



S2E1: The Bank, the Sergeant and his bonus Transcripts

Ollie Henderson: A note to our Aboriginal and Torres Strait Islander listeners. We want you to know that this episode contains the descriptions of events and circumstances in which people have died. We also discussed major historical events that some of our listeners might find upsetting.

Tamson Pietsch: On April 8th 1817 the Bank of New South Wales opened as the first financial institution in the Australian colonies. It was established by Governor Lachlan Macquarie who advocated its potential to increase the wealth of free settlers and emancipated convicts alike.

Tamson: But when the first customers arrived for the grand opening at 10am in what is now downtown Sydney, they found someone had already made a deposit.

Tamson: Three days before, one Jeremiah Murphy had somehow managed to deposit a huge amount of money.

Tamson: So how is it that someone could get into the bank before the ribbon was even cut and why is it important for a bank to have control over its own story?

Kim Eberhard: Our current CEO thankfully is a history buff, his undergrad degree was in history. He understands that you don't get to be where you are without actually understanding where you from.

Tamson: And what do these stories leave out?

Barry Corr: I'm holding mirrors up to white people reflect upon their own stories. To work out where they go from here.

Tamson: When I first heard about this mysterious deposit on an interview on our other 2ser podcast GLAMcity, and it seemed pretty weird. Where did all this money come from?

GLAMcity Interview: So he was effectively just a soldier and he had this really large amount of money that he put into the bank which was far more than his wages. When you look in to what he was doing in the year preceding this deposit he had been sent out by government Macquarie quote, 'in pursuit of natives.'

Tamson: That's really how they described Aboriginal people. I couldn't get that out of my head.

Tamson: So I asked Nicole Sutton who's a Lecturer at the UTS Business School and Producer Jason L'Ecuyer to investigate.

Nicole Sutton: Honestly, as an accountant I was really excited to go and investigate this first deposit at Australia's first bank and it's because well, accounting has this magical way of transforming reality into a set of numbers. So if we go back and have a look at those numbers, then we might be able to grasp a glimpse about what that reality might have looked like.

Nicole: In the Bank's official history there is mention of this Sergeant Jeremy Murphy who somehow managed to deposit fifty pounds into the bank before it officially open. But they skip over it really quickly and give credit to someone else.

Nicole: So we wondered why is his deposit downplayed and how would someone in the military get that much money?

Tamson: Fifty Pounds isn't going to buy you much today. Like what was that worth 1817?

Nicole: Well, I mean it was a little bit tricky to say because there was such crisis for the currency but it was a huge amount of money.

Tamson: Like, when we're saying huge how huge?

Nicole: Like, if we were to look at how much he was earning for example and we put it in today's terms that's over 90,000 Australian dollars it's a lot of money.

Tamson: Where does someone like Jeremiah Murphy get that kind of money?

Nicole: Well, there's been some speculation about how a sergeant in the British military would have earned this kind of money but We wanted some hard answers.

Nicole: Don't get me wrong I really like your story. I really do but in this case I want to see the document that was created by the accountant. That's just my bias.

Jason L'Ecuyer: Okay, fair enough

Kim Eberhard: So we're basically an office, um stuck on to a very large storage facility.

Kim: So there's two sections'

Nicole: The Banks Archives are tucked away in this nondescript kind of warehouse out in an industrial precinct, way out in the outskirts of Sydney. And when we get there we go down the steps and we're met there by two sausage dogs. *Dogs barking* And the Archivist, Kim'

Kim: One of our um, main operating sort of processes is to stay completely under the radar because this is an industrial area. There aren't people around all the time. So one of our security measures is to stay as as unidentifiable as we can.

Jason: Right'

Kim: So in here you've got um, row upon row upon row upon row of Individual branch ledges. Some of them are well probably A3 sized but the majority are 15 centimetres wide, maybe about 60 centimetres high, 40 odd wide and they weigh over 10 kilos each. They're massive! They're all leather bound. Most of them have there's got this suede spines and that's suede is actually kangaroo skin and that accounts for the particular smell. It also accounts for the fact that they're actually disintegrating quite a lot so try not to bump into them because you'll end up all all dirty.

Tamson: It's just pretty hard to find this archive. What did you find inside it?

Nicole: We found accounting records' And these accounting records, they're not there for anyone in particular to see. These documents' and there's a lot of them, they're just much more functional. They're there as a way of the bank to account for its money.

Kim: These ledgers were created so that we could keep track of how much money had come in and how much we had sent out. I don't think there was ever any idea when the general ledgers in particular were created that they would then form some sort of amazing historical record of everything that had happened in Australia.

Nicole: And we're lucky that these ledgers are here at all. Kim said they survived only by chance. So, as the banks shifted from these more handwritten ledgers to digital accounting, branches all across the country had these incredible ledgers but know where to put them.

Kim: From about 1979 onwards the archives put out a call to all of those branches and said if you've got those old things just bring them in here. And the idea was that we would then be able to safely destroy them. But we realised once they started coming in just what an incredible record they are.

Tamson: So the initial reason for collecting these amazing ledgers was just to destroy them?

Nicole: Yea, it's crazy right? And it sounds like it was just a pragmatic move to modernise their accounting systems at the time. But to destroy these intricately handwritten ledgers, that would have been such a huge loss!

Tamson: I mean historians'and accountants, would be without one of their key sources' and we might never have known about this first deposit.

Nicole: As we're standing in five and a half kilometres of shelf, of these ledges, I couldn't help but think about scientists who look at core ice samples or tree rings to get a sense of the changes that have happened over time. And here we were standing amongst all these ledges and it gave us a sense of all these things that have happened in Australia, economically of the last 200 years.

Tamson: And so in these five kilometres of legers, were you able to find your Jeremiah Murphy?

Nicole: So we get to the first ledger, turn the yellowed pages' *crackling pages*.

Nicole: He's there' he's the first one up here and you can see his signature.

Tamson: So you found his entry, what else does that tell you about him?

Nicole: Well general ledgers can often tell us lots because you can see the transactions going in and out of someone's account.

Nicole: So for example if you look in my personal bank account' You'll see that I often have coffee all the way to work, I have private health insurance'

Tamson: Good point, but who paid Jeremiah a Murphy's salary?

Nicole: Well here's the thing. Like, in his account it's really stark. It's his name, fifty pounds comes in and fifty pounds goes out.

Tamson: So money goes in and five months later it goes out and that's all we know'

Nicole: Well there was one more clue'because it stated that Jeremiah Murphy was a member of the 46th regiment in the British military and luckily the British military were assiduous in their recordkeeping to'

Nicole: (Whispering in State Library of New South Wales) We are in the State Library and we found some microfilm and we're gonna look at it'.

Nicole: There were reels and reels of microfilm there with the records of the British regiment stationed the colonies and in the collection I found a white box containing the payroll of the 46th, that's Murphy's regiment.

Nicole: If he was able to deposit fifty pounds at the Bank of New South Wales I thought

that maybe this film would give us a clue about how much he was getting paid.

Microfilm reels winding

Nicole: (whispering) This looks like a letter of some description that would be in terms of figuring out the actual pay to all the soldiers within a particular unit and we can see the total amount'

Nicole: Corporals'..getting close now. And there's the sergeants. There's our man Jeremiah Murphy. He's got a note there he didn't get paid the entire pay in this one. He actually only got paid on the fourth of March 24th of June so not the entire period.

Jason: What's the reason?

Nicole: He was promoted. That must mean he must be in the corporate section too. There he is'.Jeremiah Murphy.

Jason: Where he was making'

Nicole: Roughly four pounds fifteen shillings, ten pence. And then he bumped up to be a Sergeant rate. Which works out to be about seven pounds, one shilling ten pence.

Tamson: So I'm confused. I mean he sounds like he's getting paid some money or maybe he's not getting paid enough'he's promoted. You know it is the only getting 30 pounds a year?

Nicole: Yeah and that's after he's been promoted in April 1815 and then again in 1816.

Tamson: But that's obviously half of what he put in the bank. I mean was there something else going on here? If he deposited more than his annual income where else is he getting money from?

Nicole: Exactly! So he thought maybe had some kind of side gig? But I remembered something in high school about rum being used as a currency. So we wondered if people are paying each other in rum. Perhaps there are more currencies around'

Dr Aaron Graham: There is a real trade in rum, a lot of the Rum Corps is as you know when military officers and the trading of rum which was then sold to the commissariat has to be given to the army, comes out of that.

Nicole: So we put in a call to London'.

Aaron: I'm Dr Aaron Graham. I'm a research fellow at University College London.

Tamson: Right so this is the guy you told me about who looks at currency across the British Empire?

Nicole: Right.

Aaron: So there's there's economic networks here that would generate that kind of money certainly.

Tamson: Okay, so soldiers are being paid in rum as well as in pounds but what what's this commissariat?

Nicole: It was basically the Sydney outpost of the London Treasury and it supplied food and equipment to the troops. And often it was used to pay people, officially in pounds but sometimes in other currencies too. So the people that controlled it they had real power.

Nicole: And that whole time Murphy had this kind of administrative role as a 'non-commissioned officer' or NCO taking care of something like a union fund.

Aaron: What you often find is that these NCO's are also in charge of regimental funds. There's a whole economy that runs within the regiment that helps to support various social activities informal activities and the responsible guy like Jeremiah Murphy, that that may have been where all the money that he's working with comes from.

Tamson: Okay, so as an accountant Nicole what do you make of all of that?

Nicole: Well you've got to understand the kind of economy that they were working with. And to understand what was going on when Murphy made that deposit, we have to go back to 1810 when Governor Lachlan Macquarie first set foot in the colony.

Tamson: Aahh I was wondering when Macquarie would show his head. You can't talk about early New South Wales history without him.

Nicole: Yeah well, guilty confession, I didn't actually know that much about Macquarie before we started this story other than the fact that he was governor at some point in time. But once we started this research we began to see him everywhere. We have streets, suburbs, even a university in Sydney is named after him. On our way to the State Library, we had to go up Macquarie Street. Seriously he's everywhere.

Nicole: So I found out that he arrived in 1809 and before then he had travelled all around the Empire as some kind of 'fixer.'

Nicole: So whenever there was a colony in chaos, London sent him in there to clean it up. And Sydney was really in chaos. The New South Wales Corps had just overthrown a governor. It was a coup! And Aaron said that the economy, it was a real dog's breakfast.

Nicole: There was a mix of different types of coins.

Aaron: Including British sterling coin.

Nicole: People were handing out these promissory notes or IOUs.

Aaron: Large merchants were issuing notes with their own name on it.

Nicole: Even the contract for George Street was done through the barter of rum. And if you

read his personal diaries and the dispatches he sent to London, Macquarie immediately recognised this as a problem. His solution? Create a bank?

Aaron: As to why it was necessary, I think it goes back to the situation that he finds himself in 1810 where there's a great deal of political unrest and I think he perhaps feels that by making these people shareholders by giving them a stake in the economy of the colony, this may be a way to diffuse some of that.

Tamson: Ah, so Macquarie gives them skin in the game!

Nicole: Mmhhmm, Macquarie needed stability. Look at his letters to London. He made *three* successive requests for a bank in 1810. He saw the system of IOUs as fraught with fraud, litigation and abuse. And argued for a bank as these are his words., 'a speedy remedy for this growing evil.'

Tamson: So how does London respond?

Nicole: Well, it took a year for them to reply and when they did'.

Kim: They said no but here's an idea we'll give you a whole lot of currency in the shape of old Spanish silver coins. That we will customise for you to use in New South Wales and that will solve the problem.

Jason: You read about this right?

Nicole: Yeah this is the dumps in the rings?

Kim: Yes the holey dollar in the dumps, that's right. We'll punch the middle out and we'll give the outside ring a nominal value and we'll give the inside little piece a nominal value as well. The problem with it was that it was almost 100 percent silver.

Nicole: And people start to realise that the silver was worth more than the currency itself'so That didn't work.

Tamson: But why? Why Was the British government resisting? Why not just let Macquarie have the bank to create the money like he wanted to?

Nicole: Well according to Aaron there was a larger conversation the Empire about whether colonies should either be developed as new markets or as one British law described as, 'receptacles for offenders.'

Aaron: There are some people who say that it should be a penal colony, that the government should not be giving opportunities to convicts who their punishment rather than improvements.

Nicole: But there were others arguing that allowing a free colonial economy could only be a good thing because it would make things easier on the taxpayer back in Britain.

Tamson: And that's what Macquarie argued?

Nicole: Exactly! And if you read these letters, what he really was arguing for'was maybe some kind of economic independence.

Aaron: He comes with quite a liberal improving mindset and background so soon gels with what he thinks, I think what he personally wants as well.

Nicole: Macquarie pretty frustrated by this and the failure of the holey dollar. But he had another plan. One that would take the burden of the colony off the Empire.

Nicole: In 1810, at the same time that Macquarie was requesting a bank, he also established something called a Police Fund.

Tamson: Right, but where does Murphy fit in here?

Nicole: Well that's the funny thing. When I start looking into the Police Fund, Murphy resurfaced. But before we get into that, have a look at this'.

shuffling papers

Tamson: Okay, so this is written on the thirty first of March 1810 and in it Macquarie establishes the police front which he says is intended, 'to pay for all the jail and police expenses of every description shall be defrayed, together with such other expenses as may be necessarily incurred in ornamenting and improving the town of Sydney and in constructing and repairing the quays, wharves, bridges, streets and roads.'

Well that sounds like a lot.

Aaron: It is essentially a colonial revenue fund. A lot of the early spending was by the governor was funded by imperial money from Britain and the police fund gives governors a little bit more discretionary financial power'

Tamson: Wait, so the police fund is about generating revenue not actual policing?

Nicole: When Aaron mentioned discretionary financial power? Yea that was a red flag!

Tamson: But what even is it? Is it a sort of slush fund for Macquarie?

Aaron: Police in this in this period doesn't just mean what we would think of as police, of law enforcement. In Scotland especially, police means something much bigger about urban management and social order and those kinds of things. So the Police Fund is this quite broad fund which Macquarie, who is of course Scottish, can dip into it as necessary for discretionary payments which maybe the Imperial Government wouldn't necessarily approve of.

Tamson: So the police fund is away from Macquarie to exert his own financial power over the economy. So he didn't have to sit around waiting for approval from London. Is that right?

Nicole: Right! It's a pretty pragmatic to me. But I also found on the secretary's papers that the fund wasn't just being used to pay for hospitals or roads or schools. Macquarie was also using this funding to make payments to members of the military.

Aaron: By and large it's intended to allow discretionary payments for things that are public policy. This might be things like um sending parties out to um to patrol the borders to deal with raids from Aboriginal peoples, things like that'.

Tamson: He puts that pretty casually, talking about funding some of the most violent periods of frontier conflict here?

Nicole: Yeah'

Nicole: There are some transactions there that are paid..uh where there's been money paid to the 46th Regiment. On account of their services, and this is the words that are actually there, 'in pursuit of hostile natives.'

Aaron: Yea, yea, there you go'.

Aaron: These things like 'pursuits of natives' umm are things that I think are not central to the mission of this regiment, which is there essentially to guard convicts. So these kinds of things these payments will be made as a bonus to these soldiers who have got off on this mission'

Tamson: A bonus! I mean this is the bureaucratic, euphemistic language of frontier violence.

Nicole: So 1816 means something to the Tamson?

Tamson: Well yeah I mean in April that year, 14 Aboriginal men women and children were shot and driven off a cliff by British soldiers in what is now called the Appin Massacre. And you can look all this up on the Massacre Map from Newcastle University.

Nicole: Right. and that was part of a campaign in which Macquarie sent out five detachments in the 46th regiment'in his words, 'in the pursuit of hostile natives.' And what I found from Macquarie's papers was that Murphy actually led one of those detachments and he was sent out to the Hawkesbury, west of Sydney.

Nicole: So we knew that he had to go next'

Jason: Can I ask you to umm.. How would you like to be known for this story?

Barry Corr: Oh god, ummm'I like I spent so much time being invisible. This is umm very diff' I don't talk about myself. My name is Barry Corr.

Nicole: So we get in touch with an Historian who lives on the plains at the foot of the Blue Mountains, cut by a river that was vital to the Boorooborongal people.

Barry: Since I've retired, just spent my time looking at the way memories are created. I'm going to be flashed, looking at the 'archaeology of memory.'

Nicole: Barry's interested in the layers of how things have been remembered around the Hawkesbury River.

Barry: I suppose I've lived around here and Hawkesbury for most of my life, umm Aboriginal man' Not of this area.

Nicole: Somewhere along Barry's research journey, out in the town of Windsor, he came across a man named William Cox. And It appears that he was one of Macquarie's right hand men on the frontier. So Barry took us out to the old Anglican cemetery in Windsor, where Cox is buried.

Barry: 'Not by works of righteousness which we have done but according to His own mercy He saved us.'

Nicole: Cox's grave has a couple of biblical verses on the epitaph.

Barry: 'Reader- believe on the Lord Jesus Christ and thou shalt be saved.'

Tamson: Well that's an interesting choice of course.

Nicole: Barry told us that from the time of settlement up to this period, around 1816, the law stop settlers from waging outright war with Aboriginal people but..

Barry: They placed essentially a legal restriction on just killing Aboriginal people on site. It had the implication that if you were going to mount expeditions against Aboriginal people uuh or if you're going to kill Aboriginal people, then you had to do it with a degree of legitimacy. And this came about through these proclamations.

Barry: So in 1816, Cox sends a series of memorandums to Macquarie regarding a series of expeditions that he was going to mount on the Hawkesbury Rivers who essentially were going to go out and do things.

Tamson: Do things, right. So was Murphy involved in some of these things that Barry's talking about?

Nicole: Yeah well it's kind of difficult to say. Nothing I've seen would suggest that Murphy was involved or what happened at Appin. But we can see from Macquarie's papers that he was in charge of a detachment and that was sent out in 1816. And officially, his instructions were, 'To protect the route to Bathurst from hostile natives.'

Barry: They were ordered in April 1816 to carry out a three pronged operation.

Nicole: But this is the point where Barry search for Macquarie's proclamations went cold for a while.

Barry: And it wasn't until Trove came along, and you know it it is the most brilliant resource for Historians.

Nicole: It's kind like Google for history.

Barry: Amongst the papers that they put up were these papers these memorandum of Cox.

Nicole: And that was helpful for us, because now we're getting really close to finding out how Murphy got that money'

Nicole: All we needed to do was to match up Macquarie's orders to the 46th with this Police Fund. And because it's a public fund, there was a chance that the transactions in that account might have been made public.

Winding through microfilm reels

Nicole: So think I found it. I'm here in the State Library. I'm looking at The Colonial Secretary Papers, it's on microfilm. This is probably about the sixth hour that I've been winding through microfilm, um tracking all the way back from 1810. In particular looking at the Police Fund. And we can see 50 pounds! I can see the payment here, 50 pounds went to John Campbell, Esquire, The Paymaster, 46th Regiment as a gift from the governor to defray something about buying a set of tables and chairs for the officers of the 46th regiment.

Tamson: You found it!? But it sounds a bit suss, like fifty pounds that's almost 90,000 Australian dollars for a set of tables and chairs.

Nicole: Yeah it does suss right? But it wasn't the only payment. If we look over that year there are several transactions made from the Police Fund to members of the 46th regiment and sometimes the language is even more explicit, where people are getting rewards for, 'services rendered in pursuit of hostile native tribes.'

Tamson: So are we looking at the origins of the first deposit to the first bank in Australia here?

Nicole: Well no we can't say that for sure. And remember these transactions predated the creation of the bank. But what we can see is that there are plenty of payments going for Macquarie's police fund to members of the 46th regiment for exactly this sort of violent activity. And in these transactions, Murphy's mentioned, as is William Cox.

Nicole: And sometimes they use much stronger language than just tables and chairs. So what we do know is that Murphy and his regiment had access to a lot more money than what they were getting in their salary.

Nicole: And there's this one last thing'When we're at the bank's archives and found Murphy's name there listed as the first deposit. Kim told us that the bank doesn't consider him the first depositor and it left me wondering why.

Nicole: Hi Kim, it's Nicole here. Thanks so much for taking our call.

Kim: Sure.

Nicole: Um Kim I just wanted to, we're just calling for like a point of clarification, I think Jason mentioned that before. And in particular we're looking at the section that's around like the first deposit.. And it talks about the first deposit to the bank of New South Wales was made by' Sergeant..

Kim: John Harris.

Nicole: Oh yeah. Murphy, yeah'and we've actually found a little bit more information about Murphy and I was wondering if if you guys had any information about who he was?

Kim: No we don't. I believe someone in the 1960's actually had a look for him um and at the time came up with some information saying that he had but he was a member of, I can't remember which regiment at the moment. He was in charge of that might have been the 46th regiment or something like that, but that's as far as we've got.

Nicole: I guess I'm a little curious about about why he is not considered, like the first official depositor and that the official deposit is listed as John Harris.

Kim: Yeah okay, he deposited, Murphy deposited on the fifth of April and the bank hadn't actually officially opened at that stage. So, I believe the fifth was a Saturday and what we think happened is that he left the money with the directors who some of whom he would have known and basically sort of for safekeeping and that was it. There was no further transaction, there was no further interaction between him and us.

Nicole: This was the muddy territory upon which Australia's first bank established the trust and confidence of its first customers. And that reminds me of a letter that Kim showed us from Governor Macquarie to the bank's first directors.

Kim: 'Persevere gentlemen in your exertions to foster this infant establishment and be assured it shall ever have my warmest support and patronage and that the time is not far distant when the bank will on its own merits, obtain the public confidence and gradually flourish to the credit and benefit of the proprietors and to the country at large.'

Nicole: And that bank, the Bank of New South Wales, it became one of Australia's biggest

banks.

Nicole: They recently celebrated their 200 year anniversary.

Tamson: This is History Lab and I'm Tamson Pietsch. There is so much more to this story that we just couldn't get into this episode'so we've made two more, on money, banks and trust on our other pod, Think Business Futures. Find it on the History Lab website at 2ser dot com or on all the usual podcast apps.

Tamson: This episode was made on the lands of the Gadigal people where the State Library of New South Wales and 2ser are allocated, the lands of the Boorooberongal people where the town of Windsor is located and the lands of the Gamaragal people where the banks archives now sit.

Jason L'Ecuyer produced this episode with Nichol Sutton. Tom Allinson is our Executive Producer and Joe Koning did the amazing sound work. Lauren Carroll Harris and Ellen Leabeater helped us knock the scripts into shape. And we're really grateful to Kim Eberhard and of course her dogs.

Kim: He wrote to London *dogs barking* Lizzie! This is important!

Tamson: We love the brilliant State Library of New South Wales, the keeper of records. And thanks to Barry Corr and Aaron Graham as well for your history wisdom and UTS Business School and the Faculty of Arts and Social Sciences, thanks so much for your support.

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