臺大歷史學報第35期
2005年6月, 頁321~325

BIBLID1012-8514(2005)35p.321-325
2005.4.27收稿，2005.5.19通過刊登

§書評§

Biography as an Exploration in Entrepreneurial History

Review of J. Forbes Munro, *Maritime Enterprise and Empire: Sir William MacKinnon and his Business Network, 1823-1893*

Woodbridge: Boydell Press, 2003. 525p.

Lin, Chih-lung*

The use of biographical analysis as an approach to business history research is not a new idea. It was first used as early as in the 1920s by George Unwin of the University of Manchester, the first chair of Economic History in the UK.[1] This kind of approach could be seen as a method of highlighting the important role of human beings in dynamic economic activities.[2] Alfred Dupont Chandler, who later became an eminent business historian, completed his Ph.D. thesis on the life of Henry Vamum Poor, under the influence of his German teacher, Fritz Redlich, in the United States in 1952 and his thesis was published in 1956 as the start of Chandler's academic career. However, the analysis of business organisations, rather than biographical analysis, became Chandler's main concern since his second book. Except for the book that he and Stephen Salsbury wrote on the business career of Pierre S. Du Pont in 1971, the book on the life of Poor became his final legacy in the perspective of biographical analysis, during Chandler's long academic career.[3] In the

* Ph.D., University of Manchester.

1 George Unwin, *Samuel Oldknow and the Arkwrights* (London: Longmans, 1924).

2 Douglas A. Farnie, "George Unwin (1870-1925) Foundation of the Manchester School of Economic History," in Pat Hudson ed., *Living Economic and Social History: Historians Explain their Interest in, and the Nature of, their Subject: Essays to Mark the 75 Anniversary of the Economic History Society* (Glasgow: Economic History Society, 2001), 77-78.

3 *Henry Vamum Poor* (Cambridge: Harvard University Press, 1956); *Strategy and Structure:*

United States, the biographical research approach needs more attention.

Across the North Atlantic, during the same period, Francis E. Hyde, the late Professor of the University of Liverpool, commenced the research on the business adventures of the merchants of Liverpool in the nineteenth century; a period of British expansion and a time when the world belonged to Pax Britannica. The shipping business was what initially interested the "Liverpool School." Hyde and his pupil, Sheila Marriner, produced an excellent biography of John Samuel Swire, the founder of the John Swire & Co., presently known as the Swire Group.[4] This book can be seen as a description of the growth of the company in the nineteenth century because John Samuel Swire almost dominated this firm's activities all his life. This book is a brilliant achievement of biographical analysis and many researchers of British shipping history have applied this approach in his wake.[5]

Historical research is sometimes difficult work especially when few manuscripts have survived. This is probably why the research on William MacKinnon, another important British merchant in the East, remained incomplete before Munro's book was published. John S. Galbraith's book only covered MacKinnon's activities in East Africa and ignored his Asian and Australian business.[6] Fortunately, at the turn of the 21st century,

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C*hapters in the History of the Industrial Enterprise* (Cambridge: MIT Press, 1962); *Pierre S. Du Pont and the Making of the Modern Corporation* (New York: Harper & Row, 1971).

4 Sheila Marriner and Francis E. Hyde, *The Senior John Samuel Swire 1825-1898: Management in Far Eastern Shipping Trade* (Liverpool: Liverpool University Press, 1967).

5 On Alfred Jones, a British shipowner in West Africa and the Caribbean, see Peter N. Davies, *Sir Alfred Jones: Shipping Entrepreneur Par Excellence* (London: Europa, 1978). On Donald Currie, who contributed much to the economic development of South Africa, see Andrew Porter, *Victorian Shipping, Business and Imperial Policy* (Woodbridge: Boydell Press, 1986). On James Mackay, the most influential British shipowner in politics ever, see Stephanie Jones, *Trade and Shipping*: *Lord Inchcape 1852-1932* (Manchester: Manchester University Press, 1989). On Samuel Cunard, the most important person to establish the Cunard Line in the North Atlantic, see Kay Grant, *Samuel Cunard: Pioneer of the Atlantic Steamship* (London: Abelard-Schuman, 1967).

6 John S. Galbraith, *MacKinnon and East Africa 1878-1895: A Study in the 'New Imperialism'* (Cambridge: Cambridge University Press, 1972).

Munro's research filled the gap.

Munro began his research by tracing MacKinnon's Scottish origin, which was not an unusual trait in the Victorian overseas shipping business, and his initial business connection with India, one of the profitable trade activities of that period. Like most of the self-made tycoon of his age, MacKinnon established his own company after he had gained sufficient experience and secured his own business networks. In 1852, a general trading company, the William MacKinnon & Co., began the operation of trading with India and Australia. Some evidence reveals William MacKinnon expanded his business into shipping after he secured the mail contract on the Indian waters.[7] In 1856, he founded the Calcutta & Burma Steam Navigation Co. and once again the shipping business expanded. In 1862, he founded the British India Steamship Navigation Co. and this company became the most eminent Western shipping business in Eastern waters for many years.

During the 1860s, after his leadership, the operation of the "MacKinnon Group" had expanded into Indonesia and the Arabian waters and acquired more assets there. An administrative organisation was established to maintain the huge transactions. The group also caught up with the technological innovations, including the efficient use of new compound engines and boilers, in the maritime business. At that time, MacKinnon found it difficult to maintain their profits in India, Australia and Indonesia; even the home business appeared weak as MacKinnon had suffered a loss in his banking investment in Glasgow. The personal networks within the British Empire, as well as the security of the mail contracts and the establishment of the Far Eastern Shipping Conference, made the MacKinnon Group increase their own net revenues to survive during the slump years after the 1870s.

Meanwhile, to seek alternative investments, MacKinnon's business networks expanded to the Middle East and East Africa, where the British

7 On the importance of the mail contracts to promote the British shipping business, see the author's "Studies in Shipping Subsidies and the International Shipping Rivalries" (Ph. D. thesis, University of Manchester, 2005), ch. 2-3.

business possessed strong links through colonial expansions and diplomacy. In the Persian Gulf expansion, William MacKinnon began a closer relationship with the British Government in his business, especially with the shipping subsidies of 1873 for carrying mail between Aden and Zanzibar. As the British Government expanded their influence in East Africa, William MacKinnon took this chance to begin his multi-investments there. It cannot be denied that the official support was critical in giving MacKinnon an advantage in the international business rivalries. Later, MacKinnon began his railway investments in Central Africa and he extended his political ties with Belgium and this involvement in international politics brought MacKinnon's business into the political affairs and the London financiers' arena as the railway investments required huge capital and political support. William MacKinnon tried to enter Parliament but he lost in the General Election in 1885 though he remained influential over the British foreign policy in East Africa with his leadership in the Imperial British East Africa Company and carried out his "patriotic endeavours along the frontiers of British influence in Asia and Africa" (p. 406). MacKinnon's involvement in political activities did not promote his existing business and the Imperial British East Africa Company soon suffered serious financial troubles and failed as he died in 1893. James Mackay, his young colleague, took over his shipping interests and then MacKinnon Group's business for the empire infrastructure in Central Asia and East Africa vanished.

William MacKinnon's colourful life represented a complicated transition during the long nineteenth century, from a simple businessman to an "imperialism-minded gentleman capitalist." He is an excellent case to prove the successful application of the biographical analysis approach, as his personal leadership determined the strategies of the MacKinnon group and his family business declined soon after his death. MacKinnon maintained and expanded his business empire by inter-personal networks rather than technological innovations. In the research on entrepreneur history, Munro's research on William MacKinnon is a typical case of focusing on the human being as the main actor in the economic world.

Munro's book is the first published academic book on the long life of William MacKinnon and Munro used all the manuscripts available extensively. In England, the MacKinnon Papers deposited in the Library of the School of Oriental and African Studies and the company records in the National Maritime Museum are well-known sources.[8] In addition, Munro explored the various archives in Scotland, Belgium, the Netherlands, the United States, Australia and South Africa for his research. Meanwhile, he managed to obtain access to some private collections, including the papers of Peter Hall, who helped MacKinnon expand business to the Arabian Sea. This hard work ensures this book would contain abundant information on the activities of the MacKinnon Group, especially on William MacKinnon's network with other businessmen and politics. Undoubtedly, Munro's book shall remain a milestone on this topic for many years. As profit-seeking is the motive of merchants in their business expansion, the corporation finance is a very important aspect in the entrepreneurial history research. Perhaps due to the unavailability of more detailed sources, Munro's book is weak in its financial analysis of the MacKinnon Group. Therefore, this book is unable to offer us a more evident picture to discuss William MacKinnon's business strategies. Moreover, some advanced economic theories like the "principal-agent theory" or "transaction cost" might be applied modestly to explain William MacKinnon's business expansion and the difficulty of managing an organisation.

（責任編輯：翁健鐘　校對：鄭佩宜　林思妤）

8 Before Munro, Dr. I. K. Orchardson's "Sir William MacKinnon, Shipowner, 1823-1893" (Ph. D. thesis, University of Oriental and African Studies, 1970) is one of the few examples of biographical research. Dr. Orchardson consulted mainly the MacKinnon Papers and this thesis remains unpublished. Munro's research absolutely surpasses the previous one.