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THE FIRST FIFTY YEARS OF AGRICULTURE IN NEW SOUTH WALES.

BY

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14. Some Agricultural Problems and Economic Controversies of the 1820's.

INTRODUCTION: SOME VIEWPOINTS OF FARMERS CIRCA 1821: FURTHER GLUTS AND SCARCITIES: THE "ALMORAH" IMPORTATIONS: THE FIRST BEGINNINGS OF LARGE-SCALE IMPORTS FROM SOUTH AMERICA: THE FREE TRADE VERSUS PROTECTION CONTROVERSY OF THE 1820's: THE AGRICULTURAL AND ECONOMIC CRISIS OF 1828: THE EFFECT OF THE AUSTRALIAN AGRICULTURAL COMPANY'S OPERATIONS IN CAUSING THE BOOM PRECEDING THIS CRISIS: THE POSITION OF AGRICULTURE CIRCA 1831: CONCLUSIONS.

INTRODUCTION.

An attempt has been made in previous articles in this series to sketch some of the almost insoluble difficulties encountered by the Macquarie administration in providing foodstuffs for the settlement, under circumstances when local production had temporarily failed through the effects of drought, flood, pest destruction or simply waste. It has been seen that the alternatives open to the Governor were either to obtain, by cajolery, threats or other means, all the available grain believed to be hoarded or held in reserve by farmers, dealers or traders, at the lowest price at which it would be supplied—though this was at times higher than the established ruling price fixed by the Commissariat—and thereby to temporarily make good the deficiency until the following harvest; or else to send ships to India, Batavia or China to purchase foreign supplies, or obtain what surpluses were available nearer at hand from Van Diemens Land. Neither Governor Macquarie nor the *Sydney Gazette,* his mouthpiece, was ever quite sure whether these recurring scarcities were "feigned" or "real," and in fact on occasions the Governor threatened that if the "hoarders" of grain would not come forward to supply the requirements of the Commissariat, he would be forced to entirely rely upon supplies from abroad. The threat to close the doors of the Stores to local suppliers and to make frequent purchases from abroad as a regular matter of policy was, however, never carried out before 1820. Hope was maintained that eventually the Colony would be able to provide for its own necessaries once the local agriculture was out of its swaddling clothes. The imports were mere expedients, last-minute resorts to avert the threat of famine, and accordingly, quite understandable in the circumstances. But the effects of such well publicised outside purchases when made, were in almost every instance to depress the local markets, to extend the cycle of gluts and scarcities, and to render uncertain in the minds of the local farmers what were the real intentions and requirements of the Government, and what was its precise attitude to the development of a domestic agriculture.

But from 1821 a new note appears. Where once expediency alone had been the motive behind purchases from abroad, now policy and considerations of budget economy enter into the field of government administration. The first indications of changing conditions may be noted in a few speculative merchant ventures entered into in 1821 to buy grain from Valparaiso in South America. At the public market of June 8th, 1821, at Sydney, wheat was selling at 10s. per bushel. There was "a good supply of excellent grain," but sales were depressed owing "to the recent arrivals from Valparaiso and Hobart Town"(1). There had been a shipment by the *Surrey* from Valparaiso with a cargo of no less than 15,000 bushels of wheat just a short while before(2). A Captain Raine was assuring the merchants that "a moderate sailing vessel might be calculated upon going to Valparaiso procuring a cargo of wheat and returning to this port (Sydney) in the very short period of five months"(3). The *Sydney Gazette* was "gratified to learn that New South Wales (had) such a vast resource so near at hand in the event of our sister settlements failing in their accustomed supplies"(4). At long last, so it seemed on surface appearances, the fear of actual starvation could be said to have disappeared. Wheat was near at hand and readily available if ships were to be sent for it. The threat of famine was a thing of the past and for the first time it could be now accepted that the Colony was independent of local supplies. It was a turning point in the agriculture of the Colony.

From the early 'twenties onwards, this question of independence from local supplies and of easily effecting imports of both foodstuffs and other goods from abroad, was of considerable importance in the Colony. It promoted the controversies of the mid 'twenties, and was a vital issue in the time of Governor Gipps in the late 'thirties. It split the colonists into two irreconcilable schools of thought when at last the various arguments had crystallised. On the one hand, there was the theory that outgoings of money to pay for necessaries acquired from abroad was in itself harmful to the financial stability of the Colony, and that tariff barriers, prohibitive rather than merely revenue producing, were necessary to encourage the local agriculture and industry; on the other, the theory that duties raised prices and that of all things they were the most iniquitous when applied to foodstuffs. There is nothing very new in the reasoning, for much the same problem had arisen earlier. Now, however, the issues have become clearer.

In order to give the settings for the economic problems and controversies which characterise the ten years of development, 1821-1831, it may be helpful to sketch a few viewpoints of the colonists as things appeared in 1821, and again in 1831. It is probable that the best illustrations are to be found in newspaper articles and letters as they appear in publications of the time. There can be no attempt, however, to detail the day to day expansion of settlement or extension of agricultural and pastoral development, nor the continued difficulties to which the farming of the 1820's was subjected. Much would be mere repetition of crop failures, droughts, and the inroads of pests, and for these reasons the details might be wearisome. It is considered sufficient to select significant incidents and particular problems bearing upon the general argument of this study, and using these examples,

to further demonstrate the thesis that it was the unreliability of markets which was one of the main causes of the insolvency of early agriculture in New South Wales.

SOME VIEWPOINTS OF FARMERS *circa* 1821.

It may be interesting at this stage to learn something of what the farming community was thinking in 1821, looking back over the ten years and more of Macquarie government preceding. These farmers of the first thirty-odd years of settlement are largely inarticulate; not even their names are known. Unable to exercise any influence on the course of events surrounding them, with no effective means of ventilating their grievances, and bearing apathetically with their trials, they were nothing more than the unwilling tools with which the Colonial experiment was fashioned in its first phases. But from 1820 onwards, an independent view becomes evident, and things are not so much taken for granted. Agriculture acquires a voice to state its problems and defend its position. A colonial opposition is in being, and Government policy is for the first time subject to criticism. The results of this increasing independence will be seen later, but meanwhile, as an introduction to the succeeding sketches of this narrative and as a summary of preceding arguments, it may help an understanding of the position of farming to quote liberally from a few letters to the *Gazette*, written in 1822, as bearing upon continued agricultural development.

The first of these is from "An Old Emigrant Settler," which appeared, in two sections, in the *Gazette* in succeeding issues of May 24th, 1822, and May 31st, 1822:—

> "Ten shillings was fixed as the price of a bushel of wheat by the Governors of this Colony, long before the years of English depreciated currency commenced. In England, the price not only of wheat, but of every other article, rose in nominal value in the same way as the currency became depreciated—Here on the contrary, the nominal price was rigorously adhered to, the consequence of which it is unnecessary to mention, because every man who had an opportunity of witnessing the state of the Colony in those days, will bear testimony to the poverty, misery and starvation which then prevailed. The poor settler was told that his misery depended on the war. This, however, he did not understand, as he saw no fighting, and was paid by Government the same price as before. When English currency resumed its standard, he became more comfortable, and the Bank of New South Wales being established at this time . . . no doubt, from the facilities which it afforded the trader, by discounting his bills and enabling him to give credit to the settler, (the Bank) aided powerfully in promoting the prosperity of the country as well as the increased value of the currency. . . . Hitherto, the Commissaries of this Colony, from its first establishment, have always given vouchers for grain, which specified its value in sterling money. On the strength of these vouchers, Treasury bills have been always drawn; and on the strength of the same vouchers . . . those bills were paid. . . . I want it to continue. . . . My reason is obvious. When I go to Messrs. Jones, Riley and Walker, Messrs. Eagar and Forbes, Messrs. Berry and Wollstonecraft, Mr. Joseph Underwood, or

any other importer of English cloth, hardware or grocery, I find everything rated by him by the English pound note or Treasury bill. . . . The notorious burdens of our Mother Country absolutely preclude our Commissary from raising his prices. . . . If a reduction (is to be made) let the Commissary announce it and I will bear it with some chagrin.

"The certainty of the fact, too, would tempt enlightened colonists to investigate the policy of a reduction in the price of our colonial produce. It would excite calculations to show that in proportion to the price which the settler obtains for his produce is his capacity to employ convict labourers. Consequently, our present worthy Governor (Brisbane) would soon discover that, while in his praiseworthy efforts to save drafts on the Treasury, he (has) unwittingly depressed agriculture. . . . He would discover that for every £1,000 saved in the present year perhaps £5,000 would have to be drawn, hereafter, for the support of those convicts who would be passed on to Government.

"It is always broadly asserted, both here and in England, asserted without any attempt at contradiction, that New South Wales is an enormous expence, not to say burden to the Mother Country. I deny the position. . . . This Colony has been and will still continue to be a saving to Great Britain because:

(1) How much would the tens of thousands of malefactors, transported hither, have cost England had they all been subsisted in her hulks, gaols and penitentiaries.

(2) The poor rates . . . now amount in England to 10 millions sterling a year. It has been estimated that this astounding sum (above twice the amount incurred in founding this Colony from the first fleet to the last arrival) is distributed on an average amongst more than a million of families. . . . (There is) therefore an estimate of a surplus population of five millions of people. . . . The frame-work knitters of Nottingham assure the Houses of Parliament in their affecting petition, that they have been obliged to pawn their beds; that they lie on chips; that they have no fuel in winter to warm them; that they live chiefly on gruel, and that they send their children to bed to keep them from crying for hunger.

(3) Excess of money is ruining England—not only excess of population. The 5,000,000 of people now out of full employment have released that portion of the national capital which during the war occupied all their labour. . . .

"It is curious for the economist to contemplate the strong contrast exhibited by England and the Colony. In England there is too little good land and a deficiency of cheap bread. In New South Wales there is good land, almost infinite, and plenty of cheap bread. . . . In England there is an excess of people, especially of females and capital. . . . In New South Wales there is a deficiency of population, especially of females, and of capital. Our virgin soils and pastures have lain idle since the flood, and are likely to continue so for want of those active principles of which

England has at present so destructive a surplus. . . . Now, in New South Wales, between Ports Jackson and Macquarie there is a country fertile enough to maintain the whole population of England, much more the millions of families mentioned above. . . . Let us hope our worthy Governor will by cherishing our agriculture enable us settlers to support them (the convicts sent out) free of expence to the Mother Country when they do arrive.

"Equal injustice has been done to this Colony in another point. Besides being accused as burdensome to the Mother Country, no reproaches have ever been thought bitter enough to represent the grossness of our demoralization—the most sarcastic sneers are considered Christian-like, provided their subject be the Colonies of New South Wales and Van Diemens Land. . . . I do not hesitate to say that the morals of New South Wales are superior to those of the West Indies, Canada, America and Illinois. . . . Sydney is more orderly on the week-days and more solemnity pervades our streets on the Sabbath day than at Wapping in London, Liverpool, Portsmouth, Cork, Yarmouth, Manchester, Birmingham. . . .

"I suggest that when the convict barracks of Sydney, Parramatta and Windsor—a political barometer—are nearly empty, the price of our grain and animal food may be lowered—say a shilling a bushel in grain and ½d. lb. in meat. . . . By this we could gauge whether our agriculture has arrived at maturity. . . . If penitentiaries begin to fill after such reductions, let prices be again raised. . . . The prosperity or bankruptcy of us settlers depends on our keeping our men hard at work.

"*To conclude*: The greater the prices which government gives for colonial produce in our present infantile state, the greater will be the demand for convict labour:—The less will be the amount of the bills at least in the long run which will have to be drawn by our Commissary on the Treasury:—The greater will be the reformation of the convicts:—and above all, the greater will be the virtue of the rising generation. . . . Will the depreciation of the little market of this country at all diminish the mighty distress of England. . . . No! . . . a liberal outlay in this Colony for the next ten years then will be found the only true frugality."

Bearing on this continued emphasis on Commissariat contract prices and buying policies, a further letter may be quoted. This is from an anonymous contributor, "An old settler of the Middle Class," appearing in the issue of July 19th, 1822:—

"I am an old and independent settler; that is, I am out of debt, have, by persevering industry, got my farm into a decent state of cultivation, and have acquired a tolerable good stock . . . . Let us, however, consider my neighbour. . . . He enters (and tells me) . . . I have for many years been as frugal and industrious as you, but I have a large family, who I have endeavoured to educate and bring up as decent and moral as any man. . . . This endeavour has put me to great expence, and obliged me to obtain credit from persons at Sydney. . . . My creditor after the last bountiful harvest requiring sterling money I was prepared to pay him, but though I had tendered for 400 bushels, I was only given

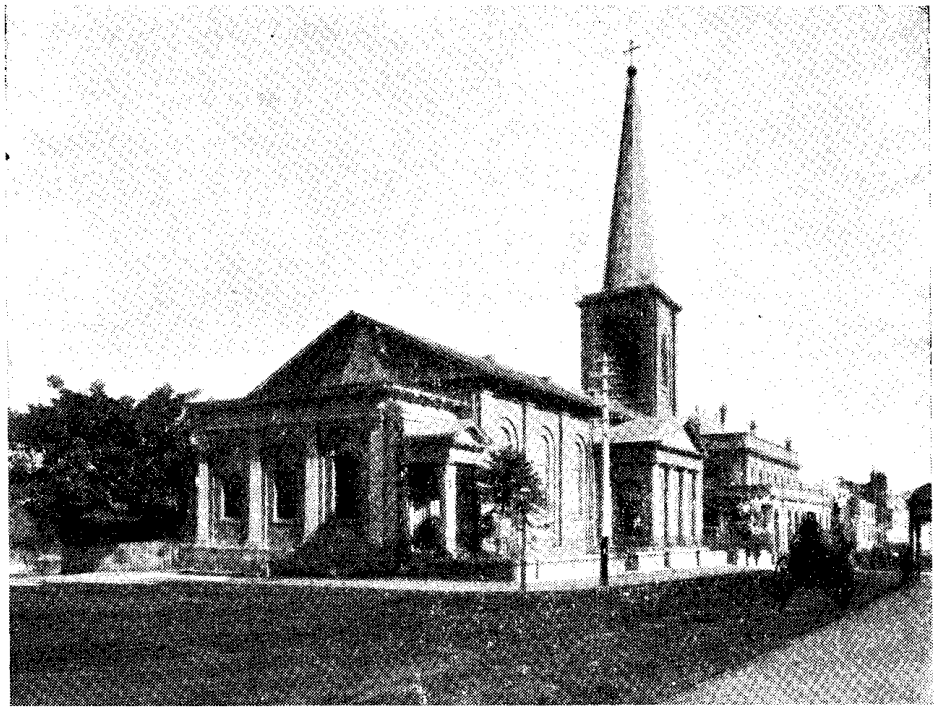
30. . . . The 30 bushels I some weeks since took to Sydney and received a store receipt for £15. . . . But my expences reduced this to 8s. per bushel. . . . And I have seven government servants. . . . Very little has been received into the store since then. . . . But American flour is everywhere . . . Now I find that all my remaining wheat will only be received into store at two Spanish dollars (8s. 4d.) . . . 25 per cent. less than my expectations. . . . This reduces my wheat to 6s. per bushel. . . . These evils being brought about in a great degree by the preference given to purchasing foreign provisions to the exclusion of colonial produce . . . I have no hopes of getting out of debt for the interest on my loan is daily accumulating and my wheat reducing in quantity by unavoidable casual loss. . . . My farm will inevitably be obliged to be sold. . . .

". . . No person who knows this country will attempt to say we cannot and do not raise enough for our necessary consumption, great quantities being annually wasted for want of an assurance of that market to the exclusion of importers who yearly take from us vast sums which would otherwise be employed in the improvement of the Colony. Such an assurance or even confidence would be a great means to stimulate us settlers to further acts of industry and perseverance; would soon create an annual surplus; would be a great means of increasing morality in the Colony; and would of its own accord in a very short time bring about that saving now so much said to be sought after; the victualling lists would soon be reduced; improvements would proceed with much rapidity; our flocks and herds would be well looked after; and the price of provisions would soon, by our own acts, become so plentiful and reduced as no longer to require the aid of a maximum.

". . . The colossal power of those who have been fortunate enough to acquire a stock of ready money and security over men who, having large families or other unavoidable causes, have been obliged to obtain credit . . . . is remarkable."

Lastly, as indicating an entirely new note in the Colony's affairs, is this realistic letter from "Well Wisher," appearing in the 28th June, 1822, issue of the "Gazette":—

"I wish to correct an impression. The only wool imported from Van Diemen's Land was from the Leicester or Lincoln. It is not sure whether merinos will prosper. . . . It is much to be regretted that the settlers who have emigrated both to Van Diemen's Land and New South Wales, have generally gone out under some erroneous impressions, and complain of disappointment that is only fairly attributable to their own want of foresight and prudence. Agricultural skill and moderate capital to stock their farms are necessary there, as well as here; and without these, no one must expect to be successful. . . . At present it is the prevailing opinion that Van Diemen's Land will be a great corn country and New South Wales chiefly a grazing country for sheep. The statements that some of the fleeces from the latter produced 10s. 4d. per lb. is perfectly correct; and it is hoped that olive oil, wine, hemp and dried fruit will in a few years be numbered amongst its exports. Much, however, yet requires to be done to insure the prosperity of these settlements."



ST. JAMES' CHURCH, KING-STREET, SYDNEY—1892.

Following instructions issued by Governor Macquarie, the foundation stone of St. James' Church was laid on 7th October, 1819. Macquarie originally intended that the building should be a court-house and had already begun work on a church of loftier proportions when Commissioner Bigge, appointed to enquire into the state of the colony's affairs, arrived in New South Wales, armed with express instructions from the Home Government that a brake must be at once applied, on the grounds of excessive expense, to the orgy of public building which Macquarie had initiated. Bigge directed that work on the church should cease, and held the opinion that the previously projected courthouse would be of a more suitable size for a population which, though temporarily concentrated in Sydney, would ultimately be scattered over the length and breadth of the colony.

Macquarie's architect, Francis Greenway, accordingly drew up plans for the church which stands to-day and which remains a surpassing example of the simplicity, combined with gracefulness of form, which characterises all the work of this most accomplished architect of the early period of Australia's history.

The church is 169 feet 6 inches long and 52 feet wide; its walls are 3 feet 8 inches thick and lean inwards 3 inches at the top, to support the weight of the roof. The tower, which breaks up the slight heaviness of the design, is approximately 24 feet square, but it is not a perfect square, since the sides vary in length. It is 92 feet high, and a further 73 feet to the top of the cross on the spire brings it to within 4½ feet of the overall length of the church itself.

A number of alterations and additions have been made to the original structure with the passage of the years; the eastern porticos, vestry and gallery being added in 1834; the northern gallery being enlarged in 1846; and very extensive renovations being carried out in 1893. The spirit of the design, however, has been preserved, and the church is universally regarded as one of the finest of our early buildings in the "colonial" style.

(Cf. Journ. and Proc. R.A.H.S., Vol. 8, Part 1 (1922)—"The facts concerning the Renovation of St. James' Church, Sydney"; "Maclehose's Picture of Sydney and Stranger's Guide in New South Wales, for 1839" (p. 93); "St. James', Sydney—Historical Sketch, 1819-1919."—Mitchell Library, Sydney.)

In these three letters, some insight into the atmosphere of the early 1820's and later years may be gained. By now it is becoming realised that New South Wales, in so far as its already settled areas are concerned, is very much a failure, from the agricultural point of view. The Colony on all sides is recognised to be best suited for grazing large flocks of sheep and herds of cattle, although the possibilities are that some crops which will not grow in the south will be later found productive and profitable in the north. Better wheat and more certain crops are being grown in Van Diemen's Land. The factors which are responsible for this position being as it is are a poor soil in much of the land more closely adjacent to the main Sydney market, the hazards of floods on the better lands of the rivers, and the continual losses due to plant pests attacking alike the crops in the fields and the grain when it is harvested. The land is actually becoming completely exhausted on many farms, and there are no means of restoring its fertility, for the reason that agriculture and stock-raising are for the most part completely divorced. Markets for grain are year in, year out, quite uncertain. The prices paid by the Commissariat are cut to bedrock and government policy continues to be parsimonious and guided by a misdirected emphasis upon budget saving at all cost. The settler is fighting a losing battle with his creditors, and high production and marketing overheads are making his position hopeless. The price of produce is, in short, not sufficient to keep the farmer on his feet. There is an idea that this need not necessarily be so. There is land as yet untried. Given the necessary opportunities and with some positive Government encouragement, these new agricultural lands might be developed by the colonists to feed and sustain a considerable proportion of the surplus population of England. The probability is, moreover, that money spent freely in the Colony in this way would well repay the British Government. A contrary policy is, however, being pursued. The purse strings are being tightened, the country flooded with American grain, and the native agriculture deliberately strangled. Instead of finding protection, agriculture is being exposed to a ruinous competition; the local agricultural production is unsettled because there is no stabilisation or surety of markets; Government policy is neither one thing nor the other. Finally, the question is being asked by all farmers—Why will not the Government state definitely what prices it will pay and what quantities of produce it will buy? Then, and only then, may settlers hope to plan accordingly.

Overall, there is the existing situation of much unused labour going to waste in the Colony. This is because the settlers are too poor to employ it. England is beset with the problem of a surplus population and surplus capital. The Colony requires both to enable it to develop and expand. False economic views are being followed and these are preventing the translation from miserable failure and the bankruptcy of farming to prosperity for all sections of the population, not alone the farmers.

As the years between 1821 and 1831 come to be examined, it is necessary to note that these same complaints and distresses continue. In the early 'twenties an attempt is made by Government to further cut colonial expenses, this meaning, as always, a reduction in outgoings incurred upon Commissariat purchases. Government policy is to deliberately withhold and delay the letting of contracts and tenders

in the hope that by these means local grain prices may be kept to the minimum. Through such causes there develops the inevitable shortage, which must be made good by making further imports. The imported grain, even though it never reaches the Colony, proves more costly than the local produce would have been. Waste has, in the meantime, destroyed what surpluses were available previously. Agriculture is again for a season or two thrown into distress. Later imports in following years, now built up into an established practice, further depress the local agricultural situation. The objective of Government is cheap bread at any price. If the Colony cannot produce cheaply enough, then, so the theory goes, why not abandon farming altogether and concentrate on wool, for which there is an inexhaustible and continuously profitable market. All are agreed that there can be no similar doubts in regard to grazing and the future of the sheep and wool industry. Meantime, settlers and capital pour into the Colony, but soon a drought and a crisis supervene. The bottom is for the moment knocked out of the expanding pastoral industry, and the Colony is temporarily paralysed. This marks the first major crisis for the new economy. Some even are inclined to think that the Colony is doomed, so complete is the general depression. Then slowly there is a recovery and a rebuilding of hopes for the future, until finally there is a further investment boom, culminating in a crisis and depression, in which the Colony is found in 1842.

This picture, deliberately over-simplified, it is true, gives the broad canvas of the progress of events in the formative years during which the New South Wales settlement is being transformed from a mere penal dump into a rich outpost of Empire. The transition period is not, however, peaceful. Controversy, confusion, the conflict of irreconcilable theories, starts and stops, gluts and scarcities, want and plenty, wealth and poverty, are the constituents with which the transformation is moulded.

It is convenient to commence the detailed examination of these propositions with the first attempts by Government in the 1820's, to implement the new ideas of business-like competition and contracts, as they had been suggested by Commissioner Bigge in 1820 to replace the paternalism of the Macquarie administration.

THE "ALMORAH" EPISODE.

This may be said to have had its beginnings in the harvest of 1822. In that year there had been a "full average crop." The market price having declined below the fixed Commissariat price of 10s. per bushel, "the local government thought it a fit opportunity to abolish the system of receiving wheat at fixed prices, and to make a change and call for tenders at the lowest prices that might be offered"([5]). The new policy was announced on 27th November, 1822. From November, 1822, to the harvest of November, 1823, the market price for grain continued gradually to decline. The trough was reached when following the abundant 1823 harvest, it had fallen as low as 4s. 0½d. per bushel (February, 1824) ([6]). At any time within this twelve months, it seems now clear, the Commissariat might well have purchased a full year's requirements, but because it was thought that any considerable purchases which might then be made would necessarily lead to enhanced prices, it determined to purchase no more than was required for immediate wants, "vainly imagining that by such means they (the Commissariat) could keep

down the price of wheat for the whole year"([7]). "No doubt, however, can be entertained," wrote Atkinson (1826), "but that by purchasing with due discretion at proper intervals, the whole year's produce might have been obtained under 7s. per bushel"([8]).

The effects of the reduced market in early 1823, as it had been announced in the previous November (1822), were that the settlers, or at least the poorer elements among them—in any case constituting three-fourths or perhaps even a greater proportion of the wheat-growers —were compelled to part with their crops to traders or other creditors at very low prices. With no barns or graneries within which to store their wheat, they were unable to withstand the loss of their principal market. As it had always been so far, the wheat-growers were "convicts or soldiers, men of thoughtless, improvident habits and consequently in indigent circumstances . . . the greater part of them commonly indebted to the shopkeepers and merchants of Sydney and the other towns . . . looking to the sale of their wheat as the principal future means of payment . . . compelled to part with their crops to the persons with whom they stood indebted at very low prices"([9]). Powerless to hold on to their produce, they had been compelled to immediately thresh out their grain after harvesting and rush it to any market offering in order to prevent loss and damage. Soon, "the main bulk of the year's crop had got into the hands of a few individuals"([10]). What was left over was either consumed, fed to pigs or just squandered. In seasons when wheat happened to sell at good prices, the greater part of the poorer class of settlers, "especially the Irish," with their servants, consumed very little, "subsisting upon maize and potatoes," but because of the bad market of early 1823, finding no avenues of convenient disposal for their wheat, they used it for themselves. "Many thousand bushels were also consumed in feeding swine," to which Atkinson was an eyewitness. In fact, so he says, "I used a considerable quantity that way myself"([11]).

All these circumstances acting together, "which could not or at least ought not, to have been unknown to the local government, contributed to a waste of wheat in a very improvident manner," which was further aided by a poor crop of maize, the consequence of a dry summer, making still greater calls upon available stocks of wheat. The supply coming forward to the public market by the middle of July, 1823, had considerably lessened and the market average price was 7s. 11½d. per bushel([12]). Continues Atkinson, "many discerning persons who were possessed of good information now began to see that a scarcity must take place before the next harvest and, therefore, commenced purchasing," but because, as already observed, the bulk of the crop had got into the hands of a few merchants and shopkeepers, the price continued rising, so that in September, 1823, the market average price had reached 13s. 6¾d. per bushel([13]).

"Strange as it may seem, it is nevertheless true," states Atkinson, in describing these events, "the mistake in policy by the government was not detected until the alarm of a scarcity had spread, but by then only sufficient grain for a six-days' ration of flour was in the magazines of the Commissariat storehouses"([14]). In the emergency, grain was purchased precipitately by government officers at extravagant prices, and they were forced to pay dearly for "their ill-judged parsimony and want of liberality at the beginning of the season." It was now decided as a matter of urgency, just at the approach of the 1823-24 harvest, to

send to Batavia for flour. The "Almorah" cleared Sydney on 10th September, 1823. Within six weeks of her departure, new wheat was selling at Sydney (18th November) and the harvest was general within a few weeks of that time([14A]). The despatch of the "Almorah" for grain, considers Atkinson, was both "impolitic and purposeless." There really can be no question, in the modern view, that it was. In arranging for imports within a few weeks of a pending harvest, there could have been no real hopes of the existing scarcity being relieved, and it should have been foreseen that inevitably the cargo of imported grain on arrival would depress the internal prices of the locally-produced article to the disadvantage of the colonial agriculture. The "Almorah," however, on her return voyage to Sydney, with laden cargo on board, was seized by H.M.S. the sloop "Slaney," for a breach of the East India Company's Charter. It was sent to Calcutta to be tried, and so was lost a supply of rice and wheat purchased on a dear market, at very high prices, and of a total value of £40,000([15]).

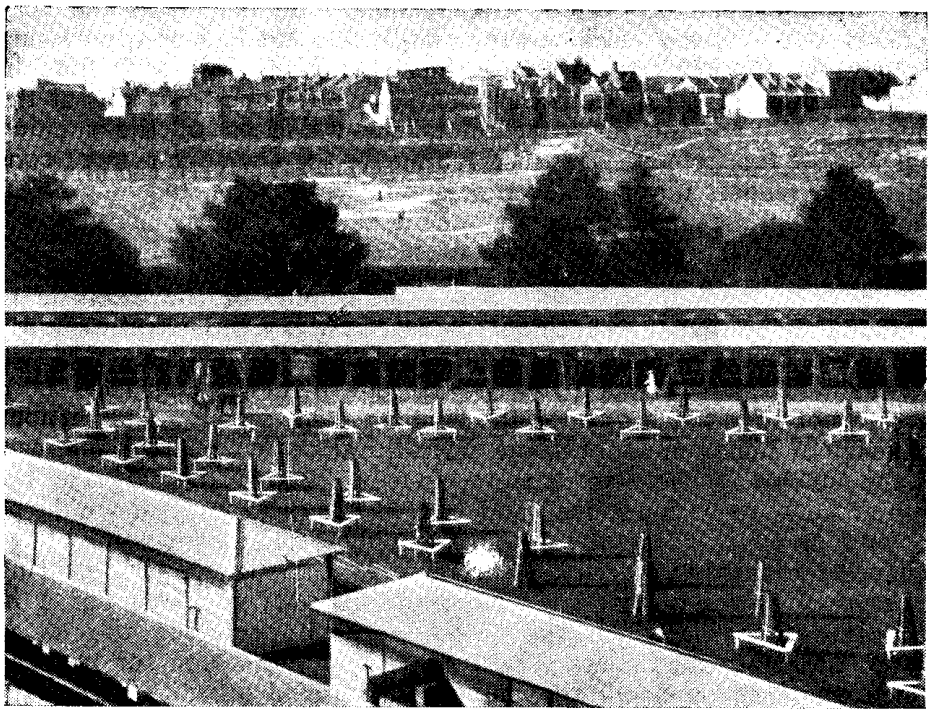
The consequences of the widely publicised despatch of the "Almorah" were wretched. The colonists were not to know that her cargo of grain would not reach the settlement and that the ship would be seized on the voyage home. It was the atmosphere of uncertainty engendered which counted most. Confidence was lost. Government purchases continued to be strictly limited, in line with the policy announced in November, 1822, whilst dealers and merchants refused to buy at anything but ruinously low prices, since the evidence pointed to the fact that they stood considerable risk of losing on their deals, and could not hope to profit as they had done in the previous year, except they were able to buy grain for practically nothing. Thus, the only wheat that could be sold was that required for immediate consumption, in comparatively small quantities and at lower than payable prices. In such circumstances the results were inevitable. The abundant harvest of November-December, 1823, found nothing but a bedrock market. Prices were reduced to a trough of 4s. or so per bushel in the following February (1824), precipitating a profound depression in the ranks of the local wheat producers. "The long continuance of very low prices," writes Atkinson analysing the tragic position created, "produced a belief very prevalent among the poor and ignorant settlers that wheat would never again be worth 5s. a bushel," and "this persuasion was at that time industriously encouraged by the crafty dealers and shopkeepers, the more readily to part with their grain then on hand at low prices" ([16]). The consequences were, moreover, that at the wheat-planting season in the months of April and May, 1824, probably not above two-thirds of the land intended for wheat was sown ([17]). The reduced sowings allied with a dry year produced a poor crop for the season. Wheat which twelve months later, immediately following the harvest of November-December, 1824, was sold at 7s. 1½d. per bushel, rapidly advanced in price, until by July, 1825, it was 13s. per bushel as a result of a further shortage ([18]).

It is quite clear from this account of Atkinson's that the Colonial administration, just as it had done in the years of Macquarie, was unconsciously and carelessly perpetuating the very evil which had been possibly the greatest man-made drawback to a successful agriculture in the years up to 1820. Agriculture was foredoomed to depression by these irregular purchases of government, and the poorer settlers

bankrupted by such ill-judged closures of the stores. The only gainers were the middlemen, "dealers, traders and publicans," just the very persons who over the years of preceding settlement had been amassing fortunes at the expense of the farmer colonists. We may note in passing the reasons—specious in perspective but logical perhaps at the time—for the administrative action taken—reduction of the running expenses of the Colony. But in the ultimate the cheese-paring of contracts and tenders never achieved anything worthwhile, the only effect being to drive the small farmers from the land, to disturb the economic equilibrium of the settlement and to enrich the profiteers.

The "Almorah" episode was long a bitter pill for the colonists to swallow, and perhaps the feelings aroused by this administrative bungling were best expressed by the "Australian" in its issue of 24th February, 1825. It was here pointed out that warnings had been given prior to the despatch of the ship on the "impolicy and ruinous tendency of such a measure to the agricultural and commercial interests in the Colony." The reasons were obvious. Before the cargo of the ship could have been received and housed, the next harvest would be in, and in consequence the pending supply could not possibly have relieved the existing scarcity. Furthermore, the chances of procuring a cargo of wheat at Batavia were problematical; rice was not a fit substitute for wheat; all classes would have preferred the maize of the Colony to the imported rice. Again, as the season for planting maize was then on hand, an "immense additional quantity of maize" could have been sown if the farmers had only been assured of a market. Government would need only to have announced that the maize would be accepted "at a fair remunerative price into the public store in order to (have secured) any quantity that might have been required." Moreover, as the argument continued, the following wheat harvest, however scanty, would have given a sufficient supply until the maize had ripened, and even if the maize crop should have failed, it would still have been time enough to have despatched a ship for foreign supplies once this had been definitely known. The case put forward by the newspaper continues unanswerable in its cutting logic. But, notwithstanding "the most ruinous consequences which might result . . . by sending for grain on the mere surmise of a failure of the ensuing harvest," the ship had been sent, and "wheat of a much inferior quality" bought at almost three times the price of the locally produced grain, which had been available in quantity at any time within the preceding twelve months, at little more than 4s. a bushel. In the month of June, 1824, the Government had refused to take at 4s. a bushel, 5,000 bushels of wheat "which had been privately imported from the Derwent," and which was subsequently sold to the "Waterloo Company for 5s. a bushel," and yet in August, 1824, just two months afterwards, "the selfsame Government was obliged to give 13s. a bushel for that which it had refused to buy in the preceding June for 4s. a bushel."

Only one conclusion—and one fails to see what other conclusion could have been possibly drawn from the facts—was clear to the "Australian": "The Government was refusing a remunerating return to the colonial farmer for his produce . . . it was refusing to the agriculturalist a living profit on his commodity . . . it was grinding him to the earth by making the cultivation of the soil an inevitable loss." Not alone was this so, but it was true also, that grain once



PANORAMA—AGRICULTURAL SHOWGROUND, 1896.

Australia's first Agricultural Society was launched in Tasmania in 1822, but it was soon followed by the formation of the Agricultural Society of New South Wales, in July of the same year. Members paid five guineas a year, and in addition, contributions of from 20 to 100 guineas were received from some enthusiasts.

No properly arranged show, however, was held until the meeting at Parramatta in October, 1824. Five more annual shows then followed, at which the award gold medals and other prizes stimulated the efforts of farmers to improve the quality of their stock. But the enterprise of the handful of pioneer stock raisers and agriculturalists was not followed up in the 1830's and the Society was allowed to lapse. Another start was made in the 1850's by the setting up of local Societies serving only small areas, one of the most vigorous of these bodies being the Cumberland Agricultural Society (1857) which in 1859 became the new Agricultural Society of New South Wales, and which held an exhibition at Parramatta in 1860.

Just as the future appeared to be so propitious, a long drought set in, which arrested activities until 1869 when the site of the Society's exhibition was transferred to Prince Alfred Park, Sydney, where annual shows were held until 1880. Growing dissatisfaction with the accommodation and the rates charged by the Sydney City Council—£150 for the ground and £1,700 for the exhibition hall —caused the Society to seek new quarters. A lease of 40 acres of common land in a very swampy and rocky condition was obtained at Moore Park. This was first used as a showground for an exhibition staged during Easter, 1882. The word "Royal" was prefixed to the name of the Society in 1891, and "The Royal Easter Show" held annually on this ground has since become world renowned.

(Cf. "Short History of the Royal Agricultural Society"—H. M. Somer (1922); "New Nation Magazine," March, 1934, (Mitchell Library, Sydney).)

depreciated in price would soon become scarce and dear again, "not more from improvident expenditure than from the neglect of reproduction." Accordingly, the economic cycle would be continued, with serious disadvantages to the settlement, whereby, wheat rendered worthless in one year would rise later to such an exaggerated value that it would be necessary to make further imports of grain from abroad at whatever the cost.

It would seem that the "Australian" was firmly convinced that the policy of Government would continue ruinous to agriculture. In the issue of 7th April, 1825, just six weeks following, there is the following comment: "The Commissariat Department exports wheat to Hobart Town, and the merchants fetch it from Port Dalrymple. This is good for the carriers, but the public—the consumers—pay for it all. Sending wheat from this port might have answered very well to increase the cry of scarcity when we had got rid of it this way. Such measures, however, are well left alone in this Colony, where some one or other usually contrives to let puss escape. We shall have plenty of grain shortly, whatever quantity may be exported. The first cargo we have to expect is Captain Dillon's. The "Calder" has gone to Valparaiso. She will get back in the course of four to five months. The general opinion seems to be that the price of wheat will not rise higher in price than ten shillings a bushel. Many people think that it will not even reach that sum."

The "Almorah" episode, considered from any angle, is probably the clearest picture in the early records of obvious administrative mismanagement acting as a cause of agricultural depression. Even though some allowance may be made for the vehemence of the writing in the "Australian," which was opposed to the colonial administration on any and every front, its account tallies so completely with that of Atkinson's that there can be no reason to doubt the truth of the case presented. It has to be remembered, however, that the attitude of the Home Government throughout the period of early settlement was niggardly, begrudging every penny spent on the Colony. In the economic reasoning of the times, contracts on the cheap were dearly loved. The British Parliament and people seem to have never become accustomed to the change from the years before 1788 when its felons and criminals could be so easily passed over to contractors prepared to transport them to America, at no cost to government at all. After the American War of Independence, the price paid for gaol maintenance of criminals was a sore problem which continued after the Colony was established. The Governors were frequently reminded that New South Wales was a gaol, and thus no expenditure was to be incurred which could be otherwise avoided. It was this policy which on sometimes the flimsiest pretext was hammered at successive Governors, who had very little option but to pass the instructions received on to their subordinates. It is hardly necessary to look for further reasons in order to explain the events of the years 1822-25 and the testing of the Bigge theory of contracts and a self-supporting and independent agriculture. There can be no other word than stupidity for the failure to realise the necessity of supporting the average run of farmers, the majority of whose sole subsistence rested on the simple foundation of grain growing, if the serious intention had been to render the settlement self-sufficient in foodstuffs. Sorrell, the Lieutenant-Governor of Tasmania, realising

this very point, had warned Bigge that the agriculturalists of his experience were in no position to stand on their own feet, independent of Government requirements. If this, in 1820, were true of Tasmania, it was true also of New South Wales. We may believe, however, that all this wider view was lost sight of by Brisbane, with his "true economy of Adam Smith" and by his immediate subordinates. In the whole episode there may be seen one of the careless, the accidental, causes of agricultural disorder, which sometimes have been lost sight of, even in comparatively recent times.

FREE TRADE VERSUS PROTECTION.

In the 1820's, states Greenwood, speaking of the early New South Wales Colony and its relationships with America, commercial intercourse greatly developed between Sydney and the Spanish possessions in South America, in particular Rio de Janeiro and Valparaiso([19]). This trade was a two-way traffic. "Some twenty trading ships did clear from Port Jackson for South American ports between 1820 and 1830."([20]). It would appear that the chief import from Brazil was tobacco. Provisions—such luxury items as arrowroot, coffee, nuts and wine—were also shipped, while Valparaiso was sometimes a port of supply of wheat for the Colony. In return, the New South Wales Colony could not furnish much in exchange by way of reciprocal trade. On one or two occasions, coal and timber were consigned to Valparaiso and Lima, while in at least one instance Hobart Town sent wheat to Rio. But, as Governor Darling reported in 1828, payment for South American imports was "made chiefly in Commissariat Bills, the resources of the Colony not yet furnishing other articles of Exchange . . . or at least not to any considerable extent" ([21]).

The development of this trade was of a far-reaching significance for the domestic agriculture of the struggling Colony, defenceless against the growing importations, and fearful of a continuing depression of prices and markets. Until now, few avenues for expressing disagreement with Government policy had been open, but the growth of a free press and the foundation of public societies, such as the Agricultural and Horticultural Society of New South Wales, enabled public opinion and divergent economic theories to crystallize. The *Sydney Gazette* had considerably increased in size and influence and was "ever ready to enter the field of controversy on behalf of conservative and official viewpoints." In October, 1824, the *Australian,* a Liberal paper opposed to the Government, had been founded by Wentworth and Wardell, while in May, 1826, the *Monitor,* also liberal and opportunist, made its appearance. These newspapers "became the battleground of rival trade doctrines in the years just before 1830" ([22]).

In the main, the controversy in the 1820's concerned a protection versus free trade policy for the Colony. The viewpoints expressed were not always consistent, often opportunist, obscured by personalities and political bias, and subject to change in accordance with local circumstances of the moment, such as the "change of front achieved by the *Gazette* during the drought of 1828" ([23]). Greenwood, detailing the separate viewpoints behind this controversy, considers that the *Sydney Gazette* broadly adhered to the "conservative mercantilist

theory of trade" by espousing the doctrine that foreign trade was bad for the Colony because it drained away the supplies of gold and silver; the *Monitor* was openly in favour of the introduction of those foreign goods which the Colony required, and therefore strongly opposed the erection of a prohibitive scale of duties, whilst the *Australian,* with its nationalist leanings, tended, on the whole, to favour the fostering of local industries, though its attitude was variable, "often dictated by opposition to whatever policy the Government was attempting to carry out" ([24]).

In general terms, the newspaper debates were confused, important issues often lost sight of in generous overflowings of rhetoric, and certainly nowhere is there a clear vision of the fundamentals at stake. Tobacco and ponies, the effect on local distilleries of a reduction in Customs Duty on imported grain, all clouded the main issue, which was that the continuance of large-scale imports of grain would inevitably depress the colonial agriculture, completely dependent as it was on the local Commissariat and public markets, and thus ruin the future of grain growing in the Colony ([24]A). There was no concentration on this issue. The field of controversy was enlarged to include, for example, such side-issues as an attack by the *Australian* against the Government farming establishments at Emu Plains, growing wheat, maize and tobacco, in competition with the settlers, whereas these farms might have been better occupied with experimental growing of "unusual crops" such as flax and grapes, to "create an export market (and so) lead the people into other discoveries" ([25]). Tobacco, to quote a further example, was an obsession with the *Australian.* There were complaints against the Brazilian plug, but as well the complaints that "many settlers have already been deterred from cultivating tobacco, because they have the formidable Emu Plains Establishment to compete with, and because when they bring their hundredweights to the merchants, they will be told that government has forestalled them, and have been there with their tons" ([26]). And, nearly twelve months later, it is found that the *Australian* is rehashing the same objections to all Government enterprise: "We are looking forward to the period when all these pitiful profit makings will be relinquished by the Government, as unworthy of their attention, and when agricultural pursuits altogether for the sake of grain will be suffered to remain exclusively in the hands of the subject . . . when Emu Plains will cease to be an immense cornfield and tobacco plantation, and when the numerous herds between Sydney and Bathurst and beyond Bathurst, the farms at Rooty Hill, Mulgoa, Bathurst, etc., will not be used to compete with private enterprise" ([27]). The attacks were thus not centred alone on imports, but on Government competition as well, though there was a world of difference between the two—the Government farms being subject to the same weather conditions, the same pests as the colonial wheatlands, whereas price was the only determinant to grain imports. The whole situation was further confused by the failure to distinguish between the vociferous clamouring of self-seekers—traders, monopolists and capitalist graziers—and the real needs of the Colony. When, in 1826, steps were on foot to form in the Colony a "Chamber of Commerce and Agriculture," the *Australian* asked, "Why? since the two were opposites and conflict . . . every merchant of the present day is an agriculturist, every trader has a farm, and it

would be hard to say of the majority of the people, to which of their pursuits—agriculture or commerce—they are more attached, either by interest or by inclination" ([28]).

The colonists—just the small body whose opinions were vocal, the large mass of the small farmers were incapable of supporting any kind of case—were divided on the question of the benefits to be derived from trade with the American continent. The division lay largely along the lines of self-interest. The grain growers, as it has been previously emphasized, were almost wholly dependent upon the local market demand and, with good cause, naturally antagonistic to foreign imports which competed with their own produce. The "capitalists" who had invested in local industries were for similar reasons opposed to any large scale importations from South America. The attitude of these groups, however, was in conflict with the trading classes, who held that the introduction of any article for which there was a local demand was wholly justifiable. Between those groups, the ordinary consumer was on the side of any policy which provided good quality articles at reasonable prices ([29]). The controversies, whilst simmering continuously, at times flared up to boiling point, as had occurred with the intended "Almorah" importations.

One other of these occasions concerned the importation of United States meat. In 1827, some 600 barrels of American beef were imported into the Colony via India. The beef was bought by the Commissariat Department, but it turned fetid and had to be condemned as unfit for human consumption ([30]). These unfortunate results drew attention to the facts of the purchase and led to spirited protests against the preference shown to a foreign import. The Governor was singled out for his part in this deal and subjected to a concerted attack. Two reasons were advanced to prove that the government's action was not in the best interests of the Colony. The first was that the meat was bad, and therefore on any reasoning the purchase had been a failure; the second, that preference had been shown to a foreign article. The accusations have a familiar sounding: "There was at that time abundance of salted and fresh meat, both beef and pork, of very superior quality in the Colony, and the grazing interests, as well as the farming, were at the same time greatly deteriorated" ([31]). The *Monitor*, in articles appearing on 12th, 19th and 24th July, 1827, dealing with the case, commented that "American beef at 3d. had been accepted; Anglo-Otaheitian at 5d., rejected!" "Which," asked the paper, "should get preference? Damaged American beef grown by American farmers, or sound pork fattened and gathered by the little religious communities at Otaheite and New Zealand" ([32]).

Since meat and grain were the two locally produced articles of most significance for the dependent agriculture, the most heated arguments and certainly the most important, developed over the question of introducing South American wheat into the Colony. From the beginning of the 1820's supplies of grain were frequently received from South America in order to bolster up an anticipated or existing deficiency in the local produce, although they were chiefly speculations by merchants, in which the Government was not directly interested. By 1827, "the increasing output of grain grown in the Colony led the farming class to demand the exclusion of the South American article" ([33]). Throughout the years 1827 and 1828 New South Wales experienced a severe

drought—the Agricultural Society's report for 1828 stating that "for eighteen months past our agricultural districts situate without the range of occasional showers which fell on the coast . . . have been without rain except a few light thunder showers at distant intervals barely sufficient to moisten the ground"([34]). The drought meant the failure of local grain crops, and the necessity of obtaining supplies from abroad. Increased supplies were obtained from Van Diemen's Land, and at the same time heavy supplies of foreign grain were also introduced([35]). Between April, 1827, and September, 1828—the worst period of the drought—57,600 bushels of foreign grain and 12,540 lb. of foreign flour were imported ([36]).

The setting is all too familiar—a present drought, it had once been perhaps a flood, a failure of the local crops, and a flight to all corners for food. The difference is that now it is becoming a question whether it is worth while bolstering up a languishing agriculture unable to provide cheap bread for the people. The changed attitude is best expressed by the *Monitor* in an issue of February, 1828: "The farmers of this country ought not to grow wheat or any other commodity, if they cannot get a living profit without being bolstered up by bounties and taxes in their favour" ([37]). The newspaper goes on to say that it favoured complete freedom of trade. It failed to see how the farmers could be injured by imports when they had very little grain to sell. It did not believe in risking famine by not sending to Valparaiso, just in order that a few might obtain higher prices, and it held to the principle that the farming interests should not be sheltered from competition.

This argument, on the surface reasonable enough, was in fact quite unsound. In the first place, it has been seen that throughout the early history of the Colony the small farmers, constituting the bulk of the grain growers, were not hoarders for the simple reason that it was impossible for them to be so. Their lack of ready money to carry them over bad times, the dread of loss of their grain by weevils and pests, the fear of later floods carrying away their stacks, were causes that operated to make them sell to the first buyer at a reasonable price. Lacking granaries, they had no choice if good prices were not offering, and perchance the stores of government were closed to them, but to sell at low prices to merchants and traders in settlement of debts contracted by probably nearly three-fourths of their number. Cunningham, Wentworth, Atkinson and Lang all speak of the "vulturine shopkeepers" gaining possession at ruinously low prices of great parcels of grain, and Bigge, of the public house keepers, who alone in the Colony of some few years before had barns and storehouses fit to keep wheat. These storekeepers, public house keepers and merchants were the only "jobbers" or "forestallers" able to hoard for later opportunities of profit and in order to exploit the local markets. But for the farmers, their chances of profit finished with the drought, or the flood which ruined their harvests, or with the glut which compelled them to sell at low prices. So when the early newspapers, as in the foregoing illustration from the *Monitor*, speak so glibly of famine and the fortunes this meant for the few, if imports were not made from abroad, and by inference imply that these fortunes were for the farmers, their reasoning is foolish. The alternatives which they should have more rightly demonstrated were otherwise—on the one hand imports, or, on the other, fortunes for the merchant jobbers, but certainly not for the farmers. It is this

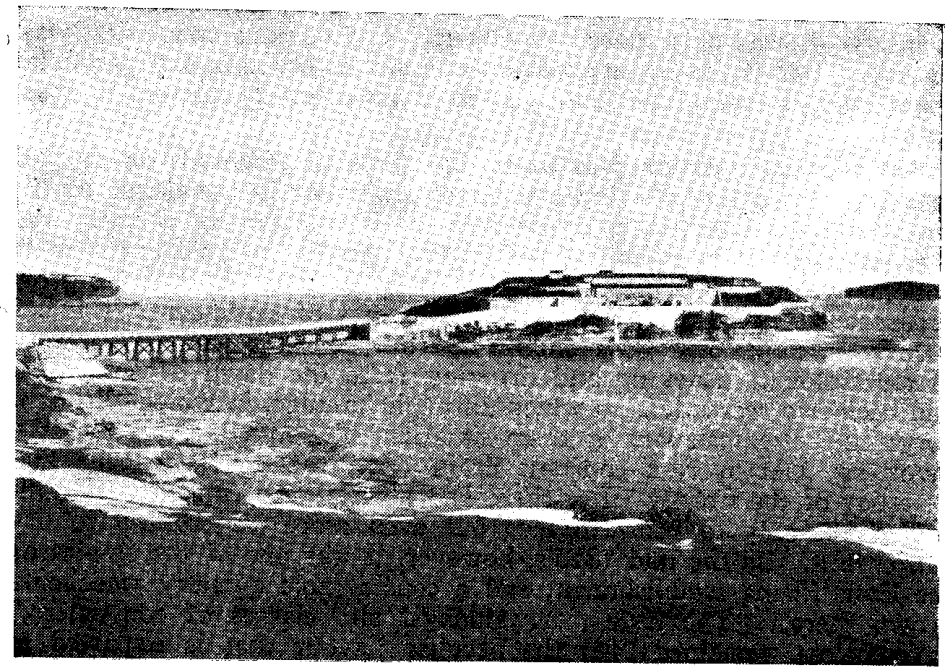
ignoring of the plight of the actual producers, this failure to suggest some remedy, which is so obvious in all the controversies of the first fifty years of settlement.

As apart from these major issues of wheat and meat imports, controversy waxed strong on such matters as "mares" and tobacco, both of which, it is probably safe to say, were questions quite over the heads of the small farmers. If the *Australian* could say, as it has been seen, that the majority of the merchants and traders of the 'twenties were agriculturalists, it should at the same time have explained that the merchants and traders were entirely self-interested in motives of profit, whether these profits were to be gained from agriculture or any other avenue of suitable investment. The South American "Horse Episode" was in fact one of diverging interests between local horse breeding monopolists—semi-agriculturists, probably graziers—and merchant speculators looking for a profit by speculation; the tobacco question, a controversy concerning the relative advantages between the importation of a much needed and good quality article at a cheap price, and on the other hand, the encouragement of a local tobacco industry producing a foul inferior product the control of which was largely in the hands of the wealthy.

In January, 1828, the ship *Tiger* brought to the Colony a cargo of Timor ponies and South American mares and mules, for consignment to some half-dozen Sydney merchants. The speculation proved successful, since a great demand for horses existed at the time in the Colony, and also because the price asked for the imported animals was "reasonably cheap" ([38]). The mules were sold at prices from £20 to £30 each, whilst the mares fetched between £30 and £40. The success of the speculation, however, drew bitter protests by the *Sydney Gazette* and the Agricultural and Horticultural Society of New South Wales. In his presidential address to the society (1828) Sir John Jamison sarcastically attacked the importation of the "Valparaiso mares" ([39]). The *Australian* in February, 1828, analysed the controversy and reached the conclusion that "those who were loudest in their complaints were more to blame for the traffic"([40]). It was an acknowledged fact, so the article stated, that the South American horses were inferior in quality to the local animal and yet the importation had proved profitable. This was not due to any scarcity of local horses, but to the fact that the colonial breeders had attempted to maintain the price at an unnatural height. They had demanded £150 for a pair of ordinary carriage horses, or £100 for an ordinary hack, whereas the Valparaiso mares had been sold at £40 to £50, which represented a considerable saving to prospective purchasers. The attempts of the monopolists to maintain an outrageous price had simply resulted in their own frustration. The *Monitor* was free and open also in its support of the importers ([41]). It argued that the most useful cargoes introduced into the Colony from the very early days down to this particular shipload had been those of livestock. Prosperity consisted in an "abundance of the necessaries and conveniences of life." There were two ways of making things abundant—"to grow plenty and to import plenty." The *Gazette* had argued that foreign imports were bad because they meant a loss in the circulation of money. This was a theory which the *Monitor* unhesitatingly denounced ([42]). This argument, it declared, "about parting with our money is the old

dotage of the last century" ([43]). The paper then proceeded to emphasise the idea that money was not more valuable than any other kind of property—it was only more convenient. The obvious conclusion was, therefore, that if the Sydney market was understocked in any particular commodity, it would be beneficial to the Colony to import it from abroad.

The tobacco question was much the same in essentials as that of the "Valparaiso mares"—local monopoly, whether in the hands of the wealthy or government, as opposed to the importation of a better and cheaper article from abroad, mixed up with the then prevailing economic notions that it was necessary for the Colony to export in order to grow prosperous. From almost the very beginnings of settlement, as it has been seen, hopes had been entertained of profitably growing tobacco in the Colony. Smoking and drinking from the dawn of settlement had been two recreations in which all might indulge, in which all might forget the circumstances of their situation, but both had been costly, involving, moreover, a constant drain upon the Treasury bills and currency of the Colony. But there had always been considerable difficulties not only to grow tobacco but even more importantly to dry and cure it. By the mid 1820's, however, it was one of the staples of the Emu Plains establishment, and a considerable quantity was being grown there. "The taste . . . .amongst all classes of consumers," nevertheless, remained "for the peculiar flavour that is imparted to the Brazil tobacco from the admixture of coarse sugar and molasses" ([44]). The Bengal plug was the cheaper article and sufficed when nothing better could be bought or prices were too high. A duty of 6d. per lb. on all tobacco imported into Sydney had been imposed by Macquarie on 31st March, 1818, in order to encourage the local manufacture ([45]). Bigge, in his investigations in the Colony, had arrived at the conclusion that the plant might do well. He had thought that "the climate of New South Wales, and the fertile portions of the soil, appear to be very favourable to the growth of tobacco; and there seems to be no reason that the convicts who may be destined hereafter to the new settlements in Port Bowen, Moreton Bay and Port Curteis, should not be employed in the cultivation of it, as well as in the subsequent process of drying and packing it for exportation" ([46]). It was, however, obvious to the Commissioner that in the face of South American competition a local tobacco industry could only be established if it were protected. With this object in mind, Bigge had recommended that the duty on tobacco imported into New South Wales should be heavily increased, a suggestion which had been adopted ([47]). In March, 1823, the duty was increased from 6d. to 4s. per lb. ([48]). Behind this barrier in the years which followed, attempts had been made to encourage the cultivation of tobacco in the Colony, and efforts were doubled at the two Government establishments at Emu Plains and Port Macquarie, into which the surplus convict labour was being absorbed in order to relieve the congestion at Sydney, which had so concerned Bigge. In 1823, in the second anniversary address of the Agricultural Society, Samuel Marsden had been able to report upon the progress which had been achieved ([49]). Specimens of tobacco grown in the Colony had been sent home to England where they had been well received. The favourable reports had led to a gradual extension of the area under cultivation, and Marsden, as so many had done before and were to do after him, actually held out the hope that tobacco would soon be added to the list of exports.



BARE ISLAND FORTIFICATIONS AT BOTANY BAY.

In the 1870's a movement was projected to bring the defences of Australia to a standard in keeping with their importance. A committee in New South Wales, headed by Sir Peter Scratchley, a distinguished artillery officer, decided that for Sydney to be adequately defended, it was necessary to fortify Bare Island and Henry Head, which together commanded the entrance to Botany Bay.

In 1880 the plans were ready for the new fortifications. Work commenced a year later, and by 1885 the fort was completed and was being garrisoned by a detachment of New South Wales Permanent Artillery. Guns were brought round from Sydney in punts and manhandled into position up the sheer face of the cliffs, since the bridge linking the island to the mainland was not of sufficient strength to bear their weight.

In 1891 a Royal Commission inquired into the circumstances attaching to the letting of public contracts for the Bare Island constructions. The successful tenderer had been a contractor named John McLeod. The final costs had amounted to £33,857 4s. 10d., and this had provoked a public outcry and a vehement newspaper controversy. The Royal Commission in its judgment found several matters for condemnation in the administration of the Colonial Architect's Office.

The island itself covers a mere 5 or 6 acres of rock and lies on the northern side of Botany Bay about 2,000 yards from inner Cape Solander on the Southern shore. Upon the adjacent reserve on the mainland stood Australia's oldest Customs House, built of solid sandstone in 1802. The island soon declined in importance as a point of defence, and in 1912 became a home for veteran soldiers from all parts of the Empire. From the outbreak of war in 1939 to the cessation of hostilities, Bare Island was closed, but service pensioners have now returned to it.

(Cf. Miscellaneous references and a short descriptive note in "Walkabout," July, 1938, pp. 19-20.)

In this period, the high-water mark of the Colonial tobacco industry had been reached in 1826, when 51,306 lb. were sold by the Government ([50]). It had been grown chiefly at Port Macquarie and Emu Plains ([51]). Unfortunately, however, the commencement of the drought in 1827, and its continuance in 1828, had "made it difficult to rear plants and caused many to perish after being transplanted" ([52]). The results were that only 7,070 lb. of Colonial tobacco were sold in 1827, and none in 1828 ([53]). The virtual extinction of local supplies in these years led to an increase in the amount of foreign tobacco imported into New South Wales. The foreign article not only recaptured the monopoly of the market, but exceeded the highest figures previously attained ([54]). Yet, despite the setback from the drought, the Colonists persevered with the cultivation of tobacco. In 1829, the Agricultural Society reported that 30 tons had been grown on five estates, while it prophesied that in favourable seasons the cultivation of tobacco would be "found more profitable at 6d. per lb. in leaf than wheat at 10s. a bushel" ([55]). The 1830 report announced that the ground prepared for tobacco cultivation was more extensive than in any former year, urged the application of up-to-date methods and stated that "the cured leaf tobacco must in time become one of our principal exports" ([56]).

Not unnaturally then, states Greenwood, the tobacco industry was thus vitally concerned in the general free-trade versus protection controversies of the 1820's ([57]). The arguments advanced by the growers on the one hand and the trader and consumer interests on the other, counter-balanced each other and prevented any radical change in policy. The result was therefore a compromise. Governor Darling, on 16th October, 1828, fixed the duty on foreign tobacco at 1s. 6d. per lb. for the raw article, and 2s. a lb. for the cured manufactured article ([58]). In this way the "monopolists" were able to secure a measure of protection, while the opposition of the free traders had ensured that the rate of duty should not be so high as to prohibit the continuance of supplies from abroad ([59]).

But tobacco, or, for that matter, horses was not to be the mainspring of succeeding agricultural prosperity in the Colony, or to provide the solution for the desperate poverty and depression of farming. In 1831, "Agricola," an anonymous contributor to the *Sydney Herald,* was putting the case very clearly: "All the stimulants that can be applied to the settlers will not prevail on them to carry on its (tobacco) culture . . . . It is not successful at the Hawkesbury. The seasons seem to be injurious to this tender plant till it attains a considerable growth . . . . If proper attention were paid to its culture and curing, we believe we should be able to supply the Derwent and Launceston, besides this country, and the New Zealand and South Sea shipping with a good and palatable article at reduced prices . . . . Several tons have been grown at Hunter's River in past seasons" ([60]). All real hopes had been shattered at Port Macquarie. In 1832 there is this description by "Observer," a further anonymous contributor of the *Herald,* of the erstwhile penal establishment and tobacco plantation of the port: ". . . . Here the Government formed an establishment for the growth of tobacco . . . . Here were tobacco sheds, houses, etc., which must have cost the Government a mint of money; but for some cause unknown to me, the place was abandoned some three or four years ago, and about five months since the whole of the buildings

were burnt by the natives . . . . the roads are bad, whilst so many hundreds of convicts were worse than uselessly employed in running the cedar farms . . . . Tens of thousands of loads have I seen rotting in the sun or floating out to sea . . . . Here also there is the wreck of a sugar mill which was erected at an enormous expense by the Government . . . . and its ruins grin horribly as a monument of folly . . . . and a want of knowledge of the first principles of political economy" ([61]). Bigge's plan had failed, as had also failed to materialise the plans, or should it be illusions, of those others such as Wentworth, who had held such grand hopes for the future in tobacco, sugar, flax, cotton and so many other crops, where none could be seen for the staple produce of grain. Money, time, undustry had been freely expended, but all in wasted effort. And meanwhile, whatever the controversies of the newspapers and their free phrasings, the settlers were being left to struggle in their all but hopeless attempts to find markets and "sufficient" prices for the produce of their farms.

THE ECONOMIC CRISIS OF 1828.

As it has been seen, a considerable expansion of population and of free immigration and a vast increase in the introduction of English capital occurred from 1821 onwards. But of overwhelming importance and significance to the small Colony was the formation of the Australian Agricultural Company in 1825, with all that it portended in the changed outlook of English financiers and of the Home Government. In England, ten years after the cessation of the Napoleonic wars and through the impulse of a successful industrialism, a "passion for establishing joint stock companies was raging like an epidemic disease" ([62]). "Six hundred companies had been floated during the boom period, late 1822 to mid 1825, with £500,000,000 aggregate capital, to undertake public utilities services in Britain, South America and elsewhere" ([63]). The offshoot, so far as New South Wales was concerned, was the Australian Agricultural Company, which had been given a charter on 1st November, 1824. It was to receive great areas of land at a nominal quit rent, in return for its investment of £1,000,000 capital in the Colony and its accommodation of the penal settlement by the employment of labour. (The Macarthur family, see Appendix, held substantial interests in the Company.) By now, the new Colony had ceased to be regarded as a mere penal outpost for felons but was coming to be seen also as a field suitable for overseas capital investment. John Macarthur was to be the Company's first adviser in New South Wales, and there was no question how its resources were to be used; wool was to be the main profit-making channel for the new venture. The Colony, at the time of the formation of the Company, was in "a state of progressive but by no means rapid improvement"([64]). Until the impact of the first inflow of capital came to be felt, stock could be obtained by the free immigrant settler at a reasonable rate. In 1823, "a good horse could be purchased at about £20 to £50 currency . . . . a good cow for £5 to £7 . . . . and sheep in proportion"([65]). Prices were on the whole low, and grain was cheap also([66]). A gradual increase in the price of stock was, however, developing in the natural course of events, because of the demands of free settlers arriving with capital to invest, and holding stock owners thus found a ready and improving market for their natural

increase in the requirements of the new arrivals([67]). But the circumstances surrounding the advent of the first party under Dawson, of the new capitalist enterprise, and the ensuing publicity which it received, were "too prominent in their character and too extensive not to have a powerful and immediate influence on a community so limited as New South Wales, for as cattle, sheep and horses had to be purchased for the company wherever they could be got, the price of these descriptions of stock rose rapidly throughout the colony"([68]). The arrival of two ships in November, 1825, for the "Million of Acre Company" occasioned "what (was) called a little business," as the *Australian* whimsically phrased the matter, and it thought that "we are consequently threatened with as many commendations of the company as the originators deserve anathemas for its creation"([69]). The story of the company is outside the scope of this study and is too well known to warrant repetition—how it was first given an immense area of country north of Port Stephens, of the disagreements between Dawson, the first manager, and the local advisory committee of the company in Sydney, of the complaints made by Dawson of the "rotten sheep" sold him by the Macarthurs, of his subsequent recall and, eventually, of the transfer of the company's stock and agricultural assets from the lower North Coast area to the Liverpool Plains, and the exchange of the first made grants for "Warrah" and "Goonoo-Goonoo," on the present sites of these properties([70]). It is necessary to sketch only the immediate economic effects of its first operations in the Colony.

The *Australian* was hysterical over the formation of the Company and its effects upon the Colony. Thus in its issue of 24th November, 1825, it put forward that the appropriation of so much land for the new venture was a matter of disaster for further agricultural prosperity([71]). It thought that even if the land thus so extensively appropriated might not have been taken up as yet by ordinary settlers, it was true that after a lapse of a few years every acre obtained by the company would have been required, if the "rage and the necessity for emigration continued as unabatedly and as steadily as it (had) continued during the last four or five years." The settlers had obstacles enough to encounter, obstacles that were "inevitable in a new country, in a new climate, a new course of nature . . . . in the already inconvenient distance from a habitable spot, and to which each cultivator (had) to go to pitch his tent or build his hut, without their being required to go to the extreme boundaries of cultivated lands . . . . and having done so . . . . to traverse further a mighty desert without the prospect which consoles many, that the intervening distance between them and a market or a town will by gradual improvement connect them with their fellow emigrants." It thought that the new settlers would despair. True, the company would "establish immediately about 100 persons, with or without families, on the land in the capacity of overseers, stockmen, shepherds and grooms," and that it might "increase the immediate importation of Merino Rams, Durham Bulls and Suffolk Punches," but the harmful effects of the establishment were making themselves felt even so early, whilst "remote injury was not very far distant." Merino sheep, notwithstanding their absolute increase in the Colony, had advanced in price more than fifty per cent. in the last months, so that many of the settlers whose small capital had formerly made it possible for them to purchase stock to improve their breeds of sheep, "were unable to do so to more than half the usual extent." The consequence

was that in place of "one injurious monopoly which was on the decline (probably monopoly of pure bred stock with particular reference to Macarthur) being suddenly broken down and the rearing of sheep becoming gradually diffused . . . . another monopoly infinitely more fatal than the former (was) rising up and confining within its own circle a considerable portion of those profits which were disseminated among the small farmers."

The *Australian,* in a later issue of the same year, was particularly sarcastic upon Macarthur and his connection with the new company: "The disinterestedness of the great originator of the A.A. Company is now placed beyond all doubt. Desirous of aiding the object of the company, the great wool-grower has offered to supply the committee with sheep, at the moderate price of £19 a head! These sheep, at least their fellows, were sold currently about eighteen months ago, at the rate of £3 a piece. But as it will cost the company about £30 for every sheep imported by themselves, by acceding to the above offer they will be gainers of £11 on every sheep they might purchase from the flocks of the Pure Merinos! The Account Sales of wool too, arrived just at a convenient time to show that the New South Wales wool which sold at 7s. 6d. a lb. is quite equal to the Saxony wool, and therefore, certain of the New South Wales sheep are quite as good as the Saxony sheep —how can the A.A. Company refuse to profit by this liberality! They ought surely to buy the sheep and give a gold medal into the bargain"([72]). The attacks continued in further issues of the succeeding year (April 12th, 1826; July 26th, 1826; August 21, 1826), but it is sufficient to note the general argument—the fear of monopoly, of impressment of the best lands in the Colony, and of the results of a spiralling of prices, benefiting no one but the wealthy with their flocks and abundance of stock to sell, but bankrupting the smaller settlers.

The predictions of the newspaper were in the event, and respecting the inflationary tendencies of the new capital imported by the company, borne out. "So commenced," states Lang, speaking of the year 1826 and the first considerable operations of the company, "a cattle and sheep mania, a form of infatuation which seized on all ranks and classes of the inhabitants of the Colony"([73]). At the cattle markets in Sydney, "barristers and attorneys, military officers of every rank . . . . clergyman and medical men, merchants, settlers and dealers in general were there every Thursday outbidding each other either in their own persons or by proxies . . . . for the purchase of every scabbed sheep or scarecrow horse or buffalo cow that was offered for sale in the Colony." In short, "it was universally allowed that the calculations of the projectors of the A.A. Company could not possibly be inaccurate." It was thought that the owner of a certain number of sheep and cattle in New South Wales must in a certain number of years "infallibly make an independent fortune . . . . and therefore that the A.A. Company must not be the only company to benefit." The professional men and the Sydney merchants generally employed hired overseers to manage their stock in the interior, but "there were individuals even among these classes who thought the matter too momentous to be entrusted to a deputy and, accordingly, followed their purchases to the interior themselves." In all cases where the purchaser had money to pay for his sheep and cattle, money was paid, but where there was no ready money, "as was generally the case," credit was

allowed, "if the individual was supposed to be a person of substance," and security was often tendered and accepted on the purchaser's land. "One gentleman," so Lang continues, "who had a large herd of inferior cattle got them sold this way to respectable free settlers, at the rate of £10 10s. 0d. a head, with security on the purchaser's land for two years and 10 per cent. interest besides"([74]). The general talk was of "runts and heifers," as Dr. Johnson had once said was the case with some of his friends in the country, so that "if advice was given in company it was by all means to get into a good stock, for there (was) nothing like it"([75]). If a difference of opinion arose, it was "either whether Saxon or Merino, fine or coarse woolled sheep were the most profitable, or whether it was advantageous to attend exclusively to the wool, or to continue with all due attention to that matter of universally acknowledged interest, a proper regard to the carcase." The general attitude, so Lang concludes, was that "the whole community seemed for a considerable period to have only one idea, and this exclusive and universally predominant idea was that of acquiring an independent fortune by the rearing of sheep and cattle"([75A]).

All the symptoms were there of a boom, of an upsurge of an investment inflation. It was only to be expected that it could not spiral indefinitely, but would sooner or later be stopped by crisis and be slowly resolved by depression. It is interesting to note the new vigour in the Colony, the talk of "runts and heifers," of new breeds of sheep and cattle, of the newer methods of stock-raising. There can be no doubt that here was to be seen the influence of Robert Bakewell extending at long last to the furthermost outposts of colonial expansion, and that now not only Macarthur in the young settlement, but everybody else was acquiring a new vision of pastoral development and occupation of the limitless lands stretching in all directions into the interior. With this confidence was engendered also an extravagance of no mean order. It would seem that "dress, furniture . . . carriages, etc., came into a considerable demand . . . that the colonial merchants and importers were induced to order large quantities of British and other foreign goods, till their warehouses were completely filled," but it appears scarcely possible, noting the circumstances of the years before, that "every article of British manufacture could (by then) be obtained in Sydney at a cheaper rate than in London"([76]). How familiar it all is! Almost the very word picture is the same as that which followed the land boom in the later crisis of the early 1840's, and in booms which have succeeded since then, of "shop-keepers . . . who would scorn to employ an inexperienced assistant, applying for a block . . . of tradespeople, shop assistants, barmen, carriers, bank clerks, mail drivers and many others of both sexes . . . all obsessed with land hunger . . . and of a chance to acquire certain wealth"([77]). And so it was in the years immediately preceding the great drought of 1827-28, although the boom was not with land but with stock. The *New South Wales Magazine,* in its June, 1843, issue, gives a succinct account of the events leading up to the crisis which differs little from the account of Lang: "The demands of this affluent body (A.A. Company) superadded to those of the capitalists arriving on our shores, strengthened the general confidence in colonial resources, created a growing spirit of adventure in rural pursuits, and caused a rapid enhancement of the nominal value of property. Here was about the first example of 'over action' in New South Wales. Expectations of profit were unduly raised;

capital was invested with incautious precipitancy; liabilities were incurred without prudent regard to the ways and means whereby they were to be met; credit was too easily obtained; paper money commanded too ready a currency; and when about three-fourths of the ten years of which we are speaking (1821-1830) had passed away, the reaction —a fearful reaction it was—began to make itself felt"([78]).

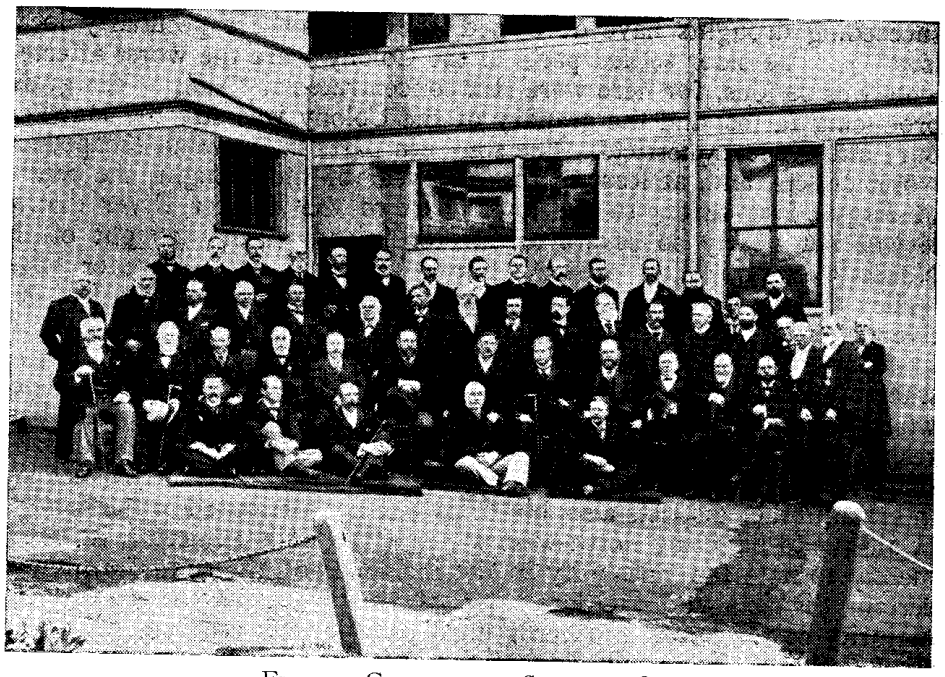
As Cox and others had wondered before at the spiralling effects of a succession of good seasons upon the then primitive organisation of the Colony, so Lang had later cause to conjecture what would have been "the ultimate issue of the sheep and cattle mania had the seasons continued as favourable after the harvests of 1825 and 1826 as they had for a long time previous"([79]). It was indeed evident that as sheep, cattle and horse numbers must increase in a "geometrical ratio" in a country so admirably adapted for the rearing of stock as was New South Wales, while the population of the Colony could increase only in an "arithmetical ratio," a time must arrive sooner or later "when their numbers would so far exceed those of man that the price of them must have fallen proportionately." "But although this was admitted on all hands, every purchaser persuaded himself that his own fortune at least would be made long before the price of stock could experience any considerable depression." The answer to the question came, as it had come before and was to come again, in an unparalleled drought of nearly three years' duration, which "was completely to open the eyes of the colonists to their own folly, to blast the hopes of thousands and to bring many respectable families to ruin"([80]). The years 1827-1829 were almost years of famine: "There was no rain, no pasturage, no harvests. The whole country was like a desert; a spot of verdure was scarcely to be seen anywhere; the gardens as well as fields were burnt up; and no sustenance was to be found in the soil for either man or beast." And because "agriculture (was) then the pursuit and principal dependence of a much larger proportion of the settlers than at present (1843) the visitation of Providence was overwhelming"([81]).

But the indications of crisis had been shown even before the drought was at its worst. The first idea of unsoundness in the money market had been a rumour that the Bank of New South Wales was "hard up." The rumour proved to be correct, for its managers were obliged to apply to Governor Darling for assistance. The Governor subsequently found, upon examining the state of its affairs, that the Bank had been conducted on such unsafe principles and that its discounts had so exceeded all "prudent bounds" that he had "well night determined on refusing the relief asked, except on condition that it would wind up"([82]). The Bank, however, it is needless to add, survived.

The profound depression which fell upon the Colony in the years of drought, 1827-1828, was unparalleled. All vigour was stifled, all hopes seemed to be at an end. The settlers thought that the drought must have been the worst in fifty years, certainly the worst since the Colony had been founded([80]). Water holes dried up which even elderly natives did not remember to have seen dry before. There was a crucial scarcity of water for stock in some parts, and both sheep and cattle died from starvation and thirst. Herds and flocks were placed on the march, and the crops generally were a failure. It has to be realised, nevertheless, that the dry conditions were not universally felt. As most

succeeding droughts have developed, the effects were peculiarly localised([81]). The older settled parts of the Colony were the worst affected. This was serious, for here were still concentrated the bulk of the grain-producing farms, and the granary of the Colony was still the Hawkesbury and Nepean districts. The southern parts in the main escaped the worst effects, and, at least in the first year of the drought, the county of Argyle was safe. In the lower part of the Hunter River district it was not nearly so severe as further inland. (Cf. drought of the North-West and West of New South Wales in 1946—Hunter River Valley and South safe.) At Illawarra, the "few settlers who had cultivated grain in any quantity did not lose a crop"([81]). This was the same at Port Macquarie and Moreton Bay. At Patrick's Plains, "a tract of fertile land on Hunter's River virtually destitute of timber," where the crop was nearly all destroyed in 1828, a good crop had been reaped in 1827, the first year of the drought. In the second year (1828), there was a failure in the upper parts of the Hunter River district and in certain other districts also, but "this was not attributed to the drought at all but to blighting north-west winds"([82]). It is sufficient, however, merely to note the variability in the incidence of the dry years within certain districts and the localizing of the drought's influence. The majority of the flocks and herds must have largely escaped, for within six months of the termination of the three bad years, "butcher's meat was available at three farthings a lb. in quantities of not less than one-quarter or one-half the carcase"([83]). The effects, of course, were more seriously felt by those who were forced to buy all their grain. The prices ruled high, as they always did in these times of scarcity, and particularly in the case of those with large families and many servants to keep, ruinously so. In one of the bad years grain was imported from Tasmania and abroad for internal consumption in the Colony, of a total value of £50,000 ([84]). Many of the settlers had been "imprudent . . . conceiving that agriculture was beneath the notice of those who were so speedily to make their fortunes by the rearing of sheep and cattle . . . choosing rather to run the risk of buying wheat for their families and convict servants than to incur the trouble and expense of growing it"([85]). Some in this way were forced to buy direct from Tasmania, "who might have grown it partially at least for themselves."

But if the drought did not affect everybody, the collapse of the boom spread its ramifications through every section of society. The numerous bills which had been issued for the purchase of sheep and cattle in the boom years of 1826 and 1827 were by 1827 and 1828 becoming due, whilst the 10 per cent. interest which had been generally charged on loans was rapidly accumulating. Gradually the pressure for payment became more insistent, until at length the "creditors became imperative in their demands for payment, being themselves generally pressed by other creditors either in the Colony or in England"([86]). Debtors who had nothing but their stock and their lands to look to, found themselves suddenly and unexpectedly ruined. "Month after month, herds of cattle and flocks of sheep were seized and sold for the payment of debts incurred by the original purchase, and the process was so frequently repeated and the price of sheep and cattle consequently fell so rapidly, that when the original stock with its whole increase during three successive years failed to realise anything like the amount of its



FEDERAL CONVENTION, SYDNEY, 1897.

For thirty-odd years following the first landing in Port Jackson, the isolated settlements which grew up at Hobart, Moreton Bay and Port Phillip were all governed from Sydney. Then, growing local pride, coupled with difficulties of rapid communication, caused the breakaway from the parent colony of Tasmania (1825), *West Australia* (1829), *and Queensland* (1850). *Even during the separation epoch, however, the need for some form of Federal union was clearly perceived by statesmen, both in Australia and England.*

It was Sir Henry Parkes, in a speech delivered in 1867, *who first caught the imagination of the Australian people and raised the idea of Federation above all other questions of politics. In a series of inter-colonial conferences from* 1863 *onwards, the States occasionally achieved a small measure of co-operation in minor matters, but otherwise they served only to show the strength of inter-colonial rivalries and jealousies.*

The first decisive move towards Federation was made in 1891, *when a National Convention drew up a proposed Federal Constitution—the first complete scheme for a Federation—and the great Convention of* 1897-98 *which followed, met at Adelaide (on 22nd March,* 1897), *where a draft Constitution was completed and an adjournment for* 120 *days secured to enable the State Parliaments to suggest amendments. From the 2nd to the 24th of September,* 1897, *the Convention again met, at Sydney, where the above photograph of assembled representatives was taken, but another adjournment, this time to Melbourne, was found necessary. On 16th March,* 1898, *a Bill was at last adopted and then submitted to a referendum in four of the colonies. In Victoria, South Australia and Tasmania it was carried by overwhelming majority, but in New South Wales it met with some strong opposition and only secured a majority of about* 5,000. *Only* 72,000 *votes had favoured the Bill, and as a minimum of* 80,0000 *affirmative votes was necessary, the proposed Bill was "deemed to be rejected" in that colony.*

A further amended Bill was submitted in 1898, *this time to be carried for all four States by greatly increased majorities. Queensland followed suit on 2nd September,* 1899, *and West Australia on 31st August,* 1900. *On 17th September,* 1900, *a Royal Proclamation was issued under the Commonwealth Act, declaring that on and after 1st January,* 1901, *the separate colonies should be united in a Federal Commonwealth.*

Thus was constructed, for the first time in the world's history, "a nation for a continent, and a continent for a nation."

(Cf. "Souvenir of the Inauguration of the Australian Commonwealth"—article by Sir Robert Garran (Mitchell Library, Sydney).)

original price, which very soon proved the case, in many instances the settler's farm was seized and sold and himself thrown into gaol"([87]). As the New South Wales Magazine remembered the bad times, years afterwards: "Property of all kinds became depreciated to the lowest possible ebb. Executions were levied in prodigious numbers, and under their compulsory sales, land and stock were miserably sacrificed"([88]). The distress and ruin were widespread. Those who had commenced with capital found it largely lost, and even those who had salaries from Government found their salaries garnisheed for the payment of debts, whilst the poor unfortunates who had neither capital nor salaries had their property auctioned and themselves landed in poverty or prison. Many indeed of the free immigrants who had come with limited capital must have regretted the previous advices given to them by the Rev. Samuel Marsden: "to put all they had on four feet"([88A]).

The period of depression, probably at its worst in 1828, took a considerable time to disappear. The four wretched years as later remembered were 1828-1831, both inclusive([89]). In these years "almost every second or third settler was insolvent, and no hope of relief could be discovered in any direction." By an unfortunate coincidence, also, in just these same years the price of wool was lower than it had ever been before, and lower than at any time until 1842([90]). Just as in 1842 nothing could be seen for New South Wales but ruin, so in 1828 there were many prepared to make a similar prophecy, few to assert that "prosperous days would ever return to the Colony"([91]).

But by 1831 agricultural affairs had slowly again started to pick up. The drought was past and the seasons were again "fruitful." The prosperity which continued over the next eight or nine years was continuous, until finally accelerating into yet another boom, crisis and depression by 1842-43. The prosperity began, so it was said, in "frugality and industry" ([92]). The severe lessons of the four disastrous years of dearth and insolvency had not been taught in vain. "Superfluous expenses were cut off, a rigorous economy was introduced into the domestic and agricultural establishments, and with humble fare and hard work, by prudent contrivance and a rigorous abstinence from speculation, coupled with a succession of favourable seasons, the circumstances of the settlers became better and better. The price of wool advanced and with it the price of horned stock . . . and (thus) mutual confidence . . . and credit . . . were restored"([93]).

THE POSITION OF AGRICULTURE *circa* 1831.

It has been previously noted that in 1821 and in the years which immediately succeeded, considerable importance was being attached to the ruinous effects that imports of foodstuffs were exerting on the local agriculture. A surplus and a shortage followed in the first few years of the 1820's. The advent of the Australian Agricultural Company in 1825 and the stock boom which followed, for the moment diverted attention from this formidable issue, although controversy simmered and from time to time flared upon such matters as tobacco, ponies, meat and wheat, their production in the Colony, and tariff barriers generally. All these considerations were, however, swamped by the years of crisis, 1828-1831, and the severe drought, which rendered it imperative to import supplies if subsistence were to be found for the population. With recovery, however, being manifest by 1831, there

was a resurgence of the demand for prohibitory duties on grain importations. The imports in quantity of the preceding years were not forgotten, but by now the arrival of free settlers and the introduction of increasing amounts of capital were rendering it essential that some fixed policy should be decided upon.

Probably the best statement of the pros and cons of this issue is to be found in a leader article in the *Sydney Herald* of issue May 16th, 1831, and it may be convenient to state the case as it is here presented:

> "It is a remarkable thing that Colonial journals have preserved an impenetrable silence regarding the petition transmitted to Government to impose a prohibitory duty on wheat of foreign growth. . . . . (1) No subject is more alarming . . . for the man who puts on such a duty puts his hand into the flour bag of every member of society and takes from it a thimbleful or a quantity according to circumstances. Such a law sensibly affects the poor, while it is unfelt by the rich. . . . The tendency of all corn laws is to create a monopoly, and all monopolies are taxes of the worst kind . . . . one part of the community should never be taxed to uphold the other, and food should never be taxed in any possible circumstance. . . . The wheat grower who imposes a duty this year . . . cannot refuse the tobacco grower the next year . . . and both the vine grower the next. . . . (2) In England, all the materials of a man's breakfast are subject to a close monopoly. Bread is made dear to support the landowners at the expense of the public; sugar is monopolised by the West Indians; tea by the Nabobs of Leadenhall. . . . We admit that the proposed duty in Australia is plausible; a short-sighted politician will conclude that a duty on Derwent wheat will raise the price of Australian wheat. But unless the duty is ruinously high . . . . the Derwent speculator with the high price will be able to sell his wheat and defy the duty. . . . More land will be thrown into cultivation and this, with a lessened consumption and perhaps the loss of our whaling supplies will . . . introduce the worst feelings in the community. (3) The quantity and quality of Australian wheat now used are inferior to that of the Derwent. In Sydney for one-half of the year, one-quarter of Derwent wheat is mixed with three-quarters of Australian; for the other three months, half of each is used, and for the last three months, three-quarters of Derwent wheat is used to one-quarter Australian. . . . It does not follow that if Derwent wheat were prohibited, one-half more Australian would be consumed. For the bread would be so bad, unpalatable and dear in price that our shipping would prefer a trip to Hobart Town to the purchasing of bread that is bad in itself and unfit for long voyages. We might equally well recommend Norfolk Island to prohibit salf beef, or New Zealand to prohibit powder, because at a ruinous expense these things might become objects of a native manufacture. . . . (4) American, Bengal and Valparaiso wheat, as well as rice, dholl and grain may be prohibited because of bad quality and being as hard as flint, and thus bring the price of good wheat to its own level; but here we think the measure of prohibition should stop and something else be applied. . . . (5) We understand that the wheat of the southern districts of the territory is of superior description

to that in the vicinity of Sydney, and the harvest being later would enable us to have a succession of fresh grain, and consequently be more independent of our neighbours. Till the settlers, however, have facilities for bringing this grain to market, we cannot do without assistance from Van Diemen's land or some other place. We hope, therefore, that the Government will direct its attention to those districts and by making and repairing roads to the numerous inlets or small harbours on the South Coast, give the settlers an opportunity of finding a market for their produce and thus prevent us having to buy elsewhere. The tide of emigration should be directed to this channel."

The issues previously traced are here seen to be complicated by further factors by 1831. The first is that the Colony of New South Wales is not self-sufficient, and imports must be made. Moreover, even if this were not the case, the local grain is so inferior that in order to turn it into reasonable quality bread, it has to be mixed with other grain from the Derwent or South America. Under these circumstances it is both impolitic and unreasonable to expect prohibitory duties. In the preceding years of 1827 and 1828, wheat had risen to very high prices. These would come again if the local farming became a monopoly. The effects would be a grinding distress for the poor, rise in cost of all Government public works to an "enormous extent," and fortunes for profiteers, with a hold over local supplies. The newspaper, "deploring" as it did the low rates at which local grain was being sold in the face of overseas competition, and "deprecating" a duty to raise it inordinately high, considered that other means might be tried to bolster up the languishing agriculture which would be more effectual and less dangerous than prohibitory duties. It was high time that agriculture be extended to the better lands in the interior and to the south of Sydney, for instance, to the County of Argyle. Here, wheat that had been experimentally grown had proved of superior quality. Nothing could be done, however, to render such production profitable whilst the roads remained as bad as they were. Government should then set to work and embark upon a large scale campaign of road repairs, maintenance and building. Then again, what could be said for the excessive quantities of alcohol entering the Colony, when this might well be produced equally well locally. It was to be hoped that home distilleries would be encouraged to use colonial barley and grain of other descriptions, and that the populace would forgo the luxury items of French cordials and Jamaica rum. How was it possible, demanded the *Herald,* to reconcile a domestic high price for local wheat with this enormous import trade in spirits, the duty on which alone amounted to £67,000 per annum. The farmers could not ask for protection whilst they indulged themselves in "foreign potations." A remedy was in their own hands and this was to "confine their purchases to home-made beverages of beer, ale and gin," and thus encourage a demand for their grain from the local breweries and distilleries.

The subsequent events were that the Legislative Council in a later month in 1831 refused the requested prohibitory duty on wheat from the Derwent, though it was "not disinclined to put a duty on wheat imported from other countries." The *Herald* (18th July, 1831) stated that it gave the newspaper "pleasure to learn of this decision." It

admitted that "a considerable body of settlers believe that this country will never prosper without a duty of protection," but for its own part, it considered that "the country could not bear the old prices of 7s., 10s. and 15s. a bushel for wheat in its present impoverished state." It could only see that the solution was in the hands of the colonists themselves, "to colonise to the southward where wheat equal to that from Van Diemen's Land will grow." This would be "more beneficial than Corn Laws to which (might) be ascribed the present misery of England and the forced state of her manufactures to uphold country gentlemen at the expense of all other classes, and of themselves ultimately." In after years similar considerations of interstate tariff barriers to defend local production, as in this instance of rivalry between Van Diemens Land and New South Wales, occupied the field of controversy for a considerable time, until finally resolved by the creation of the Commonwealth in 1901.

Whilst in the long view such failure to protect the developing agriculture of New South Wales by tariff barriers may have been a good thing, the facts were that the competition from Tasmania and abroad ruined many of the farmers and did much to destroy the local markets for the native produce. The local farming found it impossible to compete, the tendency being more and more to look to fine wool-growing as the salvation of the country, and just a few final illustrations will suffice to explain this position.

Thus from the *Sydney Herald,* 6th June, 1831: "*Markets*: Wheat was not in abundance but sold readily at from 4s. 6d. to 6s. There was a parcel of wheat from Argyle brought into town, of the best description that has been seen for some time, and was sold at 6s. It is much to be regretted that this and other fine districts have not the advantages of good roads and other facilities afforded them for sending the grain to market, the want of which tends to the manifest encouragement of foreigners and Vandemonians and the deterioration of our own Colony." An agricultural report by "Agricola (*Sydney Herald,* 13th June, 1831): "We have had three floods in succession, though we had expected to escape the usual March flood. Great damage was done to roads, bridges, fences, stacks, wheat fields and corn in low ground. . . . The price of wheat is at present so low that it is necessity alone induces a man to work the ground, as he can barely live at the present prices, and can scarcely venture to fill his pipe with a more expensive narcotic than Australian leaf in place of Brazil, or replenish his pot with a stronger beverage than milk and water. . . . . Immense quantities of tares and weeds have been thrown over the low lands, to the amount of many thousands of cart loads, which must be burnt off, but which will still allow enough to pollute the grain." There is a further report upon the markets. (*Sydney Herald,* 20th June 1831): "It appears from the insufficient supply of grain brought to market lately, that the settlers are holding back their wheat, though an excellent price could at present be obtained. This we apprehend will not be the case long, as an influx is expected from Van Diemens Land in about a month, which will lower the prices materially to the injury of those indolent settlers that will not avail themselves of the present high prices."

The report here quoted brought forward this interesting reply from one of the settlers styling himself "True Briton," which deserves a full quotation (*Sydney Herald,* 28th June, 1831):

> "In No. 10 of your journal you are very hard upon us poor settlers, for without any just cause you censure 'those indolent settlers that will not avail themselves of the present high prices.' . . . Throughout the Hawkesbury there is very little, scarcely any, wheat to go to market, though our Government must think otherwise, for I cannot suppose that they are determined to crush the poor settler altogether which their late acts are daily bringing to bear upon them. . . . Now that there is not wheat to supply the market but an abundance of maize, orders have been issued that the rations shall consist of . . . half a pound of maize meal and one pound of wheaten meal. This will not relieve the settler here, but enrich the merchants importing wheat from Van Diemen's Land, as has been already done to the merchants importing sugar from the Isle of France, in preference to causing grain (as wheat, rye, barley or maize) to be used in brewing or in distillation. In England, any brewer having molasses even on his premises is liable to a heavy fine, but in New South Wales he is encouraged to use sugar in preference, for if he consumed grain, it would encourage the agriculturist; the latter must appear to be a rooted prejudice, for the *ad valorem* duty can be of but little consequence. . . . In the years 1804 and 1805, wheat was sold at the Sydney wharf for 2s. 6d. and 3s. per bushel, but during 1806 it could not be procured for £5 per bushel. I do consider the late impolitic act of the Government will raise wheat to about 10s. (failure to alter rations from wheat to maize) without benefitting the settler, for most of us in this part of the country are compelled to eat maize. . . . Many of our neighbours are leaving our townships and pressing to the capital, and if something is not done by the Government to relieve us, we shall see this agricultural district of New South Wales as the deserted village, for our cottagers are leaving their homes, and the fields are in a great measure deserted by the plough for want of due encouragement to the agriculturist. . . . As for the 'big wigs,' as they are called, they will have good workmen and keep them to themselves, or change them daily; but we poor settlers can scarcely get a man at all that will earn the rations (cheap as provisions are) without taking ten times the trouble he is worth, and then we are told we are troublesome characters and that we do not deserve a man at all."

Finally, and as a conclusion to this brief treatment, an appreciation of the general position may be gained also from the following editorial by the *Herald* (S.H., 25th July, 1831), which would seem to have been provoked by this letter from "True Briton":

> "We feel great regret to learn that considerable numbers of our smaller settlers have been compelled to abandon the renting of land from an inability to maintain themselves and families by the produce of their farms. The hand of adversity has long been pressing heavily upon them, and has at length forced them, unwillingly, to discontinue their agricultural labours on their own account. Renting land, at from thirty-five shillings to forty shillings per acre; tenants for a year; unable to improve their land lest a more greedy and wealthy aspirant should push them from their farms; and living

from hand to mouth for more than four years, they are fairly thrown into the background; and they who ultimately pay all taxes and form the very nerves and muscles of our manufactures and commerce, are compelled to become dependent on others. . . . The reasons have been a succession of bad crops for the four last unpropitious seasons; the change in the currency and the low prices of agricultural produce; while rents, tolls, wages, Government duties, law fees and charges of every description remain unaltered in sterling value, which was formerly one-fifth less in currency. To this may be added the low price of cattle, and the total stop put to all emigration; all of which have borne heavily on the community and are now beginning to affect the virtual occupants of land; who from their heavy rents and the very injudicious regulations that prevented them from receiving small grants of land, had no surplus capital, but secured a competence from the cultivation of their farms and constituted the principal grain growers in the interior. This consequence was long since predicted, and if it is carried to great extent must throw out of cultivation much of the land that was hitherto devoted to the growing of produce for the Sydney markets. From the favourable state of the present season, we trust an abundant crop will be the result, which will enable the diligent farmer to retrieve his circumstances and weather the severe storms he has had to encounter for several years."

CONCLUSIONS.

In the preceding pages of this chapter an attempt has been made to condense the story of the ten years of agricultural expansion commencing in 1821 and the departure of Macquarie, and extending to 1831 and the arrival of Governor Bourke. It has been possible to do no more than suggest a few of the problems and difficulties of this intensely interesting and formative period of New South Wales history. Perhaps it may be said with some truth that in these years we see the last of the small farmer figuring with any degree of importance upon the colonial stage, until he is resurrected many years later. From 1831 onwards, the Colony becomes swamped with imported grain and with pauper and other immigrants. The field is taken over by the squatters and their forerunners, the landless majority, in an intense development of the pastoral industry. This is shown to an extent by comparisons of areas cultivated in 1831 with similar figures of cultivation for 1841. Whilst the population is doubled in these years, agricultural expansion shows comparatively little if any increase. All ideas of self-sufficiency and similar early theories are abandoned.

Many reasons can be put forward as suggestions for the backwardness of agriculture in this period, as apart from consideration of the primitive methods employed and of seasonal influences and other factors which have been previously referred to, but which have to be constantly borne in mind in assessing such an imponderable as farming development. The most obvious, and the most frequently referred to in the letters and other opinions quoted, is the fundamental issue of prices and markets, traced previously at some length as affecting the years before. Is it not obvious that this is the issue which in at least the earlier part of this period caused the ruin of many of those concerned with simple grain farming as the main staple of their support? Is it

not to this factor that there can be traced the atmosphere of depression which in the preceding years can be seen to have overhung all attempts at other than mere subsistence farming? There is an extraordinary irregularity in the prices paid for produce and a constant uncertainty concerning markets and the policy of Government. Cost of living, otherwise, showed no parallel reductions. Cannot it be taken for granted, whether affecting men of an older period of this country's history or of the present day, that where there is no hope, exertion, ingenuity and progress are not to be looked for? How otherwise can early colonial farming be explained?

Largely the years of development, 1821-1831, may be interpreted as a period characterised by an inflow of capital from Great Britain, associated with a considerable alienation of the best lands in the Colony to immigrants possessing some capital assets, whether fictitious or real. And in this way, there followed the settlement of the Hunter and Paterson River country and of other favoured districts—such settlement centering in stock raising and, to a lesser extent, farming, but meaning progress all the same. It is these new men, "the lordly squires of the Hunter" and their type, who figure most in the history of the period. Associated with their establishment, there is a new vigour in colonial affairs, evidenced in the growth of societies and the publication of newspapers. The emancipist-farmer complex is a forgotten cause. The ex-convict settlers remain, with the other men without capital, as the poorer classes, on their paltry few acres and with their pitifully small possessions, eyeing with envy and indignation the new landowners who have entered upon a more or less ready-made colonial heritage, carved out and pioneered by their predecessors in misery.

As we come to trace the years following, 1831-1842, it is not surprising to find agriculture remaining in a profound depression. The reasons are obvious—inexperience, poor markets, low prices, no good land in close proximity or with easy access to centres of population. Agriculture with its simple primitive farming is by-passed by men seeking to found their fortunes. Farming remains the province of the poorer settlers and hired labourers unable to work on their own account. It is something fit for the fools and "Colin Clouts" alone. Imports unduly restrict all opportunities of profit for the smaller men who remain an ignorant, backward and extremely poor section of the population, overshadowed by such towering figures are Benjamin Boyd and his new ideas of exploitation.

How hopeless it all seems—so entirely different from what might have been expected—poor markets 1822-1825, followed by a severe drought 1827-1828 and a concurrent seasonal depression. It is so easy to overlook these matters and their influence on men's lives, in the welter of the more remote political policies and controversies. It is all just a step in transition from penal settlement to dominion, a further testing stage in the vain attempt to turn a country obviously intended to be in its initial stages pastoral, into something entirely different. Explanations are redundant when it is all so clear.

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