British Finance, Scottish Brokers, and Colonial Development: John Macfarlane Ritchie and the National Mortgage & Agency Company of New Zealand, 1877-1912

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Europeans only settled in New Zealand in significant numbers after the country was formally incorporated into the British Empire in 1840. For most of the nineteenth century, exports consisted principally of wool and gold. Wool was the more consistently lucrative, and the open grasslands on the eastern coasts of both islands were rapidly taken up by pastoralists, on a variety of tenures and in large holdings, from the late 1840s. Associated mercantile and financial concerns were based in the towns, especially in the two South Island cities of Christchurch and Dunedin [Gardner, 1992].

New Zealand's dependent economic structure is often stressed, but most of the literature has concentrated on state-directed development, by which the colonial government borrowed overseas to finance public works and land acquisition, especially after 1870 [Hawke, 1985]. The role of the private sector in New Zealand's economic development before 1914 has been little studied [Sinclair and Mandle, 1961; Chapple, 1961; Hanham, 1963; McLean, 1990]. Likewise, there is an extensive literature on British foreign direct investment, but much of this work has emphasized manufacturing enterprises rather than financial companies [Jones, 1994].

It has been observed of state-directed development that "the power of the capital market was essentially its ability to approve or refuse a New Zealand loan. British capitalists did not control New Zealand resources and activities; rather, their co-operation and finance were needed if resources were to be developed and activities proceed in ways the colonists wanted" [Hawke, 1985, p. 7]. As the career of John Macfarlane Ritchie demonstrates, this was true of the private sector as well.

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Ritchie was born in Orkney in 1842. After the death of his father, a Free Church minister, the young Ritchie left school in order to support his family. In 1864 Ritchie took up a position in Dunedin, New Zealand, with a prominent merchant, George Gray Russell. In due course Russell took Ritchie into partnership, and Russell, Ritchie and Co prospered as merchants and financial and shipping agents in South Canterbury, Otago, and Southland [Parry, 1964].

In 1877 the National Mortgage and Agency Company (NMA) was established in London and took over the business of Russell, Ritchie and Co, putting Russell on the board and keeping Ritchie as General Manager for the Colonies. For a variety of reasons Russell soon retired from active participation in the business.[2] Ritchie became one of the most influential businessmen in Dunedin, and indeed the colony. Through the Long Depression he guided the transformation of his company from a mortgage lender to a stock and station agency, facilitated the development and cartelization of meat freezing and shipping, and reassured nervous British investors about the reformist Liberal government.

Structure and Finance

NMA had intended to concentrate on mortgage lending. Most of the company's working capital came from fixed-term debentures rather than fully paid-up shares. This form of financing, with the debentures secured by the uncalled portion of the share capital, had become common among finance companies doing business in Australasia and Canada. It offered a number of advantages. The high returns made by mortgage companies encouraged shareholders to pay uncalled capital in advance of calls, it gave shareholders an incentive to promote their company's debentures, and, most of all, investment in mortgages appealed to security-conscious small investors from the middle classes, and those who administered trust funds on their behalf. These investors particularly favored regions of recent settlement [Jones, 1977, p. 47; Butlin, 1964, pp. 150-59; Platt, 1986, pp 100-05]. Most of NMA's shareholders were from the City of London, the Home Counties, and Scotland. By 1887 the company had £100,000 in paid up share capital, and £717,509 in debentures.[3]

New Zealand had an attractive reputation as a field of investment, not least because government immigration and public works schemes since 1870 had created a boom in land values [Gardner, 1992, pp. 70-74]. However, the sudden contraction of credit in Britain at the end of 1878 had an immediate and drastic effect in New Zealand. Public works stalled and land values began to fall [Gardner, 1992, pp. 74-79]. The recession revealed that many landowners had borrowed far too heavily, not only on land but also on produce, believing that the land would pay its own developing and operating costs – "a terrible fallacy which has landed nearly everyone in a financial mess...10 to 15 years of the natural growth of the colony have been anticipated."[4]

[2] NMA: Minutes of confidential meetings, 1877.

[3] NMA Report, 1888.

[4] Ritchie to J. Galbraith, 11 Feb. 1880.

NMA's establishment was thus unfortunately timed. Urged by its Scottish investors, the company's initial response to recession was to give Ritchie "strictest instructions" to keep the bulk of the company's business in mortgage lending.[5] Although Ritchie at first agreed, he adopted the opposite view by 1883, noting that while the mercantile side of the business had made £36,000 clear profit since 1878, £20,000 had been lost in bad mortgage debts. There were some tart exchanges before the board come around to Ritchie's view in 1888, noting that "the mortgage connection is of value as a means of obtaining commercial business."[6]

Despite the recession, mortgages remained a popular form of investment. Many New Zealand landowners had little trouble servicing loans, for commodity prices went up as well as down until 1885. After about 1886, commodity prices slumped and land values fell further. Mortgage lending became a more risky proposition; NMA shares, with £1 paid up, sold for five shillings or less. Scottish investors, having previously invested overenthusiastically in New Zealand securities, were now reluctant to put money into the country and other investors were wary of NMA shares precisely because of the high uncalled liability which secured the debentures.[7]

The fundamental assumption which governed the company's financial structure had been questioned, and the situation called for the most careful financial judgement. Ritchie was often critical of the "gentlemanly imbecility" of the board, and its general lack of colonial experience.[8] He demanded a high degree of autonomy in managing the company's affairs, tartly reminding the board that "I imagine I know our business better than anyone else, & have been uniformly successful in the conduct of it." As the depression deepened, Ritchie's calls for managerial autonomy became more insistent, and he noted that he had "been able to maintain full acquaintance with almost every detail of our business & thus to exercise an absolute check on everything."[9]

The recession required the company to make considerable provision for bad debts. Between 1877 and 1902, more than £100,000 would be written off. Ritchie insisted, from 1879, on building up high reserves. This was not easily done, for shareholders often demanded dividends at the expense of longterm security. By 1887 Ritchie had won this point too. The board agreed to limit dividends to 5% and reserve the remainder of the profits.[10]

Of more far-reaching importance, Ritchie also urged, in 1892, that the paid-up capital should be doubled, to 20% of the nominal share value, since a small capital and a large short-term debenture debt was increasingly dangerous. A call at a time of the Board's own choosing would have the advantage of strengthening the company and not being made in response to urgent

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[5] NMA Annual General Meeting (AGM) 1880.

[6] Ritchie to H.R. Grenfell, 5 Nov. 1879, 16 Feb. 1883; NMA-AGM 1888.

[7] NMA-AGM 1888, 1891.

[8] Ritchie to J. Galbraith, 30 Dec. 1880; to H.R. Grenfell, 27 Jan. 1881.

[9] Ritchie to H.R. Brand, 19 Nov. 1880; to D. Hearn, 10 Nov. 1881.

[10] Ritchie to H.R. Grenfell, 22 Oct. 1879; to G. McLean, 26 Dec. 1887; to Robert Stewart, 25 Aug. 1893; to Grenfell, 27 Nov. 1894; NMA-AGM 1902.

necessity.[11] At the end of 1894 Ritchie repeated this advice, warning that "it has been made abundantly clear during the past decade in all the Colonies both among banks and mortgage companies that it is not sound business to have more than at any rate a small proportion of debt constantly maturing."[12]

Initially London tried to avoid a call by giving "the most definite and urgent instructions...to prevent money going out: & get money in." But it was hard to push mortgagors, and to some extent self-defeating. A number of lending institutions were stuck with properties on which they had foreclosed, and Ritchie had no wish to add to NMA's liabilities.[13] A call was finally made in 1895, but it had taken the Australian banking crisis – matched by banking failures in New Zealand as well – to force the board to move.[14] When the board did move, it joined a general trend to the replacement of debentures with share capital [Butlin, 1964, pp. 438-39].

Ritchie's careful management alone was not enough to ensure the company's prosperity. Its business had to be reoriented. From about 1895 NMA became primarily a stock and station agency, concentrating on selling produce on behalf of farmers, supplying them with inputs, and conducting livestock auctions. Financing of farmers was done primarily by current accounts and to a lesser extent by advances on produce. Ritchie drove the reorientation, with the passive acquiescence of most of the London board and the active support of one or two key allies.

Government policy reinforced the transformation. The introduction of refrigerated shipping in 1882 had been a necessary but not sufficient condition for the creation of a prosperous smaller-farming sector. The Liberal party, in power since 1891, actively promoted closer settlement. At the same time many estate-owners began to subdivide on their own account as commodity prices rose after 1896 [Gould, 1970; Brooking, 1996; McAloon, 1994, ch. 10]. Once the land market began to move again, doubtful assets and accounts could be dealt with, and large runholders' accounts reduced to a satisfactory level. Of the greatest long-term importance, closer settlement meant that financiers' risks were much more widely spread, with many more farmers each borrowing much less. NMA's Dunedin branch had 763 accounts in 1900, of which 645 were under £500.[15] Although local lenders and the government had an increasing share of the mortgage market, there was still plenty of demand for advances from banks and stock and station agencies. London often criticized Ritchie's lending decisions, and Ritchie strenuously defended his policies. He pointed out that the company's money was developing a country and this task was not achieved in five minutes:

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[11] Ritchie to W Brodie, 1 Oct. 1893; to H.B. Black 3 Oct. 1893.

[12] Ritchie to H.R. Grenfell, 27 Nov. 1894.

[13] Circular 4 Apr. 1894; Ritchie to W Brodie, 21 Aug. 1894.

[14] NMA-AGM 1895.

[15] W Henderson to London, 7 June 1900, in NMA London letterbook no 8; NMA-AGM 1902.

> As I have frequently said to you,...we cannot escape from being more or less tied to the fortunes of our farmer clients, and that our advances, to a considerable extent at least, are not to be promptly called in without almost as much harm to ourselves as to our clients. The reason is that this southern country is largely in the process of being improved into full production power, and the process is slow and expensive.[16]

Ritchie stressed long-term considerations, but NMA's profits increased dramatically after 1900. Where they had exceeded £10,000 in the early 1880s, profits fell to the £5,000 mark in the 1890s but exceeded £20,000 after 1900. With recovery well established, Ritchie continued to advocate modest dividends and an emphasis on building up reserves. Ritchie's opinion of shareholders' meetings was always low, or rather, he distinguished between the interests of shareholders and those of the company.[17]

Ritchie and Reformism

As the steward of hundreds of thousands of pounds of investors' funds, Ritchie's assessment of the political situation in New Zealand was of critical importance. The Liberal administration of 1891-1912 was New Zealand's first modern party government, and at least in its first five years promulgated wide-ranging reforms [Sinclair, 1965; Brooking, 1996]. With their strong labor support and populist rhetoric, the Liberals aroused considerable nervousness among investors both locally and in Britain. The NMA chairman decried "new quack remedies" and "a complete system of State socialism" enacted by an "uninstructed Parliament," and he warned of capital flight. Ritchie consistently reassured his British correspondents of the basic moderation of the government program, and the economic necessity of many of their measures. In this context he communicated not only with NMA but also the New Zealand and Australian Land Company, which owned over a hundred thousand acres in South Island estates, and for which he was a local agent [Palmer, 1972]. (From 1884 William Soltau Davidson, the Land Company's General Manager, was on the NMA board and in time became Ritchie's major ally.)[18]

The Liberals had campaigned in 1890 on a promise to "bust up the big estates." Predictably, the methods enacted – a mixture of taxation and powers of compulsory repurchase – antagonized conservatives [Brooking, 1996, ch. 7]. While Ritchie instinctively shared conservative views, he attributed the blocked land market to landowners' unwillingness to accept a fall in book values, "to the irritation of the Radicals & some socialistic politicians of the colony, and to the doubtful good of anyone."[19] As early as 1884 he had advised that if the Land Company sold parts of its estates it "wd go far to keep the eyes of radical

[16] Ritchie to London, 16 June 1909, in NMA London letterbook no 9.
[17] Ritchie to W Brodie, 7 Oct. 1902.
[18] NMA-AGM 1894; Ritchie to Robert Stewart, 16 Mar. 1897.
[19] Ritchie to W.S. Davidson, 4 June 1891; to H.R. Grenfell, 15 Nov. 1890.

legislators (who comprise our Govt & the bulk of parliament) from landholders like the Coy."[20] A decade later he told Davidson that even with compulsory purchase "You will get fair value: and standing on the Cliffs Run last Sunday & looking over the wide expanse of green fields without a soul on them... remarked that such a state of things was a standing danger to the Coy as a whole."[21]

Eventually Ritchie was proven right. The Land Company was forced to write considerable sums off its book values in 1888, and to accept many sales to private buyers and to the government after 1890 at sums below even its revised valuations. Private sales were piecemeal, but transactions with the government involved whole estates from 1894. In some cases the government invoked its compulsory powers, usually to resolve deadlocked negotiations. Between 1894 and 1906, the Land Company made £1.1 million from land sales in New Zealand, and half of that was paid by the government.[22]

Ritchie frequently emphasized the Government's comparative moderation, and noted that with considerable public support for the government, "the only place is to run with the stream as far as possible – not actively against it."[23] He assiduously lobbied Cabinet ministers, and in the end came to accept, as few other financiers did, that the Liberal programme benefitted the mercantile sector. Not only had the Liberals' reforms saved capital from more radical redistribution, but

> we are apt to forget that while their Legislation may appear to be uncomfortable for the various interests with which we are more particularly concerned – yet, nevertheless it has a tendency to help and improve the position of the multitude and so long as these prosper whether industrial workers or farmers – so long will the other class who hold land and do business also profit in the long run.[24]

Ritchie presciently anticipated Lloyd George's People's Budget of 1910:

> the Old Country will have to face a good deal of what we have put through in New Zealand in the direction of what is called Socialistic Legislation, though I cannot see that anything so far propounded by the Liberal Government can be fairly said to be what I understand by that name. It seems to me to be chiefly attacks on privilege which has lasted perhaps too long and which will be continued until readjustments are made.[25]

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[20] Private letterbook vol 3 1883-86, p 106.
[21] Ritchie to W.S. Davidson, 21 Nov. 1894.
[22] NZ & Australian Land Company annual reports, in NMA papers.
[23] Ritchie to W.S. Davidson, 23 June 1893; to W. Brodie, 5 Apr. 1894.
[24] Ritchie to W.S. Davidson, 6 July 1901.
[25] Ritchie to J.M. Denny, 4 Feb. 1907.

The boards of both the Land Company and NMA eventually and grudgingly admitted that new legislation had not affected their interests. Indeed, profits and share prices rose.[26]

Shipping and Frozen Meat

Shipping agency had always been a lucrative business for New Zealand merchants, for the economy was vitally dependent on shipping links with Britain. Not only was shipping to, from and within New Zealand dominated by British capital, but the proportion of shipping movements in New Zealand attributed to British-owned ships increased from 87% in 1890 to 97% in 1910. This was against a "general trend of the British shipping industry losing ground to its competitors" [Hawke,1985, p. 87; Sturmey, 1962, p. 23]. The development of meat freezing – an essential prelude to closer settlement – was closely connected with the shipping trade. Ritchie was one of a few merchants who connected the shipping, freezing, and financial industries, and was a significant operator in this highly concentrated and integrated area.

Three companies dominated overseas shipping in the 1870s: Albion, Shaw Savill, and the New Zealand Shipping Company. The latter was established in 1872 when a number of merchants combined against what they described as overcharging by the other two lines. Albion and Shaw Savill themselves merged in 1877 [Waters, 1939, pp. 1-6; Waters, 1961]. Shipping companies usually operated in close alliance with their financiers, thereby getting a large number of captive customers. The N.Z. Shipping Co. was closely connected with the Bank of New Zealand, and its associated N.Z. Loan and Mercantile Company. The Loan and Mercantile acted as the N.Z. Shipping Co's agents, and had been required to take up £50,000 of Shipping Company shares to secure this contract. Russell, Ritchie, and then NMA, acted as agents for the Albion shipping line, and then for the merged Shaw Savill, although this arrangement relied on personal connections and no payment had been required of the merchants.[27]

While the two shipping companies colluded on rates and on dividing the market between themselves, it was an unstable relationship. The N.Z. Shipping Co. set the pace both in rates and in technology, forcing Shaw Savill to commission new ships and cut prices in order to keep up.[28] Ritchie spent much time in trying to manage this highly competitive environment, and he found himself in conflict with his own principals as much as their nominal rivals.

In 1886, taking advantage of the Post Office subsidies which both companies received, the NZ Shipping Company lowered its meat rates to 1.5 pence per pound. Shaw Savill & Albion attempted to keep its rates at 1.75 pence, thus breaking the informal arrangement. Since the integrated package of finance,

[26] NMA-AGM 1898

[27] Ritchie to Chairman, 19 May 1881.

[28] Ritchie to J. Galbraith, 13 Jan., 21 Aug., 16 Dec. 1876, 20 Oct. 1877; to J. Leslie, 30 July 1883.

shipping and marketing was vital to meat and wool exporters, Shaw Savill was virtually forcing its agents to demand higher rates of their clients. Ritchie pointed out that higher rates threatened to make the agency system unworkable, and that Shaw Savill risked losing not only meat freights but large quantities of wool as well.[29] Sound business practice and ethics had been outraged, and Ritchie sternly told his principals that they had

> done more than could have been imagined possible, to destroy any feeling of business friendship, & loyalty, which may have existed, and ought to exist, in business relationships. If you do that, you may sometimes force an apparent advantage, but in the end must suffer – as your only leverage left is by appeal to pounds shillings & pence & nothing beyond.[30]

Ritchie feared that other shipping companies would break up the existing duopoly. Within a few months this fear was realised; a new line, Tyser, was established at the instigation of North Island sheepowners angry at the two principal lines' surcharging freight from provincial ports [Farquhar, 1993]. Tyser secured the backing of a Christchurch merchant, Miles and Co., and a Scotland-Otago firm, Murray, Roberts and Co. John Roberts, the local principal of the latter, had used the freights issue to claim that Shaw Savill & Albion could not be trusted, but both his firm and Miles and Co. felt that they were not getting their share of Shaw Savill agency work.[31] Tyser held out the prospect of meat freight at a mere penny a pound, and after lengthy negotiations, Ritchie was apparently instrumental in persuading the other two companies to work together in the face of the new threat.[32] In the event, Tyser's penny a pound was based on slow ships, and in October 1888 the other two companies made an agreement, which Tyser joined, to carry meat at 1.5 pence in summer and 1.25 in winter or for year-round contracts.[33]

The next threat to the cartel came from the N.Z. Shipping Co. Early in 1889 it suddenly increased its wool rates. Ritchie responded with terse letters, warning them to "run straight" unless they wanted "a crisis of some kind." He also noted the risk of the cartel being disrupted, not only by Tyser but also by Turnbull, Martin and Co., another Glaswegian shipping company.[34] Ritchie dealt with this by taking on the agency for Turnbull, Martin and Co., and enforcing through his own office a sharing of the Otago freight.[35]

One means by which shipping companies could guarantee a captive market was controlling freezing works, which had initially been established by

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[29] Ritchie to J.W. Temple, 24 June 1886; to W H Levin, 24 June 1886; to J. Gallaway, 29 June 1886.

[30] Ritchie to J.W. Temple, 22 July 1886.

[31] Ritchie to J.W. Temple, 19 Oct. 1886; to W.H. Levin, 7 Mar., 28 Mar. 1887.

[32] Ritchie to W Savill 29 May 1888; to J.W. Temple, 11 July, 24 July 1888; to J Leslie, 24 July 1888.

[33] Ritchie to W. Savill, 3 Oct. 1888; to Leslie, 29 Oct. 1888.

[34] Ritchie to W. Savill, 4 Feb. 1889.

[35] Ritchie to W. Savill, 11 June 1889.

joint-stock companies of pastoralists and merchants. This, however, risked inflaming anti-monopoly sentiment, always strong in New Zealand. A measure of integration between freezing and shipping was probably inevitable, and was driven by both sides. In 1894 a freezing works was opened at Ocean Beach, near Bluff. The N.Z. Shipping Company and their brokers Turnbull Martin and Co had to buy a substantial stake in the works in order to secure the shipping contracts.[36] Likewise, Ritchie attempted to secure half of the output of the Christchurch Meat Company's Timaru works for Shaw Savill "using as a lever, the possibility of the freezing hulk being sent there, or new works put up." In fact South Canterbury had all the freezing capacity it needed, and Ritchie subsequently advised Shaw Savill to settle for a third of the freight.[37] Similarly, when the Wellington Meat Export Company contemplated switching its contracts from Shaw Savill to Tyser, Ritchie proposed that Shaw Savill threaten to build rival works in the Wairarapa.[38]

Shipping companies also took advantage when freezing works experienced financial difficulties. The Christchurch Meat Company, for instance, owed Shaw Savill £100,000 by 1901. As Ritchie commented,

> it looks as if, in case of non-success or financial troubles, the Shipping Companies are coming to be the most seriously interested parties in the Freezing Works of the Colony – and the most likely to be left to carry them on. The growers are only concerned to have competition and better prices for their stock. None of them want an interest in Freezing Works for any other reason.[39]

Shaw Savill was delighted at the extent of the Christchurch Meat Company's indebtedness. In 1903 Ritchie had suggested that the debt could be reduced, but was informed that

> it would certainly be very bad policy to talk of any reduction of interest. So long as the property is kept up & the Company does not get behind financially we are quite pleased, and we believe the NZSCo share our view, that the loan be retained, for it gives us a hold on the Company against the time when our Freight Contracts will fall in.[40]

In 1906, when the Christchurch Meat Company's liabilities became excessive, Ritchie combined with a Christchurch lawyer, Frederick Malet, who was a director of the Bank of New Zealand, the N.Z. Shipping Co. and the Christchurch Meat Co., to enforce the retirement of the latter's profligate manager.[41]

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[36] Ritchie to P. Denny, 10 Jan. 1894.

[37] Ritchie to J.W. Temple, 23 Jan. 1894; to J Leslie, 14 Apr. 1894.

[38] Ritchie to Shaw Savill, 24 Sept. 1901.

[39] Ritchie to Shaw Savill, 7 Jan. 1902.

[40] J. Potter to Ritchie, 25 July 1903, in Shaw Savill private inwards.

[41] Ritchie to Shaw Savill, 5 Feb. 1906, in Shaw Savill private outwards.

Ritchie exercised considerable influence over freezing works development in the North Island as well. NMA had foreclosed on the Longburn freezing works, near Palmerston North, in the mid 1890s. By 1900 Longburn made some £19,000 profit, which Ritchie kept in New Zealand as a (further) secret reserve, "above all...a fund that we should retain undisclosed."[42] The Gisborne Freezing Company was heavily in debt to a local merchant firm who managed the works and were themselves substantially in debt to Shaw Savill. Ritchie strongly advocated ultimate control of the works by Shaw Savill as the price of further assistance, thus guaranteeing not only the loan but also the freight business from that increasingly prosperous district. In the event, local farmer interests put together enough capital to rescue the works, but Shaw Savill kept a substantial shareholding, a mortgage, and the freight contracts.[43] In Auckland, Shaw Savill combined with the N.Z. Shipping Co. and the Auckland merchants L.D. Nathan to finance a new works at Auckland in 1904, agreeing that the two shipping companies would split the freight.[44]

There was considerable political mileage for the government in being seen to challenge collusion and restrictive practices, especially in shipping. From 1902 the Liberal government subsidized a new line, the Federal, much to the annoyance of the others. In the face of this threat to existing arrangements, the N.Z. Shipping Co. made it very plain that they, Tyser, and Shaw Savill should work together, "presenting a bold front to any encroachments on the trade."[45] Tyser, meanwhile, threatened to commence operations from Bluff, whence they had not operated since 1893. If this happened, Shaw Savill intended to match Tyser's rates everywhere. In 1906 a "disastrous cutting of rates" in meat and wool shipping occurred. Shaw Savill blamed the Federal line for breaking ranks, and the N.Z. Shipping Co. for not upholding Shaw Savill's tough line. Seddon, the Prime Minister, was committed to the subsidy although his Treasurer and heir apparent, Joseph Ward differed. Seddon died in the middle of 1906, and Ritchie, who had taken good care to stay on friendly terms with Ward, had the satisfaction of seeing the subsidy end and a new division of freight arranged by the end of 1906.[46]

Ritchie's constant negotiation of combinations in meat and shipping heavily influenced the development of New Zealand's new staples economy, and contributed to linking that economy to British finance as well as the British market.

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[42] Dunedin to London,7 June, 22 Oct., 10 Dec. 1900; 14 Jan., 26 Feb. 1901; 21 Nov. 1903, in NMA London letterbook no 8; J.M. Ritchie to W. Brodie, 27 Jan. 1902, private letterbook.

[43] Ritchie to Shaw Savill, 4 Nov. 1901, 31 Jan. 1902, 10 Mar. 1902, in Shaw Savill private outwards.

[44] Ritchie to Shaw Savill, 6 Apr. 1904, in Shaw Savill private outwards.

[45] Ritchie to J. Potter, 8 Jan., 18 Feb. 1904; Ritchie to W. Brodie, 22 Feb. 1904.

[46] Ritchie to SS&A , 15 Oct. 1906, 15 Jan. 1907, in Shaw Savill private outwards.

Conclusions

Any discussion of Ritchie himself must end suddenly. He suffered a stroke in October 1912, still General Manager, still exercising rigorous control over the company's operations. He died a few months later, just short of his 70th birthday. His career is instructive for a number of reasons. Most obviously, it demonstrates the great influence which an astute manager, nominally responsible to a London board, could have over colonial economic development. On many issues Ritchie demanded virtual autonomy, but his most lasting legacy was in his championing of the financing of small farmers. Ritchie's long-term view stressed the interests of the company and the New Zealand rural economy against, or alongside those of British rentiers. Ritchie's facilitation of the cartelization of shipping and frozen meat is also instructive, and reinforces the impression of him as a modernizer. Lastly, Ritchie displayed a masterly political acumen, stressing flexibility in the face of populist and democratic politics. This was particularly important as some other men of property went out of their way to defame New Zealand's credit in London in the early 1890s. In summary, Ritchie was a critical mediator of the economic relationship between Britain and her farthest dominion.

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