



## The Individual in the Community: American Entrepreneurs in the Australian Colonies, 1850-1890

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Following the discovery of gold in the Australian colonies in the 1850s, commercial adventurers from around the world made their way to the antipodes. I examine the American entrepreneurs who made their mark in the Australian colonies in the latter half of the nineteenth century, and consider how individuals achieved success within intersecting communities. Individual entrepreneurs found support in communities based on family connections, associations through friendship and experience, and shared nationality. They also found support through informational networks created in the commercial world, including consular reports, trade magazines, and international exhibitions. Primary sources of the era, including family letters, newspaper and magazine accounts, and consular records, reveal the complex communities within which entrepreneurs in Australia operated to achieve their commercial goals.

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In May 1851, the American consul in Sydney wrote to the Department of State announcing the discovery of gold in the British colony of Victoria, “. . . this event,” he reflected, “will exercise a vast and accumulating influence upon the destinies of this Colony.” He went on to suggest, “The ever ready and active enterprise of our countrymen will eagerly seize . . . this new field of profitable adventure.”<sup>1</sup> Consul James Hartwell Williams showed remarkable prescience in his speculations; in the initial period of the ensuing gold rush, an estimated 19,000 adventurers made their way across the Pacific.<sup>2</sup> Of this number, many

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<sup>1</sup> James Hartwell Williams, U.S. Consul, to Daniel Webster, Secretary of State, *Consular Dispatches from Sydney*, no. 42, 31 May 1851.

<sup>2</sup> Werner Levi, *American-Australian Relations* (Minneapolis, Minn., 1947), 43. Note that this figure is based on the numbers leaving American ports, not all of whom were natives or citizens of the United States. An estimated 5,000 native-born Americans were in Australia by the mid-1850s; see E. Daniel and Annette Potts, eds.,

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immediately traveled inland to try their hand at the diggings; others, though, found or created employment in driving wagons, selling ice, watering dusty streets, or selling American goods in colonial cities and towns.

Two years after the discovery of gold, one such adventurer, George Francis Train, announced cheerfully, "There are some dozen or more new American houses here in full operation, and the cry is still they come."<sup>3</sup> Train identified particularly the merchant houses that had renewed trading links first established during the peak of the whaling industry. Export houses in New York, Philadelphia, and Boston looked immediately to revitalize trade with Australia. So, too, did merchant houses in San Francisco, whose relative proximity encouraged entrepreneurs to envision a lively cross-Pacific trade. But it was not only merchants who responded to Consul Williams' vision of opportunities in the southern hemisphere: Americans sought opportunities in the mining industry, created transport and communication networks, offered hospitality and entertainment, and marketed the innovations created by American manufacturing.

We know many of these entrepreneurs by name: Freeman Cobb, George Francis Train, Thomas Welton Stanford, and Samuel Perkins Lord are some of the more notable figures. Yet to identify them as individuals whose antipodean adventures fulfill the traditional image of lone entrepreneurs misses an essential element of their story. These entrepreneurial figures created a visible American presence in Australia in the mid- to late nineteenth century, yet they rarely acted in isolation. Rather, they operated in shifting cohorts, with ties to family and friends, to commercial and political communities in the colonies and in the United States, and to networks of information that supported their endeavors. In this brief overview of American entrepreneurs in the Australian colonies, I seek to examine these commercial coalitions, and to understand how the individual entrepreneur existed within a community.

The young entrepreneurs—they were most frequently young men in their twenties—who established themselves in the colonies were remarkable for the range of activities they undertook.<sup>4</sup> Indeed, they exemplified Joseph Schumpeter's matrix of entrepreneurial behavior, introducing new goods and methods of production, opening new markets, establishing new services, finding supplies of raw materials, and creating new organizations.<sup>5</sup> Contrary,

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*A Yankee Merchant in Gold Rush Australia: The Letters of George Francis Train* (London, 1970), 55.

<sup>3</sup> George Francis Train, letters from Melbourne to the *Boston Post*, 20 Oct. 1853, reprinted in Potts, *Yankee Merchant*, 26.

<sup>4</sup> See Graeme Davison, *The Rise and Fall of Marvellous Melbourne* (Carlton, Australia, 1978), 19, for a description of the age and social networks of foreign entrepreneurs in colonial Victoria.

<sup>5</sup> Joseph A. Schumpeter, "Entrepreneurship as Innovation," in *Entrepreneurship: The Social Science View*, ed. Richard Swedberg (Oxford, U.K., 2000), 51-75, quotation at p. 51. Originally published as Joseph A. Schumpeter, *The Theory of*

however, to Schumpeter's analysis of entrepreneurs as a disequilibrating force, the young Americans did not disturb a colonial equilibrium; rather, they embedded themselves within communities that were already experiencing a chaotic and unprecedented economic surge.<sup>6</sup> In this context, Australians, so Train asserted, welcomed the entrepreneurial newcomers as people who could simply "get things done."<sup>7</sup>

Rosabeth Moss Kanter describes this entrepreneurial ability to "get things done" as "kaleidoscopic thinking." That is, entrepreneurs as actors rearrange existing information to create new combinations and opportunities.<sup>8</sup> This was certainly the case in the Australian colonies. Just as nineteenth-century Americans approached colonial commercial opportunities in this creative way, we, too, can see these entrepreneurs as the center of an interpretive kaleidoscope. Viewed in this way, entrepreneurs become subjects whose connections and opportunities shift and merge depending on circumstance. Thus, through the examples of particular individuals, we can catch a glimpse of the way entrepreneurial behavior relied on overlapping loops of people, information, and infrastructure.

The first example of the relationship between individual and community stems from family connections. Though past literatures of entrepreneurship have suggested that family firms are less likely to be expansive and innovative, the connections of a number of the notable entrepreneurs in colonial Australia provide another perspective, demonstrating that family businesses supplied the backing and infrastructure for younger members to extend commercial interests abroad.<sup>9</sup> Two examples in the Australian context illustrate this point. George Francis Train's initial exploration of opportunity in the colonies came with the backing of his deceased father's cousin, Enoch Train. The younger Train learned his trade from his cousin at the family shipping firm in Boston, and he traveled to the colonies with the intention of expanding the family concern across the Pacific. There, the young Train made alliances with other businesspeople, but Enoch Train's encouragement and

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*Economic Development: An Inquiry Into Profits, Capital, Credit, Interest, and the Business Cycle* (Cambridge, Mass., 1934).

<sup>6</sup> For a discussion of Schumpeter's ideas about disequilibrium, see Mark Blaug, "Entrepreneurship Before and After Schumpeter," in Swedberg, *Entrepreneurship*, 84.

<sup>7</sup> Train, letter to *Boston Post*, 20 March 1854, reprinted in Potts, *Yankee Merchant*, 92. Train's casual summation shows a remarkable coincidence with the origins of the word entrepreneur, from medieval French, '*entreprendre*,' to do something, or to be a person who gets something done; see Swedberg, *Entrepreneurship*, 11.

<sup>8</sup> Rosabeth Moss Kanter, "When a Thousand Flowers Bloom: Structural, Collective, and Social Conditions for Innovation in Organization," in Swedberg, *Entrepreneurship*, 173. Originally published in *Research in Organizational Behavior: an annual series of analytical essays and critical reviews*, vol. 10, ed. Barry M. Slaw and Larry L. Cummings (Greenwich, Conn., 1988), 169-211.

<sup>9</sup> See Paul H. Wilken, *Entrepreneurship: A Comparative and Historical Study* (Norwood, N.J., 1979), 67, for a discussion of this historiography.

financial support were critical in enabling his young cousin to undertake the journey.

Thomas Welton Stanford and his brother DeWitt Clinton Stanford also sailed to Australia to extend a family venture. The brothers, originally from Albany, New York, were the younger siblings of the entrepreneurial Stanfords who had risen to success on the gold and oil fields of California. At the request of their older brothers, Welton (as he was known) and DeWitt traveled to Australia in the late 1850s to investigate opening these far-flung colonies to the family business of supplying kerosene. They were also instrumental in bringing Singer sewing machines to the colonies, introducing innovative schemes such as time-payments, buying back competitors' machines, and lessons and demonstrations in their Melbourne showroom. DeWitt died of pneumonia in 1862, but Welton stayed on, maintaining the Stanford businesses in Sydney and Melbourne and contributing generously to the family business and philanthropic projects in California.<sup>10</sup>

If family provided one circle of entrepreneurial community, friendships drawn from overlapping experience created another. The cohort responsible for introducing Concord coaches to Australia provides a clear illustration of how individuals achieved entrepreneurial success because of their reliance on associates with shared experience. Freeman Cobb, like Train and the Stanfords also from the northeastern United States, came to colonial Victoria by way of California, where he had worked for the large staging company, Adams & Company. Cobb's network in California transformed into a coalition of business partners when he arrived in Victoria in December 1853, followed by John Murray Peck, James Swanton, and John B. Lamar, all of whom had worked for Adams & Company or for its rival Wells Fargo.

Experience bolstered Cobb's entrepreneurial instincts. He brought coaches, drivers, and horses from the United States in the belief that American personnel, equipment, and methods could be successfully adapted to colonial conditions. The fledgling company used coaches from a variety of American companies, but favored the passenger coaches from Abbot, Downing & Co. of Concord, New Hampshire, possibly because of the local knowledge of John Peck, who was from that region.<sup>11</sup> The reliance of Cobb and his cohort on American experience and equipment changed coaching practice in the colonies. The shorter staging runs and different configuration

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<sup>10</sup> Information on the Stanfords in Australia comes from a series of letters written by Thomas Welton Stanford and DeWitt Clinton Stanford to their parents and brothers. The Stanford Family Papers are housed in the Stanford University Archives, Stanford University, Calif.

<sup>11</sup> Freeman Cobb returned to Massachusetts in 1856; a later venture to introduce American coaching to South Africa ended with his death there in 1878. John Murray Peck remained in Victoria, becoming an influential member of colonial society. Two streets in Ascot Vale, the suburb where he lived in Melbourne, were named after Lebanon and Mascoma, New Hampshire, where his family lived. See William H. Newnham, *Melbourne: The Biography of a City* (Melbourne, 1964), 65-66.

of horses (the “five-in-hand,” with three horses in front and two behind) enabled the coaching company to offer faster and more reliable service through rough colonial regions.<sup>12</sup> The introduction of the Concord coaches also set the standard for the colonies. Cobb copied the color scheme employed in the United States: vibrant red with highlights of yellow, with the company name emblazoned on the side. In addition, the coaches, made for the rough terrain of the American West, came with a flexible undercarriage that withstood the primitive bush tracks of the colonies more effectively than did the rigidly constructed British and European coaches. Cobb and his cohort further adapted the American coaches for colonial use, squaring off their rounded bodies, and adding an adjustable screw to the thoroughbrace. The company also opened factories in Victoria and New South Wales to produce their adapted version, making the coaches available to the company’s competitors as well. Indeed, coaches became known generally as “Cobbs” regardless of their ownership, and many smaller companies used the name illegally to suggest a connection with the larger concern.<sup>13</sup> The cumulative impact of the circle of experience that Cobb drew upon in his venture prompted contemporary commentator Henry Heylyn Hayter to note that the American coaches “proved the means of opening up the colony in a way that could scarcely have been accomplished by any other means.”<sup>14</sup>

Freeman Cobb’s cohort provides another window into understanding the immersion of individual entrepreneurs in communities, for his circle relied not only on shared experience but also on shared nationality. The sense of cohesion provided by American identity enabled the young entrepreneurs to build business quickly from relationships drawn on the group’s marginality within the colonies.<sup>15</sup> Among the compatriots from whom Cobb & Co. drew support were George Francis Train, who with other Americans provided credit in the business’s first years; J. L. Rutherford, who eventually took over running the company (and sent employees back to the United States to keep abreast of American coach-building expertise); and Francis Boardman Clapp, a significant figure in the transport industry.

Clapp’s story, like Cobb’s, highlights the importance of community to American entrepreneurs in the colonies. Clapp began his ventures in Australia as a horse-buyer for Cobb & Co. At the same time, he took a lively interest in the developing railroad and tramway technology. Sensing that the days of horse-drawn transport might be ending, Clapp began to make provision for a shift to other forms of transportation. He initially formed a partnership with fellow American Henry Hoyt to bring tramways to Melbourne. The men later became competitors, and each petitioned the Victorian government for award of the contract to install tramways in the

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<sup>12</sup> Michael Stringer, *Australian Horse Drawn Vehicles* (Adelaide, 1980), 41-46 passim.

<sup>13</sup> Stringer, *Vehicles*, 48.

<sup>14</sup> Henry Heylyn Hayter, *Notes on the Colony of Victoria* (Melbourne, 1875), 31-32.

<sup>15</sup> See Wilken, *Entrepreneurship*, 13-14.

inner suburbs of Melbourne in the late nineteenth century.<sup>16</sup> To win the contract, Clapp drew not only on the technology invented by compatriot Andrew Hallidie, but also on the experience of George Francis Train, who by this time had ventured to introduce horse-drawn and then mechanized transport in London.

The key to these circles of commercial mutuality was nationality, for it provided a sense of shared assumptions about ideology and approach to commercial life. From this, Americans in the colonies created opportunities to increase their knowledge of local business prospects. Indeed, shared business information was critical to the success of trade diasporas, and scholars have noted the historical ease with which merchants moved into roles of entrepreneurship, utilizing their access to capital, their knowledge of opportunity, and their networks.<sup>17</sup>

George Francis Train excelled at both developing and sustaining these networks during his time in Melbourne, establishing the pattern for American contributions to the colonial community. Upon arriving in the colony, Train was aghast at the lack of information available to merchants. He decried the informal quarters of the local Exchange in the back of the Royal Hotel: “No book for imports; none for exports; no commercial record; no report of the brokers’ board, no statistics whatever; not one single fact to show the commerce of this young but flourishing city!”<sup>18</sup> With the financial support of other merchants in the city, including Americans who arrived to establish trading houses or captained vessels loaded with imported goods, Train succeeded in promoting the Exchange as a necessary part of the commercial life of Melbourne.

American consular representatives, who naturally enough saw their role as supporting the extension of American commerce into the Australian colonies, complemented the information networks developed by individuals such as Train. In the years before the State Department regularized the dissemination of commercial information, American consuls in Melbourne and Sydney excelled at providing their compatriots in both Australia and the United States with detailed reports of economic opportunities. By the late nineteenth century, the State Department released consular reports as an aid

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<sup>16</sup> See Geoffrey Serle, *The Golden Age: A History of the Colony of Victoria, 1851-1861* (Melbourne, 1963), 75; Davison, *Marvellous Melbourne*, 161-64; and David Dunstan, *Governing the Metropolis Politics, Technology and Social Change in a Victorian City: Melbourne, 1850-1891* (Melbourne, 1984), 207-30, for the story of Clapp and Hoyt’s partnership and rivalry.

<sup>17</sup> See Ina Baghdiantz McCabe, Gelina Harlaftis, and Ioanna Pepelasis Minglou, eds., *Diaspora Entrepreneurial Networks Four Centuries of History* (Oxford, U.K., 2005), xxii, on trade diasporas, and Wilken, *Entrepreneurship*, 12-13, and 68, for a historiographical account of merchants as entrepreneurs.

<sup>18</sup> Train, letter to *Boston Post*, 30 Nov. 1853, reprinted in Potts, *Yankee Merchant*, 29.

to commercial expansion; within this collection, the contribution of G. W. Griffin, the U.S. consul in Sydney in the 1880s, was outstanding.

Working with a range of contacts in the colonies (other Americans and colonial business people, civil servants, and politicians), Griffin produced exhaustive reports that covered the beer and wine industries, hardware and ironmongery production, agricultural development (particularly wool-growing), coal production, and the timber industry. These reports were accessible in the United States to would-be entrepreneurs; similarly, in Australia, they became sought-after commercial guides when newspapers in Melbourne and Sydney gained permission to publish excerpts and the government of New South Wales collated and published a number of the reports.<sup>19</sup>

As the nineteenth century progressed, American entrepreneurs drew on another source of information for the development of their businesses: American trade magazines, including those that acknowledged their mission as the extension of American business interests throughout the world.<sup>20</sup> Foremost among the magazines that circulated widely in Australia from the early 1870s on were *The American Trade and Export Journal*, *Manufacturer and Builder*, and *Scientific American*, all of which were available through subscription, local agencies, and consular offices. These magazines, as boosters for American exporters to the colonies (and thus of American agents and importers in the colonies), contributed to the entrepreneurial loop, and relied on American merchants and particularly consuls to send them information. In turn, magazines reinforced the link between the success of entrepreneurs and the supply of information.

Yet another forum for American commercial opportunity complemented these communities of entrepreneurial support: the inter-colonial and international exhibitions (the colonial equivalent of World's Fairs). The United States officially participated in the three most significant exhibitions in Australia in the late nineteenth century, which were in Melbourne in 1879, Sydney in 1880, and Melbourne in 1888. U.S. firms also participated in smaller inter-colonial fairs and local agricultural shows from the 1860s onward. Over the latter half of the nineteenth century, hundreds of American firms (the preponderance of them from the Northeast) presented their goods to the Australian public via these commercial displays. The publicity and sales the exhibitions generated fed directly into sustaining American

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<sup>19</sup> See for example, G. W. Griffin, U.S. Consul, to James D. Porter, Assistant Secretary of State, *Dispatches from United States Consuls in Sydney*, Dispatch no. 73, 3 Nov. 1885; Dispatch no. 75, 4 Nov. 1885; Dispatch no. 82, 28 Dec. 1885; Dispatch no. 93, 15 Feb. 1886; and to George L. Rives, Assistant Secretary of State, Dispatch no. 251, 9 June 1888, and Dispatch no. 252, 11 June 1888.

<sup>20</sup> At the end of its first year of publication, *The American Mail and Export Journal* proclaimed, "We are, therefore, more than ever earnest in our intention to make American products known the world over." See *The American Mail and Export Journal* (1 May 1878), 509.

commerce in Australia, and American merchants, agents, and manufacturers all garnered rewards, as “Yankee notions” from the small to the large gained in popularity in the colonies. As Consul General James M. Morgan noted, the exhibitions presented a “grand opportunity for American Merchants to reap a rich harvest” in the colonies and helped sustain entrepreneurial effort in Australia.<sup>21</sup>

These overlapping entrepreneurial loops, developed among family and friends, through experience, and via informational infrastructures, grew primarily from a shared national identity. However, as young Americans in the colonies created networks that would formally or informally assist their business ventures, they not only created coalitions within their own national community, but also made necessary and important links with Australians in positions of political and commercial importance. George Francis Train is again an example of how an individual inserted himself into a community. He was a founding member of the Melbourne Chamber of Commerce in the early 1850s, and encouraged other Americans to become involved. When Train left Melbourne, the local newspaper *The Age* published a flattering profile of him, praising his “prominent position as a merchant” and noting that he had “exerted no small influence as a public man.”<sup>22</sup>

The Americans’ significance in the Chamber of Commerce helped them consolidate their commercial position in the flourishing city and led to ventures such as plans for a new harbor, paving of city streets, the development of the fire brigade, the introduction of transport such as railroads and trams, and the adaptation of communications technology, including telephone exchanges. Samuel Perkins Lord twice served as president of the Chamber, and other Americans such as Andrew Newell and John K. Smyth held similarly high-profile positions.

The mid- to late nineteenth century in Australia was a period of extraordinary opportunity for entrepreneurial activity, and Americans eagerly contributed their energy and enthusiasm to the growth of the colonies. The “Young Americans” were not the only self-identifying group that grasped the opportunity presented by the discovery of gold in the colonies; they were among communities of Glaswegians, Mancunians, and German Jews.<sup>23</sup> Yet, the American entrepreneurial community constituted a subculture under a unique kind of scrutiny identified in particular ways, both by themselves and by others. As George Francis Train noticed in the parade that welcomed

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<sup>21</sup> James. M. Morgan, Consul General, Melbourne to James D. Porter, Assistant Secretary of State, *Dispatches from United States Consuls in Melbourne*, 17 Dec. 1886.

<sup>22</sup> *The Age* (Melbourne), 3 Nov. 1855, reprinted in *Merchants’ Magazine and Commercial Record*, March 1856, p. 392.

<sup>23</sup> Davison, *Marvellous Melbourne*, 19.

Governor Hotham to Victoria in 1854, “. . . the American car, the American flag, and the American merchants were the observed of all the observers.”<sup>24</sup>

Indeed, Australians looked to Americans individually and collectively, an indication that the entrepreneurial spirit in Australia was predicated as much on the interpretation of national identity and communal links as it was on an individual's success. “Nature has been lavish in her bounties,” lamented an Australian correspondent to *The American Mail and Export Journal*. “But we lack that energy, or go-ahead style . . . which the Americans inherently possess.”<sup>25</sup> George Francis Train, Thomas Welton Stanford, Freeman Cobb, and Francis Boardman Clapp and their American colleagues would doubtless have agreed; their enterprises in the colonies owed as much to what Train called a “sprinkling of Yankeeism” as they did to the entrepreneurs' immersion in mutually sustaining networks.<sup>26</sup>

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<sup>24</sup> Train, letter to the *Boston Post*, 27 Oct. 1854, reprinted in Potts, *Yankee Merchant*, 139.

<sup>25</sup> *The American Mail and Export Journal*, Oct. 1878, p. 224.

<sup>26</sup> Train, letter to the *Boston Post*, 20 Oct. 1853, reprinted in Potts, *Yankee Merchant*, 24.