

**The Capitalist in Colonial History:  
Investment, Accumulation and Credit-Money in New South Wales**

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*Capitalists and labourers have long been regarded among the great antagonists of Australian historiography. Yet where the latter has been subjected to constant analysis by successive generations of historians, the formation of 'the capitalist' has received scant attention. This article reassesses this figure as a discrete colonial type, not as the ubiquitous owner of the means of production, but a conflicted and contested subject of imperial transformation. By layering a series of perspectives on the capitalist as a category of government, a model of calculative skill and parsimonious morality, as a contested popular discourse, and whose relations were structured by the 'inherent hierarchy of money', this reassessment also offers fresh perspectives on the processes of settler capitalism. It highlights the social, political and technological linkages that promoted valuation, investment and wealth accumulation as intrinsic to Australian settlement and the credit-money relations that made settler expansion dynamic but fragile.*

Britain's nineteenth-century settler colonies were prodigious in fostering novel social typologies. In early New South Wales, the convict, emancipist and free settler were only the most recognisable colonial 'types'. There were also polarising divisions between 'emancipists' and 'exclusives', and between the locally-born 'currency lads and lasses' and the British-born 'sterling'. More generally, as in other Anglophone new worlds, the colony was populated by 'settlers', 'pioneers', 'colonists' and 'emigrants', each carrying different connotations of class, respectability and wealth.<sup>1</sup> From around 1830, yet another taxonomy was coming into use. 'All who leave their native country with the view of

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I wish to thank the two anonymous reviewers, the editors of *AHS*, as well as Glenda Sluga, Yves Rees, Nicholas Brown and Nick Hoare for their advice and feedback.

No potential conflict of interest was reported by the author.

<sup>1</sup> James Belich, *Replenishing the Earth: The Settler Revolution and the Rise of the Anglo-World, 1783–1939* (Oxford: Oxford University Press, 2009), 149–52; Benjamin T. Jones, 'Currency Culture: Australian Identity and Nationalism in New South Wales before the Gold Rushes', *Australian Historical Studies* 48 no. 1 (2017): 68–85.

settling in this territory’, wrote Reverend Henry Carmichael in an 1834 emigrant guide, ‘may be arranged under the heads of Capitalists and Labourers’.<sup>2</sup> Within a decade, this couplet was pervasive through government reports, books, guides and commentary. In 1848, the year of European class-based revolutions, New South Wales’ Governor Charles FitzRoy told the Legislative Council that the task of government was to ‘restore that equilibrium’ whereby the ‘fair profits of capitalists’ were not ‘absorbed’ by the ‘disproportionate rate of wages’ of labour.<sup>3</sup> Karl Marx’s historical imagination, as Marx himself later appreciated, was finding perfect expression in colonial Australia.<sup>4</sup>

Capitalists and labourers have long been regarded among the great antagonists of Australian historiography. Yet while generations of historians have studied the making of labour, the formation of capitalists has received scant attention. Capitalist-like figures have been frequently celebrated in histories of colonial pastoralism and business.<sup>5</sup> But ‘the capitalist’, as a distinct *persona* denoted by the definitive article, has tended to be assumed rather than explained. Part of this difficulty is that capitalists are so readily treated in familiar registers of analysis: the class antagonisms of social and economic history, the creative and risk-bearing entrepreneur assessed by economic and business historians, or the emergent nineteenth-century ‘middling class’ studied by cultural historians.<sup>6</sup> While such prescriptions are valuable in their contexts, they also foreclose the historical specificity of nineteenth-century capitalists in settler economies.

This article recovers the emergence and significance of ‘the capitalist’ in early colonial history, not as the ubiquitous owner of the means of production, but as a moral and political subject of the settler project. I develop an alternative response to Marx’s old question: ‘where did the capitalists spring from?’ Marx identified the genesis of the ‘capitalist farmer’ and ‘industrial capitalist’ in England’s seventeenth-century agricultural and financial revolutions, whose existence later political

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<sup>2</sup> Rev. Henry Carmichael, *Hints Relating to Emigrants and Emigration* (London: D. Walther, 1834), 13.

<sup>3</sup> *Government Gazette*, 25 March 1848, 410.

<sup>4</sup> See Marx’s discussion of Wakefieldian systematic colonisation, Karl Marx, *Capital: A Critique of Political Economy*, vol. 1 (London: Penguin, 1990 [1867]), 932.

<sup>5</sup> Beginning at least with E.O. Shann’s *An Economic History of Australia* (Cambridge: Cambridge University Press, 1930).

<sup>6</sup> For respective examples: Phillip McMichael, *Settlers and the Agrarian Question: Foundations of Capitalism in Colonial Australia* (Melbourne: Cambridge University Press, 1984); Simon Ville, ‘Colonial Enterprise’, in *The Cambridge Economic History of Australia*, eds Simon Ville and Glenn Withers (Melbourne: Cambridge University Press, 2014), 202–21; Linda Young, *Middle Class Culture in the Nineteenth Century: America, Australia and Britain* (New York: Palgrave, 2003).

economists ‘naively’ took as a ‘social law of nature’.<sup>7</sup> By contrast, rather than treating capitalists primarily as a problem of origin through social or economic history, I trace invocations of ‘the capitalist’ in various contexts – theoretical, political, administrative, commercial – to examine how different kinds of people were made or claimed to be capitalists, and the self-understandings and social relations this label produced and justified.

In Victorian Britain, socialists and satirists quickly devised a popular imagery associating capitalists with naked avarice. This was also the fate of colonial capitalists. But for a generation before the mid-century goldrushes – the period focused on in this article – the capitalist served several distinct colonial purposes. At one level, the capitalist was, for the imperial authorities, an ideal type for reforming the post-Napoleonic empire. This figure was elaborated by social reformers – clergy, colonisation promoters, journalists, novelists – as bearing calculative skills and a parsimonious ethic, substantiating a new model of masculinity defined in terms of occupation, probity and creditworthiness. In turn, capitalist was an identity to be claimed by actors across the economy, from landowners and shareholders to sole traders and storekeepers, negotiating the colony’s unsettled social distinctions. Ultimately, the capitalist, as a colonial type, was riven by contradiction. Theirs was a status emancipated from old-world paternalisms but imbricated with new gendered and racial exclusions, as well as hierarchies structured by a dependency on ever-increasing forms of credit-money. More than self-evident economic agents, capitalists were contested and conflicted subjects of nineteenth-century imperial transformation.

This article has two purposes. First, recovering settler capitalists adds to the recent emphasis on nineteenth-century British imperialism as a process of economic expansion. The focus here has generally been on ‘gentlemanly capitalists’ who directed imperial investment flows from the City of London. While not disputing the ‘structural power’ exercised by this metropolitan elite, I suggest that capitalists in the settler colonies were more than the ‘ideal prefabricated collaborators’ of City finance depicted in this literature. Rather, they were enmeshed in their own complex histories and

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<sup>7</sup> Marx, 98, 905.

hierarchies.<sup>8</sup> Second, as Australian historians now seek a ‘new materialism’, studying capitalists offers alternative means for comprehending the settler economy.<sup>9</sup> My argument is made in four parts, considering capitalists as a category of government, as a model of calculative ability and parsimonious morality, as a contested popular discourse, and as a relation structured by the ‘inherent hierarchy of money’. These approaches contextualise colonial history within a broader moment when the wealth-accumulating subject – a subject viewed with suspicion since antiquity – was achieving widespread legitimacy.<sup>10</sup> They are also designed to develop new perspectives on the formation of the colonial economy. Studying capitalists, I argue, shifts focus from commodity production and exchange to the social, political and technological processes that habituated practices of pecuniary valuation, investment and wealth accumulation as intrinsic to Australian colonisation.<sup>11</sup> Emphasising these processes, in turn, encourages a reassessment of the structure of Australian settler capitalism, highlighting the hierarchical credit-money relations that propelled the extraordinary dynamism but also fragility of settler expansion. Finally, in scrutinising capitalists, I am also suggesting ‘new’ histories of capitalism require not only fresh forms of economic analysis but must interrogate economic categories as constitutive of the very phenomena we seek to explain.<sup>12</sup>

### **The Capitalist as a Social Category**

‘Capital, capitalist and capitalism’, Fernand Braudel wrote in the *Wheels of Commerce*, have distinct conceptual histories with long-disputed meanings.<sup>13</sup> While the term ‘capital’ emerged in the thirteenth-century Italian city-states to designate money used by merchants for gaining a profit in

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<sup>8</sup> For debates regarding colonial and gentlemanly capitalists, which run more parallel than intersect with my arguments, see Jim McAloon, ‘Gentlemanly Capitalism and Settler Capitalists: Imperialism, Dependent Development and Colonial Wealth in the South Island of New Zealand’, *Australian Economic History Review* 42, no. 2 (2002): 204–23; A.G. Hopkins, ‘Gentlemanly Capitalism in New Zealand’, *Australian Economic History Review* 43, no. 3 (2003): 287–97.

<sup>9</sup> Sophie Loy-Wilson and Hannah Forsyth, ‘Seeking a New Materialism in Australian History’, *Australian Historical Studies* 48, no. 2 (2017): 169–88.

<sup>10</sup> For this wider context: Margaret C. Jacob and Catherine Secretan, eds., *The Self-Perception of Early Modern Capitalists* (New York: Palgrave Macmillan, 2009).

<sup>11</sup> On conceptualising capitalism in these terms, see Jonathan Levy, ‘Capital as Process and the History of Capitalism’, *Business History Review* 91 no. 3 (2017): 483–510.

<sup>12</sup> See Jeffrey Sklansky, ‘The Elusive Sovereign: New Intellectual and Social Histories of Capitalism’, *Modern Intellectual History* 9 (2012): 233–48.

<sup>13</sup> Fernand Braudel, *Civilization and Capitalism, 15<sup>th</sup>-18<sup>th</sup> Century, Vol II: The Wheels of Commerce* (Berkeley: University of California Press, 1992), 240–5.

trade, 'capitalism' was only coined in the mid-nineteenth century. 'Capitalist' emerged somewhere between. Braudel found it in seventeenth-century Dutch records, denoting wealthier taxpayers. It entered more regular use in eighteenth-century France, typically referring to investors in government bonds issued to finance expansive warfare.<sup>14</sup> By the time of Revolution, when French instability was closely associated with public borrowing from which stockholders profited, *capitalistes* were designated enemies of the people, 'inspired by love of money rather than love of country', as Linguet wrote in 1789. An 1804 French dictionary claimed the term was 'known only in Paris', describing 'a monster of wealth who has none but monetary affections'.<sup>15</sup>

By then, the capitalist had migrated into English, where it was also a pejorative term. When called a 'capitalist' in Parliament in 1797, the Earl Temple was outraged to be addressed by that 'French word'. William Morgan used it to attack merchants who invested in Britain's public debt for not 'enriching his country by laudable enterprise ... but adding to its distress by trading in loans and contracts'.<sup>16</sup> Capitalists were thus attacked just as eighteenth-century Country Whigs had attacked stockholders speculating in Britain's public debt. Initially, the capitalist was synonymous not with industry or farmers but a 'monied interest' that profited from taxes levied on land and trade to pay stockholders' yields. Since its inception in 1694, Britain's public debt had been derided for creating a clique of effeminate, hysterical gamblers who shifted government's foundation from landed stability to speculating 'passion'. Eighteenth-century defenders of public debt countered by lampooning the celebrated ancient yeoman as a barbaric anachronism. Masculinity was relocated in the 'man of commerce'. The promise-making of investment, they said, did not make men 'passionate'. Rather, it cultivated credibility, sociability, politeness and sober rationality. This polemic also redefined ideas of femininity, now associated less with public profligacy than with domestic virtue. Sensuous women

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<sup>14</sup> Michael Sonenscher, *Before the Deluge: Public Debt, Inequality, and the Intellectual Origins of the French Revolution* (Princeton: Princeton University Press, 2007).

<sup>15</sup> Quoted in Liah Greenfeld, *The Spirit of Capitalism: Nationalism and Economic Growth* (Cambridge: Harvard University Press, 2001), 149.

<sup>16</sup> *The Parliamentary Register: Second Session, Eighteenth Parliament*, vol IV (London, 1798), 369; William Morgan, *Additional Facts Addressed to the Serious Attention of the People of Great Britain* (London: J. Debrett, T. Cadell & W. Davies 1796), 43.

provided refuge to men exposed to the callousness of the market. These constructions offered more than a defence of public debt. They were cultural resources to legitimise wealth accumulation.<sup>17</sup>

The nineteenth-century ‘capitalist’ was a descendent of eighteenth-century commercial man, as the term was successively appropriated by political economists, evangelical Anglicans, Victorian moralists and the imperial state and invested with commercial virtues. Immediately after the Napoleonic Wars, British political economists applied the term ‘capitalist’ to tenant farmers. This partly reflected changing ideas about what constituted ‘capital’, no longer only ‘circulating’ monetary capital but also ‘fixed’ buildings, animals and materials.<sup>18</sup> But this was also a rhetorical strategy in the Ricardian attacks on the Corn Laws, designed to reframe agriculture from a unified ‘landed interest’ into a zero-sum antagonism between ‘landlords’, ‘capitalists’ and ‘labourers’, each seeking to maximise rents, profits or wages. Once-paternalistic landlords were recast as indolent parasites who profited from protective tariffs, while capitalist-farmers were designated leaders of enterprise, free trade and national prosperity.<sup>19</sup> For political economists, capitalists exercised not mere self-interest, but a moral philosophy in which capital accumulation was achieved parsimoniously by reinvesting savings in productive employments.<sup>20</sup> As Nassau Senior explained in 1836, ‘abstinence’ was the definitive ‘Act’ or ‘conduct’ of ‘Capitalists’: abstinence from the ‘unproductive use of capital’ and devotion to ‘remote rather than immediate results’.<sup>21</sup> The emergence of the nineteenth-century British capitalist thus represented more than a phase in the development of entrepreneurialism, as economic historians sometimes argue.<sup>22</sup> In this context, capitalists were political agents, fighting the

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<sup>17</sup> J.G.A. Pocock, ‘The mobility of property and the rise of eighteenth-century sociology’ in *Virtue, Commerce and History*, J.G.A. Pocock (Cambridge: Cambridge University Press, 1985), 103–23; Barbara Taylor, ‘Enlightenment and the Uses of Woman’, *History Workshop Journal* 74, no. 1 (2012): 79–87.

<sup>18</sup> Geoffrey M. Hodgson, *Conceptualizing Capitalism: Institutions, Evolution, Future* (Chicago: University of Chicago Press, 2015), ch. 7.

<sup>19</sup> Keith Tribe, *Land, Labour and Economic Discourse* (London: Routledge, 1978), 119–27.

<sup>20</sup> Adam Smith coined this pervasive formulation, although he did not use the term ‘capitalist’. See Adam Smith, *An Inquiry Into The Nature and Causes of the Wealth of Nations* (Indianapolis: Liberty Fund, 2004 [1776]), II.iii.16, 28–31.

<sup>21</sup> Nassau Senior, *Outline of Political Economy* (New York: Augustus M. Kelly, 1965 [1836]), 89.

<sup>22</sup> For example Robert Hebert and Albert Link, *A History of Entrepreneurship* (London: Routledge, 2009), 24–35.

monopolising excesses of Old Corruption and cultivating an anti-aristocratic ethic of parsimony and self-dependence.<sup>23</sup>

By the late-1820s the capitalist had become the cause of evangelical Anglicanism, social reformers and the imperial state. Evangelicals preached atonement through industry and accumulation.<sup>24</sup> So did didactic moralisers such as Harriet Martineau, who popularised the benefits of market competition. For Martineau, a capitalist was any ‘man’ who disposed himself to profit, whether by saving his wages, renting rooms in his house or even selling his own goods. This capitalist was a paragon of domesticated self-reliance.<sup>25</sup> Parliamentary committee reports consolidated the capitalist as a social fact. As the pre-eminent mode of nineteenth-century social inquiry, government reports authorised new social categories in which its readers (such reports were popularly read) came to recognise themselves.<sup>26</sup> Increasingly employed by parliamentarians, the terms capitalist and labourer were taken as the constitutive subjects of empire. For example, Robert Wilmot-Horton’s *Third Report* from the 1826–27 Select Committee on Emigration proposed that unemployed labourers – made ‘redundant’ through the ‘universal operation of the law of supply and demand’ – be relocated to settler colonies with land and tools. The cost of passage and settlement would be paid by the parishes, funded by a government loan secured by a mortgage on the poor-rates. Wilmot-Horton believed wages in Britain should not be regulated nor capitalists ‘reproached’ for ‘withholding’ wages. He preferred the assisted ‘emigration of labourers ... ultimately transforming themselves into capitalists and colonists’.<sup>27</sup>

Horton’s reports aided shifts in official thinking about organising the settler empire.<sup>28</sup> In the 1820s, colonial authorities in Australia were already refining long-standing regulations that made land

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<sup>23</sup> William Dixon, ‘Ricardo: Economic Thought and Social Order’, *Journal of History of Economic Thought* 30 no. 2 (2008): 235–53.

<sup>24</sup> Boyd Hilton, *The Age of Atonement: The Influence of Evangelicalism on Social and Economic Thought, 1785–1865* (Oxford: Clarendon Press, 1988), 163–202.

<sup>25</sup> Harriet Martineau, *Illustrations of Political Economy*, vol.1 (London: Charles Fox 1832), 25–6; G.R. Searle, *Morality and the Market in Victorian Britain* (Oxford: Clarendon Press, 1998), 36–42.

<sup>26</sup> Oz Frankel, *States of Inquiry: Social Investigations and Print Culture in Nineteenth-Century Britain and the United States* (Baltimore: Johns Hopkins University Press, 2006), ch. 4.

<sup>27</sup> *British Parliament Papers* (hereafter *BPP*) 1829 v (550) House of Commons. ‘Third report from the Select Committee on Emigration from the United Kingdom’, 15, 36.

<sup>28</sup> Alison Bashford and Joyce Chaplin, *The New Worlds of Thomas Robert Malthus: Re-reading the Population Principle* (Princeton: Princeton University Press, 2016), 201–36.

grants conditional on a settlers' 'ability to cultivate', by now requiring demonstration of such 'ability' with an affidavit declaring their capital.<sup>29</sup> While the label 'settler' was now predicated on possessing capital, being a settler did yet not necessarily make one a 'capitalist'. Rather, authorities targeted 'industrious and respectable Settlers', categories reflecting the agrarian patriotism that characterised imperial administration between 1780 and 1830.<sup>30</sup> However, new regulations in 1831 abolished grants in favour of a market system of survey and auction, substantiating a new framework for governing empire in terms advocated by Horton. British 'Capitalists' would invest money in colonial land, creating a public fund for the 'emigration of the unemployed British Labourers', who would work for wages until they earned enough money to purchase their own land, financing further assisted-migration.<sup>31</sup> According to Edward Gibbon Wakefield, whose political economy this system followed, in such a 'progressive state of society', the 'labourer ... soon becomes a capitalist'.<sup>32</sup>

In the post-Napoleonic period, the capitalist provided a new outlook on British settler imperialism that was being redefined in terms of free trade and responsible government. Settler colonies were reconceived as a 'field' for investing idle money and redundant labour.<sup>33</sup> This reimagining depended on new forms of state administration and incentive. Evidence to the 1836 House of Commons Select Committee on the Disposal of Crown Lands in Colonies, to which Wakefield was the star witness, stressed showing 'the capitalist of England there is a fair field for his capital, and giving him reason to think that he will reap the fruits of the money employed in this way'.<sup>34</sup> The Committee led to the formation of the London-based Colonial Land and Emigration Commission in 1840, which prompted constant debate between London and Sydney over which land

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<sup>29</sup> Cf: Leonard Woods Labaree, ed., *Royal Instructions to British Colonial Governors 1670–1776*, vol. 2 (New York: Octagon Books, 1967), 528–32; and, Regulations, 22 July 1826, in Frederick Watson, ed., *Historical Records of Australia*, Series One, Volume 12 (Sydney: Library Committee of the Commonwealth Parliament, 1914–1925), 395 (hereafter *HRA*).

<sup>30</sup> Land Board to Darling, 20 March 1826, *HRA* 1:12, 413; C.A. Bayly, *Imperial Meridian: The British Empire and the World, 1780–1830* (London: Longman, 1989), 121–26.

<sup>31</sup> Goderich to Darling, 9 January 1831, *HRA* 1:16, 20–21

<sup>32</sup> Edward Gibbon Wakefield, *England and America: A Comparison of the Social and Political State of Both Nations*, vol. 1 (London: R. Bentley, 1833), 131.

<sup>33</sup> Bernard Semmel, *The Rise of Free Trade Imperialism: Classical Political Economy, The Empire of Free Trade and Imperialism, 1750–1850* (Cambridge: Cambridge University Press, 1970); Bernard Attard, 'Wakefieldian Investment and the Birth of New Societies, ca.1830–1890', in *Settler Economies in World History*, eds Christopher Lloyd, Jacob Metzger and Richard Sutch (Leiden: Brill, 2013), 371–402.

<sup>34</sup> *BPP 1836 xi* (512). House of Commons. 'Report from the Select Committee on the Disposal of Crown Lands in the British Colonies', 13.

policies might increase investment and emigration. In the colony, a succession of select committees on land and immigration debated the configuration of auctions, prices, leases and licences on land – signals to the capitalists’ imagination. Liberals and squatters alike claimed to have the ‘confidence’ of capitalists at heart, even as they bitterly argued whether this be achieved by reducing land prices or extending leases.<sup>35</sup>

Squatting complicated rationalised settlement but reinforced the logic of investment. By the 1830s, woolgrowers – first the disreputable poor but increasingly the ambitious rich – were occupying vast tracts of land without the permission of the state. The colonial authorities tried to regulate these ‘squatters’ through incentive, coercion and ultimately concessions in the form of licences and leases, a compromise that gave access to enormous amounts of territory while preventing squatters from acquiring title to land through adverse possession. These concessions culminated in the British Government’s 1847 Order in Council granting eight- to fourteen-year leases.<sup>36</sup> Such allowances partly reflected the increasing importance of Australian wool to British manufacturers, but also reflected the new primacy of political arguments for capital investment. Squatters – with the support of their London merchants and financiers – successfully petitioned the British Government for long leases as ‘security to the large Investments of Capital made by the Licenced Graziers’.<sup>37</sup> Such appeals to investment gained increasing traction as imperial reasoning refocused on projects of wealth accumulation.<sup>38</sup>

In the following decade, the colonial government likewise employed pricing instruments to promote capitalist investment. Seeking to curb the exodus of workers to the new goldfields, gold licences were established, in part, to ‘remind partially and totally unsuccessful’ wage-earners-turned-diggers ‘would be much better employed in [their] past avocations’.<sup>39</sup> Soon after, the colonial

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<sup>35</sup> Cf. ‘Report of the Select Committee on Crown Land Grievances’, *Votes & Proceedings of the Legislative Council of New South Wales* (hereafter *V&P LCNSW*) 1844, Vol II, 117–356, and, ‘Report of the Select Committee on Crown Lands’, *V&P LCNSW 1849*, II, 549–550.

<sup>36</sup> Lisa Ford and David Roberts, ‘Expansion, 1820–50’, in *Cambridge History of Australia, Vol.1*, eds Stuart Macintyre and Alison Bashford, (Melbourne: Cambridge University Press, 2013), 128–35.

<sup>37</sup> *The Atlas*, 7 December 1844, 15; Petitions, *HRA* 1:24, 462, 571–4.

<sup>38</sup> See for example, *British Parliamentary Debates, House of Commons 22 August 1846*, vol. 88, 965.

<sup>39</sup> *BPP 1852 xxxiv* (1430, 1508), ‘Correspondence relative to the recent discovery of gold in Australia’, Hardy to Colonial Secretary, 18 June 1851, 44–45.

government issued railway shares and £10 debentures to nudge those same wage-earners into becoming ‘small capitalists’ in plans for state-building. In a pamphlet written by the Sydney businessmen Thomas Mort, and published by the working-class democrat Henry Parkes, ‘Railway Shares’ were celebrated as giving the newly enfranchised ‘labouring classes ... a stake and interest in the colony’.<sup>40</sup> Similarly, government debentures were envisaged as encouraging workers to dutifully exercise their vote with an eye ‘carefully for the future’.<sup>41</sup> What was once tantamount to corruption, the capitalist now embodied as an expression of civic engagement.

### **The Moral Technique of Capitalists**

How did settlers come to identify themselves as capitalists? Some answers lie in the production of emigrant guides. These guides equipped would-be settler-capitalists with calculative tools of pecuniary valuation and narrativised what successful, profitable settlement comprised. Both features complemented an assortment of similar devices, such as accounting, marketing, advertising, journalism and novels. These endowed capitalists with technical skills and a masculine ‘inner life’, articulated explicitly in relation to new gendered roles and racial differences.

Emigrant guides proliferated with government-assisted migration, written by projectors, philanthropic societies and clergy. Almost all employed a variation on the capitalist/labourer taxonomy. For Reverend Carmichael, ‘Capitalists ... constitut[ed] landholders, merchants, farmers, and small dealers’, while ‘Labourers’ included mechanics, agricultural servants, domestics and ‘professional men’. Others demarcated the ‘capital’ that differentiated the ‘small’ from the ‘large capitalist’, the latter typically commanding between £500 and £2000. Guides outlined the capital required to commence pastoral or agricultural enterprise, and detailed opportunities for shopkeepers, lawyers and merchants.<sup>42</sup> They also insisted on carrying sound money. Carmichael, for example,

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<sup>40</sup> Thomas Mort, *The Question of the Government Guarantee Railway Shares* (Sydney: Henry Parkes, 1854), 8.

<sup>41</sup> *Sydney Morning Herald* (hereafter *SMH*), 20 June 1857, 2; *Empire*, June 27, 1857, 2.

<sup>42</sup> For example Alick Osborne, *Notes on the present state and prospects of society in New South Wales* (London: J. Cross, 1835), 15; James Wilcocks, *Emigration, Its Necessity and Advantages* (Exeter: W.C. Feathersone, 1840), 14; Charles John Baker, *Sydney and Melbourne: with remarks on the present state and future prospects of New South Wales* (London: Smith, Elder & Co., 1845), 200-2; J.C. Byrne, *Emigrants Guide to New South Wales Proper, Australia Felix and South Australia* (London: Effingham Wilson, 1848), 19; John Sidney,

encouraged all possessions be turned into cash, ‘save personal necessaries for the voyage’, and to bring ‘a letter of credit from any well-known Banking or mercantile House in London or Liverpool, who have connexions or established branch houses here’.<sup>43</sup>

Duncan Mackellar’s 1839 guide was exemplary. Addressing emigrants with ‘capital not exceeding £3000 or £4000’, Mackellar drew up a ‘SCHEDULE’ for outlaying £3500 in purchasing land, agricultural implements, cattle, horses, and sheep, before detailing a ‘RETURN, showing the probable Result at the Expiration of Eight Years, from a Capital invested in Land, Cattle, etc’. The ‘RETURN’ tabulated the annual income from producing wheat, dairy and wool, which Mackellar assumed would increase each year at constant market prices, before subtracting the expenses for yearly wages, rations, rent, blacksmith fees and equipment. The remainder was rolled over each year as working capital. He then totalled the proceeds, adding the total value of land and equipment acquired over eight years and the estimated total revenue if the stock were also sold. Mackellar deducted from this the original capital invested in land and stock to calculate a ‘net profit’, totalling close to £10,000 after eight years farming.<sup>44</sup>

These tables are remarkable artefacts of nineteenth-century settler capitalism, defining and calculating successful settlement in terms of new ideas about ‘profit’. Concepts of profit have complex histories, tied up with shifting accounting practices.<sup>45</sup> Where eighteenth-century merchants, for example, had typically treated profit as a gain in sporadic, long-term exchanges, Mackellar advanced a distinctly nineteenth-century calculation of profit as a return on investment that valued the future in terms of regular pecuniary earnings. In this context, emigrant guides might be read alongside investor manuals proliferating in England and France at this time, which rearticulated speculation from corrosive ‘gambling’ to respectable ‘investment’.<sup>46</sup>

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*Sidney’s Australian Handbook: How to Settle and Succeed in Australia* (London: Pelham Richardson, 1848), 43–51.

<sup>43</sup> Carmichael, 9.

<sup>44</sup> Duncan Mackellar, *The Australian Emigrant’s Guide* (Edinburgh: John Fletcher, 1839), 9–12.

<sup>45</sup> Yannick Lemarchand, Pierre Gervais, Dominique Margairaz, eds, *Merchants and Profit in the Age of Commerce, 1680–1830* (London: Pickering & Chatto, 2014).

<sup>46</sup> Alex Preda, ‘The Rise of the Popular Investor: Financial Knowledge and Investing in England and France, 1840–1880’, *The Sociological Quarterly* 42, no. 2 (2001): 205–32. On this shift more generally, see Marieke de Goede, *Virtue, Fortune and Faith: A Genealogy of Finance* (Minneapolis: University of Minnesota Press, 2005).

Other tools similarly trained capitalists in the business of pecuniary valuation. Cadastral maps used by surveyors and auctioneers together with innovations in land conveyancing transformed colonial ‘frontiers into assets’.<sup>47</sup> The marketing of landed assets depended on advertisements in colonial newspapers, read alongside shipping lists, commodity prices, exchange rates and share offerings in joint-stock companies. An emergent financial journalism integrated colonial readers with international commerce. From the mid-1830s, the *Sydney Herald* syndicated the *London Times*’ ‘Money, Market and City Intelligence’ column and later extracts from *The Economist*. In 1854, it began publishing a local ‘Mercantile and Money Article’ and the *Empire* a ‘Commercial Record’. By mid-century, settlers were referring to printed auction reports from overseas wool markets, issued by stock and station agents. *Lett’s Diaries* listed wage tables, weights and measurements, customs rates, and contacts for estate agents, merchants and credit brokers, information that trained a ‘utilitarian mind against emotional and myopic decision making’.<sup>48</sup>

These materials helped create the settler capitalist economy. They constituted what Mary Poovey calls ‘genres’ of the nineteenth-century credit economy, which siphoned ‘the market’ as a distinct sphere of activity with its own rules and logic disciplining habits of economic planning, valuation and accumulation.<sup>49</sup> Economic sociologists have long argued that profit-maximising ‘economic rationality’ is neither innate to human beings nor a conceit of economics, but a cognitive capacity that is historically contingent, politically instituted and technologically enabled by tools like budgets, accounts, price lists, maps and diaries that link bodies, markets and materials.<sup>50</sup> In colonies, these links were mastered by reading emigrant guides and farming manuals, attending agricultural associations and engaging in conversations with stock agents. Together with property rights, these tools mobilised the ‘economies of scale’ that Ian McLean identified as underpinning Australia’s

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<sup>47</sup> John Weaver, *The Great Land Rush and the Making of the Modern World, 1650–1900* (Montreal: McGill-Queen’s Press, 2003), 92–3.

<sup>48</sup> Auction reports and diaries in, Henty Family Papers, Boxes 117/5, 118/4, MS 7739, State Library of Victoria; Harro Maas, ‘Letts Calculate: Moral Accounting in the Victorian Period’, *History of Political Economy* 48 (2016): 16–43.

<sup>49</sup> Mary Poovey, *Genres of the Credit Economy: Mediating Value in Eighteenth and Nineteenth Century Britain* (Chicago: University of Chicago Press, 2008).

<sup>50</sup> Michel Callon, *The Law of Markets* (Oxford: Blackwell, 1998); Pierre Bourdieu, *The Social Structure of the Economy* (London: Polity, 2005).

remarkable prosperity: cheap and abundant land, a mild climate, and a reproductive form of capital in the form of sheep.<sup>51</sup> Indeed, calculative tools configured such materials as *capital*: income-generating assets valued in accordance with their capacity to yield a profitable return, initiating what Jonathan Levy has called processes of ‘capitalisation’ in the colonial setting.<sup>52</sup>

The account books of colonial woolgrowers provide some evidence of the impact of these processes. In daily practice woolgrowers seemed unsophisticated in planning investment outlays.<sup>53</sup> Surviving accounting ledgers suggest pastoralists tended to manage their farms as isolated, paternal communities, concerned mainly with internal debts, barter and cashflow. But they also indicate settlers developed some measures for input-output ratios to optimise lambing and sales. Squatting regulations, which required half-yearly stock assessments be submitted to authorities to calculate licence fees, also disciplined pastoralists to make regular valuations of their stations.<sup>54</sup> Such rudimentary techniques habituated settlers not to look back as yeomen for a lost Arcadia, as some radical pamphleteers wished, but look forward as capitalists to a future indexed in monetised returns.

The use of calculative devices developed in tandem with stories told about capitalists, which elaborated the social context for investment and accumulation. Emigrant guides, for example, featured sketches of a settler-family’s ‘new’ life as an investor, narrativising what successful and profitable settlement entailed. Appealing to ‘prudent and industrious families of moderate capital’, Samuel Butler described how ‘a respectable family living in England on £200 to £250 a-year’ whose ‘capital is comparatively dead to the nation’, could purchase a colonial farm and house and with ‘judicious’ investment in sheep-farming, ‘in all likelihood’ yield ‘from twenty to fifty per cent interest’. Shipmasters would soon be carrying their ‘produce to London’, making the capitalist ‘better customers’ of British merchandise, and living ‘much more usefully to the British nation, as well as to himself, to his family, and to his society’.<sup>55</sup> Others were less sanguine, cautioning of ‘severe

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<sup>51</sup> Ian McLean, *Why Australia Prospered: The Shifting Sources of Economic Growth* (Princeton: Princeton University Press, 2012), 58–63.

<sup>52</sup> Levy.

<sup>53</sup> Noel Bultin, *Investment in Australian Economic Development, 1861–1900* (Cambridge: Cambridge University Press, 1964), 85.

<sup>54</sup> Garry Carnegie, *Pastoral Accounting in Colonial Australia: A Case Study of Unregulated Accounting* (New York: Garland Publishing, 1997), 234–6.

<sup>55</sup> Samuel Butler, *The Hand-book for Australian Emigrants* (Glasgow: W.R. M’Phun, 1839), 101–5.

disappointment and suffering' that awaited the 'speculator'.<sup>56</sup> Mocking Arcadian fantasies, Alick Osborne warned the 'small capitalist' who fell dependent on shop-keeper's credit could 'say farewell to all the fairy visions of rural felicity and ease'.<sup>57</sup> Clergy authors soothed these anxieties with providential mandates to go forth and 'replenish the Earth', proving oneself in this world and the next.<sup>58</sup>

Such narratives echoed Victorian novels that helped 'naturalise' the nineteenth-century market order. Emigrant guides, like novels, offered tales equating financial solvency with private salvation and developed character-types that elaborated new social identities with an inner life of sensibilities, aspirations and longings.<sup>59</sup> Butler's narrative anticipated the 'half-farmer of small capital' that moved his family to New South Wales with great success in Charles Rowcroft's *Tales of the Colonies* (1843), or in Thomas McCombie's *Adventures of a Colonist* (1845) and Alexander Harris' *The Emigrant Family* (1849). Such stories also warned of the spiritual dangers of material avarice – a message prominent in the goldrush years, as in Louisa Atkinson's *Gertrude the Emigrant* (1857). The overriding theme, however, was to moralise material aspiration, endorsing 'bourgeois virtues' of respectable wealth accumulation that freed oneself from old world hierarchies.<sup>60</sup> Capitalism, we are reminded here, emerged with an emotional logic. For many, market life was conceived not as corrosive but as self-realising.<sup>61</sup>

Capitalist narratives were clearly bound up with the construction of a white 'middle class' masculinity, defined in terms of industrious and domesticated self-dependence. These constructions held firm because of counter-narratives told about settler women and Indigenous peoples. Of course, capitalists were not only white men. Recently, historians have challenged the trope of discrete,

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<sup>56</sup> Baker, 174–78.

<sup>57</sup> Osborne, 15.

<sup>58</sup> On the 'social theory' of colonial clergy, see Michael Gladwin, *Anglican Clergy in Australia, 1788–1850: Building a British World* (Woodbridge: Boydell Press, 2015), 129–52.

<sup>59</sup> Patrick Brantlinger, *Fictions of State: Culture of Credit in Britain, 1694–1994* (Ithaca, NY: Cornell University Press, 1994), 139–46; Diedre Lynch, *The Economy of Character: Novels, Market Culture, and the Business of Inner Meaning* (Chicago: Chicago University Press, 1998).

<sup>60</sup> Ken Gelder and Rachel Weaver, *Australian Colonial Fiction: Character Types, Social Formations and the Colonial Economy* (Sydney: Sydney University Press, 2017); Diedre McCloskey, *The Bourgeois Virtues: Ethics for an Age of Commerce* (Chicago: University of Chicago Press, 2010).

<sup>61</sup> Martijn Koonings, *The Emotional Logic of Capitalism: What Progressives Have Missed* (Stanford: Stanford University Press, 2015).

gendered public and domestic spheres as emerging in these years.<sup>62</sup> As shown below, women readily occupied roles designated as capitalist. However, we also need to consider how such tropes helped legitimise acquisitive ‘masculine’ behaviour. While colonial authorities thought women brought balance to a demoralised penal colony, they also imagined women as agents of a feminised domestic sphere combating the pathologies of colonial money-making. Just as there were tables and narratives aimed at emigrant men, so too were there manuals on household management and budgeting for colonial women. Colonial novels developed new feminised ‘types’ that linked homemaking, femininity and the needs of masculine commerce.<sup>63</sup> If these forms did not always correspond to reality, they did make a virtue of private wealth accumulation.

Similarly, the identity and practices of colonial capitalists were validated by the stories authorities and settlers told about the apparent primitiveness of Indigenous peoples. Stadiasmyths – the societal development from ‘savagery’ to ‘civilisation’ through stages of hunter/gathering, nomadic pastoralism, settled agriculture and civilised commerce – were central in framing the historical mission of the settler state. Despite abundant evidence of what Boyd Hunter has described as Indigenous ‘enterprise’, stadiasmyths represented Indigenous peoples as idle ‘savages’ needing to be ‘civilised’ in European terms.<sup>64</sup> This informed how Europeans governed Indigenous peoples, but it also valorised European commerce as historically progressive, even necessary, quieting old concerns about the corruptions of wealth. As a descendent of eighteenth-century commercial man, the capitalist represented the triumph over mankind’s ‘savage’ heritage. Nineteenth-century attempts to regulate children, the poor, and Indigenous peoples as settled and industrious might be understood in these terms.

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<sup>62</sup> Catherine Bishop, *Minding Her Own Business: Colonial Business Women in Sydney* (Sydney: NewSouth Publishing, 2015). See also Katrina Alford, ‘Colonial Women’s Employment as Seen by Nineteenth-Century Statisticians and Twentieth-Century Economic Historians’, *Labour History*, no. 51 (1986): 1–10; Desley Deacon, ‘Political Arithmetic: The Nineteenth-Century Australian Census and the Construction of the Dependent Woman’, *Signs* 11, no. 1 (1985): 27–47; Katrina Alford, ‘Colonial Women’s Employment as Seen by Nineteenth-Century Statisticians and Twentieth-Century Economic Historians’, *Labour History*, no. 51 (1986): 1–10.

<sup>63</sup> Stephen Walker and Gary Carnegie, ‘Budgetary earmarking and the control of the extravagant woman in Australia, 1850–1920’, *Critical Perspectives on Accounting* 18, no. 2 (2007): 233–261; Tamara Wagner, ed., *Domestic Fiction in Colonial Australia and New Zealand* (London: Pickering & Chatto, 2014).

<sup>64</sup> Boyd Hunter, ‘The Aboriginal Legacy’, in *The Cambridge Economic History of Australia*, 73–96; Shino Konishi, *The Aboriginal Male in the Enlightenment World* (London: Pickering & Chatto, 2012).

Identifying as capitalists also helped overcome contradictions colonists faced in stadial theories. If ‘civilised man’ was synonymous with urbane, property-owning commercial man, the colony’s increasing dependence on semi-nomadic pastoralism appeared problematic. As gentry and radicals attacked squatting as risking regression into pre-commercial barbarism, its defenders asserted that the historical achievement of colonial woolgrowers was having melded ‘pasturage and commerce ... together hand in hand’ as ‘active agents in the march of civilisation’.<sup>65</sup> Others invented fantasies about squatter relations with Indigenous peoples. Reports from the Commissioners of Crown Lands, for example, depicted squatters as ‘establishing the moral order of the frontier’, instructing Aboriginal peoples in peace, property, and employment.<sup>66</sup> By claiming to be capitalists, squatters conveniently navigated these ambiguities, asserting the imperatives of commerce (and the need for long leases) but muting questions about the moral basis of their enterprise.<sup>67</sup> Again, the capitalist was more than an entrepreneur, but an identity that helped legitimate practices of wealth accumulation.

### **A Cartography of Colonial Capitalists**

Colonial ‘capitalists’ were clearly more than speculators in government stocks. But how widely did the term apply? And what does its applications suggest about the character of the colony economy? A different kind of archive – advertisements in the colony’s newspapers – suggests a diverse terrain of ‘capitalist’ enterprise and unsettled social statuses and tensions.

In the late 1820s, Sydney auctioneers such as Thomas Bodenham and Samuel Lyons began advertising urban plots and houses that appealed not only to ‘gentlemen’, ‘officers wishing to live with their family out of barracks’, or ‘industrious mechanics’, but also ‘capitalists’ seeking ‘to increase his rent roll’ or ‘the man of family desirous of investing his surplus capital’.<sup>68</sup> Some

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<sup>65</sup> Charles St. Julian and Edward Silvester, *The Productions, Industry, and Resources of New South Wales* (Sydney: J. Moore, 1853), 208–10, 226.

<sup>66</sup> Angela Woollacott, *Settler Society in the Australian Colonies: Self-Government and Imperial Culture* (Oxford: Oxford University Press, 2015), 94, 161. Cf. Tim Rowse, ‘A Short and Simple Provisional Code: The Pastoralist as “Protector”’, in *Aboriginal Protection and Its Intermediaries in Britain’s Antipodean Colonies*, eds Samuel Furphy and Amanda Nettelbeck (New York: Routledge, 2020 forthcoming). [h](#)

<sup>67</sup> The most confident statement of the squatter-as-capitalist was Gideon Scott Lang’s *Land and Labour in Australia: Their Past, Present and Future Connection and Management* (Melbourne: Printed at the Gazette Office, 1845).

<sup>68</sup> *Australian*, 6 Feb 1829, 2; *Australian*, 23 June 1829, 2; *Sydney Gazette*, 3 September 1831, 1.

advertisements publicly named the property's incumbent 'respectable' occupants, assuring the 'timid Capitalist' and 'men of sound discernment' of secure investment.<sup>69</sup> Small rural properties, meanwhile, targeted owner-occupiers. Three hundred acres in the Illawarra were deemed a 'Good opportunity for a small Capitalist to obtain a certain Independence', as did allotments in Richmond, Windsor and Penrith.<sup>70</sup> Larger blocks were advertised for 'Capitalists and Speculators in Land', and farms with stock for 'a small capitalist to form the nucleus of an extensive station' or as a 'means of investment for the idle [large] capitalist'.<sup>71</sup>

Land advertisements clearly reflected the frenetic processes of Indigenous dispossession. But this secondary market in land also captured the shifting social significance of European property-ownership in the colony.<sup>72</sup> From its beginnings, Sydney indulged a rapacious trade in paper titles to land grants. Many debt-ridden emancipists forfeited their grants to merchants or shopkeepers who had financed their crop. However, the new owners and the auctioneers were themselves often emancipists, treating land as tradable assets rather than a means for establishing social stability.<sup>73</sup> The land market was increasingly seen by elites as an illicit affair. Emancipist auctioneers like Lyons, who profited handsomely by subdividing old grants, were accused of fostering a culture of 'land gambling' that encouraged 'Land Sharks' to lock out new and smaller settlers.<sup>74</sup> The self-ascribed gentry, who originally acquired land not through auctions but huge grants, were so dismayed by this situation that when petitioning the Crown for free institutions in 1836, warned property ownership was no basis for the colonial franchise.<sup>75</sup> For auctioneers and emancipist-investors, invoking the term capitalists – with its connotations of parsimony and critique of aristocratic idleness – helped maintain their own 'fame, credit and honour' in an economy that thrived on reputation. As Kirsten McKenzie has demonstrated, figures like Lyons litigiously defended their capitalist 'honour'.<sup>76</sup>

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<sup>69</sup> *Sydney Herald*, 12 Sept 1836, 4; *Commercial Journal and Advertiser*, 28 March 1838, 3.

<sup>70</sup> *Sydney Gazette*, 1 June 1830, 1; *Sydney Gazette*, 16 Sept 1837, 4; *Sydney Gazette*, 24 May 1838, 3.

<sup>71</sup> *Sentinel*, 8 Jan 1846, 3; *Commercial Advertiser*, 25 June 1841, 4.

<sup>72</sup> Bruce Kercher, *An Unruly Child: A History of Law in Australia* (Sydney: Allen & Unwin, 1995), 52.

<sup>73</sup> See the essays by Alan Atkinson and Lynne McLoughlin in *A Difficult Infant: Sydney Before Macquarie*, ed. Graeme Aplin (Sydney: New South Wales University Press, 1988).

<sup>74</sup> Philo-Palinurus, *Land Gambling* (London: Palmer and Clayton, 1842).

<sup>75</sup> 'Petition' in Bourke to Glenelg, 13 April 1836, *HRA*, 1:18, 397.

<sup>76</sup> Kirsten McKenzie, 'Of Convicts and Capitalists: Honour and Colonial Commerce in 1830s Cape Town and Sydney', *Australian Historical Studies* 33 no. 118 (2002): 199–222.

Capitalists were not only auctioneers and landowners. Advertisements selling or leasing public houses, bakeries, dairies, tallow chandlers and shopfronts suited for ‘Grocers, Apothecaries, and Tobacconists’, were typically portrayed as an ‘Eligible Opportunity for small Capitalists’.<sup>77</sup> For ‘capitalists wishing to embark on storekeeping’, stores and inns could be purchased in the newer regions, such as the Hunter Valley or at Yass.<sup>78</sup> Auctioneers sold large flocks of sheep for ‘Capitalists commencing as Stockbreeders’ as well as steamboats, wharves and warehouses for ‘capitalists and merchants’ in Sydney.<sup>79</sup> Capitalists were also the auctioneers’ target when liquidating the estates of bankrupts and those returning to Britain.<sup>80</sup> Others privately advertised for business partners. A ‘small capitalist’ with ‘£100 to £300’ was sought as a partner and manager of a dairy near Sydney, ‘taking a share of the profits in proportion to his capital’. A ‘Gentleman possessing extensive runs’ wanted to ‘Partner’ a ‘newly arrived Capitalist’, who would purchase ‘one half of the stock and superintend the Management of the Interior Stations’.<sup>81</sup>

Company prospectuses and share listings similarly targeted the ‘many capitalists ... looking out for permanent Investments’.<sup>82</sup> Companies – some with the privileges of incorporation, but most without it – were a minor but important feature of the early economy, especially the large London-based ‘Anglo banks’ that arrived in the 1830s. At least seventy companies – about sixty local and ten British-based – were in operation in New South Wales before 1851, half falling across three sectors: banking and loans (ten), insurance (seven) and steam navigation (eight).<sup>83</sup> Soon after, mining and railway companies similarly demanded ‘the favourable consideration of Capitalists’, offering ‘the guarantee of safe investment’.<sup>84</sup>

What do these representations to ‘capitalists’ indicate about the settler economy? In one sense, advertisements were among the genres used to mediate and legitimate a new kind of economy.

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<sup>77</sup> *Monitor*, 1 October 1827, 3; *Sydney Gazette*, 18 September 1838, 3.

<sup>78</sup> *Australian*, 22 November 1836, 1; *SMH*, 22 December 1847, 4.

<sup>79</sup> *Sydney Gazette*, 4 January 1838, 3; *Sydney Herald*, 3 Aug 1837, 1.

<sup>80</sup> *Government Gazette*, 12 Sept 1843 [no. 76], 1184; *Sydney Herald*, 19 June 1837, 3.

<sup>81</sup> *Sydney Monitor*, 20 April 1836, 3; *Australian*, 31 Dec 1840, 3.

<sup>82</sup> *Empire*, 12 November 1853, 5.

<sup>83</sup> Stephen Salsbury and Kay Sweeney, *The Bull, the Bear and the Kangaroo: The History of the Sydney Stock Exchange* (Sydney: Allen & Unwin, 1988), 4–22.

<sup>84</sup> *SMH*, 18 May 1852, 2; *SMH*, 5 May 1853.

But advertisements also revealed a world of capitalist heterogeneity and increasingly complex forms of enterprise, as well as attempts to negotiate new social tensions. On the one hand, the term captured a range of enterprises – sole-traders, partnerships and managers with a stake in the business – that aligns with now-familiar aspects of the colonial economy. The appeal to capitalists as ‘men of family’ reflected colonial variations on ‘family capitalism’, where business was a household operation tempered by religious values and domestic virtues.<sup>85</sup> Advertisements also reflected the need to be opportunistically cooperative, engaging in partnerships outside family to overcome chronic shortages of capital, open new markets and bridge persistent information scarcity.<sup>86</sup> Cooperation was evident in newspapers, but also various emancipist, merchant and pastoralist lobbies, as well as the letters fathers sent with sons making introductions to their colonial business connections.<sup>87</sup> While colonial money-making was too vulgar for some who returned to English ‘society’ after making it rich, many stayed as the economy became more dynamic. Advertisements for shops, draperies and millers reflected the arrival of a new type of emigrant. Commercial families of independent means, such as Penny Russell’s Thompson family, were reapproaching business as capitalists, turning modest businesses into family fortunes.<sup>88</sup> Although typically targeting men, capitalist advertisements did not exclude women. By 1838, thirteen of the colony’s 244 country inns belonged to women. When these began to also serve as post offices mid-century, women accessed new opportunities for income, capitalising on their ownership of pubs.<sup>89</sup> Family capitalism, cooperation and dynamism also characterised the large Sydney, London and Liverpool-based merchants who established the supply chains linking Australian ports with Britain, Asia and the Pacific. Successive generations of merchants perfected the ‘Australian trade’ by positioning their sons and nephews in colonial port cities as consignment agents. They lobbied government together as ‘great capitalists’ and financed each other during times of distress.<sup>90</sup>

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<sup>85</sup> Leonare Davidoff and Catherine Hall, *Family Fortunes: Men and Women of the English Middle Class, 1780–1850* (Chicago: Chicago University Press, 1987), 195.

<sup>86</sup> Ville, ‘Colonial Enterprise’.

<sup>87</sup> See for example: Raleigh Family Papers, Box 2015/2, MS 12615, SLV.

<sup>88</sup> Penny Russell, ‘Travelling streerage: class, commerce, religion and family in colonial Sydney’, *Journal of Australian Studies* 38 no. 4 (2014): 383–95.

<sup>89</sup> Desley Deacon, *Managing Gender: The State, the New Middle Class and Women Workers* (Melbourne: Oxford University Press, 1985), 27.

<sup>90</sup> Jannette Holcomb, *Early Merchants Families of Sydney: Speculation and Risk Management on the Fringes of Empire* (London: Anthem Press, 2014); Martin Daunt, ‘Firm and Family in in the City of London in the

By encompassing colonial actors ranging from small sole-traders to great merchants, ‘capitalist’ became a homogenising term that legitimised wealth-accumulating practices across the social spectrum. Yet the category also concealed distinctions and new tensions. For example, while prospectuses published in Sydney and London indiscriminately targeted ‘capitalists’, thereby widening the scope of potential investors, this concealed a diversity of stockholders and their unequal relationships to firm, colony and empire. Leanne Johns has shown that thirty per cent of early Bank of New South Wales shareholders were women, although they could only exercise proxy votes through male shareholders.<sup>91</sup> More visible were the directors of colonial companies who established an interlocking pastoral and commercial elite. The colony’s four most prominent company directors – Alexander Spark, John Lamb, Thomas Icelly and the emancipist Thomas Smart – were all involved in wool, banks, and at least one of gas, steamship, shipping, or insurance firms.<sup>92</sup> Similarly, the London merchants who led the ‘Australian trade’ – Brooks, Gore, Montefiore and the Walkers – were also prominent in the Anglo-Australian banks, upon which they drew bills to finance long-distance trade.<sup>93</sup> British-based ‘multinationals’ operating in colonies also attracted parliamentarians and London’s leading merchant bankers as investors.<sup>94</sup> Much of the ‘capital’ invested in these colonial ventures, we now know, came through those who benefited from the British government’s £20 million compensation fund for owners of emancipated slaves.<sup>95</sup>

If the capitalist was a homogenising term, it also necessitated inventing new distinctions to mediate tensions *between* colonial capitalists. With the increase of companies buying land or squatting leases, for example, radicals such as Edward Smith Hall distinguished genuine ‘working capitalists’ from parasitic ‘absentee capitalists’. The distinction turned on a fundamental division

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nineteenth century: the case of FG Dalgety’, in *State and Market in Victorian Britain: War, Welfare and Capitalism* (London: Boydell Press, 2010), 196–219.

<sup>91</sup> Leanne Johns, ‘The first female shareholders of the bank of New South Wales: Examination of shareholdings in Australia’s first bank, 1817–1824’, *Accounting, Business and Financial History* 16, no. 2 (2006): 293–314.

<sup>92</sup> Salsbury and Sweeny, *Stock Exchange*, 7.

<sup>93</sup> Frank Broeze, ‘Robert Brooks’, in *Australian Financiers: Biographical Essays*, eds R.T. Appleyard and C.B. Schedvin (Melbourne: Macmillan, 1988), 34–51; Barrie Dyster, ‘The 1840s Depression Revisited’, *Australian Historical Studies* 25, no. 101 (1993): 589–607.

<sup>94</sup> See, for example: Australian Agricultural Company, *List of Proprietors* (London: C.S. Ruthven 1828); Union Bank of Australia, *Prospectus and reports of the Union Bank of Australia: with a list of proprietors* (London: Jacob Urwin, 1840).

<sup>95</sup> Clinton Fernandes, *Island off the Coast of Asia: Instruments of Statecraft in Australia Foreign Policy* (Lanham: Lexington Books, 2018), 13–16.

between the country as ‘the head and heart’ and the town as ‘merely the limbs of national economy’.<sup>96</sup> Yet ‘working capitalist’ also concealed as much as it revealed. It might include both Irish emancipists and the younger sons of Scottish gentlemen seeking frontier fortunes in the absence of an inheritance. As the colony became increasingly dependent on British capital, distinctions between ‘Colonial capitalists’ and ‘English capitalists’ became important as well. The press anxiously monitored the ratio of colonial-held shares in the Anglo-banks, and thus control of the money supply. When the colonial government began floating bonds in the City of London to fund railways, capitalists were increasingly identified solely with Britain’s gentlemanly ‘great capitalists’, for which ‘Barings and Rothschilds’ was a repeated metonym.<sup>97</sup>

We tend to think of capitalists as a unified class but the opposition here was often not yet between capitalists and labourers, but ‘small’, ‘working’ or ‘emigrant capitalists’ against ‘large’ and ‘great capitalists’. These categories did not simply reflect material competition. They were attempts to negotiate unsettled social statuses characteristic of new worlds. With claims to aristocracy increasingly derided in colonies, the ‘great capitalist’ offered an ideal substitute to reconfigure older social hierarchies.<sup>98</sup> Ben Boyd, the colony’s greatest speculator during the turbulent 1840s and chair of the squatters’ Pastoral Association, was celebrated in the liberal press as the quintessential ‘great capitalist’, a ‘mainspring of exertion to the colony’, who broke ‘the spell which kept so many available labourers lazily lounging in Sydney, and sent them to make themselves useful at Maneroo’.<sup>99</sup> Such claims were open to ridicule. Sitting on leased land and unpaid bills, these great capitalists were chastised by radicals as not ‘capitalists in the proper sense of the word’, but speculators or ‘paper “capitalists”’.<sup>100</sup> This echoed eighteenth-century critiques of the ‘monied interest’ and anticipated twentieth-century attacks on the ‘money power’.<sup>101</sup> In turn, the amorphous ‘small capitalist’, ‘working capitalist’ or ‘immigrant capitalist’ was claimed by those with lesser or

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<sup>96</sup> *Australian*, 5 April 1845, 2.

<sup>97</sup> *Bell’s Life*, 7 October 1854.

<sup>98</sup> For example, *Sydney Herald*, 14 Jan 1841, 2.

<sup>99</sup> *Sydney Herald*, 8 September 1845, 3.

<sup>100</sup> *Australian Chronicle*, 16 Jan 1841, 2.

<sup>101</sup> Peter Love, *Labour and the Money Power: Australia Labour and Populism, 1890–1950* (Melbourne: Melbourne University Press, 1984).

newer means, carving a moralised status distinguished from the speculating rich and feckless poor. Capitalist was no straightforward signifier. Rather, it mediated complex economic and social transformations.

### **Capitalists and the Hierarchies of Credit-Money**

I have been tracing constructions of the colonial capitalist to highlight valuation, investment, and accumulation as processes intrinsic to Australian colonisation, while considering some of the social tensions accompanying those processes. How, in turn, might we characterise the relationships among capitalists and the colonial economy more systematically? Economic historians have recently mapped such relations in terms of business ‘networks’ sharing information and opportunity costs.<sup>102</sup> But capitalists were also tied by financial instruments. It is equally apposite to relate them not only horizontally across empire, but vertically, in what economist Perry Mehrling calls ‘the inherent hierarchy of money’. Characterising the colonial economy this way elaborates the institutional context of capitalist relations. It also helps recast Australian settler capitalism, reframing the links between metropole and periphery, capital and labour, and Indigenous dispossession, all in terms of hierarchical credit-relations that made colonial expansion dynamic but fragile.<sup>103</sup>

What does Mehrling mean by this hierarchy? While economists typically distinguish between ‘money’ (the means of final settlement) and ‘credit’ (a promise to pay money, or means of delaying final settlement), Mehrling argues this picture needs to be expanded to include multiple levels, where ‘what looks like money at one level of the system looks like credit from the standpoint above’.<sup>104</sup> In the nineteenth-century gold-standard imperial economy, gold sat at the top of the hierarchy (what Mehrling calls ‘ultimate money’), followed by Bank of England notes, issued against its gold reserves and loans made to government. The London money markets used Bank paper to settle internal transactions, while local note-issuing banks – first country banks and then joint-stock banks, including

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<sup>102</sup> Gary Magee and Andrew Thompson, *Empire and Globalisation: Networks of People, Goods and Capital in the British World, c.1850–1914* (Cambridge: Cambridge University Press, 2010).

<sup>103</sup> Cf: Peter Beilharz and Lloyd Cox, ‘Settler Capitalism Revisited’, *Thesis Eleven* 88 (2007): 112–24.

<sup>104</sup> Perry Mehrling, ‘The Inherent Hierarchy of Money’, in *Social Fairness and Economics: Economic Essays in the Spirit of Duncan Foley*, eds Lance Taylor, Armon Rezai and Thomas Michl (London: Routledge, 2013), 394–404.

the Anglos – drew on London markets for liquidity in order to finance production and discount merchant bills. The lowest levels of the hierarchy included merchants’ bills of exchange, book credit, securities and promissory notes.<sup>105</sup> Each instrument – gold, Bank notes, deposits, bills and securities – represented a promise to pay in the instrument above it, the credibility of that promise depending on the borrowers’ access to reserves higher up the hierarchy. What was ‘money’ and what was ‘credit’ depended on the transaction being settled. The hierarchy was also dynamic, with each level able to create credit for its own level and that below, but not above. In this way, the hierarchy was pyramid-shaped, widening during boom times when credit was more freely issued but narrowing when debts were called in or promises failed. The historical invention of these institutions and instruments through the eighteenth and nineteenth centuries is what has made capitalist economies distinctively dynamic and fragile: dynamic to finance ever-expanding forms of production with an in-principle limitless supply of credit-money, but fragile because the elastic production of money risks inflation and default.<sup>106</sup>

While Mehrling developed this hierarchy to analyse monetary economies, it also helps map the social relations and intuitional contexts of colonial capitalists. From the outset, New South Wales was plugged into this system. Although the ‘First Fleet’ carried no coins, the commissariat paid settlers for produce in store receipts and officers in paymaster bills, both of which were periodically consolidated into Treasury bills, and ultimately convertible into Bank notes and gold. This gave officers and wealthier settlers a first-class asset to trade with Asian and American merchants. It also provided a security to issue promissory notes which circulated as local money to facilitate day-to-day exchange and settlement. Struggles to create liquidity induced other experiments in private credit, including the brief invention of a local unit of account, ‘currency’, that rivalled official ‘sterling’. The colonial government wrested control of this situation by importing coins, establishing the Bank of

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<sup>105</sup> Christine Desan, *Making Money: Coin, Currency and the Coming of Capitalism* (Oxford: Oxford University Press, 2014), 389–400.

<sup>106</sup> Geoffrey Ingham, *The Nature of Money* (London: Polity, 2004), 115.

New South Wales (1817), allowing subsequent note-issuing private banks to form, standardising the pound-sterling in 1825 and effectively abolishing limits on usury in 1834.<sup>107</sup>

This 1834 Interest Act was pivotal, enticing the formation of the London-based Anglo-Australian banks. Together, the Bank of Australasia (1835), the Bank of South Australia (1837) and the Union Bank (1838) fitted the colony squarely into an imperial-wide monetary hierarchy, providing the institutional context for colonial capitalists to flourish. For small capitalists, these banks helped transfer funds from Britain to the colony, but large capitalists were their primary concern. The merchants leading the ‘Australian trade’, who were also bank directors, used their privileged connections with City money markets and corresponding banks across empire to provide short-term trade finance and to credit woolgrowers whose clip they consigned.<sup>108</sup> The arrival of the Anglo banks spurred competition among the smaller local ‘colonial’ banks, which experimented in deposit banking, while specialised British-based mortgage companies were formed in the early 1840s.<sup>109</sup> Credit proliferated and enterprise expanded, with the debts linked back to City bill brokering. Alarmed at the ‘heedless’ amassing of loans, Governor Gipps feared mortgage-company ‘capital’ was pouring ‘too quickly’ into the colony. ‘The Capitalist do[es] not come with Capital’, Gipps reported, but treated credit *as* their capital.<sup>110</sup>

The subsequent ‘commercial embarrassment’ of the early 1840s, Australia’s first great financial collapse, was a classic liquidity crisis. Historians have long debated the causes of the crash, but contemporaries were acutely aware that over-speculation had led to a contraction of credit. Colonial merchants had imported merchandise from Britain and Asia, drawing bills on their London consignee which the colonial and Anglo banks liberally discounted, pumping more money into the colony and encouraging speculation in land and sheep at inflated prices. By the early 1840s, colonial merchants could not move a glut of merchandise, leaving many unable to meet their obligations.

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<sup>107</sup> Frank Decker, *The Emergence of Money in Convict New South Wales* (Marburg: Metropolis-Verlag, 2010); S.J. Butlin, *Foundations of the Australian Monetary System, 1788–1851* (Sydney: Sydney University Press, 1968).

<sup>108</sup> Broeze; David Merrett, “Global Reach by Australian Banks: Correspondent Banking Networks, 1830–1960”, *Business History* 37, no. 3 (1995): 70–88.

<sup>109</sup> Butlin, 275–314.

<sup>110</sup> See Gipps despatches, 1 February 1841, and, 17 July 1841, *HRA* 1:21, 200, 434, 1 January 1844, *HRA* 1:24, 343.

Colonial banks, holding hordes of dishonoured bills, found themselves overleveraged, sending shockwaves up the monetary hierarchy. Several colonial banks failed and many individuals went bankrupt. With mutual confidence ruined, note circulation, bank deposits and loan assets (bills) all contracted, as surviving banks tightened their discounting and London merchants their issuing of bills, leaving even solvent colonists illiquid, facing default to their creditors.<sup>111</sup>

Recovery centred on liquidity. The bankers appearing before the Select Committee on the Monetary Confusion in 1843 insisted things best left to ‘their nature course’, or, at most, encouraging the ‘middle class’ to mobilise their ‘idle, uninvested capital’.<sup>112</sup> The new colonial Legislature preferred the latter option, proposing two chief remedies: one designed to impose discipline in a time of monetary scarcity, another to re-establish liquidity. On the former, William Wentworth proposed re-introducing a usury law to limit the discount (lending) rate. The measure was widely denounced in the press, bankers and merchants petitioning against the ‘absurd’ attack on ‘the natural right of capitalists’ to ‘employ their money’ as they wished.<sup>113</sup> The bill failed and Wentworth piloted a more acceptable scheme giving legal security to borrowing against unclipped wool. Wentworth framed The Lien and Mortgage on Wool Act as bringing ‘into brisk circulation large masses of money ... restor[ing] confidence and relative prosperity’.<sup>114</sup> In effect, this reinforced capitalists’ capacity to expand credit. The Colonial Office rebuked the scheme ‘as irreconcilably opposed to principles of ... pledging things moveable’. Wentworth, in an 1845 committee reviewing the Act, said his superiors had missed the point. In a colony where wool was worth more than land, the Act put Australian wool on ‘an equal footing’ with English land at law, ‘so that capitalists may lend as freely on the one sort of property as the other’.<sup>115</sup> Again, the pre-eminence of the capitalist in imperial reasoning legitimated new regimes for accumulation.

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<sup>111</sup> William Westgarth, *Observations on the Current Commercial, Agricultural and Civil Condition of the Australian Colonies* (Melbourne: Thomas & Forman, 1844); Dyster; Belich, 271–2; Frank Decker, ‘The Legal and Economic History of the *Lien on Wool and Stock Mortgage Act 1843 (NSW)* - A Case Study on the Significance of Property Law for Understanding Economic Development’, *Legal History* 12, no. 2 (2008): 151–75.

<sup>112</sup> ‘Report from the Select Committee on the Monetary Confusion’, *V&P LCNSW 1843*, 607–678. \*

<sup>113</sup> Petition, 31 December 1844, *HRA* 1:24, 159; R.R.A. Morehead, *Some Words for and to the Capitalists and Shareholders in Banks and Other Moneyed Companies* (Sydney: James Tegg, 1843).

<sup>114</sup> *SMH*, 31 May 1843.

<sup>115</sup> Stanley to Gipps, 28 October 1844, *HRA*, 1:24, 57–8; ‘Report from the Select Committee on the Preferable Lien on Wool Act’, *V&P LCNSW 1845*, 727–50.

Nineteenth-century legislation such as the Lien on Wool Act greatly expanded the powers of credit, formalising the nexus between borrowing and production. It also depersonalised and monetised traditional private creditor-debtor relations by fostering new financial intermediaries.<sup>116</sup> The Act was followed by the emergence of specialist pastoral finance companies – including Dalgety, Goldsborough, and Mort, Elder and Smith – many of which were based in London, close to warehouses, auctions and money markets. Their chief business was extending short-term finance to growers to cover the lag between incurring costs (rearing, shearing, transport) and receiving the cheque from London auctions. By the 1860s, around eighty per cent of wool went through these middlemen. The wool was shipped from Australia by a consigning agent to the importing agent in London. The London merchant sent a bill of exchange to the colonial agent, which the agent discounted to obtain funds from the colonial banks, or advanced to the grower. If the merchant did not have funds to cover the bills, he moved up the hierarchy seeking advances from City bill brokers. The merchant or stock agent sought to lock growers into multi-year deals, consigning the wool only if growers agreed to continuous borrowing, both to secure their own business but also to monitor borrowers in a situation of information asymmetry. Capitalists at all levels – pastoralists, agency houses, colonial banks, merchants and City brokers – were entangled in struggles to gain and repay credit, always dependent on the level above.<sup>117</sup>

Labourers occupied the base of this hierarchy. Capitalist-woolgrowers typically paid their employees annually, not with currency or bank deposits but ‘orders’ drawn on their consigning agent or frontier storekeepers. Labourers used these handwritten ‘orders’ to settle their own obligations, which might then pass through numerous hands before being presented for payment in a higher instrument. This system accommodated the geographical extremities of pastoralism, but it could also

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<sup>116</sup> Margot Finn, *Cultures of Credit: Personal Debt and English Culture, 1740–1914* (Cambridge: Cambridge University Press, 2003).

<sup>117</sup> The finance business became increasingly competitive when pastoralists also began seeking long-term finance to build fences or buy land, which saw Australian-based banks move into the London market in the 1870s. See Daunton, ‘Gentlemanly Capitalism and British Industry’, in *State and Market*, 162–3; R.F. Holder, *The Bank of New South Wales* (Sydney: Angus and Robertson, 1970), 370–3; Alan Barnard, *The Australian Wool Market, 1840–1900* (Melbourne: Melbourne University Press, 1958); Simon Ville, *The Rural Entrepreneurs: A History of the Stock and Station Agent Industry in Australia and New Zealand* (Cambridge: Cambridge University Press, 2000).

cause difficulties for labourers if others did not accept their employers' scrip as payment.<sup>118</sup> This prompted an 1851 Committee on Banking to recommend laws making such 'paper convertible to sterling money in some city or town within the colony'.<sup>119</sup> Viewed through the monetary hierarchy, the relationship between capitalists and labourers was animated not only by extractions of surplus labour, but the asymmetries of credit. Where labourers (and labour theories of value) might view economic activity beginning with the work for which they were paid, for capitalist-woolgrowers, it began by drawing bills – a debt – to employ the labourer.

Finally, approaching the colonial economy as a monetary hierarchy suggests new links between settler capitalism and Indigenous dispossession. Wool broker reports and bills of exchange are seemingly innocuous tools of settler colonialism, but these drove pastoralists' flocks to eat into the interior at a rate of fifty miles per season, as an astounded Gipps reported in 1838, the year of the Myall Creek Massacre.<sup>120</sup> Lending increased at pace with the profits of wool, further fuelling the size of flocks, the hunger for land and the placement of stockmen deeper inland. The connections between banking, frontier violence and dispossession are an aspect of the settler story yet to be fully examined. Such connections would add to our understanding of the contradictions of settler capitalism, enlarging what David Harvey calls 'accumulation by dispossession'.<sup>121</sup>

## Conclusion

This article has sought to return some historical specificity to 'the capitalist' as a distinct but heterogenous colonial type. In colonial New South Wales, the *persona* of the capitalist served two purposes. On the one hand, 'he' was elaborated by reformers and moralisers as the bearer of novel calculative skills of pecuniary valuation and a new model of self-dependent, parsimonious masculinity. Together, these helped legitimate practices of investment and wealth accumulation across colonial society. On the other hand, because of its industrious and anti-aristocratic connotations, the capitalist was also a contested identity. It was claimed by auctioneers to articulate their commercial

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<sup>118</sup> Gipps to Stanley, 4 November 1843, *HRA* 1:23, 211–21; McMichael, 110–11.

<sup>119</sup> *SMH*, 23 September 1850, 2.

<sup>120</sup> Gipps to Glenelg, 21 July 1838, *HRA* 1:19, 509–10.

<sup>121</sup> David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2003), ch 4.

honour, by squatters to secure long leases, and by rich and poor alike in jostling for respectability. The colonial capitalist was, then, a figure of contradiction. He was both a moral exemplar of rational calculation and social mobility that emancipated one from aristocratic clientage, but embedded in new social tensions and gendered and racial exclusions.

These investigations also present new perspectives on the colonial economy more generally. By studying capitalists, I have shifted attention from commodity production and exchange to the political, social and technical processes that transformed the material world – land, sheep and people – into investable, accumulable ‘capital’. In conceptualising the relationships among capitalists, I have characterised Australian settler capitalism in terms of a dynamic but fragile monetary hierarchy connecting capitalists across metropole, periphery and frontier. Highlighting such processes and relationships, rather than falling back on analyses of structure and agency, is one advantage of a history of capitalism that begins by interrogating capitalism’s constitutive categories.

What happened to this capitalist? By century’s end, the *Bulletin* was caricaturing ‘Capital’ as fat, top-hatted and dowdy, against lean, masculine and independent ‘Labour’.<sup>122</sup> The masculine qualities commercial man had once appropriated from the ancient yeoman were now reappropriated by labour intellectuals. The drivers of such change were complex. The goldrushes brought new forms of social critique, as did the mid-century colonial ‘movement for culture’ among liberal professionals countering ‘sheep and acres’.<sup>123</sup> Structural changes with new incorporation laws (1864 in Victoria and 1874 in NSW) and increasing dependence on British investment shifted the locus of capitalist activity from the family or partnership to the firm and English gentlemanly capitalist. But even as the capitalist was reduced to parody, his legacies persisted, replicated in new forms of twentieth-century economic subjectivity: male breadwinners, the moral middle class, citizen-consumers, small business owners and digital-age entrepreneurs. Each harboured the capitalists’ original contradictions: a promise of social and economic emancipation but dependent on hierarchical credit-money relations.

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<sup>122</sup> Nick Dyrenfurth and Marian Quartly, ‘Fat Man v. “The People”’: Labour Intellectual and the Making of Oppositional Identities, 1890–1901’, *Labour History* 92 (2007): 31–56.

<sup>123</sup> Michael Roe, *Quest for Authority in Eastern Australia, 1835–1851* (Melbourne: Melbourne University Press, 1965).

Such continuities might prompt reflection on the achievements and limits of a polity so lastingly structured by economic categories.

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