

**A GENEALOGY OF CALCULATIONS AT AN EARLY QUEENSLAND  
SUGAR MILL**

**by**

**Helen Irvine**

**School of Accountancy**

**Queensland University of Technology**

**GPO Box 2434 Brisbane QLD 4001**

**Telephone: 61 7 31382856**

**Fax: 61 7 31381812**

**Email: [helen.irvine@qut.edu.au](mailto:helen.irvine@qut.edu.au)**

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## ABSTRACT

**Purpose:** The paper examines technical and rhetorical dimensions of calculations employed at a 19<sup>th</sup> century Queensland sugar plantation and mill in relation to the employment of indentured labour.

**Design/methodology/approach:** Historical archival data is interpreted through the lens of the rhetoric of rationality.

**Findings:** The employment of indentured Pacific islanders was permitted by Queensland legislation to assist in the development of its sugar industry. The Colonial Sugar Refinery (CSR) rationalized the employment of islanders at its Goondi mill on economic grounds, with accounting practices focused on recording and controlling labour costs to maximize profits and maintain a healthy dividend to shareholders.

**Research limitations/implications:** A single perspective provides a unique interpretation of historic contexts and events.

**Practical implications:** A greater awareness of accounting history challenges us to consider and critique the rationale and impact of current accounting practice.

**Originality/Value:** This study of a unique historic situation is sociologically framed and politically contextualised.

**Key words:** accounting history; genealogy of calculations; rationality; sugar industry accounting; indentured labour.

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## INTRODUCTION

This paper examines the technical and rhetorical dimensions (Carruthers and Espeland, 1991) of a specific genealogy of calculation (Miller and Napier, 1993) located “local in both space and time” (Carnegie and Napier, 1996, p. 7). The institutional setting is the highly politicised early Queensland sugar industry; the time is the late 1800s; the calculative techniques are those employed by the Colonial Sugar Refining (CSR) Company at its Goondi sugar plantation and mill in north Queensland; and the rhetoric is the economic argument used by CSR to rationalise its employment of indentured Pacific islanders<sup>1</sup>.

The colony of Queensland separated from New South Wales in 1859 (Gott, 1997), and was then preoccupied with overcoming the lack of affordable, available and reliable manpower to develop its coastal lands (Barker and Byford, 1988). Sugar production was agriculturally appropriate and, at the time, “a good economic prospect”<sup>2</sup> (Andrew and Cook, 2000, p. 1). With its British roots, and Britain’s dominating influence in the Pacific (Moore, 1993, p. 183), Queensland adopted the plantation system as the dominant structure for its early sugar industry. Since Britain had abolished the slave trade, plantation owners turned to indentured labourers to meet their labour needs, recruiting Pacific islanders at their own expense, and transporting them to Queensland. It is estimated that in the years 1863 – 1904, some 62,500 Islanders were brought from more than eighty islands (*The Call for Recognition*, 1992, p. 73) to work on Queensland sugar plantations. Since these islanders performed all the field work connected with the sugar industry, it is probable that without them, “the initial enterprise should not have been forthcoming”, and “very few of the old mills and plantations should have seen the light of day” (NBAC/Z303, 1929).

An acknowledgment of the ability of accounting to legitimise actions (Richardson, 1987, p. 341) and both to legitimise and sustain “current social, economic and political arrangements” (Cooper, 1980, p. 164) has widened interpretations of its role in history. Research on the same company at a later time, in a different geographical setting, has identified accounting practice as domination, in the tradition of Foucault (Hooks and Stewart, 2007). The racial aspects of accounting for slave labour have been investigated in the Hawaiian sugar plantations (Fleischman and Tyson, 2000), and in the context of accounting’s culpability in the practice of slavery in both the British empire and the United States (Oldroyd et al, 2008). Funnell (1998) analysed the use of accounting to further the racist policies of the Nazis in the 1930s and 1940s. Further, accounting by colonial powers has been implicated in the genocide of indigenous people in Canada (Neu, 2000), in the exploitation of imported workers by colonial powers (Kim, 2004), and in the imperial domination of colonies (Annisette and Neu, 2004). While racism is not the primary focus of this paper, it was enshrined in legislation at the time of the early Queensland sugar industry.

This study is not a technical history (Hopwood, 1985) or mere narrative that relies on “the reproduction of historical materials or chronology of events” (Carnegie and Napier, 1996, p. 14). It claims rather to be a genealogy of calculations (Miller and Napier, 1993), recognising the powerful role accounting plays in the transmission of societal values, acknowledging the fresh perspectives made possible by incorporating

“the social and cultural contexts in which the past must be understood” (Gaffikin, 1998). Consequently, it adopts an expanded understanding of what constitutes accounting, moving from a narrow conception of bookkeeping to encompass a variety of calculative practices (Miller and Napier, 1993; Vollmer, 2003) or “performable technique(s)” (Quattrone, 2009, p. 85). Archival evidence from a variety of sources is interpreted sociologically by exploring the contribution of both technical and rhetorical aspects of accounting to CSR’s audiences’ cognitive understanding of corporate behaviour (Carruthers and Espeland, 1991). This reflects the wider possibilities of an interdisciplinary study of accounting history (O’Hogartaigh et al, 2002), focusing on the flexible theoretical boundaries and methodologies of accounting and its non-evolutionary nature (Miller et al, 1991).

The paper first presents a framework for the interpretation of CSR’s accounting, and then provides an overview of 19<sup>th</sup> century Queensland sugar industry politics. Following this, CSR’s corporate aspirations and expansion into North Queensland are outlined, including an account of the establishment of its plantation and mill at Goondi. The use of cheap Pacific island labour is presented in the context of CSR’s rationale of maintaining healthy dividends to its investors. The calculative practices employed at Goondi are then examined in more detail. Finally, conclusions are drawn about the cognitive power of both the technical and rhetorical aspects of accounting.

## **A SOCIOLOGICAL FRAMEWORK**

Eschewing the notion that double-entry bookkeeping is exclusively a technical activity, Carruthers and Espeland (1991) expound its rhetorical role. They assert that in identifying the technical prowess of double-entry bookkeeping and its role in the rise of capitalism, Weber, Sombart and Schumpeter have neglected the symbolic and legitimising power of accounting. Double-entry bookkeeping possesses utility to “organize and make sense of the business world” (Carruthers and Espeland, 1991, p. 36, p. 39), producing an account that is a “cognitive device” that “frames reality in a particular way”, (Carruthers and Espeland, 1991, p. 55). This account is presented to an audience in order to justify business decisions, and thereby, to legitimize the organization. Historically, this audience has included God, oneself, principals and agents, customers, and, with the advent of corporations, investors divorced from the everyday operations of the business entity.

Appeals to God contained in early examples of double-entry bookkeeping reflected a desire for “divine legitimation for a set of mundane activities (Carruthers and Espeland, 1991, p. 41), a justification of the morality of the activities reflected by the accounts. The personal endeavour characteristic of capitalistic societies was encapsulated in the “transformation of self” promised by double-entry bookkeeping, with its emphasis on prudence and self-discipline, with the neglect of these attributes providing evidence of weakness of character (Carruthers and Espeland, 1991, p. 42). Double-entry bookkeeping also became valuable for the management of principal-agent relationships, by providing an account of operations to a distant owner, and for customers and business associates, who relied on accounts to ascertain whether their loans could be repaid or their goods would receive a fair price (Carruthers and Espeland, 1991). Audiences widened considerably with the advent of the corporate form and an industrialised, capitalistic society, to disparate and distant investors and institutionalized audiences (Carruthers and Espeland, 1991). Figure 1 presents a framework based on these notions, with both technical and rhetorical aspects of bookkeeping evident as an account is presented to various audiences.

[Take in Figure 1]

As the foundation of accounting, double-entry bookkeeping brings within a single framework “measures of the *economic properties* of resources and of the *legal or equitable rights* of others in those resources” (Chambers, 2006, p. 418), thus enabling both the calculation of profit and the discernment of owners’ interests in a manner consistent with the views of Weber, Sombart and Schumpeter (Carruthers and Espeland, 1991). The notion that double-entry bookkeeping contained a “rhetorical agenda” with legitimising power (Carruthers and Espeland, 1991, p. 37) has been contested (Yamey, 2005; Chiapello, 2007). However, the role of the “balance account” in the 16<sup>th</sup> century has been identified as more than simply a technical exercise in bookkeeping (Edwards et al, 2009, p. 560), while 18<sup>th</sup> century Portuguese treasury bookkeeping indicates that “the use of economic rationales alone” did not explain practice (Gomes et al, 2008, p. 1149). In a similar vein, the discipline, education and transformation of the worker in the late 19<sup>th</sup> century, particularly of those workers pursuing material rewards, was seen to be coincident with the proliferation and increased complexity of accounting information (Bhimani, 1994).

These observations run counter to the view that accounting is value-neutral. It has been portrayed as not being critical of behaviour or of the accumulation of wealth, but, for example, offering technical calculations for the maximization of income (Chambers, 2006). A study of accounting’s role in financial crises in Japan revealed a “non-neutral” role of accounting in “constructing the image of a particular industry”, while at the same time it was presented as a technique (Sawabe, 2002, p. 397). Rhetoric has been identified as more than “a deliberate effort to fool the simple or weak-minded”, but rather a “pervasive element” of life, evident in the Financial Accounting Standards Board’s efforts to present their standards as objective (Young, 2003, p. 623). The insight that double-entry bookkeeping is an interpretive frame, and therefore presents an account not just to inform, “but also to convince” (Carruthers and Espeland, 1991, p. 35), is consistent with neo-institutional theory, with its emphasis on the legitimising power of social institutions such as accounting (Covaleski and Dirsmith, 1995; Carruthers, 1995; Irvine, 2002).

Financial reports, presented as technical and objective reports, nevertheless do contain rhetorical devices (Amernic and Craig, 2000) and have an effect on the economy at large (Suzuki, 2003), as they frame understanding, reinforce “the rather limited cognitive capacities of boundedly rational decision-makers” (Carruthers, 1995, p. 322), and demonstrate their “potent symbolic power” (Espeland and Hirsch, 1990). Applying the metaphor of framing to accounting challenges the notion that accounting is “stable, pre-existing and transportable across borders” (Lohmann, 2009, p. 503), and exposes the political, cultural and power dynamics that have been hidden under a “technical surface” (Carruthers, 1995, p. 316). Mouritsen (1994, pp. 207 - 208) acknowledged both rationality and social context, indicating that “symbolic behaviour does not mean empty behaviour”. Accounting has been identified as being much more than a narrow technology, affording social practices “a specific visibility, calculability and operational utility” (Miller, 1990, pp. 316 – 317). Consequently, it has the power to effect change and to contribute to systems of domination and injustice (Neu, 2000; Kim, 2004; Annisette and Neu, 2004; Funnell, 1998). Together, the technical and rhetorical dimensions of accounting, by framing issues, have the persuasive ability to alter cognition (Carruthers and Espeland, 1991; Maltby, 1997). This will be illustrated in the case of CSR’s use of accounting at its Goondi plantation and mill.

## SUGAR INDUSTRY POLITICS

To stimulate expansion, the Queensland government passed the Sugar and Coffee Regulations (Frost, 1996, p. 135) in 1864, releasing extensive tracts of land for cane growing (Barker and Byford, 1988)<sup>3</sup>. By 1881 sugar production satisfied domestic requirements for the Queensland colony and provided sufficient to export, mainly to Victoria and New South Wales (Shlomowitz, 1979). The Queensland government, prioritizing the economic development of the colony, welcomed the action of the sugar entrepreneurs in importing Pacific island labourers at their own expense (Parnaby, 1964), in what has been described as a triumph of “economic expediency” over “racial antipathy” (Saunders, 1982, p. 44).

The recruiting of Pacific Islanders began without official approval (Docker, 1970; Parnaby, 1964), and there was always a great deal of opposition to it, from the British government, missionaries, the navy and many colonists (Morrison, 1888; Buxton, 1980; Irving, 1980)<sup>4</sup>. Initially these objections appeared to be on the grounds that indentured labour was a form of kidnapping or slavery and that workers were mistreated (Morrison, 1888; Moore, 1974; Barker and Byford, 1988; *The Call for Recognition*, 1992; Moore, 1993; Evans et al, 1975; Andrew and Cook, 2000). However, over the next few decades, the reasons for such opposition became more complex and occasioned much more political lobbying and controversy, as public opinion moved against the Islanders. This prejudice was fuelled by a political push to make Australia “white” (part of the Federation impetus), and by pressure from labour unions<sup>5</sup> to protect white labour from the competition occasioned by Islanders, who received substantially lower wages<sup>6</sup>. Legislation enshrined racist attitudes, resulting in the eventual deportation of Islanders by 1907 (*The Call for Recognition*, 1992, p. 73).

Specific laws were created first to permit the employment of Islanders (*Coolie Act (Queensland) 1862*), then to protect them (*Polynesian Labourers Act (Queensland) 1868*<sup>7</sup>), to restrict them (*Pacific Island Labourers’ Amendment Act (Queensland) 1884*), and finally to deport them (*Pacific Island Labourers’ Amendment Act (Queensland) 1885*; *Pacific Islanders Extension Act (Queensland) 1892*; *Pacific Island Labourers Act 1901*). From 1868 to 1912, eight State and thirteen Commonwealth Acts were passed on the issue (Gott, 1997). Where the British Government held that the Pacific island labourer should have “equal rights with the local labourer” (Parnaby, 1964, p. 153), the Queensland government saw Pacific islanders as “a temporary and inferior labour supply to whom the statutory rights and privileges of European labour did not extend” (Parnaby, 1964, p. 153).

So that this legislation would not signal the doom of the sugar industry, the *Central Mill Acts*, beginning in 1885, and the *Sugar Works Guarantee Act (Queensland) 1893* put forward an alternative to dependence on coloured labour. These acts provided for an injection of government funds to the industry for the establishment of co-operatively owned mills, on the condition that only European labour was to be employed (Docker, 1970). Sir Samuel Griffith, the premier at the time of the passage of these acts<sup>8</sup>, had a vision for the future of Queensland as being “peopled by small farmers, yeoman farmers in the liberal tradition, men of small capital means, farming their own land with the aid of their families and not labouring for others” (Moore, 1974, p. 39). Griffith’s legislation, the *Pacific Island Labourers’ Amendment Act (Queensland) 1885*, which required the cessation of recruitment of islander labour from 1890, was an attempt “to rid the colony of the two castes they (the Liberals) so vehemently hated – the group of rich planters who were so often absentee landlords

and their Melanesian servants, kept servile by legislation and social discrimination” (Evans et al, 1975, p. 156).

This strategy sent a shock wave to plantation investors, particularly at a time when there had been over-speculation in sugar plantations and there was a world slump in sugar prices (Bolton, 2003). In addition, the “smallholders”, on whom Griffith was relying to carry his new policy, continued to call for a restoration of Pacific island labour (Bolton, 2003, p. 9). When the sugar industry fell into a depression, the McIlwraith government<sup>9</sup> appointed a Royal Commission in 1888, to investigate the condition of the industry, and whether coloured labour could be dispensed with by 1890<sup>10</sup>. It later became apparent to Griffith<sup>11</sup> (Bolton, 2003, p. 9) that his “small farmer” policy would not succeed without a supply of labour, so he extended recruitment of Islanders to enable the sugar industry to transition from the plantation model and everything it represented to a system of “small farms and white labour” (Manning, 1983, p. 72).

Two arguments were put forward by plantation owners and managers throughout this bitter and protracted debate. First was the belief that white men simply could not perform physical labour in the tropics (Andrew and Cook, 2000, p. 1; Robertson, 1991, p. 8). This argument was described as reinforcing the existing social structure which kept non-Europeans in “a permanent position of economic and cultural subservience” (Evans et al, 1975, p. 158). Second was the assertion that the sugar industry would not survive without a reliable pool of cheap coloured labour (Evans et al, 1975). On the opposite side, labour unions opposed competition from cheaper labour, and racial prejudice emanated from an inherent belief in the superiority of white races and the supposed disease and ill-health of the Islanders (Price, 1939; *The Call for Recognition*, 1992). Still others identified mechanisation as a way of alleviating the political squabbling over the coloured labour issue (ASIM/SJ/SJTC, 1894f).

Public opinion was strong<sup>12</sup> and lobbying on the issue was intense. A petition presented to the Legislative Assembly of the Colony of Queensland from “Sugar Planters and Farmers and others resident in the district of Mackay, interested in the continuance of the sugar industry” requested an extension of the use of Islander labour for an additional five years until 31<sup>st</sup> December 1895, and also employed an economic argument:

... no valid objection can be raised to the employment of Polynesians for Tropical Agriculture on the ground of injustice to Europeans, because the whole value of the produce raised from the soil by the employment of Polynesians’ labour passes into the pockets of Europeans, every class in the community being more or less benefited, also that the wages paid to Polynesians are almost wholly spent within the colony, while of the large sum of from £700,000 to £800,000 annually spent on the production of sugar the 10 per cent spent upon Polynesians enables the remaining 90 per cent to be spent on Europeans (NBAC/N126/245, Petition).

The petition was successful, and by 1900 the plantation system had almost completely moved to a co-operative system, this “democratization of the cane lands” heralding a “new social model” (Frost, 1996, p. 138). The Australian population proceeded towards Federation in 1901 on the understanding that the White Australia policy would be implemented<sup>13</sup>, but, on the part of voters in northern sugar areas, with a hope that protection of the industry would eventuate (Pagani, 1989).

These huge changes formed the political backdrop in which CSR operated its Goondi plantation and mill in the late 1800s. As both a recruiter and employer of Islanders, it was inevitable that the company would be caught up in the intensity of the issue, at both a corporate and a local level.

### **CSR'S VISION OF PROFIT FROM SUGAR**

The CSR Company was formed in 1855 with an initial capital of £150,000 (NBAC/142/3527), to take over the assets of the Australasian Sugar Company, whose director Edward Knox, became a director of the new company. Two years later, the Victoria Sugar Company was formed, half owned by shareholders in CSR. In addition to its other investments in plantations, sugar mills and refineries, the company bought three sugar plantations in north Queensland in the 1870s at a cost of £600,000. In 1888, when the Victorian company was failing, the two companies amalgamated, and CSR Limited was formed (Griggs, 2001, p. 364; *South Pacific Enterprise*, 1956, p. 405). Key factors that contributed to the company's sustained success in the sugar industry were a commitment to maintaining a substantial dividend, a vision for strategic investment in the sugar industry, and a strong emphasis on accountability.

A study of the accounts of CSR in the latter part of the 1800s makes it clear that agriculture was big business. CSR's survival, expansion, and domination of the Australian sugar industry through extremely turbulent times, both economically and politically, indicate a high level of business acumen and sophistication. An editorial in *the Sugar Journal and Tropical Cultivator* (ASIM/SJ.SJTC, 1894a) dated July 15, 1894, notes CSR's growth from a single refinery to its "present giant undertaking", its virtual "monopoly" status, and its policy that, "as long as its capital secures a fairly remunerative return, the management wisely refrains from attempting to increase its profit at the expense of those who work". The result was that the balance sheets "regularly disclose handsome profits and enable ample provision to be made for the proverbial rainy day" (ASIM/SJ.SJTC, 1894a).

In the plantation era, CSR enjoyed economies of scale, including the employment of indentured labour gangs (Shlomowitz, 1979, p. 100). This resulted in great success, with an initial boost to profits and a steady dividend flow to shareholders, as portrayed in Figure 2.

[Take in Figure 2]

While profits decreased and levelled out from the mid 1890s onward, the company pursued an aggressive policy of increasing dividends from 6% in 1887 to 10% in 1891, and maintained them at that level through the rest of the 1890s (NBAC/142/3527). A dividend equalization reserve was established in 1889 with an initial transfer of £30,000, was increased to £165,000 in 1894, and was maintained at that level into the twentieth century, thus assuring shareholders of a constant stream of income even if profits decreased. The company strategically dealt with local issues and with the internationally "calamitous" years 1885 – 1891, when the world price of sugar fell by a third and remained low for the next three decades (Shlomowitz, 1979).

The directors reported to shareholders, in their report for the half year ended 31<sup>st</sup> March 1889, when the projected result fell short by 30%, that it had been "the most disastrous year for sugar planters yet experienced, the make in Queensland alone having declined from 58,000 tons in 1887 to 28,000 tons in 1888" (NBAC/142/3527, 31<sup>st</sup> March 1899). The directors' report for that six-month period highlighted the increasingly complex industry issues that the company had to deal with. In referring

to the Queensland Government's appointment of a Commission of inquiry into the sugar industry depression, the report stated:

... We think that vested interests will be too strong for the introduction of Kanaka labour to cease; but in the meantime no money is being spent in extensions, and our labour staff, prior to the 31<sup>st</sup> December, 1890, the date fixed for the cessation of the introduction of Kanaka labour, will be brought up to its full strength (NBAC/142/3527, 31<sup>st</sup> March 1899).

Half yearly reports through the 1890s constantly referred to the shifting political landscape, and the difficulty of maintaining profitable operations, given the Queensland government's legislation to prevent the use of islander labour, to abolish the plantation system and to employ white labour. Throughout these uncertain years, directors made strategic decisions about the company's operations in order to extract the greatest profit possible and to preserve the invested capital. The employment of Pacific island labour was one factor of many they considered:

The Directors ... being convinced that sugar plantations in the tropics cannot be worked without coloured labour, they have arranged to test a district in Fiji, which presents considerable advantages, with the object of providing employment for the plant now in Queensland, when the Mills there have to be closed for want of suitable labour ... it is proposed to remove one of the Mills to Fiji at the end of 1891 (NBAC/142/3527, 31<sup>st</sup> March 1890).

There now seems no chance of the labour difficulty in Queensland being met ... (NBAC/142/3527, 31<sup>st</sup> March 1890).

The Queensland Government has introduced a Bill which will allow of the acquisition of properties – such as our plantations – by the neighbouring settlers ... we expect to dispose in this way of the Victoria Mill at a price which will return to us the sum to which it has been written down ... (NBAC/142/3527, 30<sup>th</sup> September 1891).

The shareholders will have been pleased to hear that we are again to be permitted to employ Kanakas in Queensland, and we are, in consequence, arranging to retain there the plant which we proposed to take to Fiji ... (NBAC/142/3527, 31<sup>st</sup> March 1892).

Work is going on well at our new Plantation in Fiji, and in Queensland we are gradually disposing of our cultivation lands to tenants who have the option of purchase ... up to date we have thus disposed of 5,514 acres (NBAC/142/3527, 31<sup>st</sup> March 1893).

... the erection of a number of central mills in different localities, with funds provided by the Government of Queensland ... will probably tend to keep down the value of sugars in these colonies after it has recovered elsewhere. Australasia can and should produce all the sugar needed for its own people; but the labour conditions under which it is made prevent, in my opinion, its production at a cost that would permit of its being sold at a profit in the European and American markets (NBAC/142/3527, 31<sup>st</sup> March 1895).

... it will be impossible for the farmer to grow the cane at (a reduced) price unless the duty be £3 per ton, or unless he employs coloured labour

to cultivate the cane, and we follow his example in order to reduce the cost of cutting the crop. This we will not do. White men can do all the work in connection with the cane in this colony; but if the fiscal policy prevents their employment we will face the destruction of the industry rather than take any part in the introduction of coloured labourers from India or elsewhere (NBAC/142/3527, 31<sup>st</sup> March 1896).

The reasonable proposals we made for the maintenance of the industry have been rejected by the Government, and it is evident that there is now no hope of preventing the sacrifice of this great agricultural and manufacturing interest, which has been singled out for destruction, while other less important industries remain largely protected (NBAC/142/3527, 30<sup>th</sup> September 1896).

In this Colony we have cancelled the contracts with the farmers who have been growing cane for us and we are thus free to close the mills when the working of these ceases to be profitable ... when the mills are closed we shall have to write off about £450,000, which amount ... we shall be prepared to provide without trenching upon the paid-up capital (NBAC/142/3527, 30<sup>th</sup> September 1897).

CSR's north Queensland operations provide a specific example of the vision of directors in seizing a new profit-making opportunity, and of their business acumen in directing its operations. By a special Act of Parliament, CSR of Sydney was given permission to take up "great areas of land in various places", on the under-taking that it would spend "£200,000 within five years on the clearing and cultivation of that land and erection of plant" (Docker, 1970, p. 99). In 1882, Charles Edward Adams "set things going at Goondi"<sup>14</sup>, with the CSR Board authorising the acquisition of 5,000 acres on the Johnstone River (Robertson, 1991, p. 3).

CSR's Goondi mill, 8 miles upstream from Geraldton (now Innisfail), was one of three mills operated by CSR in north Queensland<sup>15</sup>. The decision to erect a mill at Goondi was made because of the closure of other mills in the district, with the result that in 1884, CSR approved the dismantling and transportation of the Southgate sugar mill on the Clarence River (northern New South Wales) to the North Johnstone river (Robertson, 1991, p. 5). No less was expected of the Goondi plantation and mill than was expected of any of CSR's other business operations: profitability. CSR's directors, in particular, E W Knox<sup>16</sup>, paid meticulous attention to every detail of its operation. Knox's voluminous correspondence with C E Forster, the manager of the Goondi mill in the late 1880s, illustrates his thorough knowledge of every aspect of the sugar industry, his emphasis on profitability, and the high degree of accountability he required of the mill manager C E Forster for every aspect of Goondi's performance (NBAC/142/1456; NBAC/N126/92; NBAC/N126/2). This included the quantity and quality of cane produced, the cost at which it was produced, and its performance relative to other north Queensland mills. Accounting was a vital part of this mechanism of accountability, which was developed in the context of the unique political and economic situation in which the company operated, particularly in relation to the employment of indentured labourers from the Pacific islands.

### **INDENTURED WORKERS AT GOONDI**

CSR actively recruited and employed indentured non-white labourers at its Goondi mill, doing all it could to continue the practice until it was clear that alternative

measures had to be adopted. The Board took a pragmatic approach, viewing the employment of indentured islanders and workers of other ethnicities at low wage rates as an economic matter rather than a matter of principle.

From the time of CSR's arrival at the Johnstone River in 1882, the company was actively involved in recruiting Islanders<sup>17</sup>, initially chartering ships, and then purchasing a ship which made regular trips to the New Hebrides and Solomon Islands (Robertson, 1991, p. 9). Government agents travelled with the ship and, on at least one occasion, were seen as having a negative effect on recruiting capabilities (NBAC/142/1456, pp. 109 – 110). Pacific islanders were not the only non-white labourers employed by CSR on its sugar plantations. From the earliest days Chinese were involved in the industry (NBAC/Z303, 1944, p. 71), many travelling from the goldfields further inland to the coast to take up clearing leases (Robertson, 1991), and doing work for CSR that Europeans found difficult. In 1888, the workforce at Goondi comprised 175 Europeans, 50 Chinese, 70 Aborigines, 325 Melanesians (*The Call for Recognition*, 1992, p. 81) and 50 others, including Malays and Javanese (Evans et al, 1975, p. 179).

All workers performed clearly defined duties, “allocated on a combination of what was socially acceptable and what construed the economic running of the Plantation” (Robertson, 1991, p. 8). For Europeans, this meant positions as “engineers, store keepers, blacksmiths, skilled workers in the mill and as overseers and ploughmen in the fields”, with “gangers” supervising up to 30 “Kanaka boys” (Robertson, 1991, p. 8). The use of cheap coloured labour was seen as essential to the profitable running of the operation. Figure 3<sup>18</sup> outlines the line of command, from coloured field labourers at the bottom of the hierarchy, to the planter at the top. CSR offered “high wages and good quarters in an attempt to attract the most highly-qualified and temperamentally-suited men” (Saunders, 1982, p. 61)<sup>19</sup>, and estates were laid out in a way that enhanced racial and hierarchical divisions, with technical and managerial staff named “officers” and appropriately accommodated away from the workers” (Saunders, 1982, p. 62).

[Take in Figure 3]

It was estimated that the cost of bringing a labourer from a South Pacific island, a distance of 900 miles, was £25 - £35 per head (ASIM/SJ.SJTC, 1894c), and that it cost approximately £26 per year to keep each one. This was made up of wages set at £6 per year as well as rations of food, blankets, clothing, provisions, housing and medical treatment, according to the regulations of the *Polynesian Labourers Act (Queensland)* of 1868 (Robertson, 1991). Even these simple arrangements caused controversy. Not all planters were happy with the “Kanaka gardens”, with one correspondent to the Editor of *The Sugar Journal and Tropical Cultivator* (ASIM/SJ.SJTC, 1894d, p. 172) asserting that “if we wish to see the next generation in this colony remain our own color, we ought certainly to now take decisive steps to prevent the alienation of our land to any colored races”.

In spite of these sentiments being held in certain quarters, the recruitment of Pacific island labour represented a significant investment for CSR, and it was in their interests to provide workers with the kind of provisions, accommodation and medical care that ensured their good health and ability to perform the work for which they had been brought to the plantation. Consequently, at Goondi, they, together with other non-white labourers, appear to have been well housed and cared for, according to

correspondence from CSR's head office in Sydney to Goondi Mill (NBAC/N126/2; NBAC/N126/2, 2<sup>nd</sup> September 1891).

A constant supply of Islander labour, however, was not able to continue, as a result of the restrictive legislation already mentioned. As opinion turned against the employment of coloured labourers, CSR found it more difficult to ensure a steady stream of workers to work in the fields and prepare the cane for the crushing season at the Goondi Mill. Since the economic operation of mills was of primary importance, the Board, well aware of public sentiment on the issue, considered various other strategies to overcome these difficulties in its north Queensland operations. These included the closure of the Victoria mill and its relocation to Fiji, and a consideration about whether fieldwork should be attempted with European labour (NBAC/N126/92 30<sup>th</sup> January 1891). Another possibility was the re-engagement of islanders whose time was "expiring" at a higher wage rate, provided the increased rate could be justified and the "working expenses" of the plantation would not be "unduly increased" (NBAC/N126/92, 4<sup>th</sup> February 1891). In addition, the possibility of hiring Javanese labourers was given consideration, since the company was "inclined to think that they [the Government] are beginning to feel sorry for the sugar industry" (NBAC/N126/2, 29<sup>th</sup> September 1891), and Java, in 1891, had not yet been ruled out by the Government as a potential recruiting ground for sugar workers (NBAC/N126/92, 30<sup>th</sup> January 1891).

During this time, Pacific island labourers became difficult to procure, their wages increased (ASIM/SJ.SJTC, 1894b, p. 106; ASIM/SJ.SJTC 1894e, pp. 82 – 83), and the Queensland government introduced a tax on Melanesians arriving in Queensland (Shlomowitz, 1982, p. 51). In an attempt to curb increases in wages for islanders, the Planters' Association, in 1889, had recommended that such wages be limited to £6 per annum, with an additional £3 to be paid only if they were "sound working boys of good physique" (NBAC/N126/245, 30<sup>th</sup> April 1889). Further, it was recommended that "overtime Kanakas" (those who had already completed a term of engagement) be employed at a uniform rate of £12 per annum, or £15 where their return passage was already paid. These recommendations were made "chiefly to avoid the irritation believed to have been caused in the minds of White Laborers by fluctuating and often high rates being offered Kanakas and thus even affecting their own rates" (NBAC/N126/245, 30<sup>th</sup> April 1889).

As it sought to manage labour issues, the CSR Board decided to close its Victoria Mill in north Queensland, and relocate it in Fiji (NBAC/142/3527, 31<sup>st</sup> March 1891), where it was believed it would be more profitable to operate, given the ready supply of cheap labour there and "satisfactory arrangements" being made with the Government of Fiji (NBAC/142/3527, 31<sup>st</sup> March 1890). Always looking for opportunities to invest profitably, and to curtail potential losses, the directors at this time decided to dispose of "part of the arable land" at the Mackay mill to farmers, in order to find "some partial solution of the labour difficulty", while at the Goondi mill, they were hopeful that they could "procure sufficient coloured labour to enable this to be worked for some years to come" (NBAC/142/3527, 31<sup>st</sup> March 1891).

With these kinds of difficulties in acquiring cheap labour, the Goondi Mill manager, Mr Forster, as a member of the Planters Association, became involved, for a time, in a lobbying attempt to extend the 1885 Act so that Pacific island labourers could be employed for an additional five years, until 31<sup>st</sup> December 1995. He attended an initial meeting of the Planters Association in Townsville on 29<sup>th</sup> April 1889 where it

was decided to send delegates to Brisbane during the discussion of the report on the Sugar Commission, “with the object of assisting Members favourable to an extension of Kanaka Labor” (NBAC/N126/245). In order to fund this “agitation”, a levy of 1/- per acre was made on “all growers of cane throughout the Colony” (NBAC/N126/245). In 1889 CSR contributed an amount of £336/7/-, based on 6,727 acres at Goondi (NBAC/N126/245, 9<sup>th</sup> July 1889). Further suggestions for addressing the labour problems caused by the “injustice of prohibiting the introduction of Kanakas” (NBAC/N126/245, 4<sup>th</sup> March 1890) were put forward. In spite of the trade unions’ opposition to “the introduction of cheap Europeans” (NBAC/N126/245, 21<sup>st</sup> July 1890), these included the introduction of Italians, described as “the lesser of two evils” (NBAC/N126/245, 21<sup>st</sup> July 1890). Another suggestion was to import Japanese workers, provided “no objection were raised” (NBAC/N126/245, 14<sup>th</sup> October 1889). Even though the act was extended, permitting the employment of Islander labourers until 1895, further agitation was considered “hopeless”, with further expenditure on lobbying “useless” (NBAC/N126/245, 15<sup>th</sup> May 1890; NBAC/N126/245, 16<sup>th</sup> December 1890). The attempt to portray an image of the industry (Sawabe, 2002) as requiring free access to cheap labour was eventually a failure.

The restriction of the duties Pacific islanders were allowed to perform according to the 1884 act was a frustration to plantation and mill owners. In 1890, CSR was charged with breaching the *Pacific Islanders Act*, by using Islanders to perform tasks that did not come within the classification of “field work” (NBAC/N126/247, 25<sup>th</sup> July 1890). The Islanders had apparently been involved in the unloading of a vessel, but legal advice provided by G A Roberts & Leu, Solicitors of Townsville, to the Manager of the Goondi Mill (NBAC/N126/245, 15<sup>th</sup> July 1890) was unclear, since there was some doubt about the actual nature of the work done. The Manager was advised to provide evidence at the hearing “to prove the Islanders had nothing to do with the steam-winch, and were not employed discharging the vessel”. The company was unsuccessful in pressing its case, and was fined the sum of £1, and ordered to pay £2/2/- costs (NBAC/N126/247, 25<sup>th</sup> July 1890). Correspondence from Edward Knox, General Manager of CSR, to Mr Forster advised “it is no use attempting to have the decision of the Bench reversed ... we had better drop the appeal, public sympathy being against us” (NBAC/142/1457, 7<sup>th</sup> August 1890, pp. 205 - 206).

At this time pressure on labour was not just coming from the Government in the form of legislation, but from the trade unions. In Townsville<sup>20</sup>, labourers formed an organisation and garnered considerable support in order to challenge “the authority of the snug little junta of businessmen who ran the town hall” (Bolton, 2003, p. 10). The Australian Labor Federation was alert to practices at Goondi, and actively pursued CSR. One issue was the splitting of firewood, which CSR maintained was “field work”, but the Federation argued did not come within the Act. Edward Y Lowry, of the Federation’s Townsville District Council, communicated by letter with Mr Forster on 1<sup>st</sup> December 1890 about this matter, requiring that he “utilize some other class of labor for above purposes so as to avoid unnecessary friction” (NBAC/N126/247).

A representative of the Planters’ Association expressed surprise that CSR should be “the first to be assaulted by the labour unions” as they employed “proportionately ... a larger amount of Europeans than on any other plantation” and were “generally acknowledged to treat them very well” (NBAC/N126/245, 9<sup>th</sup> December 1890). He advised that “planters should shew a solid front and that an assault against one is equally against all” and advised that it would be well “to make a test case”. CSR obviously shared this view, as a further letter from the Australian Labour Federation’s

Townsville District Council, dated 15<sup>th</sup> December 1890, expressed disapproval of Mr Forster's "actions and treatment of our worthy delegate", trusting that "time will bridge the gulf of inequality which now separates master from man ...." (NBAC/N126/247).

Even though Edward Knox, writing on 16<sup>th</sup> December 1890, advised Mr Forster that "we have not any intention of obeying the 'order' of the Labor Federation about not employing Kanakas for cutting firewood" (NBAC/142/1457), it became increasingly obvious that the institutional goal posts were shifting markedly during the 1890s: Pacific island labour was on the way out, the labour movement was growing in influence, and Australia was moving towards Federation and a White Australia policy. CSR had to deal with these changing labour patterns and re-orient its operations to accommodate these changes if it was to survive. The company had a history of "reading" the economic and political landscape and tailoring its practices to suit expectations and maximise its profits. When it transferred the bulk of its operations to Queensland,

... it immediately followed what was economically the most viable line and became the largest estate owner and importer of Kanakas in the colony, watching with jaundiced eye the efforts of a few small-holders to establish themselves ... then quite suddenly the central factory idea reappeared in a new light – as a possible answer to the growing labour problem – and the company underwent a swift change of heart and reversed its attitude to the selector altogether (Docker, 1970, pp 210 – 211).

CSR's response to these changes was informed by the accounting calculations generated at its various business operations and head office. With CSR's policy of maintaining the payment of a healthy dividend to investors, profitability was of primary importance, so decisions were justified by a combination of technical information about the cost of operations, particularly the cost of labour, presented as an economically rational account.

### **CALCULATIONS AT GOONDI**

CSR relied on a sophisticated accounting system in order to ensure the achievement of a profit acceptable to its investors<sup>21</sup>. In order to achieve this, a demanding system of accountability was established to those who worked in management positions in the company, including mill managers such as Mr Forster at Goondi. The annual review of managers' salaries took into account their performance in the preceding year, in terms of the cost of cane produced and the quality of the product, with very specific directions about their salaries emanating from CSR's Sydney office:

Mr. Stobo. His salary has been increased to £325 per annum as per 1 January.

Mr. Carnie. All things considered I think this officer is very well remunerated with his present salary.

Mr. Mighell. To draw £200 per an. from 1 July provided, of course, that his work is satisfactory in the meantime (NBAC/N126/92, 28<sup>th</sup> January 1891).

The possibility of an increase in salary, or the threat of a decrease (NBAC/126/92, 30 January 1891) was a considerable performance incentive when Pacific islanders were receiving £6 per annum and keep, unskilled European workers received 20/- per week

at the Goondi mill to work a 10 hour day, or a 12 hour day if required in the crushing season, and skilled workers could earn 12/- per day (NBAC/N74/50-51).

Part of the Goondi mill manager's responsibilities included accounting, with a bookkeeper employed for that purpose. The intense and detailed supervision emanating from CSR's Sydney office reflected an emphasis on the moral rectitude of good account keeping (Carruthers and Espeland, 1991):

I must confess that the unexpectedly careless and neglectful manner in which the Goondi accounts lately received have been compiled, causes me to feel some uneasiness ...and it may be good as well ... for you to tell Mr Highell that if he expects to receive the increase of salary ... it will be necessary for him to shew some improvement in the style of the 1890 Goondi a/cs (NBAC/N126/92, 5<sup>th</sup> March 1891).

When I complained a month ago of the careless manner in which your accounts had been rendered I had in mind the discrepancies between the Cash A/c and the four weekly statement of Wages paid to Europeans and Chinese, the erroneous Polynesian return Statement ... and other inaccuracies which called forth my telegrams ... the mistakes referred to should not have happened and occurring in the case of a distant mill, just when our time for making up the account is very limited. (NBAC/N126/92, 2<sup>nd</sup> April 1891).

I note in your weekly Wages Returns during the Slack Season that you have charged to Capital Accounts the work done on Intermediate Carrier. This is wrong: it should have been charged to Maintenance Machinery ... send me as soon as possible the number of days worked and the wages earned by Europeans and labor on this work, so that I may make the necessary alterations in our books. Per General Manager (NBAC/N126/2, 13<sup>th</sup> July 1891).

Herewith is sent a circular in regard to the preparation of the new worksheets. At those mills where the sheets are not made out by the Chemist, this officer should supply the figures needed for the headings "Tons Sugar Branded", "Tons Jelly Sugar Remitted", "Net Tons Sugar Manufactured" and "Tons Branded Previous Season's X" – he should also make the requisite calculations for the estimated tons ... under the heading "Intermediate Products" ... (NBAC/N126/2, 18<sup>th</sup> June 1891).

CSR's objective was to increase the yield of the cane-growing lands, and to increase both the quality and quantity of sugar from the mill, and there was no area outside the scrutiny of its head office or immune to counting and measuring, even to the usage and recording of manures used in fertilising and the digging of holes in which to plant cane:

... By this mail you will receive 1 book and 12 sheets for the purposes of a daily journal on manures and 1 book and 8 sheets for half yearly reports on manures as well as 40 forms for statements on ... actual yield of the cane crops. The books on Manures should be regularly kept and twice a year copies of the records therein sent to Sydney on the loose forms ... (NBAC/N126/2, 7<sup>th</sup> January 1891).

With regard to digging large holes for cane, I can only say that your Kanakas remove just half the quantity of earth that a coolie does on

similar soil in Fiji. You state that it takes £2 – or 12 Kanakas – per acre, say for 2000 holes, or 166 holes per man.

Goondi            166 holes 20” X 10” X 10” = 7.1 cubic yards

Fiji task            120 holes 24” X 20” X 12” = 14.8 cubic yards

In my previous estimate I calculated one acre to contain 1782 holes ... and 80 to be dug per day, or under 12 cubic yards per man = £3/13/4 p.a. (NBAC/N126/2 14<sup>th</sup> October 1891).

... I am under the impression that we are much behind other sugar growing countries in the planting, and that we should take much more care with this operation than hitherto (NBAC/N126/2, 22<sup>nd</sup> September 1891).

Fleischman and Tyson (2000, p. 25) observed in a study of Hawaiian sugar plantations, that in the case of coloured labourers, there were no records on the performance of individual workers, i.e. “efficiency data were not necessary because they were irrelevant from the racial control perspective”. They drew attention to the fact that “wage rates were differentiated according to ethnicity”, and that “accounting served managerial elites by reinforcing these policies” (Fleischman and Tyson, 2000, p. 28). There is no doubt this was the case in the Queensland sugar industry, legislation having set the parameters for the use of Pacific island labour, and therefore, indirectly, the parameters for accounting for such labour. Certainly, as highlighted above, the names even of unskilled white labourers were listed in the Labour Register (NBAC/N74/50-51), and yet Pacific island labourers were not distinguished between, but classed simply as a group, as demonstrated in Appendix 1. It was when the wages they could command began to increase that distinctions were made within that class of labourers about those who were re-engaging or not, but it was on the basis of their group cost that decisions were made about their cost-effectiveness.

Coloured labour was recorded separately from European labour, and ethnic groups were divided further into Coolie, Chinese, Fijian, Javanese, Japanese, Cingalese and Kanaka (NBAC/142/3566). It was held to be important that these categories be kept separate, as designated in the Mill accounts that were prepared each year<sup>22</sup>, and emphasized in the following correspondence from E W Knox in Sydney to C E Forster Esq at Goondi Mill:

... With reference to your statement of Polynesians on Plantation on 31<sup>st</sup> Dec as shown on your Yearly return ... We want the number of men of each ship with the date when their agreement expires, who are on the plantation on the 31<sup>st</sup> Dec 1890. It is impossible to work from your return as in 1889 you shew ex Eliza Mary 86 Kanakas while in 1890 you show 101 whose time expired on Aug 21<sup>st</sup> 1890 ... Please send a correct statement shewing the actual number on the Plantation, by return post as we cannot make up the accounts until this is done (NBAC/N126/2, 11<sup>th</sup> February 1891).

... The information you give in regard to Kanaka labour will enable us now to prepare a statement shewing how we will stand at the end of December: this is to be submitted to the Board next Tuesday, when I hope the question of abandoning or continuing to work Victoria will be settled. So far as we have gone with this Statement it would appear that there is no

chance of keeping the plant going, unless we introduce at least 200/300 Javanese (NBAC/N126/2, 28<sup>th</sup> January 1891).

For the particulars you said about the Kanakas I am obliged ... herewith is returned your statement of expenditure during the slack season to have particulars filled in as to the Cingalese, Chinese and Kanaka labor so as to complete the statement, which please send back to me as early as possible (NBAC/N126/2, 21<sup>st</sup> January 1891).

With reference to heading "Rations" in your four-weekly returns please, in future, divide into "Servants", "Cooks for Kanakas", "Cooks for Europeans", "Baker", "Storekeeper", "receiving and delivering", instead of shewing all under the heading of "Rations" (NBAC/142/1456, 4<sup>th</sup> March 1890, p. 445).

The colored labor should be shown after the European, in the same manner as in your last slack season's estimate. This return is wanted for comparison of the work done at the various Mills, and its preparation will enable you to estimate with greater accuracy the total expenditure which you wish to be authorized (NBAC/N126/2, 11<sup>th</sup> November 1891).

With a goal of operating the mill as profitably as possible, to CSR directors, these detailed classifications were useful to ascertain and therefore track the cost of various tasks, depending on how labour-intensive they were, e.g. clearing, maintenance, and the cost of cutting cane. They presented a clear message to managers of what the company required:

I think you have yet to show us that the clearing can be done at such a price that we might hope to get a fair return from our money, allowing for the fact that our tenure at Goondi is precarious ... the cost of the work being excessive ... I cannot call to mind that I have since received from you any statement indicating that the work can be done more cheaply, or that there was any justification for incurring the heavy expense involved (NBAC/142/1457, 16<sup>th</sup> December 1890, E W Knox to C E Forster).

You speak of the grubbing costing £3 an acre, but is there any hope of its being kept down to this limit? (NBAC/142/1457, 16<sup>th</sup> December 1890, E W Knox to C E Forster).

The cost of cutting the cane is certainly very high at Goondi. Mr Pope's explanation of this is noted but at Homebush where they have also very light crops and fully 3 miles of horse-traction the cost is 3 ½ d per ton lower (NBAC/N126/2, 22<sup>nd</sup> September 1891, E W Knox to C E Forster).

Strict records were kept of every aspect of production, and stringent measures were to be employed in increasing the yield of the plantation<sup>23</sup>, and in controlling expenditure<sup>24</sup>, in order to produce sugar at the lowest cost possible. Keeping these costs low contributed to the overall result of the mill, i.e. the cost of producing the sugar. Mr Forster was informed by a letter dated 17<sup>th</sup> March 1890 that "your sugar was, after all, produced at a moderate price, chiefly in consequence of the cost of kanaka labour being very low and through the percentage of workers being high" (NBAC/142/1457).

Comparisons were frequently made between the three north Queensland mills, as following correspondence from E W Knox to C E Forster indicates. Maintenance

expenditure (NBAC/142/1456, 20<sup>th</sup> May 1889, pp. 34 – 35; NBAC/N126/92, 23<sup>rd</sup> September 1891) and mill wages (NBAC/142/1456, 20<sup>th</sup> May 1889, pp. 34 – 35; NBAC/142/1456, 1<sup>st</sup> May 1899, p. 9) were two items singled out for attention. *Table 1* illustrates the kind of document that was prepared for the information of the mill managers, in order to inform them of the cost of their operations, and perhaps, subtly, to alert them to the importance of operating in as cost-effective a manner as possible.

[Take in Table 1]

The capturing of this kind of information about the profitability of operations alerted CSR's internal audience of mill managers to the prevailing economic rationale underlying board decisions about wages and potential mill closures, particularly in the comparisons drawn between mills. A letter from E W Knox at Sydney to the Goondi manager dated 1<sup>st</sup> April 1890 (NBAC/142/1457) stated that Victoria Mill's "greater working expenses" indicated "the advisability of removing Victoria Mill and not Homebush, if we decide on employing the plant of one of the Queensland mills in Fiji". Directors needed to know what cheap labour was available, in order to make such a decision. The following projection of the availability of coloured labour crucial to the running of the mill, shown in Table 2 illustrates the kind of planning that was undertaken at that level:

[Take in Table 2]

CSR recognized the necessity of working within the constraints of public opinion. New situations required changes and opened up new possibilities for profitable operations, with CSR's strict and prescribed accounting system providing economic input for decision making at Board level and for the justification of those decisions to investors. Accounting counted and captured the precise cost of every aspect of the production process, including the employment of labour, to compare the various costs from year to year within and between mills. Accounting systems thus produced technical information which CSR presented as an account to internal and external audiences.

## **CONCLUSIONS**

CSR, as a sugar producer in north Queensland in the late 1800s, employed and accounted for indentured Pacific islanders in a way that reflected current employment politics, the economic agenda of the government and public opinion about the practicality and morality of these practices. The CSR board and the Goondi manager operated within the possibilities and constraints of this environment, strategically apprehending and managing investment opportunities to achieve a profit that would enable the payment of a high dividend to investors. To this end, the employment of Pacific islanders was determined and justified entirely on economic grounds, as illustrated by the emphasis CSR placed on profitability and the accurate recording of costs, the comparison of costs between mills, and the justification of decisions based on those costs.

Profit provided the rhetoric of rationality used to make and justify the board's decisions. As portrayed in Figure 4, accounting, as a set of calculations, was an integral part of this process. Manifesting both technical and rhetorical dimensions, it provided an account of the company's operations. Internally it enabled the technical calculation of costs and profits for board decisions, and the justification of those decisions on the basis of their economic rationality, to the Goondi manager and

employees. Those calculations were then presented to CSR's external audience, to lobby the government, to justify decisions to the general public, and to reassure shareholders that everything possible was being done to maximise their returns.

[Take in Figure 4]

What is the value of providing this historical account? First, the paper contributes to the accounting history literature by providing an account of the way accounting was actually practised on a day-to-day basis in a specific place, at a specific time (Carnegie and Napier, 1996). Secondly, by using a sociological perspective to frame accounting at CSR's Goondi plantation and mill, the paper illustrates the value of combining questions of "what" and "how", with "why" and "how did we get into this state?" (Funnell, 1996, p. 59). Thirdly, the study of "how and why accounting comes to be implicated in different arenas" not only casts light on the practices taken for granted in the past but also alerts us to the need to challenge and critique accounting practices taken for granted today (Carnegie and Napier, 1996). If, as Miller et al (1991, p. 401) suggested, "an unravelling of the relations of power within which accounting is embedded, and which in turn it has helped to fabricate, is a worthwhile objective in its own right", then we, as accounting researchers, have the opportunity to look back and reflect on our history, however challenging it may be, in the light of current events in which accounting is implicated.

By using a particular framework, this paper provides particular insights not possible in the mere recitation of historical facts, but at the same time, neglects other possible interpretations. Perspectives that could prove fruitful for further research on Queensland's use of indentured Pacific islanders, for example, could include a study conducted at sugar mill operated by a different company, or the use of an interpretive framework based on racism, domination and control in the Foucauldian tradition, or the globalising influences of colonialism. Further research could be conducted in different historic sites to investigate the contributions both the technical and rhetorical dimensions of accounting make to the fulfilment of corporate aspirations.

The story of CSR, its plantation and mill at Goondi, and the way labour was accounted for is historically interesting, but what is more interesting and challenging is to reflect on the way in which economic arguments were mounted, based on accounting and notions of profitability, to justify a legalised form of exploitation. As accounting historians, we are well placed to recognize the power of accounting in perpetuating injustices and mobilizing economic arguments, which are later recognised as inappropriate or unjust. What social institutions are we, as accountants, accepting without question and perpetuating today?

#### ***Postscript.***

*In 1994, the Australian Federal Government recognized South Sea Islanders as a community. On 9 September 2000, 400 Australian South Sea Islanders took part in a recognition ceremony at Queensland Parliament House. The Queensland government Recognition Statement acknowledged "past injustices, discrimination, social disadvantage and racial prejudice", and stated that "the Queensland Government hereby formally recognises Australian South Sea Islanders as a distinct cultural group" (Brändle, 2001, p. 38).*

**Appendix 1. Goondi Mill Labour Monthly Balances**

(Source: NBAC/142/3566. Sugar Mills monthly balances. CSR Co Ltd 1896 – 1902)

**DEBITS**

Month	Coolie			Chinese			Fijian			Javanese			Japanese			Cingalese			Kanaka			Supplies		
31 Oct 1896				289	9	6				311	17	8	943	-	7				6525	18	10	276	-	7
30 Nov 1896				323	15	11				355	-	10	1185	1	7				6525	18	10	302	7	7
31 Dec 1896				421	6	4				477	5	10	1507	15	2				7767	13	5	382	7	8
Close of season 1896													587	13	9				3510	16	4	109	19	3
31 March 1897				53	8	10				1	-	-	725	14	5				3777	13	-	111	16	1
30 April 1897				98	19	1				1	-	-	824	2	6				3777	13	-	130	3	11
31 May 1897				98	19	1				1	-	-	828	-	1				3781	13	4	219	11	-
30 June 1897				202	10	10				1	-	-	1105	17	1				3825	9	1	322	13	9
31 July 1897				246	9	7				1	-	-	1303	8	10				4935	19	7	322	3	-
31 August 1897				300	5	3				1	-	-	1333	15	2				6274	-	-	348	15	2
30 September 1897				346	19	1				1	-	-	1436	5	7				6320	14	9	348	15	2
31 October 1897				389	10	11				1	-	-	1555	5	4				6284	13	6	348	15	2
30 Nov 1897				431	2	11				1	-	-	1672	11	10				6296	15	2	372	16	1
31 Dec 1897				543	-	5				1	-	-	2178	-	1				7319	19	2	466	16	1

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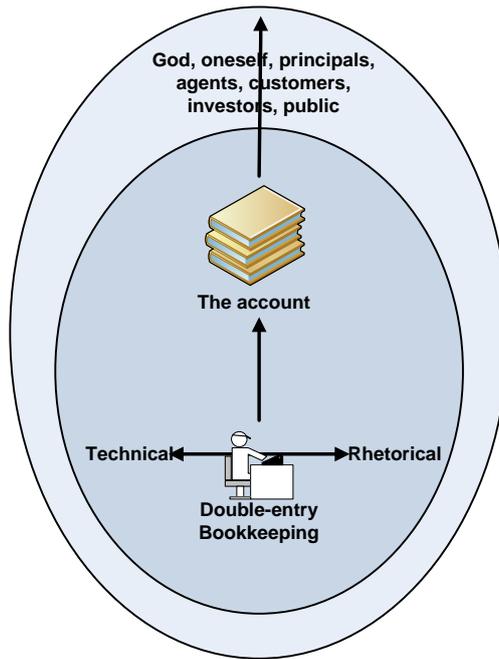
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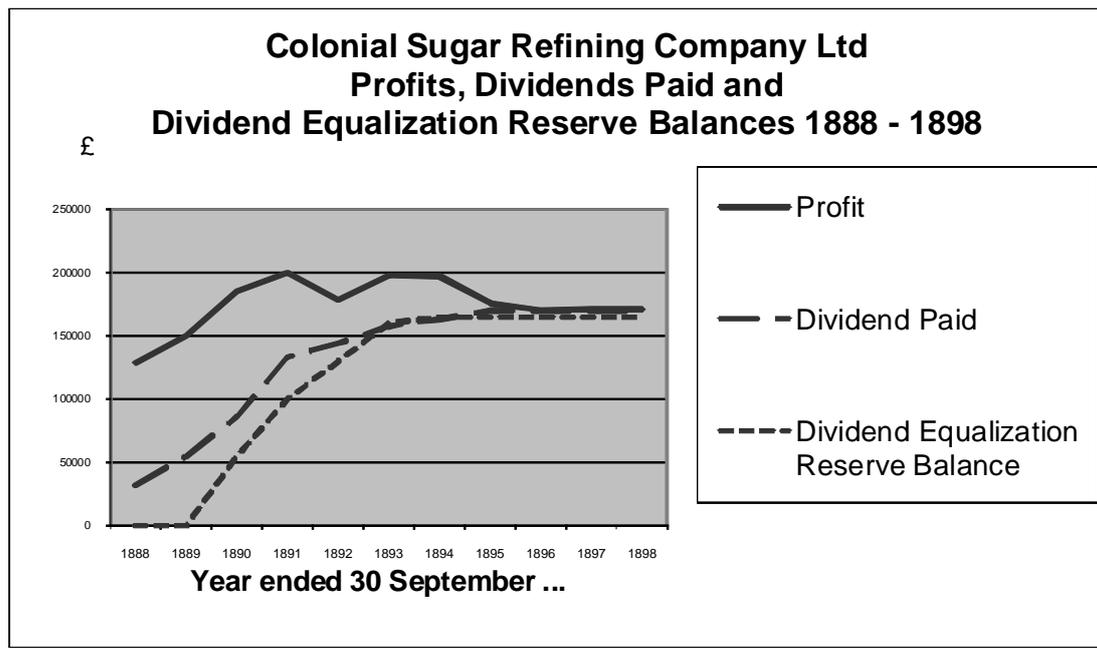
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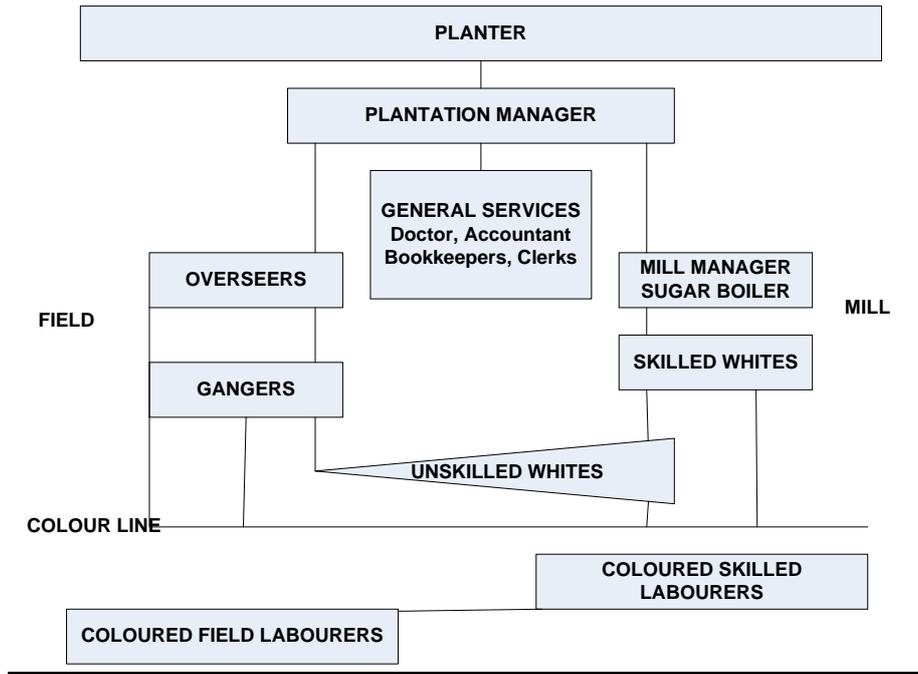
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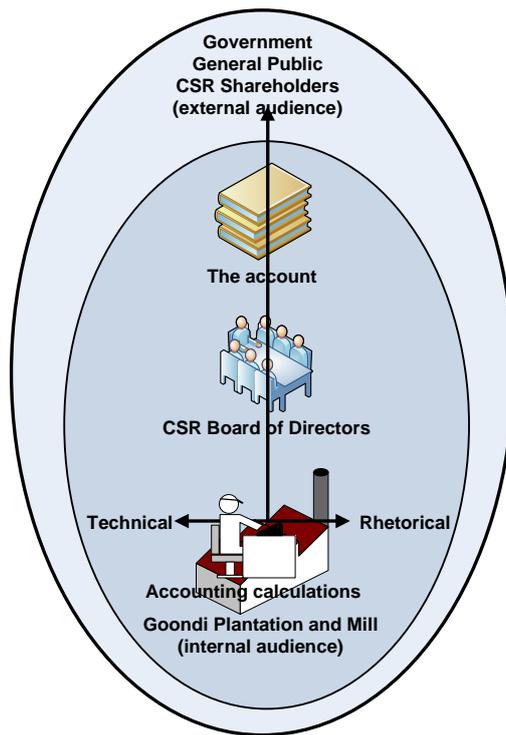
*Figure 1. The technique of double-entry bookkeeping and the rhetoric of the account*



*Figure 2. CSR Dividends 1888 – 1898*  
(Source: based on data from NBAC/142/3527)



*Figure 3. Plantation Structure: Status and Authority*  
(Saunders, 1982, p. 62)



*Figure 4. The technical and rhetorical dimensions of Goondi accounting*

	Homebush			Victoria			Goondi		
	£	s	d	£	s	d	£	s	d
Material for maintenance	1948	16	9	1968	4	9	2599	4	10
Material for Manufacture	401	3	7	581	8	11	435	5	3
Sundries	681	4	2	626	9	10	650	7	11
Wages	1178	5	8	1586	2	6	1588	17	-
Fuel	*			179	13	8	135	7	-
	4209	10	2	4941	19	8	5409	2	-
	* £42 included in Material			£202 in steamers and parts			£78 on steamers and parts		

**Table 1. Maintenance of Plant and General Charges Comparative Statement**  
(NBAC/142/1456, 15<sup>th</sup> March 1890, p. 477, E W Knox to C E Forster)

1 <sup>st</sup> Jany '91	546 Kanakas
To leave Jany/Sept	88
	458
To arrive Sept 400 Javanese	224
To leave Oct/Dec 176 Kanakas	
	682
Average available for '91 crop say 700	
1 <sup>st</sup> Jany '92	682
To leave Jany/June	97
Available for '92 crop	585
1 <sup>st</sup> Jany '93	585
To leave – Jany/July	168
Available for '93 crop	417
To leave Dec '93	17
	400 Javanese who if engaged by 31 <sup>st</sup> Dec '94 could take the crop off that year

**Table 2. Estimates of Coloured Labour at Goondi 1891 to 1893.**  
(NBAC/N126/92, 30<sup>th</sup> January 1891)

#### NOTES

<sup>1</sup> Various terms have been used to describe these people, including “Pacific islanders”, “Polynesians”, “South Sea islanders”, or “Kanakas”. The term “Kanakas” became a “term of derision” used by white Australians to describe South Sea Island labourers” (Berry, 2000, p. 111). It is now not used and will not be used in this paper except when referring to original documents or in a direct quotation.

<sup>2</sup> The American Civil War (1861 – 1865) caused a “serious disruption” to American sugar production and hence the European market was looking elsewhere for its supply (Andrew and Cook, 2000, p. 1).

<sup>3</sup> The area under sugar cane expanded from 1,995 acres in 1867 to 28,026 acres in 1881, the quantity of sugar produced in that time increasing from 168 tons to 19,051 tons (NBAC/Z303, 1882).

<sup>4</sup> Local ecclesiastics urged people to “regard the kanaka as man and brother”, but instead they thought of him as a “black curse” (Pagani, 1989, p. 37). The influential British and Foreign Anti-Slavery

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Society” campaigned vigorously against ill-treatment of coloured workers (Evans et al, 1975, pp 160 – 161).

<sup>5</sup> Labour unions were criticized for their insistence that Pacific islander labour be abolished: “If the Labor vote in Australia is too strong to permit of the development of North Australia, let that vote take the responsibility of its own unreason. Compel it to do so ” (ASIM/SJ.SJTC, 1894g, p. 20).

<sup>6</sup> At the time of the passing of the 1884 act which excluded Islanders from anything but agricultural labour, it was reported that Pacific Islander labour cost 2/4d per day “including passage money to Queensland and back home, charges under acts, wages, maintenance”, compared to white labour which cost 5/2d per day. In addition, Islanders worked “longer each day, for more days each year” (Parnaby, 1964, p. 130).

<sup>7</sup> The British Government pressured the Queensland Government into issuing regulations requiring the presence of Government agents on all recruiting vessels (*The Call for Recognition*, 1992, p. 76; Frost, 1996, p. 133). The Colonial Office had been critical of the system of recruiting.

<sup>8</sup> Griffith swept into power in 1883 “by an overwhelming majority, proclaimed the champion of ‘White Australia’, of the little man, and of much besides” (Docker, 1970, p. 211).

<sup>9</sup> Sir Samuel Griffith’s government was defeated in 1888.

<sup>10</sup> Two of the three commissioners recommended the continuation of coloured labour, ascribing the depression in the industry to the threat of the new legislation (Parnaby, 1964, p. 137).

<sup>11</sup> Griffith and McIlwraith, previously opposed, formed a coalition government in 1890 (Bolton, 2003).

<sup>12</sup> A letter to the Editor in the *Brisbane Courier* on 17<sup>th</sup> December 1881 (NBAC/Z303/, 1881, p. 7) reinforced the belief about the unsuitability of work in the canefields for white workers, and linked the necessity of employing cheap labour to the economic importance of the sugar industry. It was reported that the colony’s clergymen arranged “mass meetings in condemnation of the traffic” (Morrison, 1888, p. 183). Alternative interpretations of this labour trade identified islanders’ agency in the process, and their motivations for involvement as coming from within their community rather than from outside coercion (Munro, 1995).

<sup>13</sup> The deportation of the Pacific islanders was described as one of the “darker aspects of Federation” (*Sugar Heritage News*, 2000, p. 2).

<sup>14</sup> The name “Goondi” was a widely used Aboriginal word meaning “big bend” or “bent elbow” (Robertson, 1991, p. 5).

<sup>15</sup> The others were Homebush near Mackay and Victoria on the Herbert River (Robertson, 1991). CSR invested £200,000 into its “great” Victoria Mill near Ingham, which was reputed to have “everything – electric light, automatic feeding into the rollers ...” (Docker, 1970, p. 173).

<sup>16</sup> Edward W Knox was the son of the founder, Edward Knox. Based in Sydney, he was the General Manager of CSR, taking his seat on the board when his father returned to England on his retirement in 1891 (NBAC/142/3527, *31 March 1891*). He was known for the way in which he exercised stringent control over CSR’s distant operations (Hooks and Stewart, 2007).

<sup>17</sup> An 1898 letter from 17 farmers at Goondi (growing cane on land leased or purchased from CSR), recorded their undertaking to repay to the company within three years “the whole of the money expended in connexion with the introduction, landing & return passages of such labour (Polynesian), together with interest at the rate of six per cent per annum” (NBAC/N126/121).

<sup>18</sup> With the passing of the *Pacific Island Labourers’ Amendment Act (Queensland) 1884*, islanders were limited to employment only in “tropical or semi-tropical agriculture”, which excluded other trades and domestic or household services (Parnaby, 1964, p. 128; Frost, 1996).

<sup>19</sup> The salary of the Goondi mill manager, Mr Forster, was quite handsome, increasing from £345 in 1888 to £445 in 1889 and £550 in 1890 and 1891 (NBAC/Z109/308). A great deal was expected of him. In a letter dated 30<sup>th</sup> January, 1891, from CSR’s General Manager Staff to Mr Forster, the manager was encouraged to improve his performance: “... trust that you will be able to convince me at the end of the year by the results of next season that the blame for the indifferent work in 1890 could not fairly be laid at your door” (NBAC/126/92, 30 January 1891).

<sup>20</sup> Townsville, the “main entrepot” during the sugar boom, “naturally tended to favour the McIlwraith administration of 1879 – 1883, with its emphasis on developmental policies, lavish investment and tolerance of non-European labour” (Bolton, 2003, p. 5).

<sup>21</sup> The southern plantations of North America also operated with detailed accounting records (Flescher and Flescher, 1981; Razek, 1985; Fleischman and Tyson, 2000).

<sup>22</sup> Accounts were kept at Goondi for Cultivation, Cutters Wages, Fuel, General Charges, Chinese Labor, Kanaka Labor, Live Stock, Mill Wages, Rations, Maintenance of Plant, Working Expenses Sawmill, Working Expenses Tramways, Transport, and Wages (NBAC/N126/2, 17<sup>th</sup> March 1891).

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European wages were included under “Mill Wages”, but Chinese and “Kanakan” labour were recorded separately, in keeping with CSR practice.

<sup>23</sup> “The figure you give as the average yield of the whole plantation – 11 tons per acre – is truly a miserable return from such good land as that at Goondi ... the yield should go up every year henceforward” (NBAC/N126/2, 16<sup>th</sup> December 1891, E W Knox to C E Forster at Goondi Mill).

<sup>24</sup> Even the amount of flour consumed at the various mills came under the scrutiny of E W Knox at CSR’s Sydney office (NBAC/142/1457, 22<sup>nd</sup> April 1890, pp 39 – 40).