Atoms of Empire

By FELIX M. KEESSING

The so-called "South Sea islands," scattered across the troubled Pacific, have become important pawns in naval strategy and power politics. The United States has been building up its island bases and proposes now to fortify even Guam in the midst of the Japanese islands. Japan has declared the Nanyo or "South Seas" to be a vital sphere of interest, and the Japanese Minister of Foreign Affairs recently suggested that they form a "natural" area for Japanese emigration and economic development. The question has long been discussed whether Japan has fortified her mandated islands, in contravention of the mandate terms. Trans-Pacific aviation, the "colonization" of tiny islands useful as air bases, the uncertain position of French island colonies since the fall of the mother country, and the activities of German surface raiders have been other items bringing the islands to public attention. All such matters call for a definition of the significance of this area in relation to contemporary happenings.

The South Sea region, as usually conceived, takes in the tropical and near-tropical islands from New Guinea and the Japanese Mandate in the west, to Hawaii, the French Establishments and Easter Island nearest the American side. This vast oceanic area covers about one eighth of the earth's surface. The archipelagoes within it form a complicated political patchwork. They comprise 18 separate jurisdictions—protectorates, colonies, territories and mandates—under the control of eight different nations. Nearly four centuries of imperial rivalry and légerdemain underlie the area's relatively incoherent patterning.

These groups were annexed in earlier days by the great powers primarily for strategic reasons. Secondarily, many were thought of as having economic value, as foreshadowed in the profits of early traders and planters. Their two dozen or so main harbors and anchorages became a resort for sailing vessels plying to the Orient, whalers, men-of-war and, in time, commercial steamships traversing Pacific trade routes. Out of the contact of indigenous peoples with western influences came, too, a third imperial stake represented in the work of native administrators, missionaries and educators.

**Outer Zones of Defense**

The strategic importance of the islands has lately become greatly enhanced through the development of transoceanic aviation and of long-range naval operations. This has been vividly demonstrated in the recent secret occupation of hitherto-neglected specks of land by the United States and British Governments. For the United States, Japan, Australia and New Zealand, their island possessions have now become vital outer zones of defense—with the grim possibility, too, that under conditions of the present war they may even serve as steppingstones for enemy attack.

Taken together, the islands have a land area of 390,100 square miles, or three times the size of Japan proper. The huge island of New Guinea makes up 80% of this, while many hundreds of the smaller islands total very little. The combined populations add up to about 2,400,000 persons, of whom 1,800,000 are "native" to the area; white, Chinese, Japanese, British Indian and Malaysian peoples comprise the main immigrant groups. There are perhaps 200,000 people of "mixed" ancestry on the scene; and many immigrants, especially Chinese, Japanese and Indians, have rooted
in so deeply that they are well on the way to being "nativized."(2)

Contrary to popular belief, most South Sea groups are now on the increase. Depopulation, formerly so serious, has been checked among one people after another, particularly through modern health work. Indeed, the trend is now toward a rapid growth in numbers, based on a very high birth rate and a falling death rate. The Samoans are setting the pace with an amazing increase—63%—since 1921; the people of Guam show a 50% rise in the same period, the Tongans 37% and the Fijians 20%; most other groups appear to be following along. Indeed, problems of overpopulation now loom for many communities, and some of the small islands are already having to spill their populations into neighboring jurisdictions. Considerable intermixture has taken place with incoming whites and Asians, especially among the brown-skinned Polynesians, and many of these, counted “native” in the islands today, are touched by these spreading strains. But such out-marriage seems now to be lessening, and the native side continues to predominate.

Native Customs Changing

The casual visitor to the South Seas is likely to think that the island peoples have changed their ways of living very little except around the ports, and outward impressions would suggest this to be so. Actually the influence of traders and officials, and usually of missionaries and schoolteachers, has brought profound shifts in native custom and thought. The son of a Fijian cannibal has become a dignified church elder, and his son takes out his energies on the football field. Today, natives are likely to travel extensively, speak two or three languages, listen to radio sets, and have their favorite movie stars. Among significant trends of the modern period have been a stirring of individualism which tends to disrupt the older social arrangements of family and community, and a movement of young and ambitious people to already overcrowded urban centers. The economic and social problems involved are quite comparable with those familiar in western countries.(3)

Considerable progress has been made in self-government along modern lines. This is particularly so in Tonga, Guam, the Gilbert and Ellice Islands, Samoa and Fiji, where the native leader is likely to have had a high-school education, and some have college degrees.

In several groups, stirrings of political nationalism, with all the trappings and slogans of more familiar “independence” movements, have come to the fore. But, as has happened nearly everywhere else in the colonial world, they have been suppressed by the governing authorities. This presents a complex problem, as rather obviously under present world conditions such small peoples cannot achieve independent nationhood. The islands are distinctly “colonial” in character and must be ranged within the political orbits of larger powers, singly or in combination. For this reason, too, their fortunes are directly bound up with the struggles now being waged in Europe, Africa and Asia.

On the economic side, the South Sea region has proved of not inconsiderable importance, supplying a variety of raw materials and offering markets for manufactured goods. In the period 1930-38 the islands together contributed about 13% of the world’s coconut products, mostly copra (about 200,000 tons yearly); 8% of its natural phosphates (more than 1,000,000 tons annually from rich deposits on British Nauru and Ocean Islands, the Japanese Palaua and French Makatea); nearly 12% of its nickel and 10.5% of its chrome (New Caledonia); gold which was valued in 1938 at about $12,000,000 (New Guinea Mandate, Papua and Fiji) and is increasing in output yearly; sugar cane worth around $60,000,000 annually (Hawaii, Fiji and the Japanese Mandate); large amounts of canned and fresh tropical fruits; and minor quantities of coffee, cocoa, rubber, marine resources (fish, shell and pearls), lumber, meat and hides, native craftwork and other products.(4)

Recent Economic Trend

In the prewar year 1938, exports from the region as a whole were worth about U.S. $147,000,000 and its imports about $142,000,000. If Hawaii, the area of major commercial development, is excluded, the corresponding figures are $49,000,000 and $32,000,000.(5) Of this latter trade, about 32% was with Australia, 27% with Japan (the bulk, however, represented by trade with the Japanese Mandated Islands), 13% with Great Britain, 7.5% with France, 6% with the United States, nearly 6% with Canada, 4% with New Zealand and lesser amounts with other countries. The American trade stake, which is a “natural” linkage in terms of geography and has been fairly stabilized for decades, involves taking close to $2,000,000 worth of island products and supplying goods worth well over $3,000,000.

(2) These and other materials will be analyzed fully in a forthcoming book by Dr. Keesing prepared at the request of the Institute of Pacific Relations and titled The South Seas in the Modern World (John Day).

(3) Among systematic studies of such changes are Thompson, L., Guam and Its People (in press); Hogbin, H. I., Experiments in Civilization (1939—Solomon Islands); Beaglehole, E., Some Modern Hawaiians (1939); Keesing, F. M., Modern Samoa (1934); see also Keesing, Education in Pacific Countries (1937).

(4) See the annual Statistical Year-Book of the League of Nations and the Pacific Islands Year-Book (1939); also the annual Statistical Abstract of the United States, the yearbooks of Japan, Australia and New Zealand and annual reports of the various jurisdictions.

(5) These totals were reached by adding up the figures for the separate jurisdictions after converting them into U. S. dollars in terms of the average exchange values of the year.
The economic rôle of the islands has been changing somewhat in recent years. More and more the white planter is being driven from the scene by depressed prices, strictures of economic nationalism, high costs of labor and transportation and especially increasing competition from more accessible areas of mass production and cheap labor. By contrast, there has been a marked trend toward large-scale exploitation of minerals and a few special agricultural and other resources. This involves wholly private capital in the case of some enterprises. In others there is government participation as, for instance, in fruitgrowing in British islands to supply the New Zealand market and in the elaborate exploitation of all resources in the Japanese Mandate by the Nanyo Takushoku Kabushiki Kaisha (South Sea Development Company), in which the government holds a majority interest. Several are wholly government enterprises such as the British Phosphate Commission and the Reparations Estates in Western Samoa. Native production of a commercial character has also been increasing slowly, though in shifting from their older subsistence economies native communities are rendering themselves vulnerable to the uncertainties of world markets and prices.

Minerals Attract Increasing Interest

The most spectacular economic development, however, has been the uncovering of rich and varied mineral resources. Valuable phosphates have long been worked at Nauru and Ocean Islands (British), Makatea (French) and Angaur (Japanese), and the first two especially have perhaps another century's supply at the present rate of mining. It was the Nauru works which were recently shelled by German raiders. In the Melanesian Islands north and northeast of Australia, nickel and chrome, gold, copper, manganese, iron and a number of other minerals have come to light in evidently large quantities. Nickel and chrome have been mined in New Caledonia since the late 19th century, and Japanese interests in 1939 commenced extracting iron ore from concessions granted there by the French Government. Gold mining is active in Australia's New Guinea and Papuan territories, and in Fiji. But in general the region is one of the world's least-touched mineral reservoirs. Recently in Japan's tiny islands considerable quantities of bauxite have been located. Intensive search for oil by American, British and Dutch interests in New Guinea is now proceeding, and there is reason to believe that this may bring to light fields comparable with those in nearby Borneo. Such potential resources make this area of the Pacific a special prize for the nations holding it.

At the opening of the war, island affairs were in a particularly dynamic and fluid stage. The political hodgepodge that had taken form in the South Seas by the early 1930's was hardly a satisfactory basis for a permanent status quo. National holdings were scattered in crazy-quilt fashion. Systems of government, even under the same flag, differed widely, and neighboring jurisdictions usually maintained aloofness where collaboration could have produced more effective administration and economic development. Included in the pattern were a protected native kingdom (Tonga), ruled by a Polynesian queen; a British-French condominium often referred to as "pandemonium" because of its cumbersome government structure; two United States holdings, American Samoa and Guam, without any defined political status for want of legislation by Congress, long delayed; and four ex-German colonies administered as "mandates" under international supervision provided by the League of Nations.

Many native groups had had no say as to what allegiance they would prefer, as the assumption of sovereignty by the nations controlling them was an arbitrary matter. Faraway diplomats, too, had allotted such groups and traded them, in some cases two or three times. Parts of Micronesia, for instance, have been successively under Spanish, German and now Japanese rule. More than one people has been carved up into separate nationality units. For instance, the Samoans are divided into British and American sections; to visit relatives across the boundary they have to go through a rigmarole of permits and customs.

Even in the '20's considerable opinion took form advocating adjustments in this political picture. Some favored closer coordination of national holdings, as for example, drawing together the separate Australian territories into one jurisdiction. The idea also gathered way that all colonies such as those of the South Seas should be placed under international supervision instead of being held by nations individually. The mandate system was pointed to as a model and possible machinery for this. One remarkably effective scheme of intercolonial cooperation did develop in the South Sea region at this time: establishment of a common center for training native youths for medical work, the Central Medical School at Suva, Fiji, financed jointly by a number of the British and American administrations with help from the Rockefeller Foundation. The graduates of this school are now coping with health problems in the islands far more effectively than white doctors have been able to do.

Power Politics at Work

The idea of international organization, however, became largely submerged in the 1930's. The strengthening of exclusive nationalism and of power politics worked in the opposite direction. In the South Seas, as
elsewhere, the war of tariffs, subsidies, quotas and other economic controls tightened imperial ties, as colonies usually had to depend on the governing countries to provide the main market for their raw materials. The collapse in 1936 of the Washington naval treaties, formulated in 1921-22, opened the way to legal fortification of islands other than the mandates, which had been demilitarized separately under the mandate terms. Meantime a reviving Germany was pressing her case for restoration of her former colonies. Japan withdrew from the League of Nations and declared her South Sea Mandate a vital and inalienable sphere of interest.

In the years immediately preceding the new world war, island affairs were very much on the move. The Japanese intensified commercial exploitation of the Mandate's resources of land and sea. Japanese interests also extended their operations into Dutch New Guinea (cotton, forest products) and New Caledonia (nickel and iron ore), and strengthened their bid for trade throughout the Pacific islands by extending shipping services, building up commercial establishments and maintaining price differentials with which western firms found it hard to compete. These activities, together with the movement of Japanese fishing and trade promotion vessels in South seas waters, evoked rumors and alarms. Japan subsequently declared the Nanyo (South Sea islands) to lie within her vital sphere of interest, though so far the geographic bounds have not been officially defined.

Planning Atomic Cohesion

On the political side, the idea of consolidating national holdings received impetus as the democracies found themselves under pressure. In 1938 the French Government had before it proposals to integrate all French interests in the Pacific, dealt with by different ministries and departments, under a general Comité du Pacifique. In 1939 a commission appointed by the Australian Government investigated the advisability of combining the administrative systems of the New Guinea Mandate and Papua. Though the commission recommended against actual union, they favored close official collaboration. Meanwhile the United States adopted a much more positive policy in the island area.

Congressional appropriations made possible great extension of naval and military facilities in Hawaii, as well as the improvement of harbors and landing points on the small islands beyond. Congress refused, however, at that time to provide for extensive development at the naval station of Guam. Control of Hawaii and the equatorial islands was centered in a newly-created Office of Territories and Island Possessions in the Department of the Interior; but American Samoa and Guam were left in charge of the Navy Department. (A strong movement meantime gained way in Hawaii to get this territory admitted as a forty-ninth state of the American Union.) There was also growing talk among Americans familiar with the South Seas of the possibility of the United States acquiring further island territories, notably the strategically situated French Establishments in the eastern Pacific.

In April 1939 a British Pacific Defense Conference was held in Wellington, New Zealand, with representatives present from Great Britain, Australia, New Zealand and the British South Seas. Shortly after this a small military force was sent to Papua and a start was made toward improving aviation facilities and strengthening fortifications in various British-held islands.

Repercussions of War

Whereas in 1914 it took weeks for people in some of the outer islands to hear of the outbreak of hostilities, in 1939 the magic of radio carried word instantly to the remotest settlements. Military expeditions were dispatched by Australia and New Zealand to their territories to reinforce locally organized militias. Enemy aliens and sympathizers were interned, and some of the known Nazi leaders in New Guinea and Western Samoa were taken to the southern Dominions. Censorship descended upon mail and radio. Defensive works were hastened, and planes patrolled coasts and sea approaches. Collaboration among island governments, British and French together, quickly became a reality.

Just as during the last war, the native peoples showed keen interest in this struggle between white nations, and their acquired patriotisms burned high. Their leaders sent messages of loyalty. Communities made financial contributions to buy airplanes and for other causes. For example, the tiny island of Fakaofo in the Tokelas, with a population of 575, gave $100 in this way, a very large amount by native standards. Tall Polynesian and fuzzy-haired Melanesian youths, forbidden by the white man to carry on their traditional local wars, donned uniforms and stabbed enthusiastically with bayonets at an imaginary Hitler.

The war also aroused traders and planters bogged down in the lethargy of prolonged depression. Mindful of the commercial boom that occurred in 1914-18, especially as copra was used in the manufacture of glycerine for explosives, they envisioned a wave of prosperity in which sick industries would revive and new

(7) See, for example, the Pacific Islands Monthly (Sydney, Australia), Apr. 1939, p. 27; May 1939, p. 23; July 1939, p. 8; Sept. 1939, p. 17.


(9) Useful sources for following such developments in this area are: the Pacific Islands Monthly and L'Océanie Française (bimonthly, but lapsing with the fall of France); also Australian newspapers.
ones take root. In London an official British-French committee immediately raised the price of copra from £9 5s. a ton f.o.b. at that port to £12 7s. 6d., and the prices for other products also started upward. But this first period of hope soon gave way to anxiety and then to alarm. Costs of living in the islands rose steeply along with freight rates. By early 1940 shipping had become so dislocated that merchants had to ease off their buying, and by summer European markets were almost wholly cut off. Many islands entered upon the greatest crisis of their checkered economic history. When near the end of the year some demand for copra was again resumed in London at a price of £12 per ton, transportation charges from South Sea ports were said to total about £11.

This situation must be viewed in terms of the peculiar nature of island commerce. Two or three jurisdictions are integrated rather completely with the national unit of which they are a part, notably Hawaii and the Japanese Mandate. But for most the channeling of trade in this simple way is impossible. They have to lean upon nearby Australia and New Zealand for foodstuffs, and in turn any perishables like fresh fruit can be disposed of only there. Yet these countries, dominantly primary producers, have not been able to supply the islands with many kinds of manufactures or to absorb their raw materials in large quantities. For this trade the islands must look to the industrialized countries.

Such a dispersed commerce has been peculiarly sensitive to the effects of modern tariffs, quotas and currency fluctuations, also now to the dislocations of war. The southern Dominions have found difficulty in taking up the commercial slack caused by the cutting off of important European markets. The United States has offered no relief because of tariff restrictions, and indeed disadvantageous money rates and import controls to conserve dollar exchange have caused even the usual American exports to the regions to be cut off. The only significant direction of trade remaining is that with Japan. Yet, in spite of quite eager efforts by Japanese interests to expand commercial relations, the island governments have shown no keenness to use these particular opportunities.

**Position of French Colonies**

The economic situation became even more aggravated when France collapsed. Even though French Pacific colonies had depended on the southern Dominions for many basic imports and had sold them certain products, their main support was a protected French market which absorbed their copra, coffee, shell and so on. Suddenly they were cut financially and commercially adrift.

After the outbreak of the war the French administrations worked closely with their British neighbors. This was part of a wider rapprochement throughout the two empires. Indeed, as a result of conversations between the colonial offices of Great Britain and France, it was announced early in 1940 that a permanent liaison was to exist henceforth between these two offices.

The fall of the "metropolis" necessarily threw the French territories into an anomalous political status as well as a condition of near chaos in economic terms. French citizens in the Pacific colonies showed almost unanimous support for the free French Government set up in London. Those in the New Hebrides, indeed, led by the French Resident-Commissioner of the condominium, M. Sautot, were the first of the overseas groups to declare their allegiance to General de Gaulle. In spite of attempts by minorities in both New Caledonia and Tahiti to hold the islands for Vichy, local sentiment conjoined with economic necessity to keep them actively on the side of Britain.

**Strong Sentiment for Free France**

The story of events from June to September 1940 in these colonies, so far as it has reached the outside world to date, is a colorful one. Meetings of citizens in the New Hebrides and New Caledonia voted overwhelmingly to continue the fight for free France. At Noumea, the main administrative center, the governor after vacillating a while withdrew from the colony. His successor, commander of the local military, was pro-Vichy and, with the support of a French warship, declared martial law. The local conseil-général resigned. Meanwhile representatives from the Australian Government arrived to work out emergency measures to provide much-needed foodstuffs and to stabilize exchange rates, and the British High Commissioner of the Western Pacific paid a visit from Fiji. The de Gaulle committee appointed M. Sautot of the New Hebrides as governor on its behalf.

Then the citizens took matters in their own hands. They sent for M. Sautot to come to Noumea, and he landed flying the flag of free France under the very guns of the warship. His supporters took over the defenses of the port, and the governor was forced to surrender. In the French Establishments away to the east a ballot of French citizens showed opinion overwhelmingly (5,564 to 18) in favor of the de Gaulle movement. The governor resigned, and three members of the local council took charge until a new governor was appointed to the post. Here the New Zealand authorities took steps to stabilize economic affairs. In mid-September a small pro-Vichy group tried to gain control of Tahiti, but the move was suppressed without bloodshed. Subsequently leaders hostile to these new régimes were deported to Indo-China.

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The British have carefully avoided any encroachment on these colonies in political terms. Yet inevitably economic bonds have had to be drawn tighter in the effort to carry them along. The great difficulty here has been that Australia and New Zealand had commercial troubles of their own territories heavy on their hands, and French products duplicated those choking the sheds at British island ports. In the emergency Australia adjusted its tariff system to admit New Hebrides cocoa, New Caledonia nickel matte up to about two thirds of the output, and a little coffee. Thus credits were provided with which the colonies could obtain essential imports. But how to dispose of copra, coffee and certain other products except by opening the doors to Japanese interests is still the great problem for French and British islands alike.

A flood of new ideas for using coconut products has been forthcoming. Apparently successful trials of copra as stock fodder have been made in Australia and New Zealand, and of the oil as an engine fuel in Fiji. An important move was made when a conference of official representatives from British, French, Australian and New Zealand islands met in Sydney, Australia from December 19, 1940 to January 9, 1941, to consider the economic situation, especially the problem of copra marketing. Unofficial reports are that a South Pacific Marketing Board is to be formed. The island communities are still carrying on with cheerfulness, in spite of shortages even in necessaries, but it is not to be wondered at that anxious looks have been cast toward Washington in the hope that in this emergency the United States would relax its restrictions enough to help the islands over the crisis.

Problems and Prospects

The economic problem here pictured dominates the more immediate scene, at least for British and French dependencies, as the islands enter upon 1941. Along with it are the huge question marks as to what southward movements Japan may make, and what will be the American policies in the Pacific over and beyond the obvious strengthening of United States island possessions for defensive purposes. Doubtless the progressive American-British consultations of recent months, though they have focused public attention primarily upon the possible use of naval bases at Singapore and in the southern Dominions by the United States fleet, have taken full account of the strategic rôle played by the Pacific islands. In this connection it is highly significant that formerly unacceptable proposals to develop the outlying bases in Guam and American Samoa have now had swift and easy passage through Congress. A recent presidential order, too, has closed a number of the key American areas for military purposes.

Over and above these immediate matters, lie longer-term problems highly crucial as regards the future destiny of the area: the possible future rôle of the islands in a reestablished world economy; the question of the wisest disposition of the islands in political terms; and matters of native welfare. All these call for more adequate study than has been given them so far.

Where Yen and Sterling Meet

In June 1940 the Netherlands Indies guilder was linked with the British sterling bloc—an act which, aside from its fiscal aspects, meant that the islands had established a preferential status in their foreign trade for all sterling countries. Normally, the balance of trade between the British Empire and Netherlands India is "favorable" to the latter and, from the outbreak of the European war to the end of 1940, this "favorable" balance increased by more than 50%. Since sterling acquired by Netherlands Indies sales could be utilized only for the purchase of British commodities, it would be to the advantage of the Dutch to keep their sterling balances, which are frozen in the Bank of England for the duration of the war, as low as possible by increasing their purchases of British goods.

The first efforts on the part of the Netherlands Indies Government to switch as much trade as possible to the British Empire were made in the latter part of July. At that time seventeen so-called "free commodities"—those not subject to licenses or quotas—could no longer be imported into the Netherlands Indies unless payment was made in sterling or equivalent currency. Supplementary lists were issued from time to time. Also, negotiations were carried on between British textile manufacturers and Netherlands Indies authorities to consider to what extent England could fill the textile quota formerly held by the Netherlands. Then too, since the Foreign Exchange Institute had sole authority to issue foreign exchange for the payment of imports (cf. Far Eastern Survey, Nov. 6, 1940, p. 256), it could to a certain, though limited, extent direct the import trade. Despite these measures, Netherlands India's balance with sterling countries continued to grow. Hence, a new decree of wider scope and implications was passed to supplement and partly replace former regulations.

This new measure, called the "Importers' Regulation 1941," differs from the earlier import restrictions mainly in that statutory provisions now take the place of administrative discretion exercised so far by the Foreign Exchange Institute. Where formerly the Institute specified only the currency to be used in the payment of goods without intending to influence the nature and volume of the goods to be imported, authorities now have the power to limit or prohibit at any time