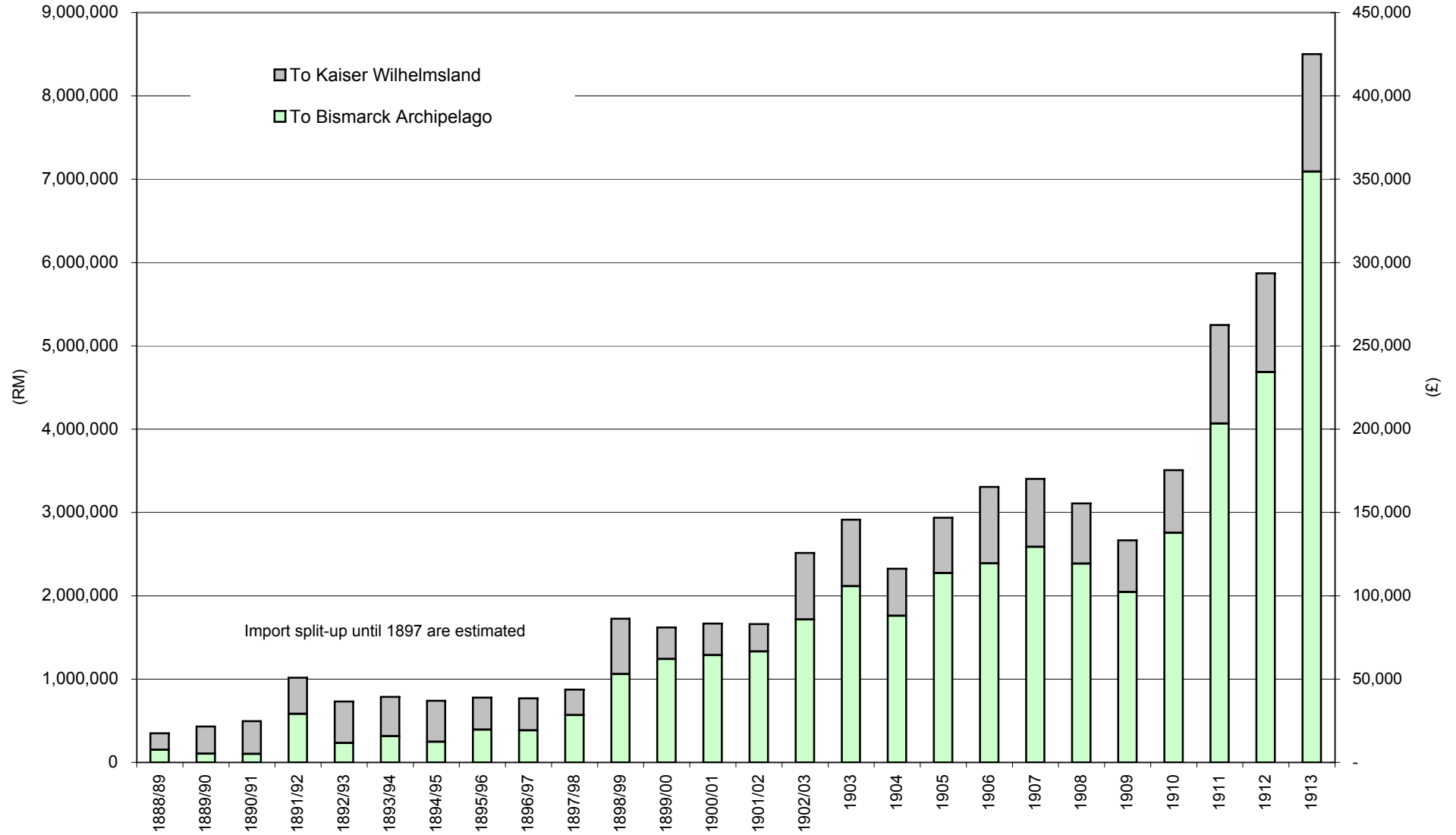


Chart 25

Exports by countries or regions from The Island Territory, 1897–1912

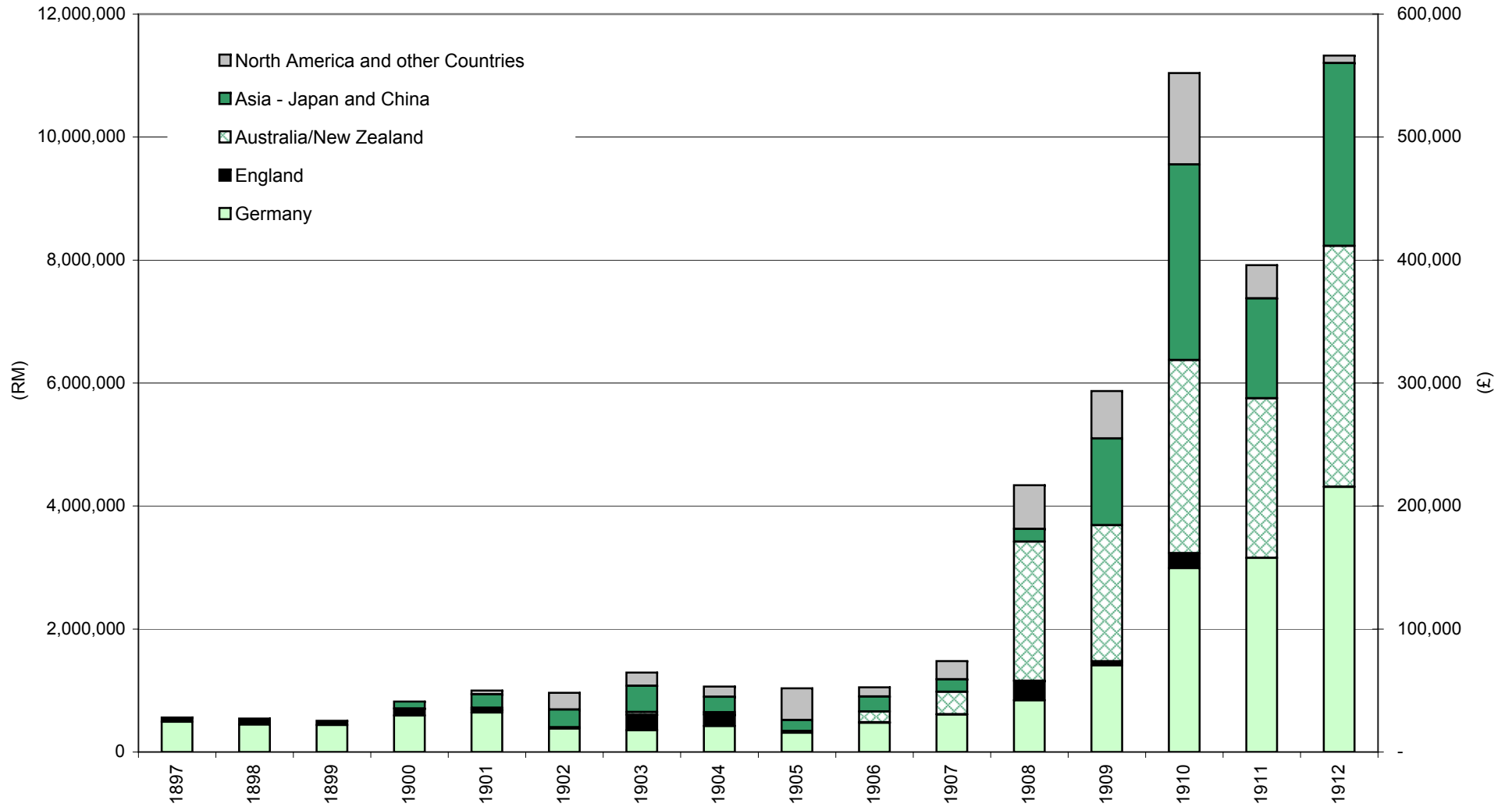


Chart 26

Exports by values from German New Guinea and The Island Territory, 1886–1913

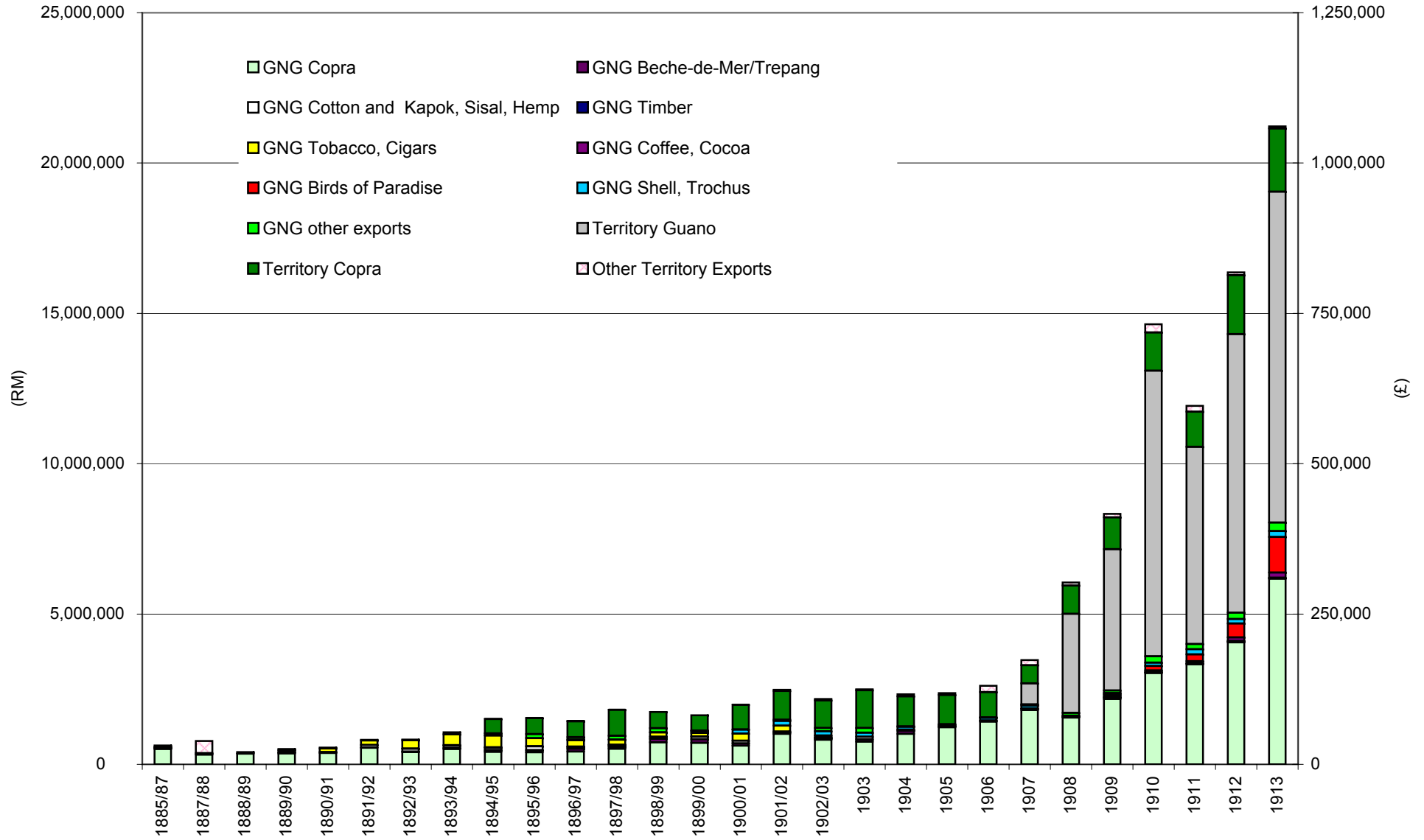


Chart 27

Imports by countries or regions to The Island Territory, 1897–1912

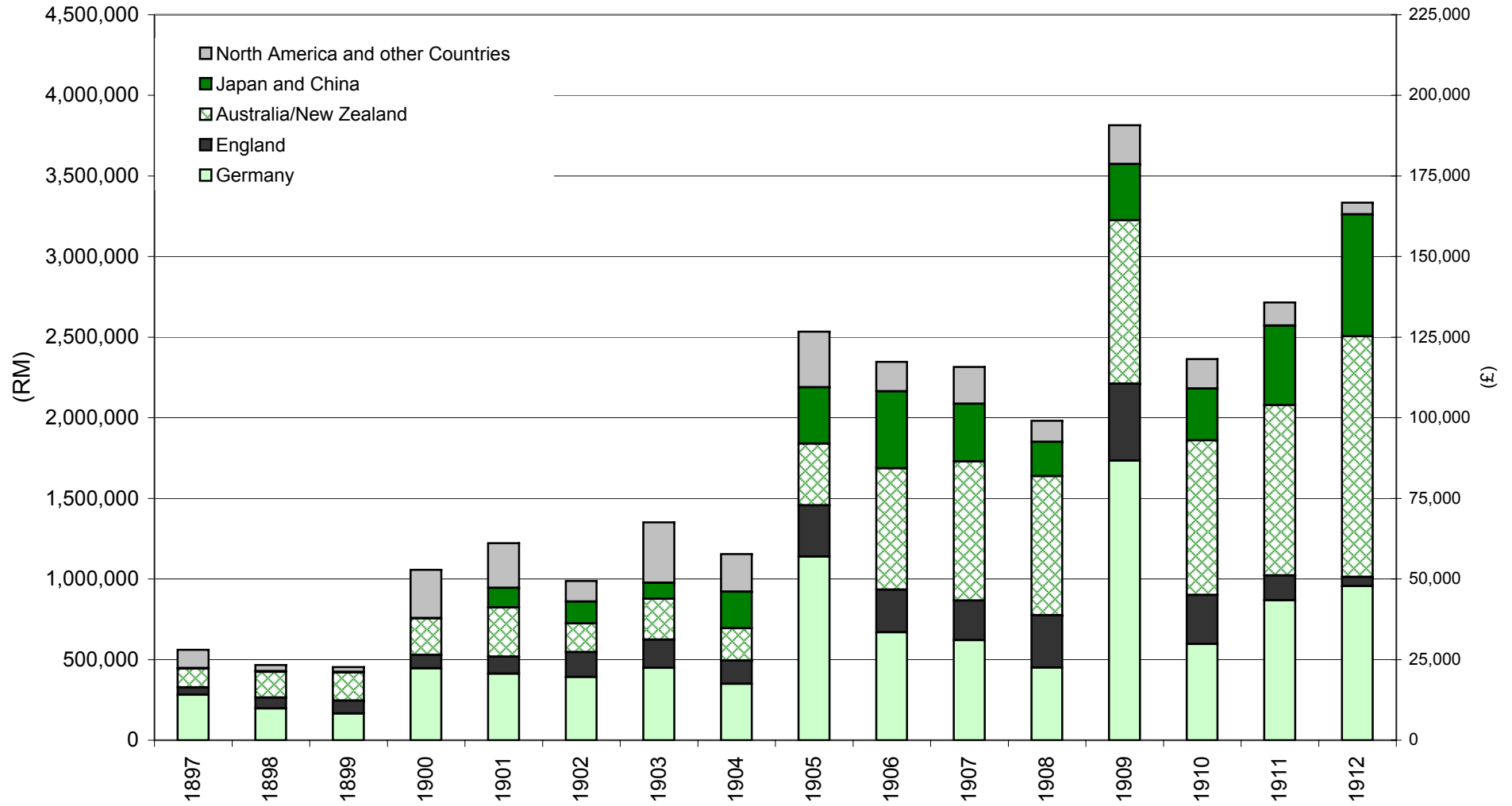


Chart 28

Balance of Trade for German New Guinea and The Island Territory, 1886–1913

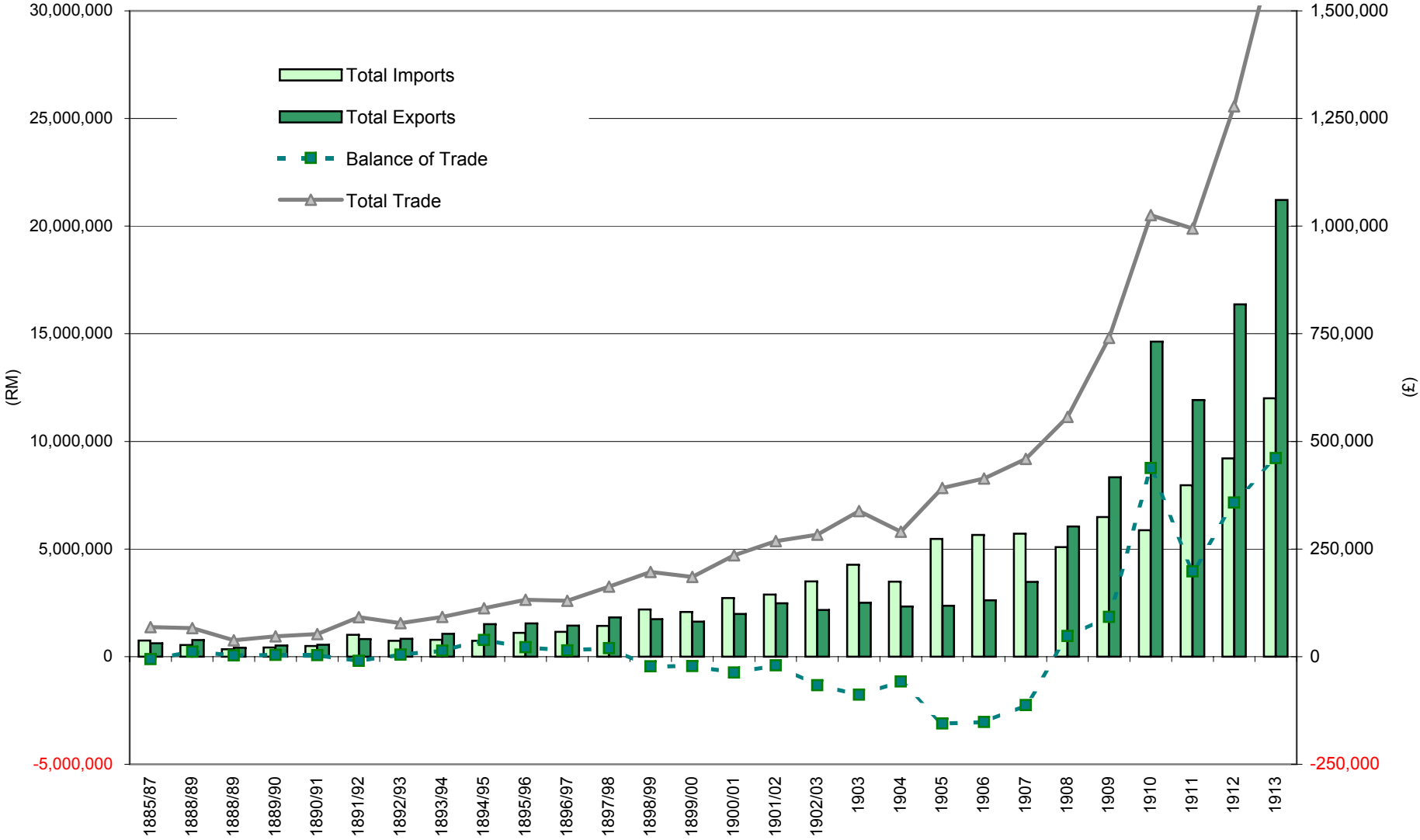


Chart 29

Balance of Trade for British New Guinea and Papua, 1886–1915

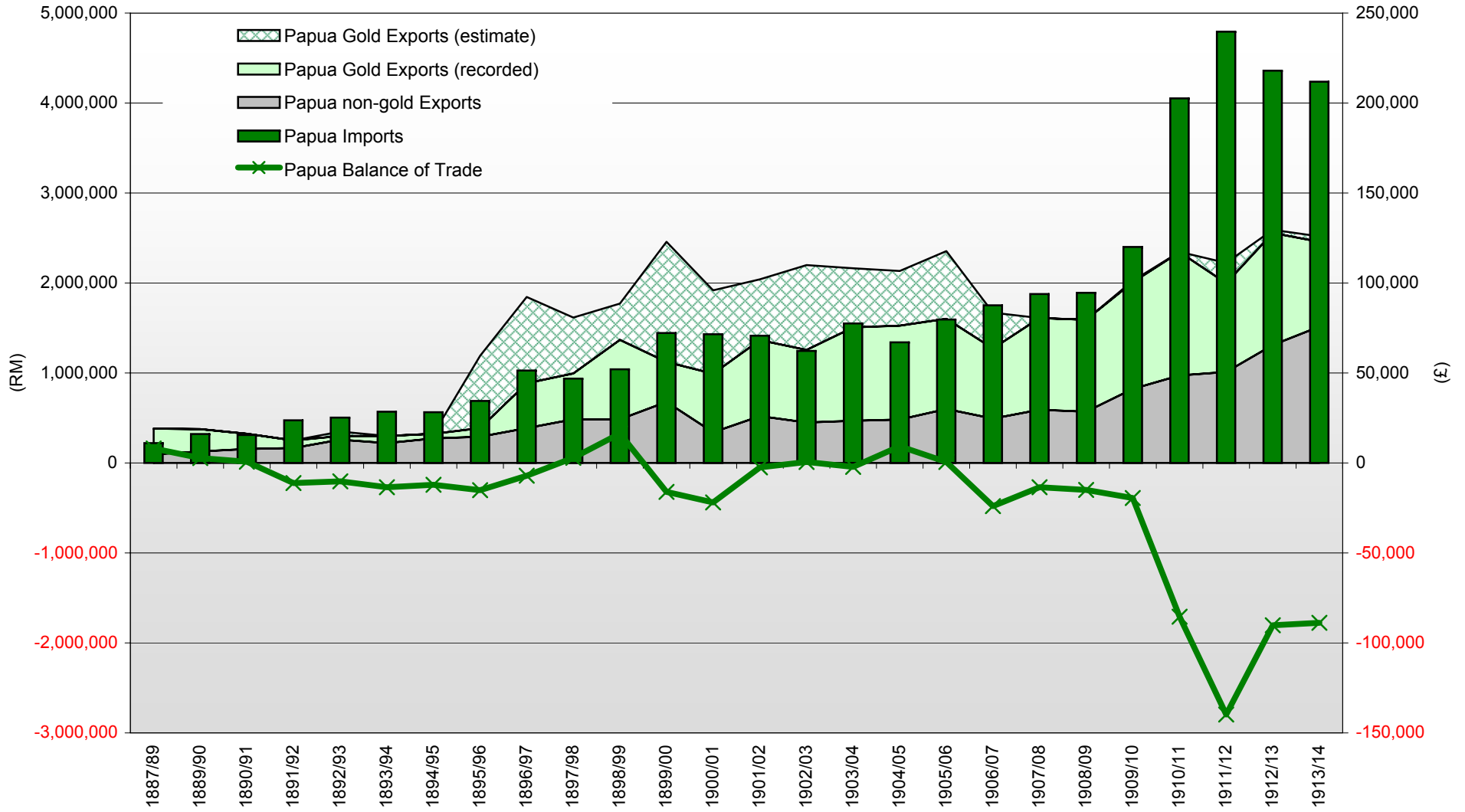


Chart 31

Imports by values to British New Guinea and Papua, 1886–1914

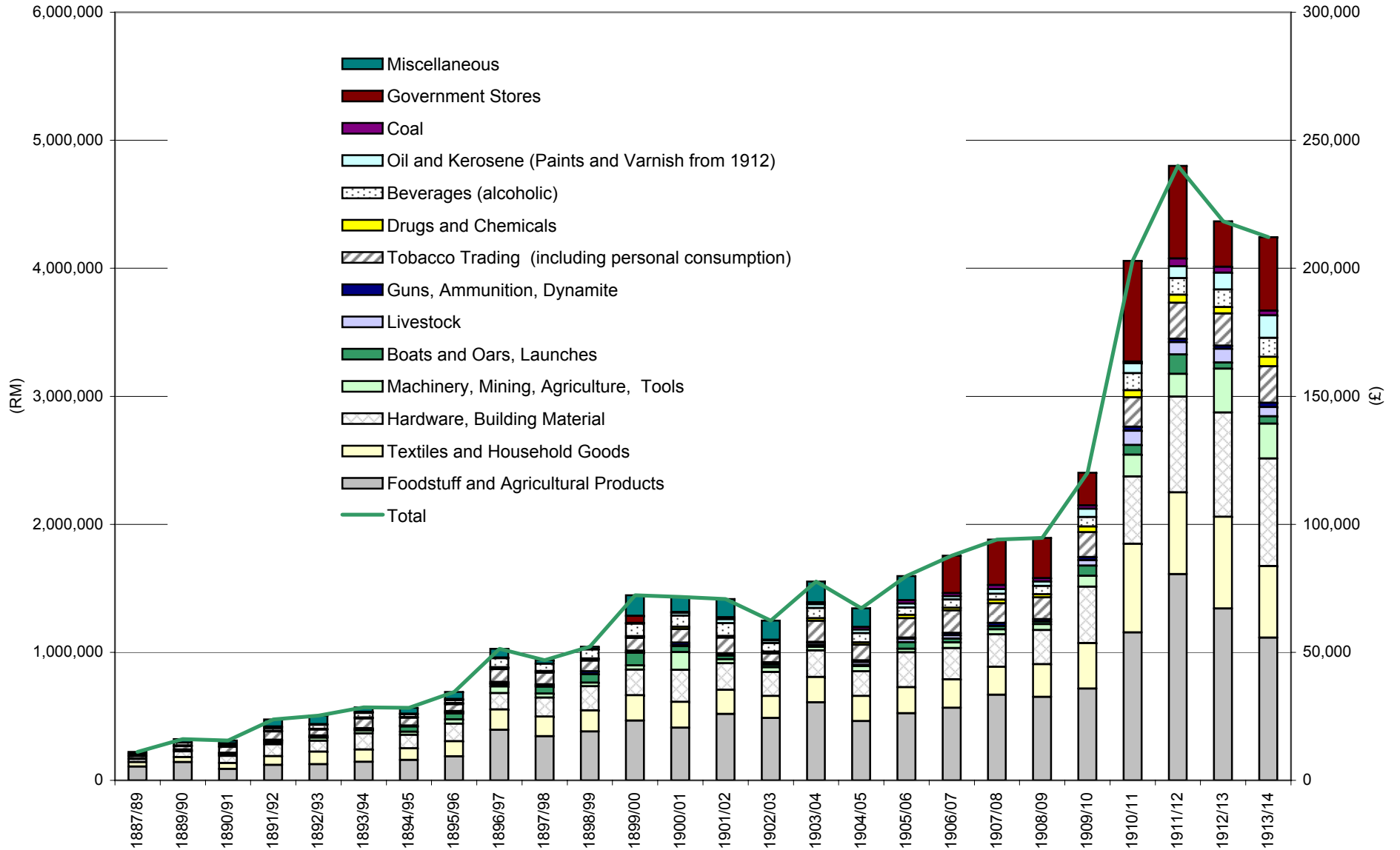


Chart 32

Trade comparison between British New Guinea, Papua and German New Guinea, 1886–1914

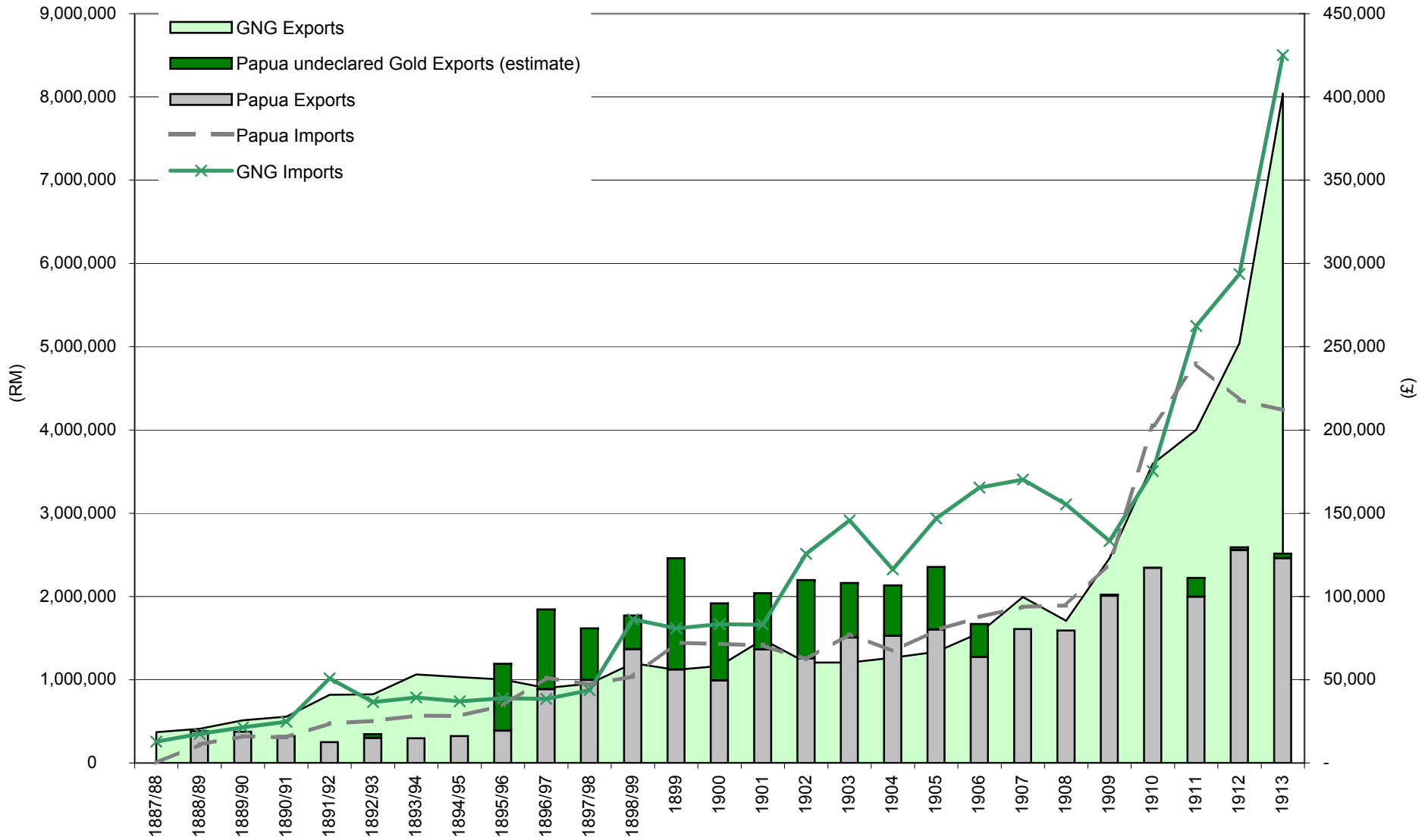


Chart 33

Major export commodities for Papua and German New Guinea, 1886–1914

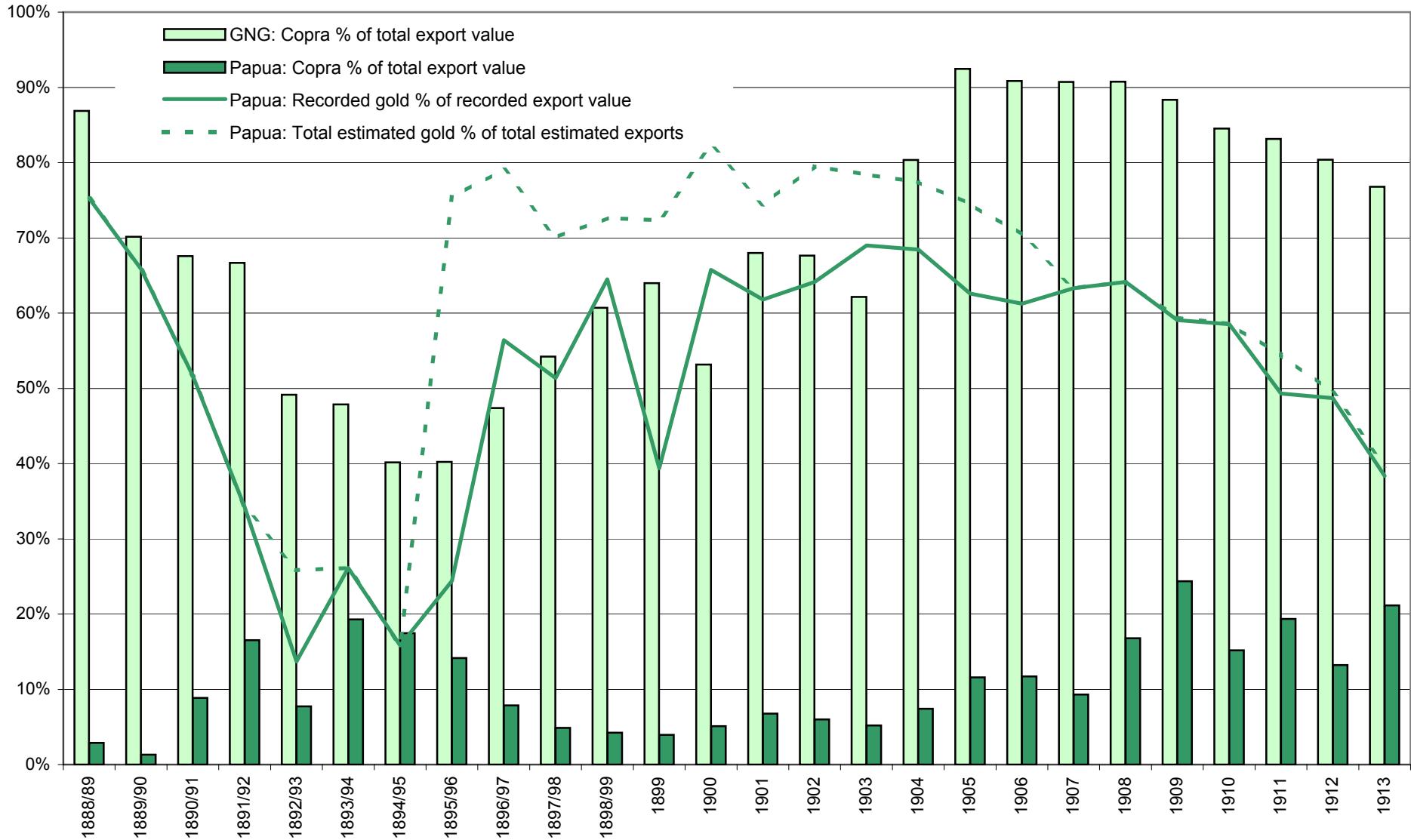


Chart 34

Imports per head for the European population for Papua and German New Guinea, 1899–1913

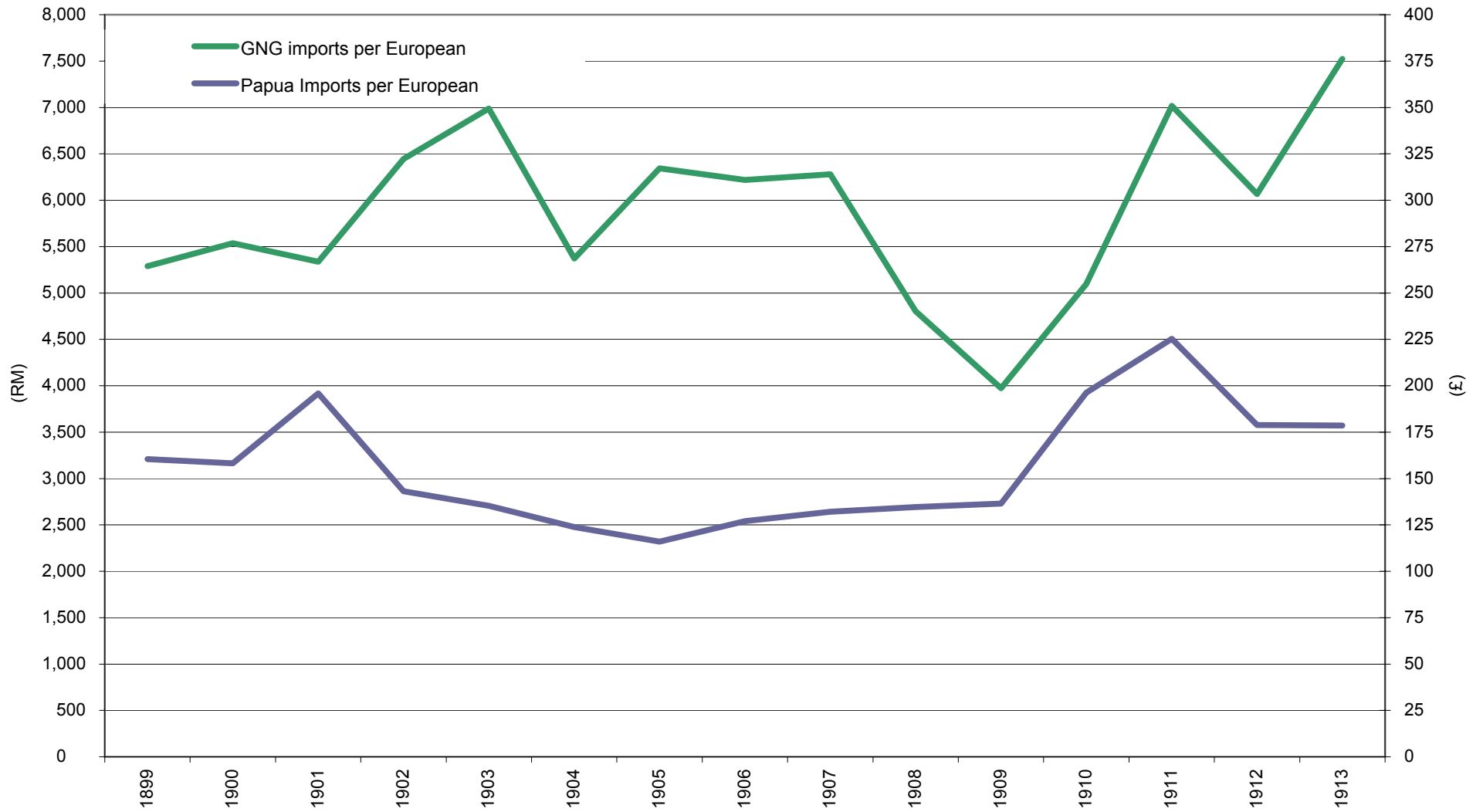


Chart 35

Annual rainfall for British New Guinea and Papua, 1891–1914

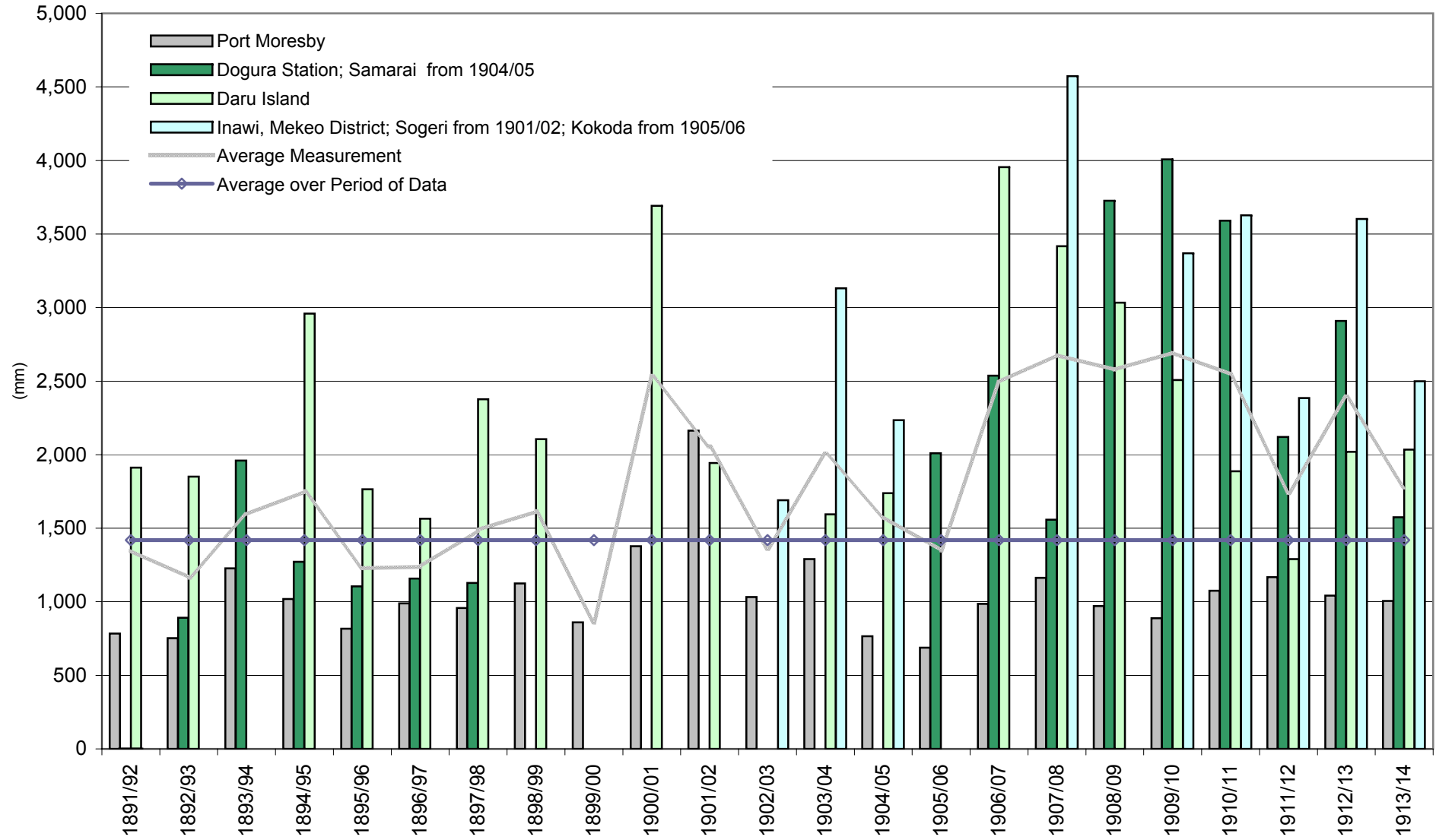


Chart 36

Annual rainfall for German New Guinea, 1886–1913

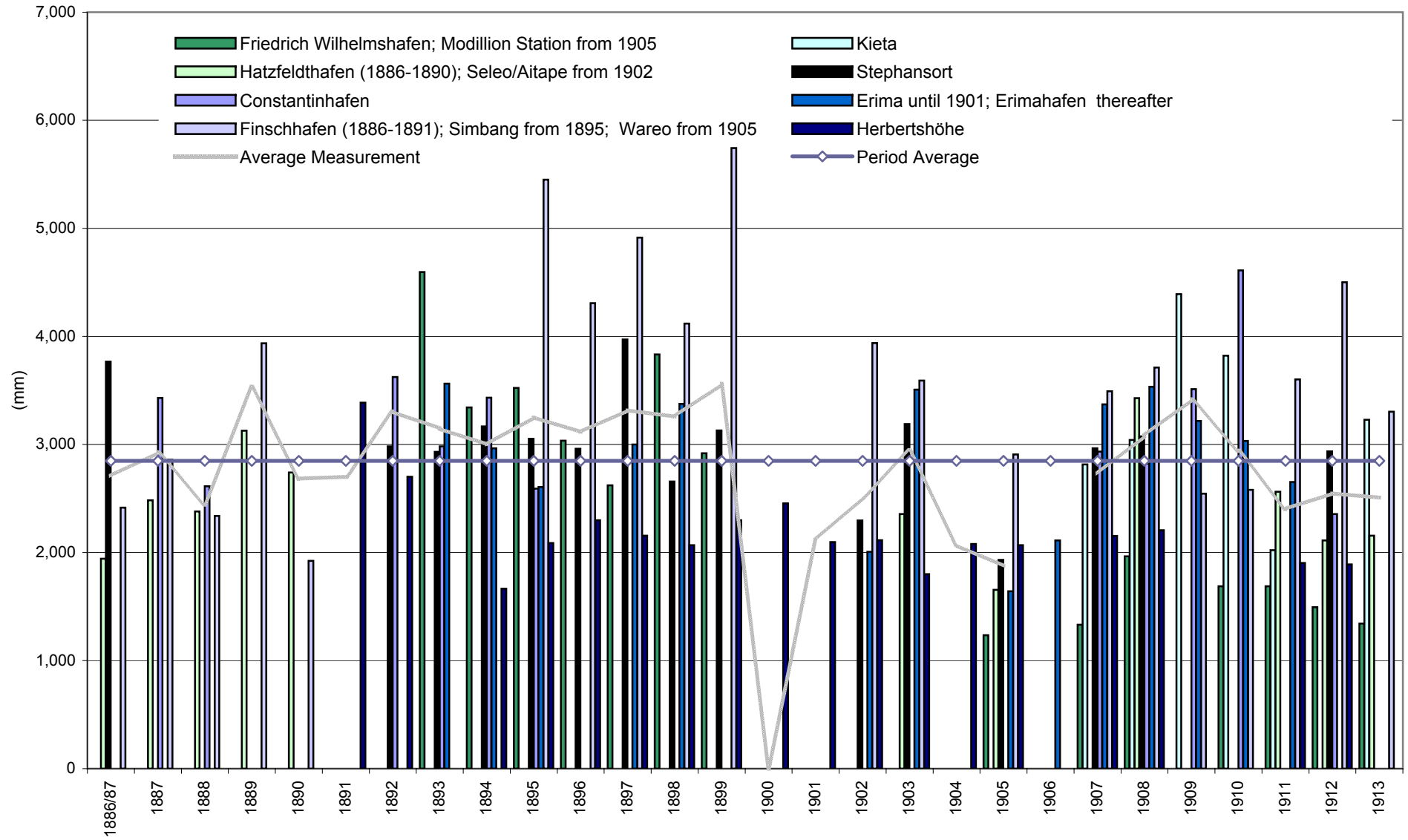


Chart 37

Annual rainfall for The Island Territory, 1893–1913

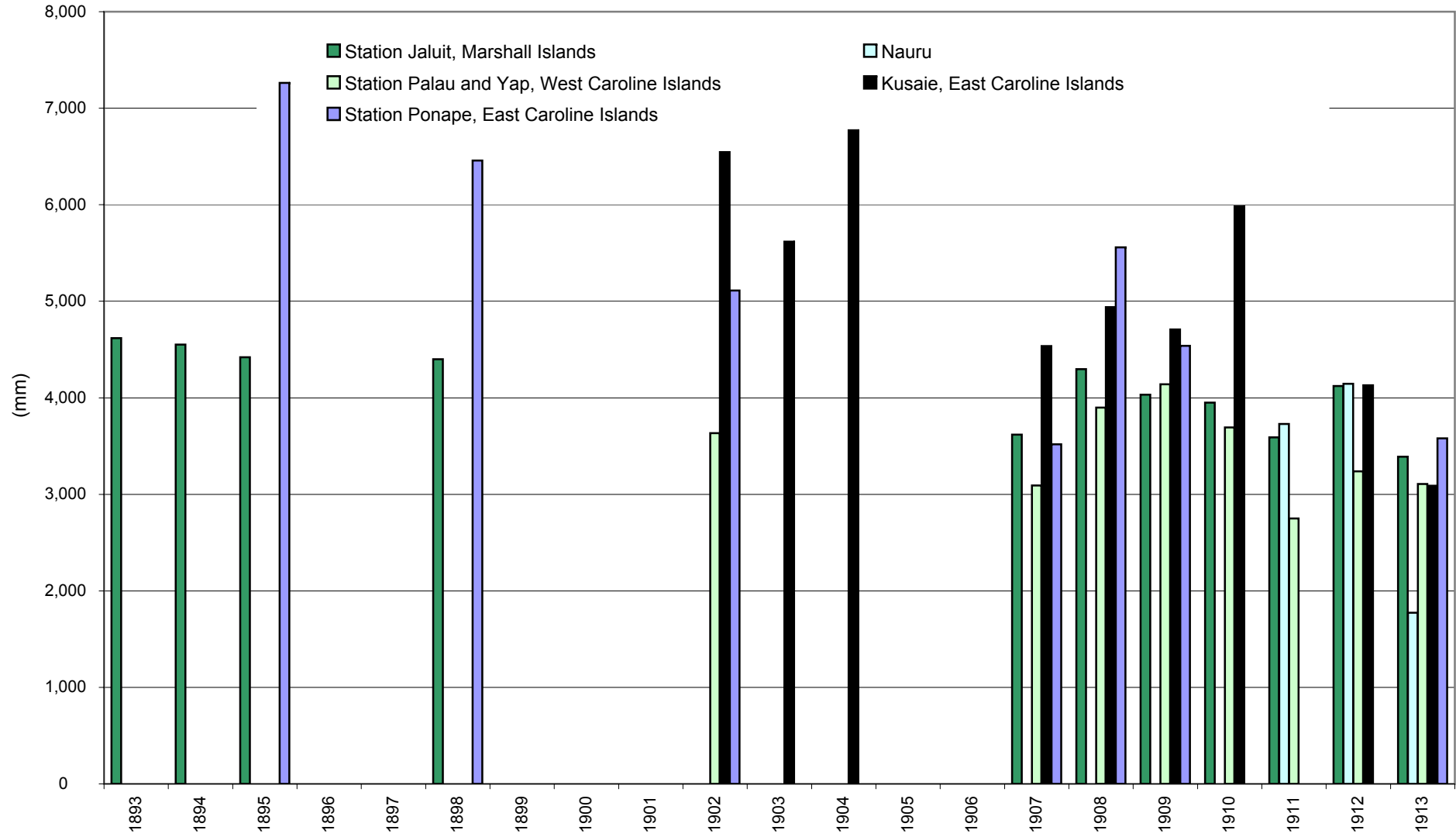


Chart 38

The Neu Guinea Compagnie's financial performance, 1886–1913

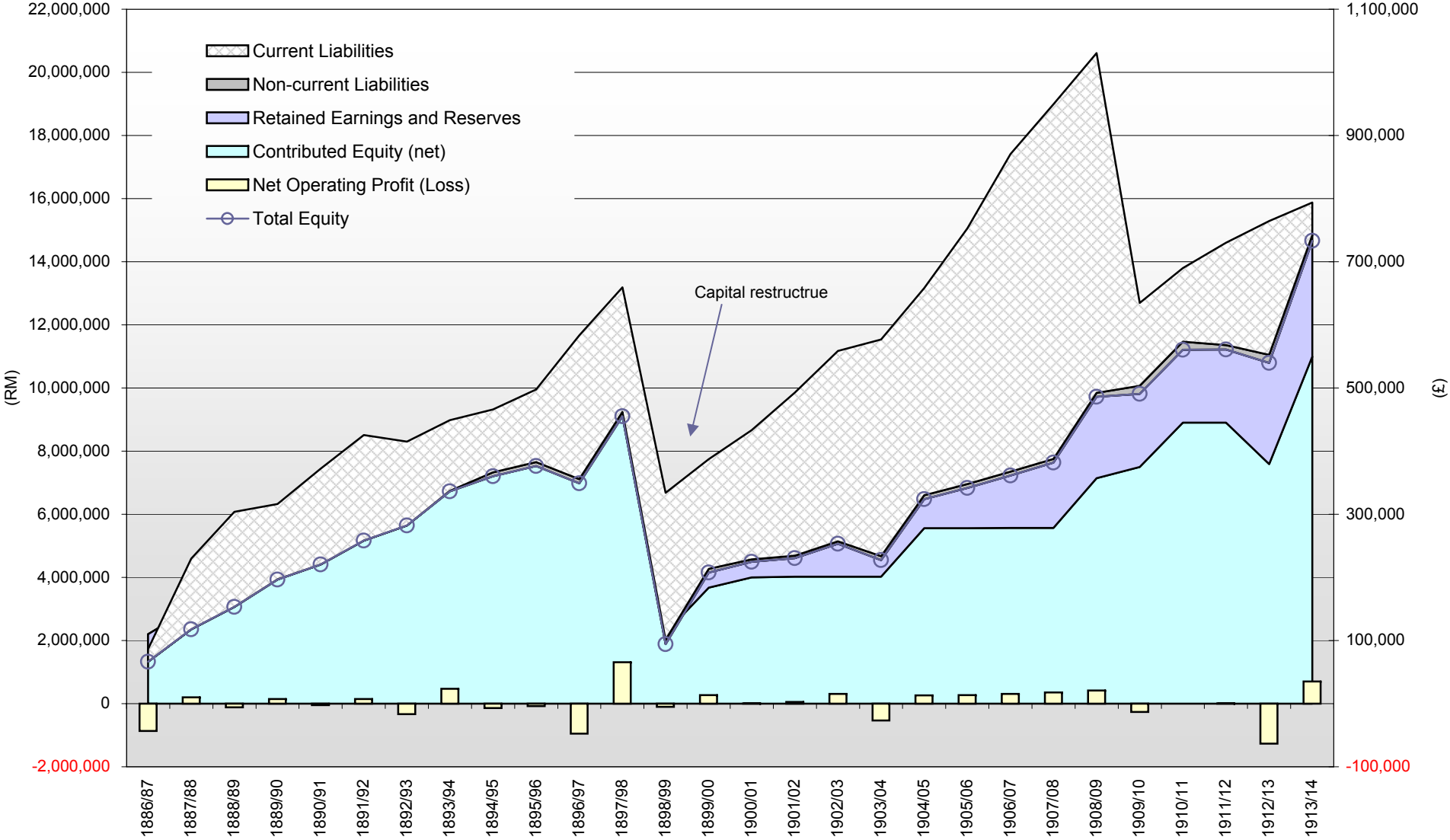
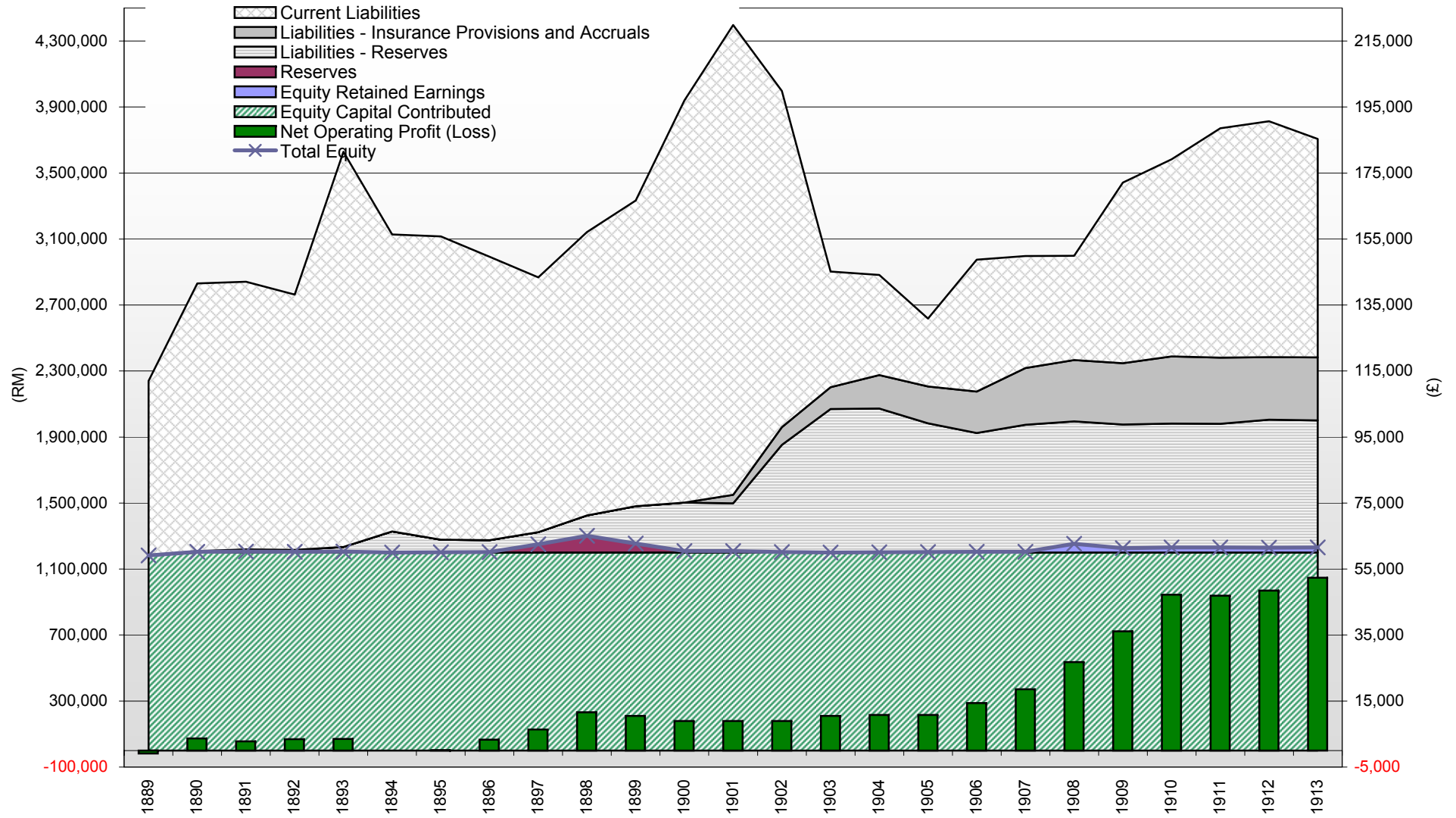


Chart 39

The Jaluit-Gesellschaft's financial performance, 1889–1913



No.	Description	SOURCE DESCRIPTION
Table 1	European and Japanese population and employment – GNG	H. Blum (Berlin,1900) p. 155; <i>DKBI</i> - Anlage E (1891) p. 71; <i>DKBI</i> (1893) p., 234; <i>NKWL</i> (1894) pp, 40-1; <i>NKWL</i> (1896) pp. 35-6; <i>NKWL</i> (1897) pp., 51; <i>NKWL</i> (1898) pp. 45-6; <i>DKBI</i> (1899) p. 407; <i>DKBI</i> (1898/1900) pp. 160-1, <i>DKBI</i> (1902) pp. 256-9; <i>DKBI</i> -Anlagen E. I. (1903) pp. 323-4, <i>DKBI</i> -E. I. (1904) p. 95, <i>DKBI</i> - E. I., (1905) F. I.; <i>DKBI</i> , (1906) F. I. 2.; <i>DKBI</i> , (1908) F. I. 2, p. 5, <i>DKBI</i> , (1909) F. I. 2, pp. 8-9, <i>AB</i> (1910) pp. 162-3; <i>AB</i> (1911) pp. 241-3; <i>Statistisches Jahrbuch</i> , Tabelle A. I. I. (1911); 'Bevölkerungs-Statistik,' <i>KZ</i> - A. II. 2 (1912-13). Deutscher Kolonial-Atlas, 1904-18; 'Bevölkerungsstatistik,' (DZA, 1891-1911).
Table 2	Indentured and casual labour – GNG	Arbeiterhandel in der Südsee' DZA (1888), R1001: 2335-42; 'Jahresbericht über die Entwicklung der Schutzgebiete' Anlage E and F; <i>DKBL</i> (1901/02) pp. 257-9; <i>DKBL</i> (1902/03) pp. 95, 98, 102, 109, 113, 116; Jb.-NGC (1886/87) p. 19; Doel, 'Kulis für Deutschland' (Paderborn, 2001) pp. 777-81; Jb.-NGC (1890) p. 8; <i>NKWL</i> (1891/92) p.16; Jb.-NGC (1891/92) p. 12; Jb.-NGC 1893/94) pp. 9 ,11) <i>NKWL</i> (1894) p. 25; Jb.-NGC (1893/94), p. 13; Jb.-NGC (1994/95) p.11; <i>NKWL</i> (1896) pp. 14,17) <i>NKWL</i> (1897) pp. 22, 25; <i>NKWL</i> (1898) pp. 23,24,31; Jb.-NGC (1898/00) pp. 22-3, 26; Jb.-NGC (1899/00) pp. 6,9,15,18,22,25; <i>NKWL</i> (1898) pp. 23-4,32; Jb.-NGC, labour for 1901-1913. Jb (1900/01) p, 76 and Jb-NGC (1900/01) pp. 7, 30; <i>DKBL</i> - Anlage, GNG - A R E. I. (1903) pp, 323-4; <i>DKBL</i> - E. I. (1904) pp. 340-41; <i>DKBL</i> -E. I. (1905) p. 264; <i>DKBL</i> -E. I. (1906) p. 323; <i>DKBL</i> -F. I. (1907) pp. 22, 25; <i>DKBL</i> -F. I. (1908) p. 36, <i>AB</i> (1909) pp. 136-7; <i>AB</i> (1911) pp. 148-49, <i>AB</i> (1914) p. 85; <i>AB</i> (1912), <i>AB</i> 1913. Labour recruitment (1887-1903), RKA 1001:2309 . Mortality from 1903-13 in DZA (1914), R1001:5773; M. Davies, Table 10
Table 3	European & Japanese population & employment: Island Territory of GNG	<i>DKBI</i> (1899) p. 407; <i>DKBI</i> (1898/1900) pp. 60-1; <i>DKBI</i> (1902), pp. 256-9; <i>DKBI</i> - Anlagen E. I. (1903) pp. 323-4; <i>DKBI</i> (1904) -E.I, p. 95; <i>DKBI</i> (1905) E.I. -F.I ; <i>DKBI</i> (1906) F.I. 2; <i>DKBI</i> (1908) F.I. 2., p. 5; <i>DKBI</i> (1909) F.I. 2, pp. 8-9; <i>AB</i> (1910) pp. 162-3; <i>AB</i> (1911) pp. 241-3, Jb- 'Die Deutschen Schutzgebiete' - Bevölkerungs-Statistik -Tabelle A. I.I. (1911); Job-Tabelle A. II. 2 (1912 -13). <i>DZA</i> , 'Bevölkerungsstatistik GNG' (1891-1911); <i>DZA</i> 'Karolinen' (1900-17), <i>DZA</i> 'Marshall Inseln' (1895 - 99), R1001:7435-37; <i>Statistisches Jahrbuch</i> : Sektion xviii, vol. 15-36.
Table 4	European population – BNG & Papua	AR-BNG (1890/91) p. xxii; AR-BNG (1903/04) pp. 57-8; AR-BNG (1904/05) pp. 20, 6-9; AR-BNG (1905/06) pp. 1, 16, 17, 19, 3-8, 8-5; AR-Papua (1906/07) pp. 24, 37-8; AR-Papua (1907/08) pp. 25, 44-6; AR-Papua (1908/09) p. 25; AR-Papua (1909/10) pp. 40, 46-51) AR-Papua (1910/11) pp. 38-43, 48; AR-Papua (1911/12) pp. 4-9, 56; AR-Papua (1912/13) pp. 45-51, 60; AR-Papua (1913/14) pp. 110 and 118-124
Table 5	Indentured & casual labour – BNG & Papua	AR-BNG (1890/91), p. xix; AR-BNG (1891/92) p. xxv; AR-BNG (1903/04) pp. 14, 20, 55; AR-BNG(1904/05) pp. 17, 27, 3-9, 43; AR-BNG (1905/06) pp. 16-19, 30-38; AR-Papua (1906/07) pp. 40-47, 5-5, 61; AR-Papua(1907/08) pp. 25-6, 68; AR-Papua (1908/09) pp. 25-9; AR-Papua (1909/10) pp. 40-5; AR-Papua (1910/11) pp. 50-4, 150; AR-Papua (1911/12) pp. 57-61; AR-Papua (1912/13) pp. 61-5; AR-Papua (1913/14) pp. 11-17
Table 6	Land development – GNG incl. The Island Territory	Land und Grundstückerwerbungen sowie Schaffung von Kronland in Neu-Guinea', (DZA, 1887-1920), RKA:2276-7; 'Marshall Inseln', DZA (1887-1912), RKA 1101:2296/7; 'Jahresbericht über die Entwicklung der Schutzgebiete-', <i>DKBI</i> -Anlage E. and F. (1901/02) p. 267, <i>DKBI</i> -Anlage E. I. (1904) pp. 97, 100-1, 105; <i>DKBI</i> -Anlage D. III. (1905) pp. 262-65; <i>DKBI</i> -Anlage F. I. 5a (1909) pp. 13-14; <i>AB</i> (1909) p. 136; <i>DKBI</i> - Anlage F. I. 5a (1910) p. 10; <i>AB</i> (1910) pp. 148-9; <i>AB</i> (1914) p. 85) <i>Statistisches Jahrbuch</i> , xviii, vol 15-6.
Table 7	Land development in BNG & Papua	AR-BNG (1888/89) p. 19; AR-BNG (1889/90), pp. 15,19; AR-BNG (1890/91) p. xvii; AR-BNG (1890/91), p. xxviii, AR-BNG (1891/92) p. xxviii; AR-BNG (1892/93) p. xxvii; AR-BNG (1894/95) pp. 37-8 AR-BNG (1897/8) pp. xxi, 78; AR-BNG (1898/99) pp. xxvii, 110; AR-BNG (1899/00) pp. xxiii, 107; AR-BNG (1900/0) pp. xlix, 103-4; AR-BNG (1901/2) 25, Appendix R; AR-BNG (1902/03) pp. 35-6; AR-BNG (1903/04) pp. 14, 46; AR-BNG (1904/05) pp. 54-5; AR-BNG (1905/06) 15, 69; AR-Papua (1906/07) pp. 68-9; AR-Papua (1907/08) pp. 115-19, Annex no. 2; AR-Papua (1908/09) pp. 126-7, Annex 15-22; AR-Papua (1909/10) 108-15; AR-Papua (1910/11) pp. 11-15; AR-Papua (19011/12) pp. 23-5; AR-Papua (1912/13) pp. 19-21); AR-Papua (1913/14) pp. 139-43.
Table 8	Livestock – GNG	As per Table 11
Table 9	BNG – Papua	As per Table 13

Table 10	Annual rain fall in GNG	Dackelman, 'Mitteilungen aus', Band vi –Heft 4 (1893) pp. 314–19; Band vii –Heft 4 (1894) pp. 304–18; Band viii–Heft 3 a. 4 (1895) pp. 226–30, 176–18; Band ix, Heft 4 (1896) pp. 256–60; Band xi, Heft 4 (1899) pp. 238–242; Band xiii–Heft 1 (1900) pp. 86–xv–Heft 3 (1902) pp. 166–70; Band xvi–Heft 3 (1903) pp. 231–40; Band xvii (1904) pp. 198–201; Band xviii (1905) pp. 360–7; Band xix–Heft 3 (1906), Band 21 (1908) pp. 221–5; H. Marquardsen, 'Mitteilungen', Band 22 (1909) pp. 300–4; Band 23 (Berlin, 1910) pp. 219–23; Band 24 (1911) pp. 360-5; Band 25–Heft 4 (1912) pp. 332–7; Band 26–Heft 4 (1913) pp. 350–6; Band 27–Heft 4 (1914) pp. 360–6;
Table 10	Annual rain fall in BNG & Papua	AR-BNG (1890/91) p. xxv; AR-BNG (1892/93) pp. xxviii,124; AR-BNG (1893/94) pp. xxix, 88, 128; AR-BNG (1894/95) pp. xxiii, 36; AR-BNG (1895/96) pp. xxxiii, 90; AR-BNG (1896/97) pp. xxiv, 80; AR-BNG (1897/98) pp. xxiii, xxiv, 129, AR-BNG (1898/99) pp. xxviii, 111; AR-BNG (1899/00) pp. xxx, 128-29; AR-BNG (1900/01) pp. xlix, 135; AR-BNG (1901/02) pp. 37-8, Appendix u; (1902/03) pp. 39-40; BNG - AR (1903/04) pp. 50, 51; BNG - AR (1904/05) pp. 60-61;BNG - AR (1905/06) p. 74; AR-Papua (1906/07) pp. 92, 93, AR-Papua (1907/08) pp. 119-20; AR-Papua (1908/09) p. 140; AR-Papua (1909/10) p. 116; P - AR (1909/10) pp. 108-115; AR-Papua (1910/11) p. 20; AR-Papua (1909/10) pp. 108-115; AR-Papua (1910/11) pp. 11-15; AR-Papua (1911/12) p. 32; AR-Papua (1912/13) p. 28; AR-Papua (1913/14) pp. 148-9
Table 10	Annual Rain fall in the Island Territory of GNG	As per Table 10
Table 11	Export of goods from GNG	Statistik des Warenverkehrs' (DZA 1899–1914) R1001:7513; <i>Statistisches Jahrbuch</i> , XVIII, vol. 15 (1894) p. 199; vol. 16 (1895) p. 204; vol. 17 (1895) p. 195; <i>ibid.</i> , vol. 18 (1897) p. 205; <i>ibid.</i> , vol. 19 (1898) p. 208; <i>ibid.</i> , vol. 20 (1899) p. 219; <i>ibid.</i> , vol. 21(1900) p. 231; <i>ibid.</i> , vol. 22 (1901) p. 222; <i>ibid.</i> , vol. 24 (1903) p. 242; <i>ibid.</i> , vol. 26 (1907) pp. 316-21; <i>ibid.</i> , vol. 29 (1908) pp. 379-82; <i>ibid.</i> , vol. 30 (1909) pp. 414–22; <i>ibid.</i> , vol. 31 (1910) pp. 403-10; <i>ibid.</i> , vol. 32 (1911) pp. 489-97; <i>ibid.</i> , vol. 33 (1912) pp. 459-60; <i>ibid.</i> , vol. 34 (1913) pp. 453-55; <i>ibid.</i> , vol. 36 (1914) pp. 469ff. <i>DKBI-Anlage E</i> , (1902) pp. 268-9; <i>DKBI-Anlage E</i> , 1903, pp. 97, 100, 345, 347; <i>DKBI-Anlage E</i> , 1904, pp. 645-8; <i>AB</i> (1905), <i>DKBI-Anlage F. I. 4</i> (1906) pp. 28-9, 30-1; <i>AB</i> (1906); <i>AB</i> (1907); <i>DKBI - F. I. 4</i> , (1908) pp. 10-1; <i>AB</i> (1908) <i>DKBI-Anlage F. I. 6</i> (1909) pp. 13-4; <i>AB</i> (1909) pp. 137-43; <i>DKBI-Anlage F. 1. 4</i> (1910) pp. 15–6; <i>AB</i> (1910) pp. 110–1; <i>Die deutschen Schutzgebiete</i> , (1911) pp. 174–5; <i>ibid.</i> (1912) p. 292; <i>AB</i> (1913); <i>ibid.</i> (1913) p. 328, <i>AB</i> (1914)
	Import of goods to GNG	'Statistik des Warenverkehrs', excluding goods imported by the government, DZA (1899–1914), R1001:7513; <i>NKWL</i> (1893, 64, 67); <i>NKWL</i> (1897) p. 49; <i>DKBI-Anlage E</i> (1903) pp. 268–9; <i>DKBI</i> (1904) pp. 97, 100; <i>AB</i> (1904); <i>DKBL.</i> (1905) pp. 645–8; <i>AB</i> (1905); <i>DKBI-Anlage F.I.4</i> (1906) pp. 28–9, 30–1, <i>AB</i> (1906); <i>AB</i> (1907); <i>DKBI-Anlage F.I.4</i> (1908) pp.10-1; <i>AB</i> (1908); <i>DKBI - Anlage F.I.6</i> (1909) pp. 13–4; <i>AB</i> (1909) pp. 137–43; <i>DKBI-Anlage F.1.4</i> (1910) pp. 15–6; ' <i>Die deutschen Schutzgebiete</i> (1911) pp. 173–5; <i>AB</i> (1910) pp. 110–1; <i>ibid.</i> (1912) p. 288, <i>ibid.</i> (1913) pp. 312; <i>AB</i> (1914) pp. 178–9; <i>Statistisches Jahrbuch</i> , vols. 5–36 and <i>AB</i> (1914)
	Merchant vessels entering GNG	<i>DKBI - Anlage E</i> (1903), pp. 271-2) <i>DKBI -Anlage E</i> (1904), pp. 97, 100, 105, 111, 114, 117; <i>DKBI-Anlage D. V.</i> (1905), RKA 1001:2745); <i>DKBI-Anlage F. I. 5</i> (1906) p. 32); <i>DKBI-Anlage F. I. 5</i> ; <i>DKBI - Anlage F. I. 7</i> (1909) pp. 16-7); <i>DKBI- Anlage F. 1. 7</i> (1910) p. 18); <i>AB</i> (1910) p. 231); <i>Die deutschen Schutzgebiete</i> (Berlin, 1911) p. 241; <i>ibid.</i> (1912) p. 319; <i>ibid.</i> (1913) p. 356; <i>Statistisches Jahrbuch</i> , vols. 30–6
Table 12	Export of goods from the Island Territory of GNG	<i>DKBI</i> (1903) pp. 29–33, <i>DKBI</i> (1904) Anlage F. I. 6, pp.105, 111, 114, 117; <i>DKBI</i> (1909) pp.13–4; <i>DKBI- Anlage F. 1. 4</i> (1910) pp.15–6, <i>AB</i> (1910) pp.231-244, <i>Die deutschen Schutzgebiete</i> (Berlin, 1911) pp. 226–36, <i>ibid.</i> (1912) pp. 296–304, <i>ibid.</i> (1913), pp. 330–4; <i>AB</i> (1914) pp. 160–1); <i>Statistisches Jahrbuch</i> , vols. 22–36.
	Import of goods to the Island Territory of GNG	Statistik des Warenverkehrs auf den Marshall Inseln,' excluding goods imported by the government, DZA (1900–11), RKA1001:7517; 'Karolinen', DZA (1902-1914), RKA1001:7514; <i>DKBI-Anlage E</i> (1903), pp. 269–70; <i>DKBI- Anlage E</i> (1904) pp.105, 111, 114, 117; <i>DKBI - Anlage F.I. 6</i> (1909), pp.13-14; <i>DKBI- Anlage F.1. 4</i> (1910), pp. 15–16; <i>Die deutschen Schutzgebiete</i> , (1911) pp. 226–32; <i>ibid</i> (1912), pp. 296–300; <i>ibid.</i> (1913) pp. 312–24; ' <i>Statistisches Jahrbuch</i> , vols. 22–36

Table 13	Export of goods from BNG and Papua	AR-BNG (1888/89) pp. 21, 51; AR-BNG (1889/90) pp. 19, 97; AR-BNG (1890/91) pp. 74; AR-BNG (1890/91) pp. xxv, 99; AR-BNG (1892/93) pp. xxx, 120; AR-BNG (1893/94) pp. xxiii, 135; AR-BNG (1894/95) pp. xxi, 32; AR-BNG (1895/96) pp. xxx, 96; AR-BNG (1896/97) pp. xxi, 78; AR-BNG (1897/98) pp. xxiii, xxxiii, 122; AR-BNG (1898/99) pp. xxviii, 104; AR-BNG (1899/10) pp. xxv, 120; AR-BNG (1900/01) xxxvii, p. 127; AR-BNG (1901/02) p. 29; AR-BNG (1902/03) p. 59; AR-BNG (1903/04) pp. 17, 83; AR-BNG (1904/05) pp. 53, 73; AR-BNG (1905/06) pp. 54, 68; AR-Papua (1906/07) pp. 132, 142, AR-Papua (1907/08) p. 134; AR-Papua (1908/09) pp. 152–3; AR-Papua (1909/10) pp. 142–3; AR-Papua (1911/12) p. 152; AR-Papua (1912/13) p. 136; AR-Papua (1913/14) p. 133
	Import of goods to BNG & Papua	AR-BNG (1888/89) pp. 21, 49–50; AR-BNG (1889/90) pp. 19, 94–6; AR-BNG (1890/91) pp. 71–4; AR-BNG (1890/91) pp. xxv, 96–9; AR-BNG (1892/93) pp. xxx, 117–19; AR-BNG (1893/94) pp. xxiii, 132–4; AR-BNG (1894/95) pp. xxi, 29–31; AR-BNG (1895/96) pp. xxx, 93–5; AR-BNG (1895/96) pp. xxxi, 96; AR-BNG BNG-AR (1899/00) pp. xxv, 115–19; AR-BNG (1900/01) pp. xxxvii, 122–6; AR-BNG (1901/02) pp. 28–9; AR-BNG (1902/03) pp. 52–8; AR-BNG (1903/04) pp. 17, 76–82; AR-BNG (1904/05) pp. 52, 74–80; AR-BNG (1905/06) pp. 53, 61–7; AR-Papua (1906/07) pp. 132, 134–41; AR-Papua (1907/08) pp. 134–5; AR-Papua (1908/09) pp. 152–3; AR-Papua (1909/10) pp. 142–3; AR-Papua (1911/12) p. 152; AR-Papua (1912/13) p. 136; AR-Papua (1913/14) p. 133.
Table 14	Income & expenditure for GNG consolidated with the Island Territory from 1910	'Etat für das Schutzgebiet von Neu Guinea', R1001:230; NAA, G2, G254, G255; NLA, Sq. 325.343 GER. Jb (1899) pp. 20; (1900) pp. 2–5; (1901) pp. 5–19, 24–42; (1902) pp. 13–17, 58–73; (1903) pp. 13–19, 90–111; (1904) pp. 19–25, 92–103; (1905) pp. 17–23, 112–25; (1906) pp. 15–23, 104–115; (1907) pp. 2–15; 120–33; (1908) pp. 2–13, 176–95; (1909) 2–17, 58–63; (1910) pp. 2–27, 60–5; (1911) pp. 2–14, 74–9, 119–28; (1912) pp. 2–15, 80–7, 124–32; (1913) pp. 2–19; (1914) pp. 2–25.
Table 15	Income & expenditure The Island Territory of GNG	Etat für die Verwaltung der Karolinen, Palauinseln und Marianen,' R1001:2301; NAA, G2, G254, G255; NLA, Sq. 325.343 GER. Jb (1899) pp. 22–31; (1900) pp. 2–4, 20–21; (1901) pp. 2–7, 28–31; (1902) pp. 2–1, 58–61; (1903) pp. 2–11, 66–71; (1904) pp. 2v11, 66v73; (1905) pp. 2v1, 78–85; (1906) pp. 2–13, 78–85; (1907) pp. 2–11, 76–83; (1908) pp. 2–13, 92–101; (1909) pp. 2–19, 64–69. Etatüberschreitungen und außeretatmäßige Ausgaben,' Anlage 2 (1905) pp. 160–1; (1906) pp. 148–9; (1907) pp. 164–5; (1908) pp. 230–1; (1909) pp. 10–7.
Table 16	Merchant vessel entering BNG & Papua	AR-BNG (1888/89) p. 51; AR-BNG (1889/90) p. 97; AR-BNG (1890/91) p. 75; AR-BNG (1890/91) pp. xxvi, 100; AR-BNG (1892/93) pp. xxx, 120; AR-BNG (1893/94) pp. xxv, 135; AR-BNG (1894/95) pp. xxii, 32; AR-BNG (1896/97) pp. xxii, 79; AR-BNG (1897/98) pp. xxiii–xi, 123; AR-BNG (1898/99) pp. xxviii–iv, 104–5; AR-BNG (1899/00) pp. xxvi, 121; AR-BNG (1900/01) p. 128, AR-BNG (1901/02) p. 30; AR-BNG (1902/03) pp. 50–1; AR-BNG (1903/04) pp. 17, 83; AR-BNG (1904/05) p. 53; AR-BNG (1905/06) p. 55; AR-BNG (1906/07) p. 133; AR-Papua (1907/08) p. 135; AR-Papua (1908/09) p. 153; AR-Papua (1909/10) p. 143; AR-Papua (1911/12) p. 153; AR-Papua (1912/13) p. 137; AR-Papua (1913/14) p. 133.
	Income & expenditure BNG & Papua	AR-BNG (1889/90), pp. 19, 97; AR-BNG (1890/91), pp. 76–7; AR-BNG (1890/91), pp. 94–5; AR-BNG (1892/93) pp. 114–15; AR-BNG (1893/94) pp. xxv, 129–31; AR-BNG (1894/95) pp. xxii, 33–5; AR-BNG (1895/96) pp. xxxii, 97–9; AR-BNG (1896/97) pp. xxiii, 93–5; AR-BNG (1897/98) pp. xl, 124–5; AR-BNG (1898/99) pp. xxv, 106–08; AR-BNG (1898/99) pp. xxviii, 104; AR-BNG (1899/00) pp. xxvi, xxvii, 122–4; AR-BNG (1900/01) pp. xxxix, 129–31; AR-BNG (1901/02) pp. 30–36; AR-BNG (1902/03) pp. 60–3; AR-BNG (1903/04) pp. 12–13, 84–5; AR-BNG (1904/05) pp. 45–51; AR-BNG (1905/06) pp. 52, 55–60; AR-Papua (1906/07) pp. 124–31; AR-Papua (1907/08) pp. 124–32; AR-Papua (1908/09) pp. 141–50; AR-Papua (1909/10) pp. 130–41; AR-Papua (1911/12) pp. 138–51, AR-Papua (1912/13) pp. 129–34; AR-Papua (1913/14) pp. 126–32.
Table 17	NGC	Jb-NGC, (1887–1914), R1001:2419–22 and R 8183/2; Jb (1887) pp. 23–7; (1888) pp. 15–20; (1889) pp. 14–19; (1890) pp. 14–41; (1891) pp. 18–42; (1892) pp. 22–46; (1893) pp. 47–62; (1894) pp. 21–36; (1895) pp. 15–30; (1896) pp. 12–27; (1897) pp. 15–32; (1898) pp. 14–28; (1899) pp. 31–50; (1900) pp. 28–41; (1901) pp. 34–49; (1902) pp. 28–45; (1903) pp. 30–47; (1904) pp. 12–13; (1905) pp. 11–12; (1906) pp. 12–14, 22–30; (1907) pp. 11–12; (1908) pp. 9–10, 47–54; (1909) pp. 6–20; (1910) pp. 10–14; (1911–12) pp. 12–15; (1913), pp. 16–19; (1914) pp. 12–15.
Table 18	Tariffs for BNG & Papua	AR-BNG and AR-Papua
Table 19	Tariffs for GNG	'Zoll- und Steuerverordnung' (1886–1907) RKA 1001:2963; K. Kucklentz, <i>Das Zollwesen der deutsche Schutzgebiet</i> , (Berlin, 1914) pp. 99–116.
Table 20	JG	Jaluit Gesellschaft - Jahresbericht', 1 Jan. 1889 to 31 Dec. 1913, R1001:2502–05; STAHS 621–1.