THE SYDNEY ENTREPRENEURS 1788-1821.

A Study in Colonial Enterprise with Particular Reference
to the Career of Simeon Lord.

by

D.R. Hainsworth.

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The purpose of this work is to set down the results of a prolonged investigation of the activities of the Sydney entrepreneurs during the thirty or so years which lie between their first stirrings in the last months of Phillip's governorship and the departure of Governor Macquarie in December 1821. It seeks primarily to examine and estimate the contribution of the entrepreneurs to the transformation of the dismal prison farm of 1788 to the bustling colony which astonished J.T. Bigge in 1819. Along the way it seeks to solve a number of other questions, narrower in scope but significant to early Australian history or to entrepreneurial and business history. What prompted these enquiries? When I first read the pioneer historians of early Australia I accepted uncritically their picture of a long struggle fought between on one side devoted and public spirited governors, bent on founding a stable colony of time-expired convicts and free settlers, and on the other, a clique of self-interested officer-official traders and pastoralists, bent only on satisfying their own avarice. This picture of rehabilitated refuse from English prison hulks deprived of their opportunity to make good on small freehold farms by the greed of their betters using rum as bait and debt as a trap is highly coloured and moved the liberal conscience. Two historians who did much to propagate it were Bryan Fitzpatrick and Dr H.V. Evatt.¹ Both were members of the Australian Labor Party, a political organisation which has always been dedicated to protecting the feeble many from the powerful few. Very naturally since politics in the twentieth century was

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more important to them than the history of the nineteenth century, their twentieth century pre-occupations coloured their vision of the past. Unfortunately it also clouded it. Historians with an opposed political commitment did no better when they did no worse. Professor A.O.G. Shann's version of early New South Wales economic history is no more satisfactory. A distinguished modern historian has compared a historical subject to a mountain. Seen from different vantage points the mountain exhibits very different, even contradictory, shapes, but this does not mean that the mountain has no single, three dimensional shape. It means rather that the true form, even in a rough generalised way, cannot be determined from one or even two vantage points. The writings of Shann, Fitzpatrick and Evatt, and some other writers who have followed their differing leads, demonstrate the validity of this comparison very strikingly. Their stance is too restricted. As a result their vision, though often compelling and always interesting, is distorted.

I first became aware of this in 1960 as a research student on the staff of the Mitchell Library when my attention was drawn to the career of the emancipist trader Simeon Lord, and still more when I realised that Lord was only the most outstanding in a crowd of entrepreneurs, many of them ex-convicts, and most possessed of no initial capital other than an inborn talent for making money. The New South Wales colony in the days of King and Bligh, it quickly became clear, was not economically in the clutches of

a monopolistic clique of privileged men. More important, however, was the discovery that from its earliest days the colony was a land of opportunity for those who had the vision and ingenuity to exploit it. A by-product of this approach, therefore, is the realisation that there was another side to the convict system besides the horrors so vividly depicted by Price Warung and Marcus Clark. It was not simply free settlers and officials who found the infant settlement a scene of opportunity, and in commerce a career open to talent. It was not just that the Sydney commercial community was larger than the pioneer historians had suggested, but that this community was so very diverse in composition that it was a very microcosm of the colony as a whole. Not only do the pioneers not explain this phenomenon, they show no awareness of its existence. For example in the index to Shann's Economic History of Australia there are no references to the leading entrepreneurs such as the Underwoods, Henry Kable, etc, while Andrew Thompson and Simeon Lord are only referred to as magistrates. There are no references either to sealing, sandalwood, whaling, shipbuilding, contracting (at least for the period to 1821), and Fitzpatrick is similarly silent. "When the year 1800 opened" he writes "ninety per cent of Australia's four hundred farmers and most of the New South Wales population of 5,000 were economically in utter subjection to two dozen of their number." While he does not name the two dozen, the reader must conclude from the context that they were either officers of the New South Wales Corps or self-interested civilian officials in alliance with them. This would be an exaggerated picture even for the 1790s, and indeed misses the point that it was during the period of the officers' "monopoly" that the emancipist entrepreneurs began careers which

were to carry many of them to affluence. Fitzpatrick also wrote that the monopolistic economic system which the "captains and subalterns, surgeons and commissaries" had established "was maintained, in spite of the Crown, during most of the long war period." In fact the year 1800 ushered in a period of fierce competition, conducted by a numerous and diverse body of traders, and ironically the only major trader who was unable to stand the pace of this competitive period was Paymaster Cox of the New South Wales Corps who defaulted sensationally in 1803.

The view of the pioneers was not simply restricted because of their twentieth century preoccupations, for they suffered from a disadvantage for which they cannot be blamed. They saw the period through the eyes of a succession of harassed governors. They had what might be called the Government House verandah point of view. Although the view is elevated the true historical form of this period cannot be descried from it. It is not surprising that the pioneers should have concentrated on the governors. The documentary sources were much more restricted in their scope and availability before the second world war and their chief source had to be the Historical Records of Australia. This magnificent collection comprises the dispatches to and from the governors and such of the enclosures as the editors were able to locate. It suffers, therefore, from an inbuilt weakness: the dispatches, at best, told Whitehall what the Governor believed

5. Fitzpatrick, op. cit., p. 91.

6. G. Hartley Grattan has suggested that the 'Rum Rebellion' of 1808 was "in a sense a last ditch effort of the officer group to maintain itself rather than a demonstration of its indisputable power." I believe this interesting suggestion to be mistaken for the commercial significance of the men holding the King's commission in January 1808 was already slight; Grattan, The Southwest Pacific to 1900, Ann Arbor 1963, p. 55.
to be true; at worst they told what the Governor wished Whitehall to believe although he knew better. At all times the dispatches told only what the Governor believed to be relevant or important. One recalls that Governor Bligh demanded what he had to do with John Macarthur's sheep. The fact that Bligh could not see that the great flock had any importance to anyone other than its owner - in spite of Whitehall's strong support of Macarthur's fine wool vision - is an interesting demonstration of how restricted a governor's view of what was important might be. My description of the origins of colonial shipbuilding (in Chapter Seven below) provides a clear illustration of the capacity of the dispatches to deceive the unwary. The pioneers had to rely heavily on the dispatches and as a result, although both Shann and Fitzpatrick were ostensibly writing economic history, when describing this early period they seem to be writing political and adminis-trative history. It may be that Fitzpatrick believed that there was no worthwhile economic history to write, in any detailed, 'business history',

7. The Historical Records of New South Wales, although a more varied source and useful, only goes to 1817, and its choice of documents is too random to serve as a complete corrective to the Historical Records of Australia. As James Stephen wrote to Earl Grey in March 1850: "Commentators on colonial or any other history who confine themselves to official documents are as sure to go wrong as if they entirely overlooked them." Quoted in N.D. McLachlan, Historical Studies, Australia and New Zealand, Vol. 13, No. 52, April 1969, p. 477.

8. In his introduction to Fitzpatrick Dr Evatt observed that "a close analysis of all the legal contests between 1788 and 1820 has not yet been made. But in my opinion the result will be to corroborate the essential truth of Fitzpatrick's thesis." In 1961 and 1962 I read not only the account of proceedings of every civil action between 1788 and 1814 which has survived, but all the appeals court papers which have survived up to the late 1820s. I also had the unusual luck to be the first person to read the case papers, affidavits, documents offered in evidence, etc, relating to the major civil suits. As will be clear from the references large portions of the following work are based on these records. Dr Evatt was absolutely right to predict that these cases could prove a major historidal source but I believe that far from substantiating Fitzpatrick's thesis they undermine it by revealing a very different colony from the one he so vividly describes.
sense. Hartley Grattan wrote of Fitzpatrick as "making clear that the first distortion of an Imperial policy was simply a straight-out, exploitative monopoly, engineered by a small group of military men, which made no dynamic contribution to Australia's development." 9 This obsession with the officers' monopoly blinded Fitzpatrick, in spite of his great gifts, to the fact that this period from 1788 to 1821 was the seed time of Australia socially and economically. In it the foundations of Australian economic development were laid, and much occurred that was in the highest degree dynamic. 10 In view of this a history which is focussed on the policies of the governors, the policies of the home government, and the support or opposition they evoked will inevitably fall very short of telling the history of the economic foundations of Australia.

During the past decade Australian historians have sought to provide the student with fresh vantage points. They have got off the verandah. Professors Manning Clark, A.G.L. Shaw, S.J. Butlin, Geoffrey Blainey, Dr Margaret Steven, among others, have published books which give us new insights into the early history of the colony, and happily this is a continuing process. This work has the same object: to add to our knowledge of early

10. Recently thirteen authors have combined to produce a 360-page book on this very topic, seen in its broadest aspects, cf. G.J. Abbott and B. Nairn (Eds) Economic Growth of Australia 1788-1821, hereafter referred to as Abbott & Nairn (Growth).
Australian history, by studying the Sydney traders and examining the part
they played in transforming a prison into a colony. It seeks to describe
and explain the emergence of a class of affluent entrepreneurs from the
ranks of the convicts, the petty officials and the free settlers during the
1790s. It examines their failures as well as their successes because when
one is studying the foundation period of any society, and inevitably studying
a very small group of people very intently, every action taken, every venture
launched, every dream which some enterprising man seeks to transform into
reality, has an importance apart from the immediate result. The first
Sydney entrepreneurs were men creating a business community six months
voyage from Europe on the edge of an inhospitable wilderness. They were men
writing in wet clay, which once hardened, would bear their mark for ever.
They marked the trails and set the precedents. Later merchants, industrialists and financiers, proud of their professionalism and their bourgeoisie
respectability, no doubt looked back at their predecessors and thought them
a rum lot. Simeon Lord and his like did not conform to the pattern approved
of — ostensibly at least — in the Victorian counting houses and board rooms.

No matter, the odd, raffish, unorthodox trading community which grew in
the unlikely environment of the Sydney penal settlement at the beginning of
the nineteenth century had founded Australian commerce, industry and even
banking. They had helped to create a colony out of a prison by erecting a
business community and a commercial structure suitable to a colony but
increasingly unsuitable to a prison. Their experience, their ambitions,
whether far-ranging or restricted, their readiness to leap in the dark and
take the hazard, all played a part in shaping the economic environment for
generations to come. The fact that their number was small in comparison to
larger communities does not invalidate them as an object of study: rather it makes them all the worthier of our closest scrutiny. In England men like Simeon Lord, James Underwood, Andrew Thompson or Samuel Terry would probably never have risen from provincial obscurity. Even if they had become entrepreneurs they would simply have formed a minor and anonymous part of that vast throng of businessmen whose efforts made up the "industrial revolution". Removed to Sydney, whether as convicts like Simeon Lord, or gentleman-traders like Robert Campbell, they emerge as genuine historical figures. They do this not because they were colourful nor because some became successful and affluent, but because of what they did. Because they laid the foundations of Australian trade, manufacturing, shipbuilding, exporting, opened the Pacific sea-lanes for Australian traders, and fought to establish connections with Asia and Europe and America, we must know how they did it. We must know what they did, where they succeeded and why some aspirations remained partly or wholly unfulfilled.

I said many questions had presented themselves. Here are just a few of them: why and how were the officers able to establish a monopoly of commerce in the 1790s? What form did it take and how long did it persist? How did the emancipist traders who emerge from obscurity in 1800 get their start? How numerous and how diverse was the Sydney business community during this seedtime? What difficulties did it have to overcome and how did it seek to overcome them? How could a shipbuilding industry be founded in a colony in which shipbuilding was forbidden? Why did the sealing industry emerge after 1800 and what was its true significance to the colony's economy? How was it possible to pioneer trade links with London and the Indies in the era
of the East India Company monopoly? How significant was colonial industry?
What kinds of colonists engaged in it and where did they obtain their capital?
What other kinds of colony building activity lured the entrepreneur? There are many questions which the writer would like to answer but cannot, because the records simply will not support a firm conclusion. This is particularly true of profit and loss, especially the former. We have almost no records which show this specifically, and there are very few ventures of which records survive which show this even indirectly. The most complete set of records surviving for a major entrepreneur is the Macarthur Papers and even here the documents for his early projects have survived haphazardly and one cannot achieve precision. Thus although in the following chapters attempts are made to assess profit and loss on individual ventures, or the relative profitability of competing opportunities for investment, such assessments can only be tentative. 12 Fundamental questions can be tackled, nevertheless, and the chapters as they succeed each other seek to reveal what were the times and life of a Sydney entrepreneur in the first generation of settlement and what part did he play in that period.

Naturally this is only one aspect of the economic history of the colony to 1821, although a major one with wide spreading ramifications. Although the full story of the economic growth of the colony is too large a subject to be tackled here – for it would have to include large sections

12. Dr Steven suggests that the difficulties of assessing profit and loss are due to the rudimentary bookkeeping methods of the time and the absence of specific estimates of profit and loss. My scrutiny of such collections as the Hassall, Mansell, Redfern, Wentworth and Macarthur Papers, among others, bears out this view completely; Steven in Abbott and Nairn (Growth), p. 133.
on land, agriculture and grazing, and a greater attention to government policies – the story of the entrepreneurs contributes much to our understanding of that growth. In Abbott and Nairn's broad survey of the colony's economic growth, published earlier this year, Dr Steven has contributed a chapter on enterprise. In it she makes the valuable point that the entrepreneur cannot be ignored because, since he exploits resources in new ways and holds the key to the growth of a colonial economy, he will largely determine the nature of the economy which emerges from the formative years. 13

It is because I strongly shared this view of the entrepreneurs' significance that I sought to excavate from the dusty and tumbled fragments of their records the secrets of their schemes and projects. Of course, in the drama of the emergence of the colony from its squalid and unhopeful beginnings the Sydney entrepreneurs were only one of several groups of influential protagonists, which included governors, farmers, pastoralists, public servants, political figures like Hobart, Liverpool and Bathurst, and such friends of colonial progress as Sir Joseph Banks. This work is devoted to the entrepreneurs because although several historians have recognised that they were important, 14 the part they played has never been analysed in detail and neither their origins nor their operations have been explained. 15

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13. Steven, op. cit., p. 119. It would perhaps be truer to say that the entrepreneur is the 'prime mover' but in his shaping of the colonial economy there is necessarily a continuous dialogue – sometimes harmonious sometimes acrimonious, with the colonial governor whose policies exert a strong though varying influence. However, I agree with many of the general points in this chapter. I strongly disagree with some of the more specific of her statements, but these I will consider at the relevant points in the following chapters. (See below particularly pages 47-48, 169-170, 189).


15. As is indicated by the substantial number of entrepreneurs who missed inclusion in the Australian Dictionary of Biography, e.g. Robert Williams, rope-maker, William Roberts, road builder, Thomas Hutchinson, artificer and entrepreneur, William Hobart Mansell and James Giaholm, extensive
I have said that some historians tended to over-emphasise the role of the
governors in founding and developing the colony. They had to for they were
trapped by the logic of their position. If private enterprise was
monopolistically controlled by some two dozen avaricious men bent on sailing
home as Botany nabobs, who but the governors could have built the colony?
The following chapters present a very different picture, but I have no wish
to decry the very real achievements of Macquarie, or even King. The work
seeks to present a more balanced picture, not to substitute one distortion
for another. Moreover/there is no intent, in describing the work of the
entrepreneurs, to sentimentalise or even whitewash an aggressively acquisitive
body of men, neither is there any intent to criticise such men for believing
in unfettered enterprise in the era of the Industrial Revolution.

This then is a work of 'trading history' rather than economic history,
more concerned with traders than trade cycles, but always concerned with
the influence of their actions. In studies of the economic history of past
communities, as Dr Steven has said, enterprise is a factor of production and
growth which "tugs economic analysis off balance and confronts it with the
seamless garment of human endeavour."\(^{16}\) The activities of human beings
are idiosyncratic, and when the historian is examining the actions of
relatively small groups of them within a small and peculiarly constituted
community like the early New South Wales penal settlement, it is difficult
indeed to make those broad and illuminating syntheses which stud the work
of economic historians devoted to such abstract factors as labour, land
and capital. In writing this study I have repeatedly been reminded of

Ashton's dictum that "it is the wills and choices and acts of men and women that are the ultimate data for historian and economist alike." This study must concern itself with individual men, individual firms, individual schemes, operations, enterprises. While questions are asked and hypotheses are constructed I have tried to avoid building over-elaborate structures of theory on too narrow a foundation of fact. Generalise we must, and seek constantly by this close scrutiny of the actions of individual men to illuminate a broader picture. But when we do so we must be content to construct these general propositions from a series of individual actions or events, for this impressionistic technique is forced upon us both by the records, which are fragmentary, often appear contradictory, and have survived haphazardly, and by the restricted number of the protagonists. So far as the records are concerned it is only fair to say that, however maddening their condition or incompleteness may be, the research for this study has shown that a greater volume of business records has survived than would once have been thought possible. Some, like the account books in the Macarthur Papers, have been known to exist for years but have been put to little use. Others, like the rich store of accounts, correspondence, agreements and affidavits preserved in the Supreme Court collection and which were first unfolded by this writer in 1961, are just becoming known.


18. The occasion on which I unfolded a battered and much folded bundle of paper, its exterior buried in grime and its formerly pink ribbon long since faded to white, and found Simeon Lord's complete accounts with his London brokers, 1804-1809, is still a vivid and cherished memory.
So far as the restricted number of the protagonists is concerned I have been consoled by the dictum of Professor Arthur H. Cole that "to study the 'entrepreneur' is to study the central figure in modern economic history and ... the central figure in economics." The years 1788 to 1821, comprising as they do the first generation of settlement, and including developments which as surely spelled doom for the prison as they did success for the colony, are the seedtime of the Australian commonwealth. In such a germinating epoch individual men have a protean significance, for even their mistakes, their failures, their very whims and fancies can be pregnant with future significance. Thus I believe this study of the entrepreneurs will be useful to other students of the period whether they are concerned with the commercial aspects of British imperial history or Australian historians seeking another viewpoint on the origins of their society.

Although Simeon Lord figures largely in the following chapters and is referred to in the subsidiary title to the work, this is more than a life of Lord. Although some fellow workers suggested several years ago that I make my topic a biography of Lord I rejected the idea at the time on the ground that I did not believe there were records enough for such a project. Today I would be less pessimistic for I have found scores of records relating to Lord's many interests, and large parts of this study are based upon these sources. However, I am even more sure now that my decision to look at the colonial entrepreneurs as a group was correct, and for a better

reason. Lord is fascinating and ubiquitous, and few indeed are the forms of colonial enterprise in which he was not involved. However he seems to me too large, too idiosyncratic, too a-typical a figure to present in isolation without running the risk of distorting one's view of the period. To be obsessed by Lord would be no more useful than to be obsessed by the 'Rum Corps'. Lord needs to be placed in his true setting, amid the bustle and hub-bub of the quarrelling, competing entrepreneurs, large and small, who thronged the dusty streets of what Alexander Riley exasperatedly called "this pigmy port". Otherwise, for the myth of the New South Wales Corps we may simply have substituted a myth of Simeon Lord.