# COMMERCIAL INFLUENCES ON THE FIRST SETTLEMENTS IN AUSTRALIA

by

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Australian history cannot be studied as if it were something apart from that of the rest of the world. The evidence of intentions to make settlements, by private persons or the government, and of the actions in settling and persisting in extending settlement, must be viewed in their relations to events and circumstances in Europe, Amêrica, South East Asia and other lands in the Pacific Ocean.

*Colonial policy.*

For at least fifty years after the first settlements all European nation states, and the new United States of America, practised a commercial or mercantile system which we call Mercantilism. Adam Smith named it 'mercantile' because under it the merchant interest of the realm was especially favoured and encouraged in the belief that the wealth of the nation could be increased most rapidly through an increase in foreign trade. Laws seeking to regulate manufactures, agriculture, mining, canals, ship-building and conditions of employment were all ancillary to and subordinate to the measures for fostering trade and navigation. These terms were the twin aspects of foreign trade as is shown by the division of the East India Company into the Merchant interest and the Shipping interest.

From 1650 to 1850 colonial policy was the main part of mercantilism. All powerful states had Plantations — that is, settlements of subjects, governed by chartered companies, which were fostered for the production of commodities which could not be produced within the realm. These were either materials essential to defence or shipping, such as hemp, flax, timber, iron and saltpetre, or materials essential to manufactures like dye-stuffs or oils. We may also distinguish a third group of tropical products like spices, sugar and tea which gave a profitable re-export trade if a monopoly position could be achieved.

Throughout these two centuries the British Committee of Trade and Plantations was active. Its members were merchants; they heard requests from merchant interests and made recommendations to the government. The American plantations had become colonies with an independent economic policy and the loss to the realm of three million valuable subjects. Those who were permitted, or forced, to live and work in plantations were still subjects of the realm.

This population aspect is too little noted. A fundamental principle of mercantilism was that the strength of the realm was in proportion to the numbers and skill of its subjects, though there was no census to assess numbers with any precision. The policy based on this belief had two aspects. The first was to make 'the Poor' industrious, as is shown by the poor law with its workhouses and Houses of Correction. The other was to

conserve and augment skills by encouraging apprenticeship, forbidding the emigration of artisans to foreign states and enticing or capturing artisans of foreign states.

A corollary of this policy was that all states transported felons and vagrants to their plantations or employed them as slave labour in works of defence or navigation – forts, harbours, dockyards. The Mines Royal of all states were worked by convicts; the French galleys were actually hulks, depots of convict labour for the rough work of dockyards.[1]

Before 1716 large batches of political rebels had been sold into slavery in the plantations, but an Act of 1719 gave the legal right to transport convicts for various civil offences and the regular traffic began. Those transported were assigned to a merchant who was paid to transport them and had the right to sell their service to employers. Thus a white slave traffic grew alongside that in African slaves and for the same reason – 'the dearth of labour in the plantations'. When rebel colonies formed a rival mercantilist state it was against public policy to sell them cheap labour. There were many other national purposes which this limited supply of unskilled but certain work force could serve.

*The sequence of events.*

The Seven Years War (1756-1763) ended the rivalry of French merchants in the fur trade and fisheries of Canada and in Indian trade in cotton goods, saltpetre, indigo and tea.

1769-71 : Cook's first voyage to prove the existence of a rich Great South Land put precise bounds to New Zealand and the eastern coast of Australia.

1772 - 5: the second voyage destroyed the myth of a South Land and discovered Norfolk Island, New Caledonia and South Georgia.

1771: the settlement on the Falkland Islands was abandoned.

1775: the revolt of the American colonies began.

1776: transportation to the hulks was legalised. The Declaration of American Independence was followed by war with France, Spain and Holland; there were heavy losses from privateers in eastern seas and for three years Gibraltar was in a state of siege. Cook's third voyage began, seeking a safe north-west passage to China.

From 1775 the British sperm whale fishery was based on London, with captains and harpooners drawn from the loyalists of Nantucket. Whaling grounds were in the South Atlantic. Other loyalists moved to Nova Scotia for fisheries and whaling; others to Upper Canada for the fur trade.

1778: Glasgow merchants sought permission for a privateering voyage against Spanish ships in the Pacific Ocean. They urged the advantage of Botany Bay for this purpose.[2]

1780: Cook's ships returned and the hopes of a northwest passage were replaced by prospects of a fur trade with China.

1783: the independence of the United States was conceded. The terms of the treaty also recognised American rights to the fisheries of New-

foundland and Canada and to fur-trading posts on the inland waterways. They were excluded from the West Indian trade. The debts of American planters to British merchants were to be paid. The peace with Holland gave British traders freedom of navigation in the East Indies.

1784: the consequences of the discoveries and the wars became numerous. Pitt's India Act asserted government control of the policy of the East India Company. British tea duties were halved and trade doubled. The Company built large ships for direct trade with Canton by way of Sunda Strait.

The first American ships appeared in Canton.

The Committee for Trade and Plantations was reformed with Lord Hawkesbury as Chairman. He later became the Earl of Liverpool.

Three separate proposals were made to Lord North for settlements in New Holland to exploit the trade of the Pacific Islands.[3]

The North West Fur Company was formed in Montreal.

The Hudson's Bay Company sent explorers to find a river way to the Pacific coast which Cook had charted.

The American Fur Company extended its inland trade by river routes.

A Russian - American fur company was formed for trade in the north west coasts of America.

1785: fur trading activities began from several places. From London the King George's Sound Company sent two ships; merchants in Bombay, Calcutta and Canton fitted out expeditions; others from France, Boston and Trieste (Austria) were planned; the American one sent two ships, with government support.

La Pérouse sailed with secret orders to investigate the trade possibilities found by Cook.

A British government survey ship was sent to West and South West Africa seeking a site for a convict colony to help trade and navigation.

1786: the East India Company established trading posts at Penang and Malacca.

Samuel Enderby reported to the Committee for Trade and Plantations on the growth of the Southern Whale Fishery and asked permission for whalers to extend their activities east of the Cape and westward of Cape Horn.

The British government stated its intention to make a settlement in New Holland.

Lord Cathcart's trade mission to Peking was planned by the East India Company and the government with vast expense, lavish examples of British manufactures, and full ambassadorial status. His death at sea ended the venture. The naval escort was to pursue surveys of the China Sea while he was at Peking.

1787: the First Fleet sailed — two navy ships, nine chartered transports with 700 convicts and 200 marines.

Shortly after this another expedition sailed for Sierra Leone, sponsored by London merchants. Three navy transports carried 440 negroes from the

'Black poor' of London and 60 white women 'of loose character'. The objects were trade and sugar cultivation.[4]

An East Indiaman sailed to Canton by the New Holland route.

A naval expedition to Tahiti, Lieut. William Bligh, was sent to carry breadfruit plants to the West Indies. The object was cheap food for slaves. Failing to round Cape Horn, Bligh sailed east about.

1788: the First Fleet founded the settlement at Port Jackson.

La Pérouse arrived a few days later; he was ordered from Paris by way of Siberia to do so; he expected to find a market established.

The settlement at Norfolk Island followed promptly, as ordered. The object was to produce flax and mast timber.

The nine transports sailed from Port Jackson; three of them went to Canton under charter to the East India Company.

1789: the French Revolution began and the Constitution of the United States came into operation. The 'more perfect union' led to the passing of Navigation Acts to protect American shipping rights.

In the same year Enderby's ship *Emilia* returned to London from a very successful whaling cruise to the westward of Cape Horn.

At Nootka Sound (Vancouver Island) Spanish forces seized the ships and trading post of the Canton merchants.

The brig *Mercury* of London, sixty tons, made a trial trading voyage to North-West America, using the New Holland route.

1790: the Second Fleet sailed for Port Jackson.

The Nootka Sound Convention with Spain, after threat of war backed by heavy naval mobilisation, secured rights to fur trading posts and permission for whale ships to operate in Spanish-American waters.

1791: Vancouver was sent by way of New Holland to North-West America to resume possession of fur-trading posts and also to explore for possible waterways to link that coast with Hudson's Bay. One of his supply ships was also ordered to transport cattle from California to Port Jackson and (at P. G. King's request) to procure Maoris to instruct convicts at Norfolk Island in methods of preparing flax fibre.

The Third Fleet sailed: ten transports of which four (or five) were whalers with license from the East India Company to proceed to Peruvian waters.

Lord Macartney's trade mission to Peking followed the plan of Lord Cathcart's of 1786.

1792: war with France, which was to last 23 years, began.

The first trading voyages went to New Zealand from Port Jackson for cargoes of timber, especially masts, and flax.

The period 1792 to 1800 is marked by the beginnings of colonial trading. The New South Wales Corps replaced the marines as guards; the officers received land grants, convict servants and trading privileges.

Campbell of Calcutta established a trade depot in Sydney.

Merchants of Calcutta opened trade with New Zealand and South America by way of Sydney.

Sealing began in Bass Strait and New Zealand; trade with Pacific islands in sandalwood and salt pork began.

American traders visited Sydney.

1792-3 Bruni D'Entrecasteaux found the Derwent River and surveyed the nearby coast.

1793: the charter of the East India Company was renewed for a further twenty years.

1794: the East India Company sent John Hayes with two ships to explore the southern coasts of Van Diemens Land.

1798: Bass and Flinders proved Bass Strait and surveyed the Derwent River.

1799: Enderby proposed to Pitt that an expedition be sent against Spanish ports in South America, using Port Jackson as a base and enlisting 300 convicts as a landing force.[5]

1803: David Collins attempted settlement in Port Phillip Bay. After two months there he moved to the Derwent, with King's concurrence.

1804: settlement at Yorktown, Tamar River, protected sealers and prevented settlement by French traders.

*The value of oceanic trade.*

The great object was trade, not territory. The most profitable trade was that with China and to find and hold a north-west passage meant having a monopoly of that trade. Also the hope of finding a Great South Land — as rich and populous as Peru or Mexico — was reasonable.

Cook's first voyage followed hard upon the equally purposeful voyages of Byron, Wallis and Carteret, but its great value lay in proving efficiency of the new methods of position-finding by the Lunar Tables prepared by the Astronomer Royal. In 1767 the first Nautical Almanac was published. Cook also had proved his skill in surveying in Newfoundland waters.

The new methods were cheap and precise; they demanded careful observation and systematic use of logarithms. A chronometer was also useful but not essential so there was no mechanical device that could go wrong. Cook had no chronometer on the first voyage. The precise fixing of salient features of coasts meant that all who had the charts prepared from these surveys could find port with certainty and despatch even if they relied merely on deduced (dead) reckoning.

These methods made all previous charts obsolete and mark an advance in precision of navigation as great as that which came with the application of Radio Telegraphy. (The transit of Venus, had it been accurately recorded, would have improved the precision of the Tables).

Given precision of charting, the harbour and cheap provisions of Tahiti became commercial resources. The harbours of New Zealand, the large trees suitable for masts, and the flax suitable for cordage, sailcloth and clothing also had commercial attraction. Cook reported nothing that was especially favourable about New South Wales. Even the anchorage in Botany Bay was clearly unsafe from what he charted. The poverty of the

natives was evidence that the country was poor and of no interest to traders.

The second voyage proved the existence of a vast ocean and a way to the Pacific at all seasons with favourable winds and no fear of interception by enemies. Cook reported mast timber at New Caledonia and also at Norfolk Island, with flax there abundant. He also proved that crews could be kept free of scurvy even in sustained voyaging in severe weather and further proved the efficacy of lunar navigation, having a chronometer for comparison – 'a useful check on our observations'. It is necessary to stress that precise navigation had as much bearing on health of crews (and seaworthiness) as did scurvy prevention – and that both, by lowering risks, increased the profit expectations from long voyages.

The third voyage was ordered to seek a Northwest passage. It proved again the new way into the Pacific and the efficiency of navigation (the chronometer broke down). The commercial value lay in ending the hope of a north-west passage, though belief in a waterway through Canada persisted; and in finding Hawaii with good harbours, a mild climate, ample food and a central position for all trade in the north Pacific. The greatest discovery was the fur trade from Alaska to Canton, which Russian traders had begun. The furs enjoyed in Canton 'un débit facile', as La Pérouse also found, and therefore made much cheaper the financing of tea purchases. Cook also found whales and fish in plenty and good mast timber on the shores of good harbours.

It was the commercial expectations aroused by these voyages which made the settlement of Australia worth the cost.

*The sea routes.*

Even the best sailing ships of that time could not make a passage to windward and for commerce especially, it is sea time, not mere distance covered, that dictates costs and eats up profits. The Cape Horn route was then impassable to westbound ships during most of the year. Spanish trade to the Pacific used the Panama and Mexican routes. Also ships needing help in Spanish ports ran the risk of seizure. In 1787 Bligh lost six weeks trying to round Cape Horn and then sailed eastward for Tahiti, via Adventure Bay.

The Sunda Strait route was the most direct for the China trade but has a constant south-setting current and was impassable during the months of the North-East Monsoon. Moreover there were numerous shoals in the landlocked seas, also calms and Malay pirates and risks in wartime from privateers based on Batavia. The Dutch charged high prices for supplies and fever was endemic.

The New Holland route had fair and strong winds at all seasons and also 'fair and open navigation' stressed by Admiral Young in his plan for settlement. This meant safety from wreck and from privateers – unless they too had a base in New Holland. Numerous anchorages gave shelter, free wood and water and some fresh food. To Canton the distance was greater but

the time taken about the same; to Alaska the distance was the same; to South America it was much shorter and far quicker.

*The value of a permanent base.*

This depended on the estimates of the value of the trade to be served. Occasional voyages do not warrant a settlement. A base must afford anchorage safe from gales and enemies, water, wood for fuel, a store of ship-repairing materials, a work force and facilities for recruiting the health of crews. A base does not need to be self-supporting even in food stuffs: at Gibraltar even fresh water was scarce. Also a government must control all possible bases of a region in order to stop or reduce the trade of foreign merchants and to prevent privateering. This is the basis of the desire to 'forestall the French' at every site endowed with the basic needs.

These basic truths explain why La Pérouse had orders to discover from the Maoris whether the British intended settlement there and why the French government, when it knew the plan, sent orders to La Pérouse via Kamchatka to visit Botany Bay and Norfolk Island as soon as he could. They explain why Phillip, while pointing out that Port Jackson could not be self-supporting for many years, thought that it would prove 'the most valuable acquisition Britain ever made'.[6]

The discovery of Port Phillip and Port Dalrymple made it essential to occupy them if the Bass Strait passage to Port Jackson was to be secure. Collins, who had returned to England after helping to found Port Jackson, knew well the intentions of the government. After seeing Port Phillip he wrote to King: 'this place will never be resorted to by commercial men . . . ships cannot enter or leave except at the top of the tide with a leading wind, conditions which are not to be met with every day'.[7] Yet the opinion that he left because there was insufficient water at his site stood unchallenged for over a hundred years and is still widely held. Historians failed to allow for the poor sailing qualities of ships of that time and the limits they set to trade. The entrance was especially dangerous to ships that were unseaworthy after months at sea. Even today large steamers often will not attempt to enter or leave it during gales. Such a port was of no use to the commerce of any nation or to privateers. His next choice would have been Port Dalrymple but he lacked charts so he removed, as his orders permitted, to the Derwent. King concurred in all this. So did the home government. Yet this was a penal settlement as much as Port Jackson was, and as both Collins and King were prominent in the first and second settlements we must conclude that the British government's objectives were still those which gave rise to the sailing of the First Fleet. Collins wrote that if the Derwent had been known sooner it would have been the principal settlement.[8]

*Whaling.*

In 1613 James I hired Basque harpooners from the King of Spain for a venture by the Russia Company in Arctic whaling. In 1670 the Greenland

Dock was built on the Thames for their ships. From 1733 Arctic whalers were paid a bounty on a ship tonnage basis. By 1770 the chief source of whale oils was New England, especially from Nantucket, a barren island with a high income. As Britain was their chief market and source of capital the whaling men were Loyalists. For fifty years they had followed sperm whaling into the South Atlantic, off the Brazil coast, when Lieut. Arthur Phillip was in service there with the Portuguese navy. His consequent knowledge of the 'fishery' is a more likely reason for his command of the new plantation than that he had once owned a farm – a blot on any seaman's escutcheon.

The demand for oil was composite and expanding. The greatest use was in lighting but it was essential in cloth making, leather dressing, tempering steel and soap making as well as for lubricants. The increasing demand for lighting streets, workshops and houses of an expanding industrial society meant high prices and the search for new sources of supply.

The supply too was composite. Much vegetable oil was produced and imported but the supply was inelastic and prices high. Sperm oil brought three times the price of Greenland oil because it could be burned indoors without smell. The scope for expansion was great, for explorers had reported sperm whales in vast oceans of low latitudes, meaning that it could be prosecuted at all seasons.

In 1775 the Nantucket ships and men controlled by Samuel Enderby used London as their base instead of Nantucket. When in 1784 the Committee for Trade and Plantations was reconstituted with Lord Hawkesbury as Chairman, Enderby became the spokesman for the whaling interest. (From 1600 there had been Enderbys in the Russia Company; Hawkesbury, born Charles Jenkinson, had even longer links with it – he was descended from the founder, Anthony Jenkinson). Enderby was a personal friend of King and also known to Pitt.

Before the Committee, Enderby pressed for continuous encouragement for the fishery by bounties of lump sums to the first full ships reaching port, freedom of fishing in all seas, and ports for refit and refreshment – that is for protection from molestation. In 1788 forty-five vessels returned to London from the Southern Fishery, eight of them Enderby's. Their cargoes were worth £90,000. Sperm oil sold at £60 a ton; Greenland oil £17. There was a large export to France.

Under pressure from the Committee, the East India Company gradually extended the limits for whaling in southern oceans. In 1790 the Nootka Convention won for it immunity from interference by Spanish ships. In 1791 whalers sought and won charters to carry convicts and stores to Port Jackson. Pitt attended all the meetings while this was being negotiated. King was on leave then in London and returned to Sydney in H.M.S. *Gorgon*. He hoped to reach Sydney before Enderby's *Britannia* arrived, which he did as she took ten days from South Cape to Sydney, sighting many whales. Her captain, Melville, had despatches for Governor Phillip

which, though he was last to arrive, secured for him top priority in unloading so that he was at sea whaling before any of the other ships.

In 1793 the value of oil was £245,000, though the price was only £27 a ton. The war with France had increased the urgency of protection and by 1801 all limits on whaling were removed. Enderby ships extended the fishery to New Zealand waters, by 1819 to Japan, and in 1831 made the first sighting of Antarctica.

*The freedom of the oceans.*

The sperm fishery was pelagic; bay whaling for right whales was the ancient form known to the Basques and practised in New England and later in Australia and New Zealand. It was also a seasonal industry. Sperm whaling was from ships in mid-ocean; pay was on a lay or incentive basis not because of dangers, but because vigilance and zeal shortened voyages and kept down costs. Long voyages meant larger capital for ships and stores; bases for refreshment were essential to efficiency.

The East India Company's charter gave it a monopoly of trade and navigation in all seas east of the Cape and westward from Cape Horn. Any settlement made within those limits gave the possibility of illicit trade but the outcome of the American war had undermined their monopoly for Americans could and did engage freely in the tea trade or any other. British (and Australian) traders could and did engage in joint ventures with Americans. Enderby wrote to the secretary of the Trade and Plantations Committee of such an offer he had received for a joint whaling voyage to the Straits of Sunda. He pointed out that Americans had freedom but lacked capital while British had capital but lacked freedom. The rebels were better off than the loyalists.[9] He could have added that the produce of such ventures could enter British markets at the same duty as products of British fisheries. The Company held to its charter rights. Fur-traders from Britain were given a license and required to pay half their profits to the Company. The licenses to the Third Fleet forbade cargoes likely to be sold in eastern markets. The whalers respected this perforce; whaling was their business and they needed all their space for water and food supplies. Several transports of the Third Fleet were found in Sydney to have contraband but Phillip made excuses for not seizing it.

Though the power of the Company was great its monopoly was inimical to the growth of British export trade so in 1793 the renewal of its charter was made in the face of stiff opposition. Whether the recurrence of war with France gave it a reprieve we cannot say but the new opportunities of Pacific trade showed up its restrictive attitude. It was not interested in furs, whaling, sandalwood or the export of cheap cotton goods and was reluctant to allow others to exploit them. Its saltpetre monopoly hampered gunpowder makers who took their case to the Trade and Plantations Committee.

Therefore, though the government in making a settlement to safeguard trade was protecting the Company and giving some of its ships profitable

outward charters, it was also giving opportunities to interlopers to engage in smuggling, with or without joining American traders. Colonial merchants could sell local produce only to Company ships. In 1805 Robert Campbell tried to break through this by direct shipment to London. When the *Lady Barlow* arrived with oil, seal skins and timber, Enderby informed the Company and it took action to have the cargo banned from sale in Britain. Thus though Enderby had won freedom for British whalers he invoked the Navigation Act to exclude colonial competition.

To the Company and the Admiralty the hazards of the eastern seas had been shown by the Dutch-French alliance of the recent war and the gain from direct trade with China could be threatened in future wars by privateers based on Batavia. So the outward charters for Port Jackson made the Company's officers familiar with a route they might have to use. In 1806 at least a convoy of ten ships was sent by the new Bass Strait route for Canton, though it did not make use of Port Jackson. The homeward passage was always by Sunda Strait but with both wind and current favourable the well-armed ships in formation could beat off powerful enemy forces as was shown in 1804 when sixteen ships in convoy were attacked by a French naval squadron just north of Sunda Strait.

*The supply of naval stores.*

In all shipyards of Western Europe there had been for over a century an acute and increasing shortage of timber, especially masts. In 1665 Pepys records mast cargoes arriving from New England and also his fears that the Dutch might intercept cargoes from the Baltic. By 1780 the scale of sea warfare and trade increased the problem, especially for large masts. The best came from Memel and Danzig. Admiralty agents there overbid French agents to build up stocks. In 1785 the French tried to open trade in Polish masts by way of the Black Sea to supply their Toulon dockyard. By threat of war Pitt forced the Russian government to revoke this arrangement. British shipyards used Canadian spars which were considered inferior to Baltic. Cook's reports on New Zealand sources compared them to Canadian. Dockyards in India drew their supplies from England and the prospect of masts from New Zealand promised greater seapower at lower costs. By 1792 Sydney traders were getting timber from New Zealand, as Norfolk Island pines did not come up to expectations.

*Hemp and flax.*

These essentials of sea power in war and peace were by 1780 almost entirely imported from Baltic lands. In 1784 Admiral Young stressed Britain's dependence on a foreign power for them. The minutes of the Committee for Trade and Plantations record many plans for getting them from British sources but always the naval witnesses stressed the quality of Riga hemp and denounced the folly of using lower quality. The cable of a First Rate weighed six tons and each needed several of these. All rigging was of hemp; seaworthiness meant frequent replacement. During wars the Navy used 10,000 tons a year; in peace 3,000 tons. The merchant

yards of London alone used 8,000 tons. The price in wartime was as high as £37 a ton; in peace £26. These details were minuted in 1790 when proposals for bounties to Canadian growers were made in order 'not to depend solely on a foreign power.'[10] Hemp for rigging and flax for sailcloth, timber for hulls and masts, were to navies then what steel and oil are now. The urgency of 1800 fulfilled the forebodings of 1784: when 300 merchant ships were held up in Russian ports Nelson forced the Sound, by tactics which could have lost half the fleet, in order to get those cargoes out before the winter.[11]

Hence derived the importance of Norfolk Island in British plans and the promptness of its settlement. If a mere gaol were desired then it was ridiculously foolish to divide forces before the main settlement was established and risk the main supply ship where the anchorage was known to be unsafe. That the plan in this respect proved a fiasco is irrevelant. Flax production was an object in the plans and the orders; it was pursued with vigour even to sending a King's ship to kidnap Maoris as instructors. The penal aspect was incidental in that convicts with no skills had to be trained to work it. The fibre did become an article of commerce but with supplies bought from the Maoris and sent to England for manufacture. Whalers used it for spinning rope yarns because it was cheap and strong. All the evidence concerning the first settlement of Norfolk Island shows that the objects were purely commercial and that the penal system was merely the means of getting a bonded workforce for those objects.

*The work force.*

The first four governors were naval captains and the settlement was a naval establishment. A maritime base must be run on naval lines subject to the authority and policy of the home government. Free settlers — free to engage in trade — will defeat mercantilist purposes because they will trade for their own advantage. The government therefore encouraged few free settlers to join the civil and military officers. These officers came to make money — that was the first article of religion for all colonists, chaplains not excepted. They collaborated with Americans and French to evade controls. King and Bligh clashed with Macarthur and others because the Governor's duty was to the commercial interest of Britain. The British government preferred Company ships as transports, because private ship owners found contraband trade too tempting. The whole establishment was on the same principles as the Dutch settlements at the Cape and Batavia except that there the Governor ruled through the chartered company.

The services of all convicts were assigned to the Governors who reassigned them to the respectable settlers. Transportation to America had been by assignment to one private contractor who re-assigned the services to those colonists who could pay him for them. What had there been a regular trade for money payment became in Australia a free gift — with free rations too at first — to those whom the Governor approved. The object was not to make the settlement self-supporting, though that pious hope

was often stated. It was in the first instance to make it a source of fresh provisions — the salt pork and barrels of ships' biscuit could be more cheaply supplied from Ireland and England. Water, wood, fresh provisions and labour services were the urgent needs of shipping. A supply of sailcloth from Norfolk Island would have reduced demands on British naval stores.

The convict workforce was applied to building stores and facilities for shipping and, through the officers, to raising food crops. Dockyard work was directed by artisans brought out by the Navy on a three years indenture. Many convicts were drafted from the hulks.

The first hulks in Britain were commissioned in 1774 as naval establishments. In 1776 an Act authorised transportation to the Hulks (the previous Acts had specified 'the Plantations') to avoid 'depriving the Kingdom of subjects whose labour might be useful'. This meant discharge in Britain and makes nonsense of the argument that transportation was intended to rid the realm of criminals. There was no accumulation of convicts during the American War or after it. Peace merely lessened the demand for their work. Commissioned like naval vessels, the hulks were moored off dockyards and work parties were employed under the dockyard authorities. They did the rough work of excavating, dredging channels and basins, screening ballast, shifting gravel ballast or iron kentledge, building earthworks or cleaning round shot. Their small wage was part pocket money, part deferred pay on discharge. Any skilled convicts worked at their trades along with free workers.

Hulks were commissioned at all naval dockyards — the stone forts of Portsmouth were convict-built during the French wars. After 1820 hulks were established also at Bermuda and Gibraltar — to build dockyards. From 1840 onward they were replaced by prisons attached to dockyards and at Portland a 'harbour of Refuge' was built by a workforce of 1,000 men. What the Act of 1776 described as 'improving the navigation of the River Thames' (for the enlarged needs of more and larger ships) was repeated with local differences in Sydney, Hobart, Fremantle, Williamstown, Gibraltar, Bermuda and Portland. The last hulk was paid off in 1857 — after transportation to Australia had ended.

Thus throughout the first fifty years of settlement the demand for tied labour here had to compete with other demands — the ending of transportation to New South Wales coincided with an increase in the establishment of the hulks, especially at Bermuda.

So convicts sentenced to transportation were a disposable workforce even before any settlement here was thought of and were largely applied to works of navigation. A plan for the better disposal meant their application to more urgent public works.

*The alleged necessity to remove criminals, to relieve overcrowding.*

In economics any necessity must be related to its cost. The cost of re-disposing is always considered in relation to the gain expected. To supply a foreign state with cheap labour was a double loss. To fit out eleven ships

for two years and to follow up with other ships in order to settle in twelve years some 6,000 convicts at a cost exceeding £500,000 was economically justifiable from the gains to be expected from the China trade and the Pacific Ocean trade.

Not all convicts are criminals; nor are all criminals convicts. If we keep to the legal, and proveable, term and take the figures from the Commissioner for the Hulks we find that for every two sent out of the realm one served in the hulks and was discharged in Britain with deferred pay. Thousands of sailors recruited by the press-gang fared worse.

The overcrowding of hulks and gaols is not borne out by the figures given in Howard's *State of the Prisons* for years before and after the sailing of the First Fleet. We should take more notice of the comprehensive account he gives of the practice of mercantilist states in employing convicts for public works, especially around docks, harbours and fortifications.

The argument that the object was to abate a nuisance by founding a penal colony was intended to deceive foreign powers. The French were not deceived. Those who accept government explanations literally must explain why Phillip was authorised to procure women from the Friendly Islands, why Norfolk Island settlement was so urgent, why about one third of later transportees came from Ireland, why about 1800 it was proposed that Indian convicts be sent to Port Jackson and why there were so many proposals (one from the Indian government) to recruit soldiers from the well-behaved convicts.

In support of the penal colony view it is alleged that there was a desire (or need) for territory to compensate for the loss of America and for peopling a continent with the surplus population of Britain. To annex a continent whose very existence was still unproven (it could have been a string of islands round a vast inland sea) is like annexing the back side of the moon. Besides this implies a desire for future gain, whereas whaling, at least, offered large, certain and immediate profit. There was no thought of wool exports and indeed Sir Joseph Banks obstructed Macarthur's efforts because the policy was to increase wool production in Britain – with merino stock stolen from Spain. Though flax did not pay off as hoped there is no doubt about whaling. The value of fishery exports up to 1831 exceeded that of pastoral products and that is only from the colonial fishery, not counting oil taken by British whalers who had already cleared outwards.

The settlements were in fact islands, as Professor R. M. Crawford has pointed out.[12] To the profit-seeking colonists the seas (and coasts) were 'a sort of patrimony' as was said earlier of the Nantucketers who brought here their attitudes as well as their skills.

This view of Australian origins has been called a theory but it is not at all. It is a synoptic view of commercial prospects as they were then seen by contemporaries. It leads to such discoveries as that Thomas Jefferson, when American ambassador to France, concluded, on reports of his spies, that La Pérouse intended to found a trading post either in North West

America or in New Holland.[13] Is it unlikely that the British government had reached similar conclusions? From the commercial aspect all the events of the settlements make sense – the official reasons and all the glosses on it cannot explain the Norfolk Island episode at least – even if that too was 'to forestall the French'.

My argument is based on such demonstrable facts as the new precision in navigation, which was open to all at little costs. The charts based on accurate surveys brought certainty of profit from a vast new trading region which the effete John Company was unwilling and unable to exploit. The Pacific was a vast new oilfield with cheap provisions available at safe and pleasant harbours. The horror (and commercial loss) from scurvy had gone. Cook, exemplar of the self-taught scientific craftsman, had uncovered all this and his disciples multiplied and carried on. All this – and China too – makes it no wonder that 'la carriére ouverte aux talents' describes the spirit of the time. In all this convicts were the (not unwilling) accessories.

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Pertinent information is offered in the *Historical Records* and in the pioneer accounts, especially those of John White and David Collins. Among secondary works note especially R. G. Albion, *Forests and Sea Power,* Hamden, 1965.