Chiefs of Industry. Māori Tribal Enterprise in Early Colonial New Zealand, Hazel Petrie. Auckland University Press, Auckland, 2006. 228 x 154 mm, viii+336pp, illus., gloss., notes, bibl., index. ISBN-10: 1 86940 376 2, ISBN-13: 978 1 86940 376 8 (pb), NZ$50.

One of the seeming anomalies of culture-contact history is the contrast between the apparent adaptiveness and resourcefulness of oceanic (and other) peoples in the early years of contact with Europeans and their later impoverishment, apparent non-adaptiveness and 'under-development'. Various suggestions have been put forward in explanation. In the nineteenth and early twentieth centuries, people spoke of the 'shock' of contact, or invoked 'social-Darwinist' ideas to explain the later phenomenon, overlooking the earlier. This hypothesis was either racialist or psychological. Then came modernisation theory, which suggested that tradition was the problem, again focusing on the later aspect, and overlooking the earlier contact experience. After that, 'the development of under-development' became voguish, attributing the impoverishment to exploitation by metropoles and metropolitans through the mechanism of international capitalism, which sucked resources from the periphery and turned vitality into torpidity. This theory at least noticed that the early contact years displayed adaptiveness and creativity, and even prosperity, but was inclined to regard it as a legacy of pre-contact society rather than a phenomenon of contact. Since then we have had post-colonialism, which seizes any available matrix to show that indigenous people were more sinned against than sinning, and in this vein psychological factors, epidemiological factors, economics, the ethos of settler society and colonial administration are all convenient and potent explanatory devices.

Māori society in the nineteenth century showed itself to be highly resilient. The people were resourceful and creative, adept at turning the contact with Europeans to their own advantage, and recognising in European technology and techniques opportunities for themselves. Early in the contact period they were cultivating white potatoes in large quantities to sell to whale ships; others turned to sealing and shore whaling to engage in trade with foreigners; others became seamen on foreign ships and were soon sailing the seven seas. Firearms were early appreciated and were strongly in demand along with other metal articles. Unhappily, among Māori there were winners and losers in a society that was intensely competitive. When New Zealand became a British colony, Māori took advantage of new opportunities in land sales, occupational changes, and commerce. They engaged in commercial agriculture, owned their own ships for transporting produce and even for exporting it to New South Wales, and operated their own water-powered flour mills. Māori seemed to recognise and eagerly respond to globalisation.

This phenomenon is the subject of Dr Petrie's most interesting book. Writing more a social history than an economic history, she is concerned as much with the social context of Māori entrepreneurialism in the critical decades up to 1860, and finds that the motives for capital accumulation and commercial enterprise were inherent in traditional culture. Māori motives included the usual uses to which wealth could be put: greater ease and comfort, greater status, enhancing community food supplies (a core value for Māori), but also as a component of alliance-building with missionaries and (after 1840) with government for the advantages that they could bring. Māori commercial prosperity before the late 1830s was export oriented, sending food and timber to New South Wales, and from the late 1830s to the mid-850s was built on supplying the growing domestic settler market. For many years, missionaries were dependent on Māori food production and particularly wheat and flour. Missionaries themselves encouraged and advised Māori in agriculture, commerce and industry.

Māori are shown to have been astute commercial negotiators, who understood from very early times the significance of changing market conditions and responded intelligently to them; they readily appreciated the advantages of cash as a medium of exchange and a store of value and seem to have positioned themselves well as the providers of goods and services to the growing settler society. Much of this activity was in the hands of individual entrepreneurs and individual initiative and resourcefulness are evident in the historical record. Most of it, however, appears to have been communally organised and owned. Chiefs played a critical role of leadership and organisation, and in mobilising the labour and landed resources of their communities, displaying deferment of gratification for long-term goals, and making economically rational decisions.

Yet by 1860 this picture of Māori development and modernisation—indeed, of Māori economic dominance—was already receding into the past. There is no single or simple reason. Under missionary and government encouragement, many tribes over-capitalised. The price of the land they sold was too low in relation to the capital expenses they met in mills and ships; overcropping and monoculture led to soil exhaustion and crop disease with consequent falls in both the quality and quantity of wheat produced; in 1856 the price of wheat and flour collapsed as demand in Australia suddenly fell. Many enterprises failed under these economic and ecological blows. By this time, the demographic balance had shifted to the Pākehā, and with it, the balance of power in politics and economic production. Pākehā patrons of Māori development became less interested, and Māori enterprise had never been independent of pākehā capital and expertise, or of government loans.

This explanation favours the 'development of underdevelopment' theory (not that Dr Petrie uses these models in her analysis—indeed she makes no mention of either development theory or economic theory generally). But the 'modernisation' theorists can also draw support from the evidence. Traditional leadership and communal ownership and communal labour had provided the basis for Māori economic development. But the further it progressed the less suitable it became, and the less viable it became in itself. Progress enabled individuals to opt out, and communal labour supplies dwindled, leaving entrepreneur-chiefs without workforces; communal enterprises suffered from too many people having an interest and a say in decision making and the use of assets, leading to losses. Maintenance of capital assets was poor, and the incidence of ship-wreck among Māori-owned vessels was high. Profitability of both mills and ships is doubtful. Chiefs were caught between conflicting legal and traditional obligations.

Hazel Petrie concludes that the collapse of tradition entailed the collapse of economic development. 'It is evident that moves away from traditional Māori systems contributed to the downturn in their economic fortunes' (214). This appears to be true, but her evidence also shows that traditional society was not sustainable in the context of modernisation: traditional obligations, workforces and assets were being applied in ways not sanctioned by tradition however much there might have been temporary benefits. Therefore the converse of the quoted statement is equally true: economic fortunes contributed to the move away from traditional systems.

Both poles of the theoretical argument find historical support, which is why this book, written apparently for historians, is an important one for development theorists and economists.

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