THE BUSINESS VENTURES OF CHINESE
IN HAWAII, 1820S–1874

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A shared characteristic of overseas Chinese communities throughout the world was that their leaders were primarily prominent businessmen. These businessmen owed their elite status to three interrelated factors: their influence with the indigenous community, their willingness to devote time and money to Chinese community affairs, and their success in the material realm. Many Caucasian leaders in Hawaii under the monarchy (A.D. 1795–1893) had ties to both the Caucasian and the Chinese business communities. To understand the Chinese experience in Hawaii in the nineteenth century, their economic activities provide a significant perspective. While scholars agree that Chinese had experienced the more favorable economic conditions in Hawaii than their counterparts in California, they had not specified in detail the conditions and process. This study is such a specification along infrastructural lines with special reference to the period between 1820s and 1874.

1. Historical Background

During the century of the post-contact Hawaiian monarchy, Hawaiian society developed politically, economically and socially in a way that allowed extensive participation by Chinese immigrants.\(^1\) For this study, I shall present data on some of the important economic developments especially those with which Chinese were ultimately involved. Major political change came about shortly after the arrival of Captain James Cook in 1778. American and European missionaries, planters and merchants acquired considerable political influence over the Hawaiian monarchy. Americans and Europeans, or the so-called haoles\(^2\) were able to assume important political positions as the Hawaiian political system underwent a series of structural changes aimed at preserving the political independence of the kingdom while meeting the growing demands of a developing market economy.

The agitation for changes in the land system came also almost exclusively from Westerners. Traditional Hawaiian kings and the chiefly class had absolute power over land and natives. They were reluctant to give up their control over the land, foreseeing that such a change must lessen their power over both the foreigners and the native Hawaiians.\(^3\) In 1841, King Kamehameha III issued a proclamation making it possible for foreigners to obtain leases for lands on which they were living.\(^4\) Three years later, one hundred twenty-five foreign claims to the lands had been registered, of which 44 percent were American, 25.6 percent British, 6.4 percent other Europeans, and 3.2 percent Chinese.\(^5\)

The haoles realized that the land system could not be changed without clearing the
titles held by kings and chiefs. A special committee was set up to undertake this which resulted in the Great Mahele (division of lands) in 1848. The King divided his lands into two parts: crown land to be his private property, and government land to be controlled by the legislature and its agents. Chiefs presented their claims for a separation of their land rights from those of the King.\textsuperscript{6}

The feudal land system was abolished, but the concentration of land ownership continued. Under the Great Mahele, more than one third of the land went to chiefs, another third went to the government, and nearly one third was kept as crown land by the king. Of the total 4,126,000 acres of Hawaiian land, less than 30,000 acres went to the common people of Hawaii.\textsuperscript{7} Many lands granted to chiefs and commoner Hawaiians were gradually alienated from them through bad management, debt, mortgages and ignorance of the value of land titles.\textsuperscript{8} Finally an act of July 1850 permitted foreigners to purchase land in fee simple.\textsuperscript{9} One thing should be noted here: three Chinese, i.e. Aina, Akina (鄭行善)\textsuperscript{10} and Ahpong (蓬), had already been granted ownership to their land during the Great Mahele. They were all engaged in sugar planting at Hilo on the island of Hawaii.\textsuperscript{11}

The land laws encouraged the development of a wage-labor system in Hawaii. Feudal labor obligations were abolished, and the people were exempted from the labor service due to the king and chiefs.\textsuperscript{12} This gave foreigners who had accumulated capital in their trade and business enterprises the opportunity to hire the necessary labor to develop large tracts of land.

The major law that contributed to the development or wage labor in Hawaii was the Masters and Servants Act passed in 1850. The essential features of the act were:\textsuperscript{13}

1. Any person not a minor might bind himself or herself out by written contract to serve another in any art, trade or occupation for a period not to exceed five years.

2. Any similar contract made in a foreign country, in accordance with the laws of the country, would be held binding in Hawaii, but its term must not exceed ten years.

3. For willful absence or refusal to work, a contract servant might be apprehended and sentenced by any district or police magistrate to serve his employer not to exceed double the time absent, after the date of the expiration of his contract, but such extra period should not exceed one year. For continued refusal to work, a contract servant might be committed to prison.

It was significant in that it committed the government to enforce the contract.\textsuperscript{14} It was also significant in that it recognized contracts made in foreign countries, thus enabling the importation of immigrant laborers. This was the first impetus for sizable Chinese immigration to Hawaii.\textsuperscript{15}

II. Early Chinese Pioneers

Merchants were among the first Chinese to emigrate to Hawaii. As early as 1828,
they were engaged in trade on Oahu. We can see the extent of Chinese involvement in Hawaii's changing society at an early date from various sources. The records of the British Commission in 1843 contained 188 land claims; nine involved Chinese, including Ahmow (亞茂), Aiyin (應), Ahpong, Aiein (徐燕), Akina, Aiung (牛容), Tyhune (黃帝桓), Hungtai (恒泰) and A. Young. Some of these names appear in other records from which we can discern significant business activities.

Hungtai & Co. is said to have established the first sugar mill at Wailuku, Maui, in 1828. Hungtai was a business name, made up of the names of the two partners, Chun Hung (or Ahung 陳恒) and Atai. At times they both used Hungtai as their personal name. Hungtai also opened the earliest Chinese store in Honolulu. Stephen Reynolds, an American businessman who was a close observer of life in Hawaii during the early nineteenth century, kept a set of journals (1823-1855) with many lively entries about Atai. Atai was apparently a close associate of both Reynolds and William French (1794-1851). William French had established his business at Honolulu in 1825 and had entered into sugar cultivation at Waimea, Kauai. It is not clear what the business arrangements were. Either French or Atai, or the two jointly, imported an additional sugar mill and apparatus along with "four Chinese manufacturers", who were under the supervise of Atai. Their sugar business carried on for about two years at Waimea until the undertaking ended up in failure.

Atai's business connection with William French had included a partnership in the Canton Hotel, situated on the mauka side of Hotel Street. The Canton Hotel was fitted with a billiard parlor, bowling alley and a bar serving wines and liquors, a response to the needs created by the increase of whaling ships that spent the winter in Honolulu. In 1846, the premises, including all the chattels, were undersold by auction for $4,620 cash.

The Hungtai store was a much more successful story. In 1838 Hungtai had bought the Pagoda building from William French for $5,000. This building, situated on Merchant Street, was a two story wooden structure with a basement of stone, seven rooms, a cellar and a lookout. The building facing toward Honolulu harbor, "was crowned by a copula and flagstaff in order to provide a landmark for incoming captains and an observatory for those ashore to recognize approaching ship". Upon the opening of this new store in November, many residents and ship masters attended the "very handsome set out". The store sold American and Chinese goods, including silks, gold watches and chains, China shoes, Chinese cloth, sandalwood, goat skins, molasses and crockery.

The Pagoda building was often referred to as "Chinamen's Hall". It served as a social center for the town for many years. Foreign residents often met there for dinner, meetings, dancing parties and auctions. Before Ahung's death, the Pagoda was sold to George Pelly, the Agent of Hudson's Bay Co. in Hawaii, who held a mortgage deed, for $5,000.

Besides the store property on Merchant Street, Hungtai & Co. leased property in
Manoa valley which was probably used for an agricultural purpose.\textsuperscript{29}

In the 1830s and 1840s little money circulated in the Islands. Most of time trade was done by barter or on credit. Especially after 1835, business in Honolulu was slow. This economic situation, it seems, did not affect Chinese businessmen to the extent that it did their \textit{haole} contemporaries. At least three Chinese-owned schooners sailed often between islands, carrying sugar, molasses, goats, turkeys, sandalwood and all kinds of goods.\textsuperscript{30} Chinese merchants always seem to have had enough cash on hand. Stephen Reynolds, among other \textit{haole} businessmen, often borrowed money from them for business transactions.\textsuperscript{31} Atai, in addition to his regular outlay, spent $5,000 through the “instrumentality of native women”, until the last years of his life.\textsuperscript{32}

Atai hanged himself at Wailuku, Maui, in 1841 because of prolonged illness. The funeral followed the Chinese customs. Since the Chinese formed a small community, everyone knew everyone else. All the Chinese were in the procession; a strange scene in the eyes of the \textit{haoles} and natives.\textsuperscript{33}

Apung, Atai’s brother, also known as John Chinaman, Keoni Pake, or China John, maintained good relations with the king and the \textit{haoles}. In 1839 he entered into a sugar share-crop agreement with King Kamehameha III at Wailuku, on the island of Maui. According to the agreement, Keoni acted as overseer in Wailuku, and planted one hundred acres of sugarcane. Keoni was to have four-tenths and the king and others were to have six-tenths of the sugar and molasses on shares for ten years. The king was to supply ten pair of oxen for the heavy work of making sugar, building the sugar mill, and running the boiling house and the large warehouse.\textsuperscript{34} The signers were Kamehameha III, Ke-kaulluohi, Kalauwalu and Keoni Pake. Kekaulluohi was \textit{kuhina-nui} (premier) and mother of King Liholiho;\textsuperscript{35} Kalauwalu had been chief instructor of Alexander Liholiho (King Kamehameha IV); and Keoni Pake was the Hawaiian name of Apung.

Apung inherited considerable property from Atai, and soon became a heavy spender. He gambled lavishly, maintained several mistresses, and lived an extravagant life which was vigorously opposed by the missionaries.\textsuperscript{36} He committed adultery with the wife of a fellow Chinese. The woman was taken to the police fort. In order to avoid the exposure in the court, he hung himself in 1842.\textsuperscript{37}

When Ahung, the other principal partner of Hungtai, married Louisa Gilman, one of the earliest students in Stephen Reynolds’ Dancing School,\textsuperscript{38} this was a major social event. Lord George Paulet, the French and American consuls, eminent foreign residents and many natives attended.\textsuperscript{39}

Tyhune was another Chinese store in Honolulu during the 1840s. The store dealt in “wines and spirits” as well as in dry goods and groceries. It “had rooms for his countrymen addicted to the use of opium”.\textsuperscript{40} Wong Tai-hong, the principal partner, had been at one time (in 1838) in the employ of Ladd & Co. as an advisor to the Chinese workers at Koloa plantation.\textsuperscript{41} He also owned a retail store at Koloa, on island of Kauai.\textsuperscript{42}

Another example of an early Chinese business is Samsing & Co., which was a well-established store still in business in the 1850s.\textsuperscript{43} Besides running this store, Samsing
& Co. operated sugar works in Hilo. Since 1850, Ahpong (or Apong) had become a leading partner in the store. The names Samsing and Ahpong were used interchangeably and, after the 1850s the store changed its name to C. P. Samsing & Co. (三盛號). Ahpong owned sugarcane fields, sugar mills in Waimea, Hawaii; Lahaina, Maui; and Kohala, Hawaii. Stephen Reynolds, his agent, charged five per cent for each sale made to foreign buyers.

Ahpong was a well-respected businessman as illustrated by two examples. In 1851, when Caspea Marks, a stranger from San Francisco accused Ahpong of taking $7,831.50 worth of gold dust without paying for it, none believed the story. It took the all haole jury only five minutes to decide in favor of Ahpong unanimously. C. P. Samsing & Co. remained prosperous in business. King Kamehameha III was a regular customer.

In April, 1852, William Jarrett, the chief cashier of the Treasury, was accused of fraudulently converting $6,112.43 to his own use. Ahpong and another Chinese merchant Apec (阿表, cousin of Chun Hung) were requested by Dr. Gerritt P. Judd, Minister of Finance, to count over fifty-six thousand dollars cash in the Treasury for two days, with the supervision of Judd for only part of the time. This seems to indicate that Chinese merchants, especially Ahpong, enjoyed the trust of the merchant establishment.

The Chinese merchants were community-minded. They were the steady supporters of the Oahu Charity School, which derived its funds mainly from voluntary contributions. Chinese were among the annual subscribers, among them Hungtai “being its main pillar”. A subscription list, dated May 12, 1859, for the Honolulu hospital included several Chinese donors. Among them C. P. Samsing & Co. was listed for $100. Elsewhere, in Hilo, nine Chinese (mainly sugar manufacturers) contributed more than $80 to a new church building. In 1856, the Chinese merchants of Honolulu and Lahaina, including Asing, Yung Sheong (楊尚賢), C. P. Samsing, Utai (裕泰), Achu and Afong (or Chun Afong 陳芳), gave a grand ball for the newly-married King Alexander Liholiho and Queen Emma. The hosts spent more than four thousand dollars on food and decorations, and they practiced quadrilles so that they could dance with their guests. The “celestial” evening was deemed a great success.

There are several reasons to believe that some of these early Chinese immigrant merchants had also been merchants in their home districts. First, they had enough money to pay their own passage and start businesses in a new place. Second, the import-export nature of their business required some familiarity with the commodities. Third, some of the larger Chinese shops in Hawaii had affiliated stores in China. Merchants, such as Apung and Ahpong travelled between Hawaii and China often. This suggests a network of business connections which may have existed even prior to such merchants’ initial departures from China.

There are limited materials to reconstruct the lives of the early Chinese pioneers in the Hawaiian Islands before 1852. Fragments of information show that others were carpenters, cooks and waiters at the hotels, and domestic servants. They seem to have found economic opportunities wherever possible.
A few words should be mentioned concerning domestic servants or cooks who performed managerial functions. Chinese who worked as servants and cooks in fact ran many haole households in the nineteenth century. Some of them began as domestics while teenage boys and remained in service to one family for many years. Because of their youth and long term of service with the same families, these servants or cooks probably became more "Westernized" than most of their compatriots. They had to learn about Western mores even more quickly and thoroughly than their fellow countrymen who undertook agricultural or other manual occupations. Later on, when some of them ended their domestic service and entered into business, their knowledge about the haole ways of doing things gave them certain advantages. They were familiar with Western practices and thus better able to deal with the local commercial community.

In short, the most important group among the early Chinese immigrants proved to be merchants. Their village origins within Kwangtung are unknown. It is difficult to identify any single cause to explain their leaving their native locales to come to Hawaii. All seemed motivated by the desire to improve their economic status, but their background was not always one of poverty. Although Chinese customs were regarded as strange in Hawaii, haoles and natives conceded that most Chinese businessmen were conscientious and industrious. Through the medium of trade, their contacts with other ethnic groups in the Islands increased. Those who had became familiar with Western values and practices benefited the most in Hawaii.

III. Chinese Business Activities as Indicated by Business Licenses, 1854–1874

Westerners transformed the traditional Hawaiian political system into a constitutional monarchy with a large number of government offices. In order to support this structure, a tax and fee system was devised. The tax system also served to regulate business activities. In 1842, a statute was passed that required licenses for wholesale and retail stores, hotels and victualling houses. As the Hawaiian government grew and became more Westernized, it expanded the licensing process. The 1846 Act to Organize the Executive Departments of the Hawaiian Islands provided for eight types of licenses, renewable annually. From time to time thereafter the legislature included new categories of business licenses or deleted old ones. The first year for which licenses were systematically recorded and for which the records are available is 1854.

A fifty percent sampling of all licenses (totaling 16,776 recorded licenses) granted to Hawaiians, haoles and Chinese by the Hawaiian government between 1854 and 1892 shows haoles involved in the most profitable enterprises such as auctions, the liquor business and wholesaling. Hawaiians maintained their hegemony in the boat, horses-for-hire, and other marginal, least profitable occupations. Chinese took over most retail trade after 1874, and by the end of the monarchical period, they were competing more successfully with the haoles.

Table 1 shows the categories of business licenses issued to Chinese during the years 1854 to 1874. The total number of licenses was 1,045. However, note that this figure pertains to business licenses, not businessmen. One license could be registered by several partners, and one businessmen could own or partially own several licenses. So the num-
ber of businessmen involved is not clear-cut. Nevertheless, the figures and different categories indicate the general trend of Chinese participation in diverse businesses.

1. Hawkers and Peddlers

A common beginning for the Chinese trader, especially those who came to Hawaii with little capital or family connection, was that of “hawker and peddlers”. Itinerant peddling was a practice the Chinese had brought over from China. In the mid-fifties, with a scattered population, poor roads, and difficult access to stores in towns, peddlers met a real need. During the period from 1854 to 1874 Chinese held 85 percent of the “hawking & peddling” licenses issued in the Islands.\(^3\)

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Source: Interior Department Files, Hawaiian Kingdom. AH
Chinese peddlers were more concentrated on the islands of Maui, Kauai and Hawaii. The short-distance peddler carried his garden produce in baskets suspended on a bamboo pole, and the long-distance peddler used a horse-drawn cart. Both thereby adapted ancient Chinese practices to the Island environment.

In addition to increasing their own income, Chinese itinerant peddlers played important social roles. They became one of the first groups of Chinese to establish face-to-face relations with natives and haoles. They learned enough words in Hawaiian and Pidgin English to do their business. The peddlers also served as a link between the Chinese population scattered among various towns in the Islands. They travelled routinely between town and village carrying information from one locality to another. Finally, the peddlers not only became familiar with market needs, but had contact with some Chinese and haole merchants. Through these small trading activities many Chinese were able to accumulate enough money to establish themselves in more permanent businesses in the Islands.

Two examples illustrate their business progress from peddling to store-keeping. Aying started his "hawking & peddling" in Lahaina, on the island of Maui. After years of hard-work he saved the money he sought. With credit extended by Robert Chouston, agent of the Hudson’s Bay Co., he established two retail stores on Maui. The stores carried merchandise such as shirts, coats, pants, cotton, undershirts, soap, coffee mills, tobacco, arrow root, mustard, and so on. From this list, we might surmise that his stores derived important support from non-Chinese customers. When Aying failed to pay his debts amounting to $7,448, his store were put up for auction in 1858. The creditors named in the claim list were all haoles.  

Atai began to peddle in Honolulu in 1854. Four years later he owned a retail store. Then in 1864 he was able to operate a restaurant. As his businesses prospered, Atai passed the store on to his cousin in 1867, and returned to China.

2. Retail stores

From 1860 onward, Chinese greatly increased their business participation, especially in retail stores. This was a big step forward. After 1860, the Hawaiian government stopped issuing the "hawking and peddling" licenses, although peddlers were still scattered in the Islands. Of over one thousand business licenses issued to Chinese during the period 1854–1874, more than half of them were for retail stores. The percentage increased during the sixties and seventies when almost 80 percent of licensed Chinese businessmen were apparently engaged in retailing, as indicated in Table 1. As for geographical dispersion, over half of the Chinese retail stores were located on Oahu. The island of Hawaii stood second. Between 1868 and 1876, the number of that island’s Chinese retail stores rose to about 50 percent of that on Oahu.

Chinese retail establishments were of several kinds. In rural districts the characteristic type was the grocery store which sold goods needed by the natives. Cash was hard to come by, before 1870, as much as of the retail business was conducted on a barter basis. The Hawaiians gave the storekeeper sweet potato, taro, and fish in exchange for
goods. Also in the fifties, although these stores were in fixed localities, the Chinese did not ignore their old peddling method. There is evidence that Chinese retailers, on the islands Maui, Hawaii and Kauai, hired peddlers who sold dry goods and household needs from door to door. In urban areas, general stores prevailed. As demands for new imports developed, the Chinese began to handle European goods, notably textiles, hardwares and luxury items. These stores had in their stock a wide range of items such as glasses, silks, valises, lady's hats, linen, handkerchiefs, wool, combs, blacking calico, bridles, denim pants, prints, and cotton.

Although some Chinese retailers started out as peddlers, there were several other avenues by which they became storekeepers. In some cases, Chinese borrowed capital from family members or friends. Short-term loans, in the form of promissory notes, occurred between friends and acquaintances. Partnership arrangements were another means of raising capital. A family member, a close friend, or a fellow-villager generally was preferred as an associate. In these early years, partnerships took a small-scale form. The number of partners was as few as two, and sometimes as many as five. A general merchandise store in a neighborhood might require the labor of only one person. This relatively small type of business could be managed with no great difficulty. Partnerships became more common as the number of Chinese increased in the Islands after 1876.

The success of the Chinese storekeeper depended to a great deal on his ability to receive and extend credit. Financing, on the one hand, was based on his reputation. The Chinese and haole suppliers were the two main types of creditors. In the case of small-scale retail stores, Chinese creditors were often familiar with the reputation of a new storekeeper, and were likely to offer him good credit terms. The creditor was not necessarily the sole supplier of the store. As for large-scale general merchandise stores, both haole and Chinese firms offered credit and long repayment periods to the retailers with good reputations.

Chinese merchants, in general, enjoyed good credit because they met their financial obligations faithfully.

Extending credit, on the other hand, also increased the attractiveness of Chinese stores to their customers dependent on credit. And Chinese merchants usually were able to collect from their customers.

The following two examples serve to illustrate some of the business practices carried on by Chinese retailers during the 1854 to 1874 period. Acho, Ako and Apaïu arrived from China together in 1866. Acho came from a merchant family. His father owned a merchandise store in Hong Kong. Acho soon opened a retail store in Wailuku, on the island of Maui. Ako stayed with Acho for several months helping run the business. In early 1867, Ako borrowed money from Acho to open a store in Kailua, on the island of Hawaii. Ako gave Acho two promissory notes, amounting to $580.62 and $857.20 respectively, payable in four months with interest. Apaïu acted as witness when the two notes were signed. With cash on hand, Ako rented a premise from a native and started his business. Acho was his major supplier, and sent goods consigned to him from China. Ako also ordered goods from other merchants on credit.
Ah Cheu was a retailer in Hanapepe, on the island of Kauai. His main merchandise supplier was Chulan & Brothers Co. (朝蘭記), one of the leading Chinese firms in Honolulu. The Chulan & Brothers Co. sold him goods at cost price on an agreement that they should receive ten percent net profit, and Ah Cheu should buy only from them. Ah Kin, agent of the creditor, travelled between Honolulu and Hanapepe from time to time to make sure the balance was returned.\(^{72}\)

3. **Wholesaling**

Prior to the discovery of gold in California in 1848, the commerce of the Islands was inconsiderable. Exports were mostly in the form of supplies furnished to whalers. Since the whaling trade was largely in the hands of Americans, so was Honolulu's wholesale trade. Many American merchants were involved in active trading relations with New England, Britain, France and China.\(^{73}\)

The rapid settlement of California which followed the discovery of gold there had the effect of stimulating agricultural pursuits in the Islands. The export of sugar, molasses, paddy, rice, coffee, salt, fungus and wool all increased.\(^{74}\)

Chinese wholesalers, on a smaller scale compared with their *haole* counterparts, were concentrated in downtown Honolulu where they dealt with the foreign business houses. The Chinese wholesalers monopolized trade with China, and were mainly importers and dealers in Chinese goods.\(^{75}\) They were apt to have several stores elsewhere in Honolulu or on the neighboring islands as retail outlets for their imported goods. As described in the above section, Chinese wholesalers extended lines of credit to retailers all over the Islands. Such credit was likely to be of a short-term nature. Agents were sent to various retail stores to make inventory checks in case the retailers defaulted.

Between 1854 and 1874 thirteen Chinese individuals and firms held wholesale store licenses. They were Achew; C. P. Samsing & Co.; Utai & Ahee; Afong; Patchun (鄭百金); Chung Hoong (張寗); Ahman & Ahsee; Chulan & Brothers, Mankin, Ahpoo Co.; Afong & Achuck Co. (芳植記), Ahana & Ahpoo Co.; Ahsee & Ah Chung; and Pack Shun. Scanning through time span, they can be grouped into three periods. Achew, C. P. Samsing & Co., and Utai & Ahee were wholesalers in the fifties. Afong & Achuck Co., Patchun, Chung Hoong, Ahman & Ahsee, and Chulan & Brothers joined the business in the sixties. Chung Hoong; Afong & Achuck Co.; Ahsee & Ah Chung, Chulan & Brothers and Pack Shun were still active in wholesaling before the mid-seventies.\(^{76}\)

Among these wholesalers, C. P. Samsing & Co., Chung Hoong, Afong & Achuck, and Chulan & Brothers were the major ones in reference to their various business interests. The business activities of C. P. Samsing & Co. had been touched in the above sections. Chung Hoong was active in wholesaling, sugar plantations and the opium business. In 1862, he entered into partnership with Wong Hoan Yip, Oo Pak Shing (胡百勝), Wong Ngo (黃彌), Cheong Patchun, and Tsing Chik (程植, or Ching Ming Quai 程明桂, alias Achuck) in the operations of a sugar plantation at Hilo, on island of Hawaii.\(^{77}\) After the partnership was dissolved in 1866, Chung Hoong continued running his own sugar plantation at Hilo.\(^{78}\) He operated one of the two Chinese sugar agencies in Honolulu.
(Utai & Ahee was the other Chinese agent) in the early period, besides those run by
\textit{haole} sugar agents (factors).\textsuperscript{79} Chung Hoong was also the opium license holder in 1866,
the most profitable business of the time.\textsuperscript{80}

Afong and Achuck were successful businessmen in general merchandise before they
formed Afong & Achuck Co. in 1866 with each contributing capital of $50,000. The
firm was engaged in wholesaling, retailing, sugar planting, and the opium business. With
substantial wealth Afong & Achuck Co. was able to obtain opium licenses from 1868
to 1874, except in 1872 when the license was issued to a different party.\textsuperscript{81}

Chulan & Brothers consisted of four members, i.e., Wong Chun Chew (王尊朝, alias
chulan), Chang Fook (鄭服) C. Alee (or Ching Alee, 程利), and Wong Kwai (or Wong
Quai 王桂). It was the leading general merchandise firm with branch stores spread
all over Oahu, Kauai and Hawaii.\textsuperscript{82} After 1870, the firm changed its name to Chulan
& Co., and engaged mainly in rice cultivation.

4. \textit{Restaurants}

After the retail trade, the second largest group of Chinese business license holders
was engaged in operating victualling houses. In the early years, victualling houses and
hotels belonged to the same category of establishments catering to the whaling trade.
The earlier statutes defined a hotel as “a house of public entertainment for captains of
vessels or the higher classes of society”, while a victualling house was “a house for the
ordinary entertainment of sailors and those of lower class”.\textsuperscript{83} Both hotels and victuall-
ing houses were located in the port towns of Lahaina, Honolulu, and Hilo where the
number of foreigners were greatest. These establishments served food and functioned
as social centers in their urban communities.

Chinese held a few hotel licenses.\textsuperscript{84} However, the Chinese were much more success-
ful in operating victualling houses. Public eating places were in great demand even after
the whaling period. There were large numbers of familyless men among the foreigners
and transient visitors in the Islands. It was mainly the Chinese who met the demand for
food service.\textsuperscript{85} Serving cheap, appetizing meals, Chinese-operated restaurants were
able, in the early period, to win the patronage of all social classes.

It is impossible to know how many Chinese customers patronized these restaurants.
But we do know there were several eating houses and teashops especially operated for the
Chinese located in nearby areas. These eating places and teahouses were favorite places
for the Chinese to have meals, friendly gatherings, gossip, games, and even to collect
depts.\textsuperscript{86}

With the rise of hotels, restaurants and teahouses certain related occupations such as
waiters, cooks and butchers came into existence. Hence many job opportunities were
created for Chinese immigrants.

5. \textit{Opium}

Among the licenses issued to Chinese none was more lucrative than those derived
from the opium business. The use of opium in the Islands had become a problem since
the mid-nineteenth century. The main concern of the Hawaiian government was not the
use of the drug by Chinese but the danger that their “pernicious habit might be acquired by His Majesty’s native born subjects”.

The earliest legislation on opium regulation was the Act of 1856, limiting the use of opium to medical purposes only. This act restricted the right to deal in opium to licensed physicians. When the five-year contract began to expire and as Chinese laborers moved from plantations into town areas, opium shops and dens started to appear. This even more obvious use of opium by the Chinese resulted in a 1859 proclamation which expressly forbade the sale of opium to Chinese or coolies unless such sale was made under a written prescription by a physician.

Apparently, under the Act of 1856 persons other than Chinese, particularly the native Hawaiian, could still obtain opium for medical purposes. Possession of opium was not specifically prohibited. This law remained in effect less than a year before the policy began to be reversed. A new law in 1860, providing for an opium monopoly, allowed the unrestricted sale of opium to Chinese only. This enactment also represented a radical shift of fiscal policy. The opium monopoly was established mainly because opium was considered as a ready source of government revenue. Three opium licenses were available under this 1860 monopoly: two for operations in Honolulu and one for Lahaina. These licenses were sold at public auction at a price of $2,000 each. These licenses were purchased upon the execution of a bond not to sell to anyone except the Chinese and fines of $1,000 could be imported on license holders who violated this bond. At the same time, licensed physicians could import, sell, and prescribe opium for medical purposes without an import license. The rest of the community was prohibited from dealing in and using opium on the pain of a fine not exceeding $1,000 or imprisonment at hard labor for a term not exceeding six months.

These major fines and punishments were intended to protect the monopoly managed by the opium license holders. For such regulations sought to cut off the sale of opium to Chinese by non-Chinese or by any Chinese other than the licensees. The Act of 1860 remained in effect for fourteen years until an 1874 enactment, prohibiting the importation and sales of opium except for medical treatment, superseded it.

The business license file of the Interior Department shows that between 1862 and 1872 only one opium license was issued each year. Chinese did not seek to apply for the second license. In 1874, two licenses were granted to the same firm. For the first five years, from 1862 to 1866, the license fee cost $2,002 annually. Chung Faa was the opium license holder in 1862, and Chung Hoong in 1866. The bidding price jumped to $9,745 in 1868, when Afong & Achuck Co. purchased the opium license, and to $9,087 in 1870 when the same firm again won the bid. In 1872, Loo Ngawk (盧岳), Wong Chun & Asuan formed a partnership, and purchased the opium license with an upset price at $21,000. In 1874, Afong & Achuck Co. obtained two opium licenses costing $10,600 and $9,745, respectively.

While some of this increase might have reflected related factors, such as larger operating costs, a large share of it must be attributed to competitive bidding among some of
Honolulu's richest Chinese businessmen as they began to compete in this area. In view of the sums involved, it appeared that these bidders were the wealthier Chinese seeking to add the opium business to their several other business interests.

6. Miscellaneous business activities

The activities of the Chinese in several minor businesses, or businesses in which Chinese influence was slight, may be briefly sketched. Some of the early Chinese pioneers attempted to make their fortune in sugar works. A small group of seven sugar masters (sugar manufacturers) arrived on the island of Hawaii between 1825 and 1840. (The exact date of their arrivals is not known). They were acquainted with how to convert sugar cane into crystallized sugar, and gained the trust and cooperation of Governor Kuakini, the highest ranking chief of the island. These Chinese sugar masters and their fellow workers not only ran several sugar plantations and mills for Kuakini, but grew and ground sugar cane on their own plantations.92

However, American merchants controlled the sugar industry in the Islands.93 Although Chinese sugar planters continued to raise sugarcane on various islands after the 1850s, only those who had extensive business connections with China, Hong Kong, and California were able to remain profitably engaged in sugar. A major part of their provisions were imported from China. Usually a branch store was set up in Hong Kong to take care of such business transactions. Moreover, at least one affiliated store in California was maintained to handle financing and marketing there. Chinese sugar planters in Hawaii also depended heavily on the financial assistance of the haole factors.94

In the case of the Paukaa sugar plantation in Hilo, Chung Hoong and five Chinese (whose names were mentioned in the above section) formed a partnership in 1862. The business was divided into five shares, each share providing a capital of $4,020. Chung Hoong served as manager. The Paukaa plantation consisted of 9,000 acres, subject to a mortgage of $15,000. Its major financiers were H. Hackfeld & Co. and Anghkee & Co. of San Francisco. When Wong Hoan Yip, one of the principals of the sugar plantation, went back to China due to illness, his share of capital was remitted to him through Yee Wo & Co., Chung Hoon's agent in Hong Kong.95

Awa96 or liquor licenses had been granted by the king since 1833.97 The vending of spirituous liquors was a highly profitable business in the Islands. No more than three liquor licenses were granted in Honolulu, with two more in Lahaina and Hilo, respectively.98 Due to keen competitions, the license fee was higher than other kinds except the opium license. Liquor licenses ranged from $102 to $1,000 annually. Chinese merchant Akanaliilii was able to hold several liquor licenses on Maui after 1968, and Tong Ki (唐基) was the license holder on Oahu in 1874.99

Cantonese drama was one of the great delights in the Islands' Chinese communities. Chinese immigrants in Hawaii were predominantly adult males without families. As the Chinese population increased, especially after 1852, the influx of Chinese laborers who lived in the camps were often bored with the monotonous plantation life. Entertainment was in great demand. To have the opportunity to view familiar drama in the
Cantonese dialect brought back warm memories of home village life. Before a Chinese theater was built in the late 1870s,\textsuperscript{100} performances were given in an open-air theater. Each performance required a $5 license fee.\textsuperscript{101}

It is clear that in the years between 1854 and 1874 the Chinese share in the Hawaiian economy increased. The expansion of Chinese interests was both quantitative and geographical. Quantitatively, this involved an increased Chinese share in certain occupations and initial Chinese efforts in others. Geographically, the expansion of Chinese enterprise covered all the major islands. In terms of geographical expansion, the listing of Chinese business licenses over this 1854–1874 period indicate that there were four types of business operations or strategies involved. First, some Chinese businessmen started their enterprises on Oahu. Then after getting a footing there, they extended their business operations to neighboring islands. Second, some other merchants started their businesses in the neighboring islands then moved their enterprises to Oahu due to advantages of location, climate, transportation and the larger population. Thirdly, some businessmen started on the neighboring islands, moved to Oahu, then settled down on the same neighboring islands. Finally, there were those who stayed on the same island during the entire period of their business operations.

Many of these Chinese immigrant businessmen shifted not only from one island to another, but also from one field to another before finally becoming successful. Often they were active in several businesses simultaneously. Those who made the most money did so by way of wholesaling, large retail stores, restaurants, opium, awa, or plantation ventures.

IV. Conclusion

The Chinese were the first group of Oriental immigrants in the Hawaiian Islands. Of the small number of Chinese who came to Hawaii in the first period (the beginning to mid-1850s),\textsuperscript{102} most arrived as private adventurers, identified with two aspects of the new economic life in the Islands -- development of agricultural resources and trade. These early Chinese were not only welcomed, but in some cases became involved in joint enterprises with the Hawaiian royalty and Westerners on the scene. During the twenty years from 1855 to 1875, the increase of Chinese was minimal. For example, in 1872 there were about 2,000 Chinese in a total Hawaiian population of over 56,000,\textsuperscript{103} there was no cause of concern about occupational competition from the Chinese.

The Chinese were able to expand their economic influence during these early years primarily because of three factors: rapid economic change in Hawaii, Chinese adaptability, and the credit system. Of the three, the last was perhaps the most important. During the nineteenth century Hawaiian economic life underwent a fundamental transformation, from rudimentary barter trade\textsuperscript{104} to plantation economy. This provided many opportunities for Chinese immigrants. The various kinds of Chinese businesses met the Islands' needs, catering not only to the Chinese but also to haoles and the natives. Many Chinese residents during this early period learned enough of the Hawaiian language to
be able to communicate, and many had Hawaiian wives and families. However, it was the financial backing through credit which enabled the Chinese to set up businesses. Ivan Light has argued that the principle device for capitalizing small businesses run by Chinese immigrants in America was through traditional type of rotating credit associations. While such institutions did exist in Hawaii, there were other more important sources of credit available.

The wealth, knowledge and long-time experience of these early Chinese enabled them to stand out as leaders of the community. Although Americans and Europeans came to dominate the political and economic aspects of the Islands, the Chinese clearly found a place in the developing Hawaiian society.

Notes


2. Haole is the Hawaiian word for foreigner which over time became attached to those of Northern European ancestry. It includes foreign and Hawaii-born Europeans and Americans.


4. This proclamation, still based on the assumption that all lands belonged to the king, acknowledged merely that the king did not have the right to dispossess foreigners at his pleasure. Marion Kelly, “Change in Land Tenure in Hawaii, 1778–1850”, unpublished M.A. thesis, University of Hawaii, 1956, 128–129.


7. Lind, 1938, 46.


13. The contract was a penal contract, with the sheriff and police responsible for tracking down runaway plantation laborers.

14. The second impetus was the Reciprocity Treaty of 1876 between Hawaiian Kingdom and the United States. It greatly stimulated sugar and rice productions. Oriental peasants were brought in to work on plantations. Chinese immigrants were the first oriental labor group to enter the Islands.

15. Most of the Chinese names are taken from the archival records, including case files, mortgages, leases, as well as contracts and agreements, where Chinese characters were signed.


21. After Atai died in 1841, Ahung alone held the hotel license. The estimate of French for the value of the premises was $6,000, and for the chattels, $1,500. *Polynesian*, July 6, 1844; *Stephen Reynolds Journal*, January 15, 1846.


24. Ibid, 142.


26. Judiciary Records, First Circuit Court, Probate case 3, AH.


29. British Commission, Register of Land Claims, 78, Item one. AH.


34. *Foreign Office and Exchange File*, August 25, 1839. This file contains both original (Hawaiian) and English translations by E. H. Hart. AH.


38. *Stephen Reynolds Journal*, May 22, 1846 Reynolds’ dancing school was one of the interesting institutions in Honolulu in 1840. The students were part-Hawaiian girls from the Oahu Charity School. The dancing lessons continued sporadically for more than a decade. Daws, 1966, 302–303.


42. Ibid, 28.

43. *Polynesian*, October 17, 1840.

44. *Polynesian*, August 4, September 7, 1847.

45. First Circuit Court, Law case 643, Caspar Marks v. Apong. AH. See the testimony of Ahche, book-keeper of Samsing & Co..

46. *Stephen Reynolds Journal*, June 8, June 29, 1850.

47. First Circuit Court, Law case 643, Caspar Marks v. Apong, April 2, 1851, AH; *Stephen Reynolds Journal*, March 27, April 8, 9, 1851.

48. Wai-Jan Char, 1974, 32.

49. Superior Court of Law & Equity, Criminal case 1051, King v. Jarrett. AH. This famous trial had occupied public attention for over one year. William Jarrett was acquitted in January, 1853.

50. The Oahu Charity School was an English language school, primarily for the education of part-Hawaiian children. The school was opened in January, 1833, and supported by non-missionary foreigners by subscription. For the history to the school, see W. D. Alexander, “The Oahu Charity School”, *Hawaiian Historical Society Annual Report*, 16 (Honolulu, 1908), 20–38. Harold W. Brandly, *The American Frontier
in Hawaii (Stanford: Stanford University Press, 1942), 382, has a short summary of its first decade.

51. *Stephen Reynolds Journal*, seven Chinese were listed as annual subscribers names, unidentified. They contributed altogether $27 annually.

52. Simpson, 1842, Part II, 42.


55. *Polynesian*, November 15, 1856.


58. L. Ahlo’s (李祿) career serves as a good example. Arriving in Hawaii in the 1860s, Ahlo worked as a cook for Lewis & Co. In 1872, he opened his first retail store in Honolulu. Six years later, he held the horse license, operated a victauling house in Honolulu and another retail store on the island of Hawaii. From 1879 onward, Ahlo’s business ventures including rice plantations, sugar planting, retail stores, and labor recruitment business. In 1891, he also owned a lodging house in Honolulu. Compiled from Business License File, Interior Dept; and case files including First Circuit Court, Law cases 1143, Ahlo et al v. A. B. Bush; 1145, L. Ahlo v. La Pong et al; 1151 L. Ahlo & L. Sing v. La Pong; 1222, S. E. Bishop v. L. Ahlo & Loo Ngawk; 1234, Cecil Brown v. Kwong Man Yuen Co.; 1373, Foo Kee v. L. Ahlo & C. Monting. Also, see Equity cases 17, L. Ahlo v. Amana; 25, L. Ahlo, You Hop, Ho Sing Kee v. Lee Kam et al. AH.

59. The business-license data presented in this paper were collected and stored on computer tape by Dr. Peter J. Nelligan. It consists of a 50% (100%, every other year) sample of all licenses granted to Hawaiians, haoles and Chinese by the Minister of the Interior from 1854 to 1892.


61. These included licenses for wholesaling, retailing, spirituous liquors, victauling houses (or inns), hotels, auctioneers, hawkers and peddlers, and all publishers of newspapers and periodicals, *Statute Laws of His Majesty Kamehameha III*, 1845 & 1846, Chapter 2, Section III.


63. See Table 1.

64. First Circuit Court, Law case 25, Aying. AH.

65. First Circuit Court, Law case 63, Atai and Amui. AH.

66. Tabulated from Business Licenses file, Interior Department. AH.

68. It was a common practice for the Chinese retailer to own more than one business license. In the islands of Maui, Hawaii, and Kauai, retailers often held “hawking and peddling” licenses too. Such examples in 1856 and 1858 were: Apai (Hawaii), Aako (Hawaii), Ah Kina (Hawaii), Asing (Maui) to name a few.  

69. First Circuit Court, Law case 1298, Chung Hoong; Law case 33, Achun. AH.  

70. Several bankruptcy cases in these two decades, such as those involving Aloo, Achow and Chung Hoong, show that almost all the creditors that Chinese merchants borrowed from were haoles.  

71. First Circuit Court, Law case 57, Acho v. Ako. AH.  

72. First Circuit Court, Criminal case 32, The King v. Acheu; Law case 44, Ah Cheu v. Wong Kuai. AH.  

73. The British Hudson’s Bay Company had an agent in the Islands for a time. So did several large New England mercantile houses, such as the Hunnewell Pierce firm (which later became C. Brewer); Eliaib Grimes & Co.  


76. For example, the Honolulu Directory of 1869 lists three Chinese wholesalers. All were importers and dealers in Chinese goods. Bennett, 1869, 77–79.  

77. Business licenses file, Interior Dept. AH.  

78. First Circuit Court, Law case 56, Wong Sing Akana, Admr. of Wong Hoap Yip deceased v. Chung Hoong. AH.  


80. Business licenses file, Interior Dept. AH.  

81. Ibid.  

82. First Circuit Court, Law case 3164, In the matter of the bankruptcy of Chulan & Co.. AH.  

83. “An Act to Organize the Executive Departments of the Hawaiian Islands”, Chapter II, Section V., Article III; Sec. III. AH.  

84. See Table 1.  

85. For example, in 1869 there were six restaurants in Honolulu, all owned by Chinese. Bennett, 1869, 77–79.  

86. First Circuit Court, Criminal case 9, The King v. Asam. AH.  

87. See the preamble of the Act of 1856.  


89. Civil Code 1859, Chapter 5, Section 2. AH.  

91. Business Licenses file, Interior Dept. AH.
94. Most sugar plantations were set up in the outer islands. The sugar planters there sought connections with merchants in Honolulu as agents (factors). Agencies in Honolulu handled suppliers and financing. Among the big agencies were H. Hackfeld & Co., Castle & Cooke, C. Brewer & Co., and Walker, Allen & Co. Other smaller agencies included the Chinese firms of Chung Hoong & Co. and Utai and Ahee. See Daws, 1966, 579.
95. First Circuit Court, Law case 56, Wong Sing Akana, Admr. With will annexed of Wong Hoax Yip, deceased v. Chung Hoong; Law case 1298, Chung Hoong. AH.
96. The narcotic drink used by Hawaiians.
97. Kuykendall 1938, 162.
99. Business Licenses file, Interior Dept. AH.
100. Glick 1980, 149.
101. “An Act to Amend Section 96, and to Repeal Section 99, Civil Code”, *Session Laws*, 1870. AH.
102. Chinese immigration figures were spordic until the passage of the Reciprocity Treaty in 1876. There were about 40 Chinese in Hawaii in 1842, 100 in 1850, and the number had increased to 364 in 1853. By 1862 a total of 411 Chinese entered Hawaii. The census of 1866 showed 1,200. By 1872 the number had increased to about 2,000. See Huang, 1989, Table 8, “Population by Race, 1826–1890.”
104. Morgan, 1948, 49.