The Role of Hawaiian Aliʻi in Early Kingdom Economics

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Research Aims and Significance

This project will explore economic development and change in Hawai‘i from 1810 to 1854 by examining the roles and responsibilities of Hawaiian ali‘i (chiefs) in early business and economics. One aim of this project is to identify the different approaches Hawaiian ali‘i were taking to conduct business and engage in commerce with their own people and foreign nations. Another aim is to analyze the different active economic forces and industries and their impact on ali‘i decision making. The larger goal of this project is to better understand the development and function of the early economic system and to determine which elements can be attributed to a Hawaiian worldview.

This is one of the first studies that will take a closer look at the early adoption of capitalism in Hawai‘i and its impact on the Hawaiian people. It will also make important contributions to the Hawaiian community by promoting scholarship that draws from Hawaiian language resources and a Hawaiian worldview. The final paper will be offered in two versions, ‘Ōlelo Hawai‘i (Hawaiian language) and English, to demonstrate the mastery and importance of research in both languages. Through this research, I will also be able to compile a list of Hawaiian economic terms used in the documents of the time period to expand the Hawaiian language community’s knowledge of traditional business vocabulary. This research will also provide insight into what a Hawaiian form of economy looks like to inform contemporary conversations about Hawaiian and indigenous forms of business.

Background

There were three mō‘ī (kings), Kamehameha I, Liholiho, and Kauikeaouli, who ruled the Hawaiian Islands between 1810 to 1854. During this span of 44 years, the Hawaiian Kingdom was formed as an absolute monarchy and later transitioned into a constitutional monarchy. There were a number of other ali‘i that served under the mō‘ī in government positions, several with
economic responsibilities. Some of these aliʻi include Kaʻahumanu, Kalanimoku, Boki, and Kekūanaōʻa. This project will focus on the interactions of the mōʻī and aliʻi with the Hawaiian people and foreign governments in activities relevant to trade, business, and economics. Though the main focus is on the mōʻī and aliʻi, the opinions of makaʻāinana (Hawaiian general populace) and foreign governments will also be researched to provide greater detail on the impact of the decisions of the aliʻi. This project will examine a variety of business and economic aspects pertaining to the aliʻi including taxation, currency, legislation, decision making, and relationship building. All Hawaiian terms used in this proposal will be followed by an English translation in parentheses at their first appearance.

**Literature Review**

**Important Industries**

From 1810-1854, there were four main industries that drove economic trends: fur, sandalwood, whaling, and sugar. The fur trade began around 1785 and the Hawaiian Islands were a major stop for fur trading ships to procure supplies up to the late 1820s. Hawaiʻi was introduced to the sandalwood trade in 1790, but prime trade occurred from 1810 to 1829. Hawaiʻi experienced the heaviest whaling ship traffic from 1819 to 1848. Sugar plantations gained prominence in the 1840s and the height of the sugar industry extended far beyond 1854 into the twentieth century. Among these four industries, sandalwood, whaling, and sugar had the greatest impact on Hawaiʻi’s economic development.

The sandalwood trade was spurred by a demand in China for the fragrant wood. Hawaiʻi became involved in the trade through the export of ʻilialih (Hawaiian sandalwood). Kuykendall

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briefly details the main sandalwood deals that occurred between Hawaiian aliʻi and American traders that promulgated deforestation and a makaʻāinana labor force. His research provides a comprehensive outline of the industry including names of prominent traders and amounts of exported wood, but he fails to connect the events to a larger narrative. Arista takes a different approach to her analysis of the sandalwood trade by incorporating the traditional Hawaiian concepts of mana (spiritual power) and pono (uprightness). She identifies Hawaiian aliʻi as direct participants in the sandalwood trade due to their efforts to pay off their accumulated debt from buying ships and luxury goods. Her analysis opposes Euro-American accounts that frame Hawaiians as mere consumers, and instead concludes that the aliʻi used their authority to catalyze the Hawaiian sandalwood trade.

Through an analysis of political development, Arista also addresses the effect of the whaling industry on the Hawaiian Kingdom. She credits the problems between Hawaiian women and foreign sailors at the height of the whaling industry as a reason for the increase in kānāwai (law) creation. The whaling industry was also responsible for the development of urban industrial harbor towns throughout the islands. These towns were centered around general trade and selling provisions to the ships passing through resulting in an economy dependent on ship traffic. Kent assigns a special importance to the whaling industry when he writes that the whaling trade had the greatest impact on Hawaiʻi’s economic structure. He identifies this as the beginning of Hawaiʻi’s role as “a center within the periphery,” a place whose economy is heavily dependent on outside forces.

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4 Arista, The Kingdom and the Republic: Sovereign Hawaii and the Early United States, 156-165.
The rise of sugar cane agriculture brought along major changes in private land ownership and the concept of labor. Kent’s analysis of economic progression in Hawai‘i best addresses the economic impact of the plantation economy in Hawai‘i despite his lack of reference to Hawaiian resources. He explains the plantation economy as a system that dispossessed the Hawaiian people of their land while simultaneously solidifying Hawai‘i’s economic dependence on foreign markets. He argues that the formation of an economy in the 1800s that depended on the American market also laid the foundations for the overthrow, annexation, and eventual statehood. Kent’s research of the different industries is the closest attempt to an examination of economics in Hawai‘i, but he does not thoroughly investigate the early development of economics or the influence of traditional Hawaiian values prior to the establishment of the Hawaiian Kingdom. However, he does offer an interesting analysis that Hawai‘i’s dependency on a capitalist system hinders the islands’ ability to create a thriving economic structure.

Kuykendall, Arista, and Kent follow a pattern of describing each of these industries as a mono-economy. A mono-economy is an economy that relies on one major industry, export, or natural resource to stimulate trade. However, a comparison of each industry’s active time period reveals that they overlap suggesting a departure from previous research that analyzes them as separate trends. In researching the active economic forces and industries for this project, the idea of heightened effects from merging industries is one area that can be expanded upon.

Economic Competition

Because there were many different active industries and a rapid development of the harbors, different forms of economic competition also occurred. Ali‘i had increasingly

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conflicting views on which direction Hawai‘i should take in economic pursuits. One of the recurring power struggles mentioned in existing literature was between Ka‘ahumanu and Boki. Ka‘ahumanu and Boki not only competed for economic dominance, but also for governing authority. Dibble draws from Hawaiian sources to elaborate on how each of their respective interests caused conflict between them as Hawaiian leaders. He explains that Boki was responsible for the repayment of debt through the sandalwood trade while Ka‘ahumanu managed the change in religious systems and allocated economic resources to the Christian missionaries.¹⁸ Their different approaches to governance and economic authority fueled a growth in competition. Kamakau’s accounts of their competition support Dibble’s findings and also show increased tension due to the added pressure of foreign alliances. His historical retelling focuses on Boki’s activities during a time where increasing missionary influence was beginning to concern foreign consuls and businessman. As a competitor of Ka‘ahumanu and the missionaries, Boki decided to befriend the various foreign consuls to strengthen his alliances and they assisted him in the sale of liquor and purchase of imported clothing, which resulted in a large incurrence of debt. These actions resulted in a growing divide between Boki, Ka‘ahumanu, and Kalanimoku as Ka‘ahumanu and Kalanimoku began to doubt Boki’s loyalty to the kingdom and feared that he was rebelling their authority.⁹ Kamakau is a well-known and well-respected Hawaiian scholar and historian and his Hawaiian retelling captures how Hawaiians viewed the effects of economic conversation on their ali‘i. Both Dibble and Kamakau identify the relationship between Boki, Ka‘ahumanu, and Kalanimoku as an area that created clear divisions between their approaches to government and economics.

Aliʻi were also dealing with the influence of their foreign advisors who came from many different countries and often had different interests concerning the future of islands. Hawaiian alii faced competition from foreign consuls and ship captains who wanted to direct the kānāwai making process to ensure their interests would be supported or, at the least, unaffected by new Hawaiian laws. King and Gast provide further insight into the relationships between alii and foreign advisors through their biographies of two different foreign individuals. King writes about Reynolds, a prominent American trader who resided in Hawaiʻi from 1823 to 1856 and became an established businessman who owned a sugar plantation, several general stores, and numerous other properties across the Hawaiian Islands. Although he was not a direct competitor to the alii, Reynolds was witness to some of the disagreements between Hawaiian chiefs, merchants, and missionaries as recorded in his journals. For these reasons, King labels Reynolds as an outstanding pressure in Hawaiian policy making. Gast writes about a foreign advisor from Spain, Don Francisco de Paulo Marin, who served under several different alii as an advisor, interpreter, business official, keeper of accounts, and unofficial physician. As an intermediary, Marin witnessed many different business transactions and was also valued as an agriculturalist, liquor distiller, and confidant of the chiefs. Gast also addresses that Marin’s influence was reduced after the death of Kamehameha I, but slowly rose again when the alii requested his services to help manage their debts. Marin experienced even more freedom under Boki, which enabled him to further his own business and agricultural ventures. By synthesizing the letters and journal, Gast hypothesizes that Marin used his position more effectively than other foreign advisors because he was able to educate himself in the Hawaiian kapu system and use his

10 Arista, The Kingdom and the Republic: Sovereign Hawaii and the Early United States, 156-165.
knowledge to form laws that made business more convenient for his own pursuits. These insights from Arista, King, and Gast reveal that economic competition from foreign advisors often coincided with pressure in policy-making. As a result, early legislation will be a key resource in this research project to trace how foreign pressure translated into business and trade kānāwai.

The strong competition between aliʻi and foreign advisors developed into a general economic competition between Hawaiʻi and other foreign countries over the state of the Hawaiian Kingdom’s economic position and outlook. According to Reynolds’ journals, Great Britain, France, America, Spain, and Russia were some of the many countries involved not only in Hawaiʻi’s economy, but also political, social, and religious systems.

Economic Systems

Aliʻi realized that the combination of active industries and incoming foreign influences were causing rapid change in their society. In response, they sought to learn about western economics. In 1838, Kauikeaouli, Hoapili, and Kīnaʻu asked William Richards to teach the aliʻi about political economy. Richards uses Francis Wayland’s *The Elements of Political Economy* as well as his own Hawaiian version of Wayland’s text, *No Ke Kalaiaina*.

*The Elements of Political Economy* takes an extensive look at the production and application of wealth to the well-being of people. The book covers a spectrum of economic concepts including wealth, production, labor, capital, and consumption. Wayland analyzes political economy through the lens of a capitalist system and advocates for the maximization of

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wealth to achieve the highest benefits from an economic system. Wayland provides clear definitions of all economic terms used, enabling him to build a smooth progression of concepts starting from a basic idea of wealth to the ways in which one acquires wealth, who is involved, and how wealth is used. Wayland’s description also has some limitations as an economic theory. He discusses economics in terms of the Industrial Revolution period where the economy was dominated by a manufacturing system. This leads Wayland to discuss economics in terms of absolutes whereas economics is a changing and unpredictable field especially during the period of rapid change occurring in Hawai‘i in the 1800s. As a result of the time period, there is also little discussion of ethics concepts that are central to economic discussions around the world. For example, he does not address exploitation and its consequences when applied to labor and resources.

In comparison, Richards outlines economics through four parts titled ho‘onuiwaiwai (increasing wealth), kū’ai (trade and exchange), pu‘unaue waiwai (dividing wealth), and ho‘opauwaiwai (using wealth). When paired with Wayland’s work, Richards’ book illustrates a small divide between global and Hawaiian economics through the use of Hawaiian analogies to modify economic concepts. Although the specialization for the Hawaiian audience is a strength of the book at times, this also seems to limit the knowledge which is communicated. Whereas Wayland provides detailed definitions and explanations of every concept, Richard relates his concepts solely to examples without providing an initial context for the concept.

The basic shift occurring in Hawai‘i at the time was from a subsistence economy to capitalist economy. A subsistence economy is defined as an economy where natural resources

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are used for basic needs and sustenance.\textsuperscript{17} Capitalism is based on the private ownership of materials that are subsequently used to obtain profits.\textsuperscript{18} \textit{The Elements of Political Economy} and \textit{No Ke Kalaiaina} were used to educate the aliʻi on making this shift in economic systems with both books advocating for close alignment with capitalism. One Hawaiian newspaper article in \textit{Ka Lama Hawaii} also began to address how the Hawaiian public was forming opinions on the social aspect of an economic system shift. The anonymous author advises on proper conduct and behavior that should be followed during business transactions. The article states merchants should trade without greed and deception and instead consider the benefit for themselves and their trading partner in making a transaction. The article focuses on the concept of reciprocity as a way to \textit{kuai pono} (practice fair trade).\textsuperscript{19} This is one concept that will be further explored in this research project and included in the Hawaiian business terms vocabulary list.

\textbf{Methodology}

Research will be conducted in different Hawaiʻi archives including but not limited to: Hawaiʻi State Archives, Bureau of Conveyances, and Hawaiʻi Mission Houses Library. I will look at primary resources such as aliʻi letters, foreign journals and correspondences, early legislation, and treaties. I will also research in the Hawaiian language newspapers and expand my research in literature. Both English and Hawaiian language resources will be used for this research project. All Hawaiian language primary resources will be transcribed and translated by the student with the mentor’s assistance. English resources will also be transcribed as needed.

I will use the findings from primary resources, newspapers, and print literature to build a description of the early Hawaiian economy and to form a narrative about the different

\textsuperscript{17} Kent, \textit{Hawaii Islands Under the Influence}, 13.
\textsuperscript{18} Merriam-Webster’s collegiate dictionary (11th ed.), (Springfield, MA: Merriam-Webster Incorporated, 2004), 183.
\textsuperscript{19} “No Ka Poe Kuai A Me Ka Hoolimalima,” \textit{Ka Lama Hawaii}, Iulai 25, 1834, 4.
approaches ali‘i took in business and their effects. To do this, I will first look for common patterns in business transactions to identify economic trends. I’ll then look at the similarities and differences between English and Hawaiian accounts and try to determine why disparities occur. Then I’ll use these insights and analyze them by looking at capitalist economic principles and the two economic frameworks taught to the ali‘i in *The Elements of Political Economy* and *No Ke Kalaiaina*. Then I’ll be able to create a description and narrative about the different business practices and of a Hawaiian economy. I, as the student, will responsible for all of the steps mentioned and my mentor will assist in editing transcriptions, translations, and the final paper as well as providing insight on the Hawaiian worldview and the paper’s final narrative.

**Final Comments**

The literature reviewed provided helpful insight into the main industries of nineteenth century Hawai‘i, the growing competition between Hawaiian chiefs, and the larger transition in economic value systems. During the early 1800s, Hawai‘i was affected by the sandalwood and whaling industries, which introduced new conflicts to the Hawaiian people and inspired the creation of laws to address those problems. In the process, ali‘i started an intense competition in government and economics to try and control the changing landscape of the Hawaiian Islands. The literature also revealed the development of different value systems. For economics, the early 1800s marked a clear transition of Hawai‘i from a subsistence economy to capitalism. Hawaiian ali‘i worked to understand capitalism and define how capitalism would manifest in a Hawaiian economy. The majority of the literature reviewed thus far still approaches Hawaiian economics through a western lens and ignores the possible new findings that may come from looking at an equal mix of English and Hawaiian language resources. However, the literature review also compares and contrasts how literature concerning Hawai‘i changes by language and can be
combined to fill gaps and create a more complex narrative of events and worldviews. As a whole, the literature review was helpful for examining Hawaiian economics through larger historical trends, but still lacks substantial information on the specific actions of aliʻi and the reactions of the native Hawaiian public. This is the area that this project will attempt to fill by taking a closer look at the different actions taken, people involved, and systems developed.
## Project Timeline

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<th>Activity</th>
<th>Complete By</th>
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<tbody>
<tr>
<td>Conduct Research</td>
<td>9/30/2019</td>
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<tr>
<td>Outline Thesis (English)</td>
<td>10/15/2019</td>
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<tr>
<td>Write ½ of Thesis (ʻŌlelo Hawai‘i)</td>
<td>11/15/2019</td>
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<tr>
<td>First Draft (ʻŌlelo Hawai‘i)</td>
<td>12/15/2019</td>
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<tr>
<td>First Draft (English)</td>
<td>12/31/2019</td>
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<tr>
<td>Second Draft (ʻŌlelo Hawai‘i)</td>
<td>1/15/2020</td>
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<tr>
<td>Second Draft (English)</td>
<td>1/31/2020</td>
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<tr>
<td>Third Draft (ʻŌlelo Hawai‘i)</td>
<td>2/14/2020</td>
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<tr>
<td>Third Draft (English)</td>
<td>2/29/2020</td>
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<tr>
<td>Final Draft Thesis and Submit to Mentor and</td>
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<tr>
<td>Committee Member</td>
<td>3/15/2020</td>
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<td>Upload Personal Statement and Resume</td>
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<tr>
<td>Final Honors Project Submission</td>
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<td>Undergraduate Showcase</td>
<td>5/8/2020</td>
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<tr>
<td>Graduation</td>
<td>5/16/2020</td>
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All drafts in ʻŌlelo Hawai‘i will be given to mentor and possibly to committee member for editing pending their schedule and availability. If time permits, the same will occur for drafts in English.
Bibliography


