

MARKETS

BOOKS ABOUT THE EMPIRE found a ready sale in the mother country. In 1838 two London booksellers combined to publish a slim volume—little more than a pamphlet—called *A month in the bush of Australia*. An unnamed gentleman, riding from Sydney to Melbourne in 1837, had written his daily journal while his companions slept and he now offered to the world this record of his unspectacular adventures. Preferring comfort to haste, the travellers moved in easy stages, calling for each meal at successive homesteads and squatting stations. One of their hosts organised a picnic party to limestone caves near the Murrumbidgee. A few days later, at Gundagai, the travellers went duck and quail shooting, and filled the last hours of daylight with a game of cricket.

For the next fortnight they followed a route that had been charted by Major Mitchell, the explorer and surveyor-general, only the year before, yet they found the country already staked out with stations. While the gentlemen poked about the country the hard work of the expedition was undertaken by Aboriginal guides and food gatherers, by bullock drivers, and by the cook. 'I cannot say', wrote our diarist,

that I have yet at all felt tired of my journey, either mentally or physically, quite otherwise . . . As soon as our short journey for the day is accomplished, we pitch our tent, which appears quite a home to us, and have every convenience and comfort the situation admits to; with respect of eating and drinking, I never lived better in my life, this department being under Dutton's management, who understands it well. We have had game every day since our mutton, &c., has been done, besides corned beef, pork, hams, &c. We have excellent potatoes and fresh butter, and flour loaves with coffee or chocolate to breakfast, and tea to every meal. We have also books with us, which, whilst we are waiting for the team to come up, I generally peruse lying on the grass in the shade.

In such a pastoral paradise there was no reason for a gentleman to forget the higher things of life.

Despite appearances this leisurely idyll was a business venture. So was the publication of the diary. Its anonymous author—who turned 33 on the day he camped beside the Murrumbidgee at Jugiong—was a Scot called Thomas Walker who had been for the last fourteen years junior partner to his uncles in Walker Brothers & Co., importers and exporters of Fort Street, Sydney. The uncles now lived in London. Thomas, the firm's colonial manager, sent to them 2621 bales of wool from the clip of 1838, making Walker Brothers the third-largest importer of Australian wool into Britain for that season. He supervised the turnaround of many deep-sea ships during the year, which involved him in selling wholesale much of the imported merchandise they carried, and in finding freight for the next stage of the voyage. The freight included bales from the Walker family's own headstation, Wallerawang, near Bathurst, and from other runs fully or partly owned by the family. It also included many barrels of oil collected by the Walkers' own whalers.

Thomas Walker's ride overland, marvellous tonic that it was, brought him into contact with both old and prospective customers—hence the firm's fine performance in 1838. It also allowed him to appraise prospects for profit in and around Melbourne. The very day after he had arrived there, in the winter of 1837, he bought four allotments in Bourke Street. The first government auction of Port Phillip suburban and rural land took place in Sydney in September 1838, and Walker bid £5720 for 1268 hectares at a place he had explored on foot fourteen months earlier. His book closed with high praise of Melbourne and its hinterland: 'I had no idea of the value of this part of New Holland until I saw it, but now I am convinced it must become the most important portion of it'.

A month in the bush of Australia was, indeed, partly a device to boost the resale value of Australian land, Port Phillip land in particular. Thomas Walker, importer and exporter, shipowner, woolgrower, land speculator, was active in all the markets that are the subject of this chapter—the markets for wool, oil and other exports, the wholesale and retail markets inside Australia, the markets for land, shipping, freight and information. At the centre of it all, as far as he was concerned, stood the labour market. As we shall see later in this chapter, Walker captured attention in 1838 with his proposal to raise a loan of £2 500 000 for the importation of 60 000 married couples within five years. Such people were essential as a workforce and as consumers. Without them investment would lose much of its promise.

A rapidly growing group of ambitious, energetic businessmen helped to shape the economic fortunes of the colonies, and to create the many markets where the colonists bought what they needed and sold what they produced. Myriad transactions linked the many sectors of the economy. Meetings with strangers took place in clearly defined places: counting houses, banks, auctioneers' rooms, shops, or the masters' cabins on coastal sailing vessels. Deals were also struck in private, between friends. Nor was Australia's marketplace limited to the four colonies: the imperial connection was still immensely powerful.

With the labour market, explored in the previous chapter, such market networks determined the material conditions within which colonists lived and dreamed.

CONSUMER GOODS

Few white Australians were self-sufficient. In towns and in the country they were served by an army of merchants and traders, retailers and storekeepers, who operated a fairly sophisticated market economy. As their newspapers shout from every page, colonial advertisers were wide awake to a public longing to live well.

The diet of colonists still largely resembled that of people in the mother country, although, as we shall see, the common people do appear to have been better fed,



Dinner at the Beales. Meat remained a staple in the diet of colonists. The Beales sit down to a meal of chops and gravy, much as they would have eaten back in England, and Anthony Beale recorded it in his diary as typical for them. Ink drawing by Anthony Beale in his diary, 1840.

LA TROBE LIBRARY

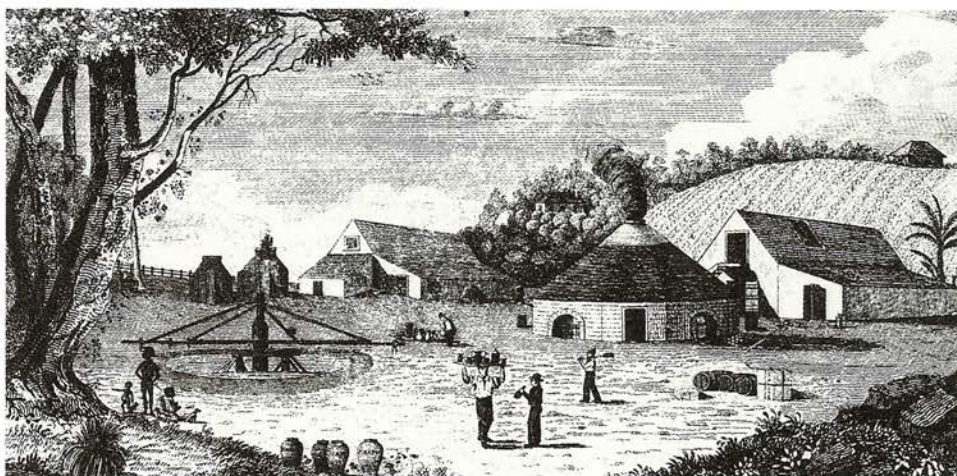
eating much more protein and fat than their British counterparts. There were differences in drinking habits. Beer brewing in the colonies was very much in its infancy. Most beer was made at home for household use. Tooth's brewery had been established in Sydney only in 1835, and hops were still imported from Britain. No reliable high-quality beer could be produced for sale locally—though it was said that some of Perth's breweries made 'an article not at all to be despised'. Public houses were largely supplied from England. New South Wales alone imported over two million litres in 1838, some 23 litres for every man, woman and child. The Sydney merchant George Porter noted the influence of the seasons on imports: 'Summer months [are] the best time for ale to arrive, and in bottle the most saleable. Porter and Pimlico ale forms a better drink in the winter months than lighter ale'. But English beers were not cheap and could suffer from the long passage through varying climates. In Sydney porter and ale cost between £6 and £8 per barrel wholesale. Dunbar's superior kinds cost no less than 13s per dozen bottles. Elsewhere prices were usually higher. In Perth English beer fetched 19s, while local brewer James Stokes offered his ale at 8s 6d a dozen.

Even taking into account that Australian wages were higher than those in England, these figures suggest that few people could afford to cheer themselves daily with imported beer. Local beer being such a poor substitute, Australian thirsts were most frequently quenched with tea, sweetened with ample supplies of sugar. The consumption of Chinese tea per head was about six times as high as in Great Britain, about ten pounds per year against about one and a half pounds. Little or no alcohol was available in the camps of squatters and frontiersmen unless they were within reach of an unlicensed, or 'sly', grog shop. Instead the fall of dusk signalled the boiling of thousands of billies. The invasion of this continent—at least the sharp edge of invasion—was largely in the hands of sober men.

IMPORTS OF SPIRITS INTO NEW SOUTH WALES IN 1838

	<i>Gallons</i>
Rum	137 000
Brandy	62 000
Gin	49 000
Whisky	24
Others	16 854
Total	264 878

Irrawang vineyard and pottery. [The vineyard] is yet of very limited extent, only a few acres (which have been trenched about three feet deep) ... The vines have grown luxuriantly in this vineyard these five years past, and borne abundantly. The white wine, of vintage 1836, which was made and preserved with care (but without the addition of brandy or any other drug), resembles high-flavoured *Sauterne* ... The Pottery has also been established under considerable difficulties. Clay had to be procured, or rather discovered, that would dry without cracking, stand the fire without fusing—and be at the same time capable of receiving a permanent glaze. Workmen, moulds, &c., had to be procured from England. All this has been accomplished, and the manufactory now produces very superior goods of the kind, being mostly common brown cottage ware. *Etching, by John Carmichael, and description from J. Maclehole, Picture of Sydney and strangers' guide in New South Wales, Sydney 1839, 170–1.*



In towns and better settled areas, and in the rapidly growing number of roadside inns, spirits—mainly rum—provided the colonist with alcohol. The yearly consumption was about fourteen litres per head, which was high by British standards. Many bush workers, convicts and children did not or could not drink alcohol and women drank less than men. So men who did drink must have swallowed great quantities, especially if we add to their total the spirits, wine and beer made on the spot. The accompanying table on standard wines shows that the Australian market had become diverse by 1838. Rum was declining in popularity, although still number one, while brandy had rapidly gained in favour. Whisky was still largely unknown.

In the areas of older settlement, spirits, sometimes badly adulterated, fuddled the brains of rich and poor alike. Rum was still widely used as part of wages and, with gin, made the cement of mateship. Civilised conviviality among respectable people was more often associated with wine. Merchants and officers, governors and gentry imbibed the same large range of wines as the upper classes in Britain. The only significant colonial addition was a cheap inferior wine from southern Africa, which allowed poorer Australians to gain a sweet foretaste of what material success might bring. A price list in the *Cornwall Chronicle*, published in Launceston, shows the impressive choice the rich enjoyed.

STANDARD WINES ON THE AUSTRALIAN MARKET

Port, in wood, per pipe	from £6. 0. 0	to £7. 0. 0
bottled, per dozen	1.12. 0	2. 2. 0
Sherry, in wood, per pipe	40. 0. 0	60. 0. 0
bottled, per dozen	1.16. 0	2. 2. 0
Marsala, per pipe	20. 0. 0	
Lisbon, per pipe	30. 0. 0	
Tenerife, per pipe	17. 0. 0	17.10. 0
Champagne, per dozen bottles	2.10. 0	3. 3. 0
Claret, per dozen bottles	2. 5. 0	2.10. 0
Hock, per dozen bottles	2. 5. 0	2.10. 0
Moselle, per dozen bottles	2. 5. 0	2.10. 0
Madeira, in wood, per pipe	50. 0. 0	
bottled, per dozen	2. 0. 0	2.10. 0
Cape, in wood, per pipe	16. 0. 0	18. 0. 0

Even the poor enjoyed some variety. The anonymous Port Phillip convict shepherd whose intake at a roadside inn on 15 March was recorded by an indignant traveller may not have been typical. But by spending more than £1 on food and drink on a single day, he showed clearly why many could believe that Australia was a land of plenty:

Food: 4s 6d, consisting of Breakfast, Dinner, and Supper,
each at 1s 6d.

Drink: 19s 5d, consisting of	1 gill rum	1s 3d
	3 glasses ale	1s
	2 glasses brandy	2s
	5 glasses and	
	1½ pint sherry	12s 6d
	1 glass gin	8d
	1 pint wine	2s

Total expenses: £1 3s 11d

Australians also smoked a lot of tobacco, as a necessity of life rather than a luxury. Few free labourers went without their short pipes, and convicts persuaded their masters that it was impossible to work without tobacco. Extra tobacco was often awarded for hard work and good conduct. Aborigines, who did not change their eating habits much in the early years of contact, nevertheless took eagerly to tobacco. Some peoples in the centre and west of the continent were used to the pleasant effect of chewing the leaves of the *pituri* plant, and in Arnhem Land others had been introduced to pipe smoking by trepang fishermen from Macassar. All became keen consumers of tobacco, and so formed part of the Australian market. Squatters used tobacco to entice Aborigines to work for them, creating a form of bondage by addiction to a product grown beyond the oceans by other black slaves. In fact, the most popular tobacco in the colonies was a type of Virginia leaf called 'Negrohead'.

Like alcohol and tobacco consumption, Australian eating habits differed from one region or social group to another. Food in the bush was simple: mutton, damper and the occasional kangaroo or possum. Convicts' and sailors' rations were plentiful, if rather dreary and monotonous. People ate better in towns. Mutton and beef were generally abundant and, although they were sometimes too expensive for the poor, Australians may well have been among the biggest meat eaters in the



Moses' Gin Palace,
KNOWN AS THE
GLOBE TAVERN.
Situated at the corner of Collins & Murray-sts.

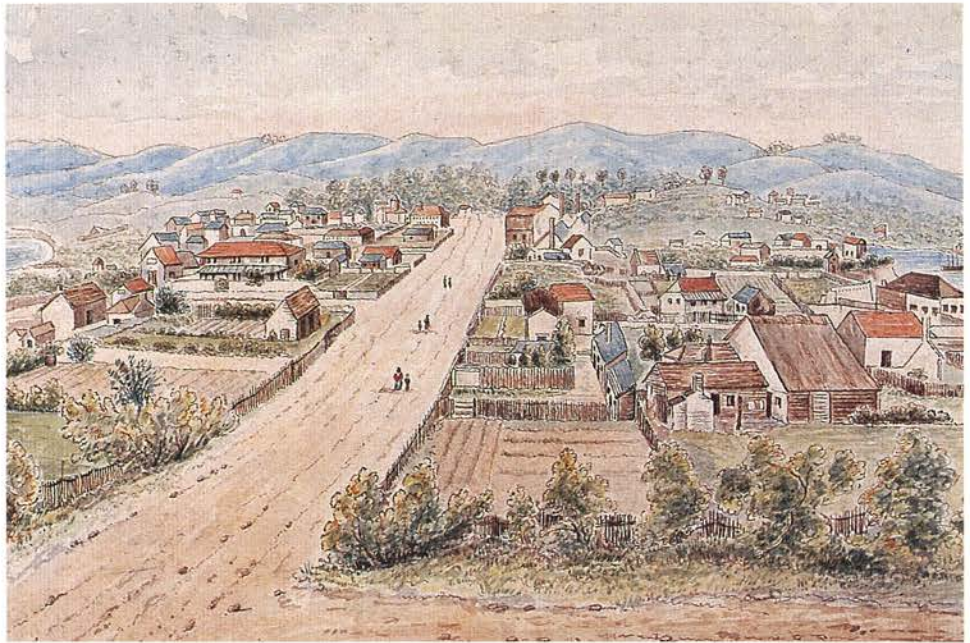
JOHN MOSES respectfully acquaints his friends and the public in general, that he has commenced business as above, and has laid in a superior stock of Wines, Spirits, Ales, and Porter, all of the best qualities obtainable in the market. He also begs to intimate to gentlemen (professional or otherwise), that he has fitted up a room on the first floor, in which (and to which there is access by a private side door) they will find elegance and comfort combined, and where will always be found, *sideboards*, laid out with cold meats, sandwiches, soups, &c., at a very moderate charge; and in soliciting their patronage in his new undertaking, he trusts by providing every article of the best, after once being favored with a trial, to ensure a continuance.

Dinners or made dishes for small parties, provided in a superior style, at the shortest notice and should a bowl of punch be desired, J. M. challenges any competitor to produce a superior beverage.

June 12.

John Moses in Hobart Town commends his public house to 'the public in general' and in particular to gentlemen. Austral-Asiatic Review, 19 June 1838.

Camping ground at night. Tobacco and tea were considered necessities of life for frontiersmen. These two travellers comfort themselves in their isolation with a pipe and boiling of the billy. This undated watercolour by S.T. Gill may include a self-portrait—the figure on the log. MITCHELL LIBRARY



Fremantle. In the foreground, vegetable gardens and fruit trees. Pen and ink and watercolour by Charles Wittenoom, c1838.

DIXSON GALLERIES

world. Pork and veal were roughly twice the price of mutton and were eaten much less often. Fowl and imported hams added variety for those who could afford them. Cheese, milk and eggs formed part of everybody's staple diet.

Most everyday food was produced locally. Meat usually came from farms near towns and villages, as did most dairy products. Market gardens abounded close to the centres of population. Many, such as those of J.B. Hack in Adelaide, were still within the town boundaries, and gave them a semirural appearance, as did the fruit trees and vegetables that grew in most gardens. Gardening was a useful accomplishment worth encouraging, especially among the poor. In September the Launceston Horticultural Society announced its first show, with prizes for the following: gooseberries, white currants, red currants, raspberries and strawberries, cauliflowers, cabbages, peas, beans, rhubarb, early potatoes, cucumber and lettuces. A show for summer produce was also announced for the following year, to encourage excellence in the cultivation of 'Apples, Pears, Grapes, Figs, Peaches, Nectarines, Plums, Nuts, Walnuts, Almonds, Apricots, Melons, Potatoes, Carrots, Parsnips, French Beans, and Cabbage'. While the cooler climate of Van Diemen's Land was not suited to citrus fruit, the people of Sydney enjoyed their oranges and lemons. In October the Perth market saw its first 'extremely fine bananas'.



The wheat trade was much more complex. It was concentrated in the hands of a few merchants, who brought in, not only grain, but foreign foodstuffs such as sugar, tea and spices from Asia. Launceston firms like Williams Campbell & Co., Hewitt Gore & Co., and Smith Raven & Co. sent wheat by the shipload to Sydney. Their connections in Sydney resold the shipments to the flour millers, who in turn supplied bakers and shopkeepers. Millers also dealt with local growers, and it was commonly believed that they could play the merchants off against the farmers. In September the *Sydney Gazette* warned the farmers of New South Wales that 'long



Albion Mills, property of J. Terry Hughes, Darling Harbour. Sussex Street forms the main thoroughfare between the wharfs, warehouses, flour mills, shipbuilding yards, and manufactories, which are posited between it and Darling Harbour . . . there are not less than eight flour mills, belonging to the first merchants in the colony, to be found, all actively at work, on its western side. Description from J. Macle hose, Picture of Sydney, 61. Undated watercolour by Frederick Garling.

MITCHELL LIBRARY

before the sickle is “put to the wheat” and the labourer is paid for his hire, their produce is already sold, and a bargain made for their labour’. The millers, in other words, had agreed among themselves on the price of grain from the coming harvest. In this way they were supposed to control other branches of the economy. The *Gazette* used ‘Mr Doughey’, a fictitious baker, to suggest to an equally fictitious miller the perils of such intervention in the market:

I assure you some of the most respectable shopkeepers have often complained to me that they cannot sell half the quantity of goods during the depression of the wheat market, that they do when a fair and remunerating price is given to the grower; and, indeed, it is often made an excuse by the small tradesmen, for not paying their monthly bills, that they have no up-country customers—consequently I have often great difficulty in getting my money, and taking my bills up.

But the miller was unconcerned—as long as the farmers did not give up altogether and turn to growing hay: ‘then we shall have to depend upon foreign supplies. Well, never mind; I dare say we shall find merchants and fools enough for our purposes’.

The retailing of drink, tobacco and food, including bread, was done by smaller men such as ‘Mr Doughey’. Publicans, grocers, butchers and bakers vied for the favour of the public, with an eye to changing demands. The confectioner George Marshall, centrally located in Elizabeth Street, Hobart Town, advertised his hot cross buns for Good Friday. Earlier in the year his rival, Blythe’s ‘Confectionary Establishment’, had appealed even more directly to the British habits of their townfolk:

Although separated from our native land by a distance equal to the semi-circumference of the globe the mind naturally reverts with partiality to the

SPORTS AND PASTIMES

which enlivened the firesides of our youth, amongst which there is perhaps none [with] which so many agreeable feelings are associated as the merry meeting in honour of



A country flour mill, Campbell Town, Van Diemen's Land. The chimney shows steam power; the architecture is for a romantic landscape. Undated pencil drawing by Thomas Chapman.

TASMANIAN MUSEUM AND ART GALLERY

Liverpool Street, Hobart Town. Liverpool and Elizabeth streets were the main shopping streets in Hobart Town. Shopkeepers lived above their shops in neat terraces. Hand-coloured lithograph by Thomas Chapman, printed 1844.

NATIONAL LIBRARY



Hamilton Flour Mill,
Hamilton.

MR. J. F. F. KERR begs to inform his friends and the public, that having purchased and entered upon the above "old established mill," (late Mr. Roadknight's) he is now ready to receive grain in any quantity for grinding.

Having engaged the services of a first-rate and respectable miller, who had many years experience in England, he trusts he will be enabled to give perfect satisfaction to all who will favor him with their business.

Hamilton, 13th June, 1838.

Hamilton Store,
(Late Roadknight's.)
HAMILTON.

MR. J. F. F. KERR begs to intimate to his numerous Friends and the Public generally, that he has purchased from Mr. WILLIAM ROADKNIGHT all his extensive premises situate in Marlborough-street, Hamilton, where he intends carrying on business on the most liberal principles; and having laid in an extensive and well assorted stock of slops of every description, blankets, calicoes, flannels, prints, dresses, hats, tea, coffee, cocoa, sugar, tobacco, soap, starch, snuffs, nails, saws, sacks, raisins, currants, candles, Irish mess pork, Irish and potted butter, corks, oatmeal, carpenter's and shoemaker's tools, hemp, flax, rosin, pitch, glue, stationery, salt, salts, hops, pepper, ginger, spices, chalk, sewing twine and various other articles, he hopes to be favored with a share of their patronage.

☞ Produce will be taken in exchange for goods.

N.B.—A blacksmith's shop with tools, bellows, &c. complete, to be let.

Hamilton, 13th June, 1838

The combination of store and flour mill was common in country villages. Farmers who delivered grain to the mill were paid with orders on the store. Some fell more and more deeply into debt to the miller-storekeeper.
Austral-Asiatic Review,
19 June 1838.

A Noble Twelfth Cake

with all its mirthful adjunct of comical Kings, Queens, and droll characters.

Other delicacies offered by Blythe's included wedding and christening cakes 'of the very richest quality of any size, and on exceedingly low terms'. In Sydney there was already a specialist delicatessen. J.B. Bossley of Pitt Street offered pine, Berkeley and Cheddar cheeses, preserved in bladders, together with salmon, Yorkshire bacon and hams, pickles, mustard and sauces. Medicinal leeches were still being used to treat many ailments, and Bossley advertised, along with his foodstuffs, 'Fine Healthy Leeches'—thus competing directly with King Street chemist D. Dole's supposedly superior 'Fresh Leeches'.

It is difficult to guess how often Australians ate away from home. The traveller could, of course, find a meal in a roadside inn and itinerant working men probably ate as often in public houses as in the lodgings where they slept. In most of these establishments the fare was very simple—chops and bacon and eggs, whatever the meal, or a roast for dinner. Launceston could boast the Kent 'Soup Rooms and Chop House'. Here Jones, the proprietor, offered his well-known range of soups, including mulligatawny at 1s 6d per tureen, savoury or sweet dishes, and 'Jellies and Blanchemanges'. Deacon's Coffee House was Adelaide's prime eating place. In Hobart Town the popular 'pastrycook & confectioner' J. Hedger moved during the year to 'that . . . commodious house, No.32 Elizabeth-street, . . . fitted up in the first style, without regard to expense, for the accommodation of his numerous customers'.



Charles Medyett Goodridge, a resident of Van Diemen's land for eight years observed of the people of Hobart Town that they not only ate and drank well, but were also 'better and more expensively clothed than we ever remember to have seen in any town in England'. Even many of the 'best behaved of the prisoner class also contrive, from the gains of their industry, to cloth themselves both decently and respectably'. This was true of all the British settlements on the continent.



Hobart Town's well-dressed citizens promenade outside Nathan Moses & Co's shop, on the corner of Liverpool and Murray streets. Watercolour attributed to Thomas Chapman, c1843.

ALLPORT LIBRARY AND MUSEUM OF FINE ARTS

Advertising. Shopkeepers were finding new ways to attract customers' attention. Some newspaper advertisements were still quiet announcements in regular type to an established clientele. More aggressive sellers were beginning to shout to the world at large, using bold visual devices. Murray's Review, Hobart Town, 27 Mar 1838.

During the year New South Wales imported some £460 000 worth of textiles, over 97 per cent coming from Britain. In Sydney several drapery stores already imported their wares directly. These early retailers included David Jones, Melville & Andrews, John Rickards, Mrs Davies, and Robert Bourne & Co. Bourne received regular monthly supplies from his London connection Robert Brooks, and in 1838 sold well over £10 000 worth of clothing materials and related articles.

General stores were still the most common type. They did not belong only to small retailers. Many wholesalers and even most large-scale importing merchants still sold directly to the public, sometimes by auction. Newspaper advertisements in all colonies bear witness to their activities. L. & W. Samson, of Fremantle and Perth, sold the same comprehensive range of goods as John Gilchrist at Sydney, William Tress at Parramatta, Willis Garrett & Co at Hobart, John Russell at Adelaide, or Hewitt Gore & Co at Launceston. Some filled whole columns advertising the sheer variety of their stock. Often these included items to fire the imagination, such as the 'eight cock Spirit Fountain' offered by A. & S. Lyons of Sydney.



Australia formed a large and expanding market for consumer goods. Colonists imported over ten pounds' worth of British goods per head, more than ten times the figure for the Canadas or the United States. After the economic crisis of late 1837 had been overcome, the confidence of leading colonial merchants knew no bounds. Their shining example was Samuel Terry, the 'Rothschild of Botany Bay', who died on 22 February 1838, leaving movable goods worth more than £200 000 and real estate of similar value or more.

New fortunes were now made rapidly. It was said that the auctioneer Abraham Polack, 'who ten years ago would have touched his hat for a ten pound sale on commission, was now worth about £5,000 a year'. Stuart Alexander Donaldson, who gave this sneering opinion of Polack, embodied well the commercial spirit of 1838, the unbridled drive and optimism of this boom year. He had entered the London counting house of his father's firm Donaldson Wilkinson & Co at the age



OBSERVE !

**VAUGHAN'S
LONDON HAT MART**
No. 42, ELIZABETH-STREET.
(Opposite Messrs. J. & W. Robertson's.)

HATS and CLOTHES.
CHEAPER THAN EVER

Hats.

BEST SUPERFINE, from 20s. to 28s. each.

COATS.

Gentlemen's Dress and Close-body
Coats, made in the best work-
man like manner, at very

REDUCED PRICES

Trowsers.

Best double mill'd Ker-cymere made to order,
only £1 14s.

WAISTCOATS,

Handsome and elegant patterns, from 6s. 6d. to
8s 6. each

SHIRTS.

All kinds of Regatta, and White Shirts, of super-
ior quality, at very

REDUCED PRICES

*. All kinds of clothing made to order by the
best workmen, at 24 hours notice.

of fifteen. After journeys through Germany and Mexico, gathering on the way a large fund of anecdotes, miscellaneous information and experience, he had come to Sydney in 1835, aged 22. Here he became partner in R. Jones & Co, the agents of his father's firm. Richard Jones was one of Australia's most enterprising merchants, and the 'most singular man' Donaldson had ever met: he lived to speculate. In 1837 over £350 000 had passed through the books of R. Jones & Co, and, impatient as the young apprentices described in the previous chapter, Donaldson had become dissatisfied with being a junior partner. At this point Jones retired from the trade with Britain and on 1 January 1838, Donaldson struck out on his own. He had turned 25 only a fortnight earlier.

Donaldson was convinced that he could sell at least £50 000 worth of British goods a year, and he also began speculating in sugar from Mauritius and Java. During the year he helped found the exclusive Australian Club, with his own clients at the centre of it, and he felt he could conquer the world:

I feel proud at my age to be placed in the situation I fill ...

Sure, I am very young, but I maintain if a man's principle and conduct are right, and his education has been attended to—age is not absolutely necessary for the conduct of business ...

With his 'personal acquaintances and local knowledge and connections in this colony' Donaldson knew that there was much to be done in the trade between Britain and Australia: 'and by diligence and pretty hard work I have no fear for the future'.

Donaldson's confidence was based on the credit extended from London by his father's firm and on his understanding of the nature of the Australian market: 'The consumable commodities here are very much the same as in England—and if things are only honestly bought or invoiced from home they will always do tolerably well here'. A margin of 17½ per cent over prime cost was all he required.

Importers, wholesalers and retailers were all confident in 1838. They worked hard to improve their sales, advertising on a large scale and granting liberal credit. Merchants strongly supported assisted immigration. Thomas Walker extolled its virtues before the legislative council's immigration committee in Sydney. The commercially orientated *Sydney Herald* fully agreed. Necessary as a source of labour, immigrants were also seen as additional customers. A group of more than fifty 'Merchants and Gentlemen' of New South Wales expressed their high expectations when they addressed Captain Sir JJ. Gordon Bremer before he set out on his expedition to found Port Essington on the northern coast of Australia:

we desire to convey to you ... our hope that the settlement which you are about to re-establish may speedily emulate in prosperity this older appendage of the British Crown, and our conviction that she will also become a very important relation in the extension of commerce ...

Governor Gipps described the new settlement as a source of opportunities 'not only to this Colony, but to the British Merchants in general'. On similar grounds Walker argued for the adoption of a loan to boost immigration funds. As well as increasing the size of the colonial market, the passage of families to this opposite side of the earth 'would alone employ no less than from eighty to one hundred large ships per annum'.

Walker announced his return to London to organise a grand scheme that would bring married couples and single workers to Australia. As he knew well, British merchants, bankers, shipowners and shipbrokers were among the keenest supporters of emigration to the colonies. They were not only deeply involved in

assisted emigration to New South Wales, but were also prominent in the companies that founded new colonies in this part of the world. Having established South Australia two years earlier, in 1838 their efforts led to the formation of the New Zealand Company. The *True Colonist* of Hobart Town, announcing Bremer's official expedition to Port Essington, stated as a matter of fact that 'private speculation originated the Swan River, Adelaide, and most other colonies'.

THE ANNUAL CONSUMPTION OF AN ADELAIDE GENTLEMAN

In 1838 inflation was rampant in many areas, but nowhere as severely as in Adelaide. In December Governor Gawler appointed a committee to ascertain the prices of the necessities of life in order to see what revisions had to be made in the salaries of colonial public servants. Needing a yardstick, the committee calculated the 'annual expenditure of a single gentleman with one servant, ... with a strict regard to economy and good management'. As those expenses, even without taking into account any luxuries, exceeded the income of all but the governor himself, the committee concluded that many 'inferior Officers' were in debt. It did not bother to estimate the annual budget of men with families.

Regular weekly expenses:

15 lbs of fresh meat, at 1/-	£0.15. 0
14 lbs of bread, at 4½d	0. 5. 3
7 pints of milk, at 4d	0. 2. 4
vegetables	0. 7. 0
wine and beer	1. 1. 0
minor groceries	0. 7. 0
½ lb tea	0. 2. 0
1 lb sugar, at 3d, 2 lbs at 1/-	0. 2. 3
¾ lb fresh butter, at 3/6	0. 2. 7½
1 lb of salt	0. 2. 6
1½ load of water, at 4/-	0. 6. 0
1½ lbs of soap	0. 1. 9
candles, 2 lbs at 1/6, 1 lb at 4/-	0. 7. 0
1½ load of wood, at 8/-	0.12. 0
washing, 3 dozen at 5/-	0.17. 6

TOTAL £5.11. 2½

Calculated per year £289. 2.10

Annual expenses:

House rent	£60. 0. 0
Man's servant wages	45. 0. 0
Master's clothes, with economy	50. 0. 0

TOTAL EXPENDITURE FOR ONE YEAR £444. 2.10

Assuming that most of the wine and beer, minor groceries, tea, sugar, salt, soap, candles and clothes were imported from overseas, this gentleman alone accounted for annual imports of some £150.



The caricature argues that Samuel Terry and his wife Rosetta—a successful businesswoman in her own right—lack the dignity that should go with great wealth. Engraving from The history of Samuel Terry in Botany Bay, London 1838.

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Although private enterprise was the driving force behind the creation of British Australasia, the economic role of government remained considerable. In New South Wales, the largest of the colonies, expenditure by public authorities in 1838 totalled £1177 million—31.7 per cent of the colony's Gross Domestic Product.

The Commissariat, an institution established at the beginning of settlement to manage the external revenues of New South Wales, and to purchase and distribute imported stores and materials, now played only a minor role. But government investment in building and public works, including surveying, remained important, and since 1822 had been growing faster than the colonial economy as a whole. There was a construction boom in 1838. Expenditure from the Colonial Fund, from which such investment was made, rose from £360 000 in 1837 to more than £617 000. The previous peak, in 1836, had only been £387 000. Public spending had not accounted for more than twenty pounds in every hundred invested in the colony during the first seven years of the 1830s; but heavier spending on public works pushed the figure up to almost £32 in every hundred in 1838. In Van Diemen's Land, with an economy about a third the size of New South Wales, the pattern was similar; and in the newer colonies of Western and South Australia, while the scale of public expenditure was smaller, government investment in surveying and building provided a vital underpinning for speculation and development.

Government economic activity also included financing assisted immigration to New South Wales and the contribution of convicts to the colonial workforce. Gangs of convicts had been responsible for the construction of penal establishments, roads, bridges and many other public works for 50 years; and since the early 1820s much of their work on the public account had been redirected from government projects to clearing land for private occupation, a particularly direct public contribution to private economic activity. Other aspects of government had economic consequences equally important, if less direct. Without the provision of law and order no investment is secure; postal services were a great help to communications between different parts of the markets; and in isolated convict colonies the maintenance of a reliable legal system was vital for economic progress.

All such things helped to shape economic life in Australia. However, the fact remains that public spending and government services were a secondary element in colonial economic activity. We will return to the activities of government in later chapters, but in this chapter government remains in the background. Despite the fact that spending on public works was exceptional in 1838, colonial market places were dominated largely by private enterprise.

WOOL

By 1838 woolgrowing had overtaken whaling as the most lucrative single industry in the economy of the British settlements in Australia. More and more sheep grazed on more land and more immigrant workers were engaged to tend them. Money flowed in for the purchase of land, stock and implements. Colonial transport and finance expanded to meet the requirements of the conquering woolgrowers. But the colonies' dependence on the British market for the sale of wool remained almost total. Apart from a minute quantity kept for the local manufacture of hats or felt, the rapidly rising volume of colonial wool was exported to England. The London auctions took the lion's share and left only a little to Liverpool. Wool exports from New South Wales and Van Diemen's Land had jumped from 175 433 pounds in 1821 to 3.5 million in 1833 and more than 7 million in 1837. The clip of 1837–38 yielded more than 30 000 bales, which constituted some 15 per cent of all wool imported to Britain.

The traditional suppliers of wool, in England itself and on the continent of Europe, faced high costs of production as rural land became more valuable, and winter conditions had always made the feeding and shelter of sheep expensive. The

ease and cheapness of grazing on Australia's vast open pastures cancelled out the cost of shipping to the other side of the world. Australia's climate, too, allowed wool to be grown that was both fine enough to satisfy European tastes and strong enough to stand up to the rough usage of the new steam-powered machines. In its fineness the Australian product far surpassed the sheep hair exported from Argentina and India, while its strength fitted it for a much wider range of purposes than the superfine fleeces of Germany and Spain. There seemed no limit to the number of Australian bales that manufacturers in Yorkshire were prepared to buy.

Conditions at the British end, however, determined the prices growers received. These conditions were in turn affected by fluctuations in the economic fortunes of the Atlantic core of the world economy. In 1837 a severe crisis had convulsed the trade between Great Britain and the United States, bankrupting major financiers in both countries and depressing demand for manufactured goods. Thus, after a peak average price of 2 shillings a pound in 1836, wool values had fallen to 1s 6d in 1837. In 1838 they dropped by another penny.

In few trades were producers so dependent on a single market, and one so far away. Distance, best measured in the long months it took for information and merchandise to travel, put its indelible stamp on the way in which the handling and marketing of wool were organised. At the same time the need for most woolgrowers to borrow in order to live and prosper made them dependent on colonial merchants and agents. These close links between finance and marketing formed the backbone of the Australian wool trade.



To follow the track taken by the wool on its way to clothe the populations of the world's temperate and cold zones, we must start at the sheep's back during the shearing season. It was at this point that woolgrowers had to decide how far to clean and dress the wool, how to pack and transport it to the wharf, and how best to dispose of the clip—if indebtedness to a Sydney merchant still left them that choice. Woolgrowers, like grain growers, might well be at the mercy of their middlemen. It was hard to play the game to best advantage. The latest intelligence about the state of the British market was always at least four months old, and newly clipped wool would probably not be auctioned for six months or so. Wool was sold in a market that could have changed considerably since the time of shearing.

The woolgrower had two major options: to sell to merchants in Australia, or to consign wool to Britain and have it sold there on his or her own account. Many considerations could affect the choice. Some things were well known to the grower, such as the size of the clip, the extent of liabilities and the price offered. Others involved taking a gamble on unknowns, such as the price that might be obtained at the London auction, the date of the wool's arrival in England, the cost of remittances, or the attraction of reinvesting the proceeds in British exports for the Australian market. Most woolgrowers were keen to consign produce on their own account when the market was rising, and to sell quickly on the spot when values declined. But purchasers played the same game.

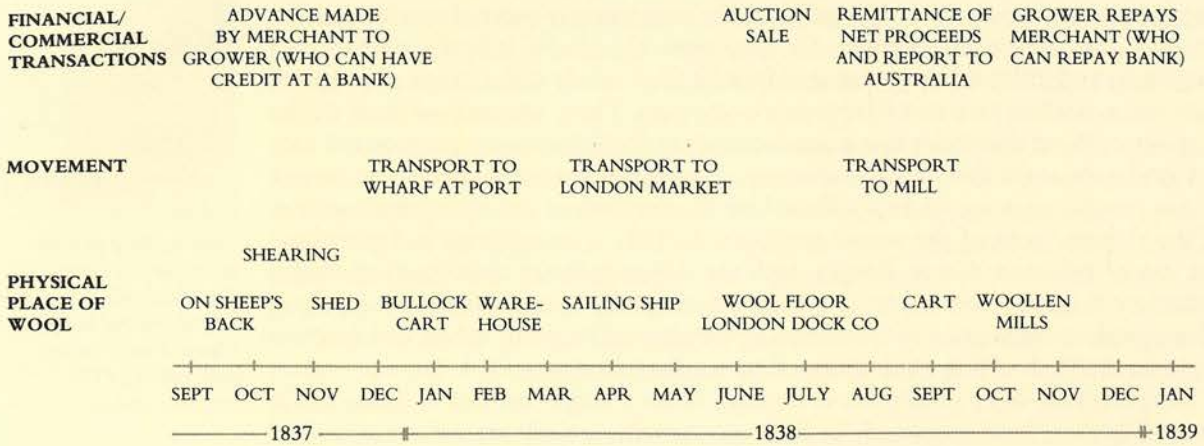
All parties scoured the newspapers for information to help their calculations. The colonial press provided extensive reports, both on the general condition of the trade and the results of the London and Liverpool auctions. Between 1833 and 1838 the *Sydney Herald*, which made a special point of carrying information on such matters, more than tripled its rural subscribers. Many were no doubt anxious men adding up profits and losses in remote bark huts. As well as these public reports, many producers and merchants had private sources of information.



Shearing sheep in a tent in the Barossa Valley, South Australia. Detail from a hand-coloured lithograph by George French Angas, published in 1849.

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SEASONAL CYCLE OF THE WOOL INDUSTRY



However reliable their British connections, they could do little to reduce the uncertainty facing the Australian exporter.

Merchants also gambled on the wool market, both as woolgrowers themselves and as the creditors of woolgrowers. This was a direct result of the prosperous 1830s and the woolgrowers' need for credit. An extended range of credit facilities meant that not only the banks—nine of them with colonial headquarters—but also local merchants and the agents of British merchants were advancing ever larger sums. With the proceeds of British exports to Australia, or through credits or bills drawn on their principals, they had ample funds to lend to woolgrowers at high interest.

The first to use this method on a significant scale was Michael Connolly, one of the aggressive young entrepreneurs who made Launceston in the 1830s one of the most economically vibrant places in the British empire. In 1832 Connolly had captured a large share of Launceston's wool exports, through a series of daring moves in which the tottering Cornwall Bank, a local institution, was his main victim. As an admiring rival observed,

he advanced all those who had good property whatever they asked on their wool; fortunately the wool sold so much better than they anticipated that it covered the advances.

Thus Connolly was able to build up firm connections. He obtained his funds from Thomas Hewitt at Hobart Town, the local agent of John Gore & Co of London, prominent exporters and the largest importers of Australian wool into Britain. Once Gore & Co allowed its colonial agents to use its funds to advance on colonial exports, this system rapidly diffused throughout the colonies. Within a few years it was the principal financial and marketing mechanism. No merchant or agent could afford to stay offside. Stuart Alexander Donaldson emphasised that his projected operations were no different from those used by 'every house in the trade', when he urged his London connections to make extensive funds available for him to lend as he liked among growers of good standing.

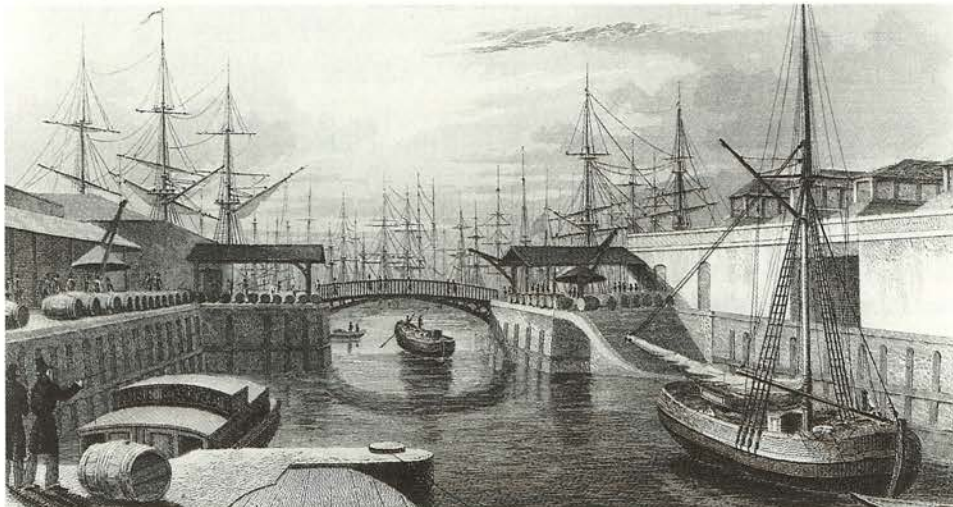
For the colonial agent and his British principal the system of advancing on wool—and on other export produce as well—had two major advantages. It allowed them to benefit from the current high interest rates in the colonies, and it

assured them of the commission fee for handling the wool consignments in London. We can see parallels with the system used by millers who doubled as storekeepers. Both, by extending credit, persuaded clients to use their other services at the same time. In the wool trade the agent's commission fee amounted to 2½ per cent of the gross proceeds, and was earned entirely without risk; the London merchant collected the proceeds from the woolbrokers who conducted the auctions, and he could thus quickly recoup his loans. The consignment agency could also arrange insurance and purchase goods in Britain for sale in the colonies. By 1838, as Donaldson never tired of pointing out, it had become virtually impossible to attract consignments of colonial produce without the extensive use of advances to woolgrowers.

Such fierce competition for their custom worked to the advantage of the woolgrowers, at least for the time being. We need not take too seriously Donaldson's complaint that his landed constituents gave him as much trouble as profit. The bigger men were worth keeping sweet, and no doubt this was in his mind when Donaldson helped found the Australian Club. Some of the richest woolgrowers, like W.C. Wentworth, Edward Bisdee of Hatton Park near Hobart Town, and the several Hentys on both sides of Bass Strait, maintained direct accounts with their London connections, often running up debts as high as those incurred by their colleagues whose finance came through local sources.




The marketing of most Australian wool was settled before the sheep were shorn. More often than not the decisions about finance and marketing were made not in station huts or homesteads but in the counting houses of colonial merchants. Their offices often were no more than a corner in the store from which they made their sales, at or near the wharves of Sydney, Hobart Town, Launceston, Melbourne, Port Adelaide and Fremantle. Some large operators had their own warehouses where the wool they controlled through purchase or advances was collected and made ready for shipment. These were the places where nearly all colonial wool was brought together, by bullock cart or coastal sailing ship; where it was if necessary sorted, packed and repacked; and where it was finally reduced in size in a screw press for stowage on its long voyage to England.



London docks, looking west. Drawing by T.H. Shepherd, engraved by M.J. Starling.

MUSEUM OF LONDON

The first Wool Ship
FOR LONDON,

THE fine new fast sailing first class ship *Henry*, 420 tons register, Wm Walmsly commander, will be ready to take in the first clip of the ensuing season's Wool. She has all her dead weight engaged, and will meet with immediate dispatch. The Cabin and Steerage accommodations are of first rate description. Families wishing to visit England will find this a most excellent opportunity. Apply to the captain on board, or to
 EDDIE, WELSH, & CO., Agents.
 Free storage will be given to parties having any of last years wool on hand, who intend shipping by this opportunity.
 Launceston

The Henry was one of the first wool ships to leave Hobart Town in 1838. From Murray's Review, 9 Oct.

Most of the leading merchants also acted as agents for the ships, most of them British, that took the season's clip. From late September the ships were advertised as wool carriers for the coming season, and for all involved—growers, financiers, merchants and bankers—the main concern became the speediest and safest transport to the auction rooms in London. Public sales were held four or five times a year. It was important to reach the earliest possible auction, as otherwise the wool would lie unsold in the London warehouses and incur heavy charges for storage, insurance and interest. In January no fewer than eleven ships were taking on wool for London in the Derwent, and rivalry was keener than ever. The Tamar and Port Jackson witnessed similar scenes.

The weather determined when the season started and when the wool ships got under way. Occasionally, the first ships left just before New Year's Eve, but 1838 was more typical. The veteran *North Briton* was the first to sail from Sydney, on 8 January, while in Hobart Town anxious shippers had to wait another month before the *Glenbervie* left its rivals behind. During the next three months all the other wool ships received their cargoes, the 727-tonne *Alfred* at Sydney lifting a record 2107 bales. With passages taking anything from three months to well over four, arrivals in Britain were even more spread out than departures. But most ships had the same destination. Of the 38 wool ships that entered British waters between May and October, 34 landed at London and only four at Liverpool. Of the London ships nearly all moved into the basin of the London Dock Company at Wapping.



In the 1830s the rivalry between the various dock companies of London had grown fierce and, as they struggled to expand, the directors of the London Dock Company decided to follow the lead of the East India and West India dock companies and specialise in order to dominate the rising Australian trade. In July 1837 they elected to their board two of the most prominent members of the Australian trade, John Gore and Robert Brooks, and embarked on an ambitious program of building warehouses for Australian wool. They succeeded. By 1838 almost all colonial wool was stored in the high buildings alongside their London docks. Several wool ships could now be discharged simultaneously, and scores of labourers were employed hauling, slinging and piling up the bales.

In London the auction system was organised to match the seasonal but spasmodic arrival of small parcels of wool with the regular demand from a multitude of woollen and worsted manufacturers. It had also to allow the intervention of a small circle of woolbrokers, and to give purchasers the fullest possible choice from the range of kinds and qualities imported. Regulations were introduced in 1838 to tighten up the auction system and to ensure that it worked more to the benefit of the wool importers and their Australian connections. The initiative for this move came from the New South Wales and Van Diemen's Land Commercial Association, the body that united all major City of London entrepreneurs operating in the Australian trade. Its foundation in May 1836 in the Jerusalem Coffee House, the City meeting place of all businessmen connected with shipping and trade east of the Cape of Good Hope, marked the trade's coming of age. The association aimed to promote the collective interests of its members in their dealings with each other and with outsiders—including both the imperial government and the woolbrokers who until then had controlled the auction system.

Initiated and dominated by the most prominent firms in the trade, the association and its committee of management succeeded in imposing its will on the brokers.

On 29 August 1838 the London merchants took firm control. The following rules were introduced:

That the First Sale for the season shall be fixed with the consent of the Committee of the New South Wales and Van Diemen's Land Association, and that the sales shall continue throughout the season *leaving such an interval as the general circumstance of the Trade shall seem to require*. The time to be approved by the Committee, and each series of sales to commence on a Thursday, and that no sale of Colonial Wool shall take place in the interval except under extraordinary circumstances—such as the receipt of a cargo badly damaged, or at the express desire in writing of the Committee.

The association forced brokers to abandon the custom of overcharging on auction expenses and reduced the sample per bale from two pounds to one pound, to be sold afterwards on account of the owner of the wool. In return the brokers remained assured of their 1 per cent commission fee. The committee stated proudly that 'these measures . . . have given very general satisfaction both here and in the Colony'.

In order to sell the wool consigned to them, the London importers first needed a 'Bill of Lading'. Without this they had no right of delivery or possession. Sent in triplicate, the original usually travelled on the same ship as the wool itself, but the copies could arrive earlier with a faster vessel, or by an alternative route. Armed with the Bill of Lading, the importer called on his broker, the specialist who also acted as auctioneer, to arrange for the specified parcel to be included in the broker's next sale. Importers and brokers all had their offices in a very small area right in the middle of the City, and they consulted closely on market conditions and auction tactics. The most prominent brokers were J.T. Simes & Co, Loughan & Hughes, and Marsh & Edenborough. The auctioning itself always took place at Garraway's Coffee House, Cornhill. This was the ultimate marketplace for Australian wool, where the manufacturers made their purchases. After paying cash and presenting themselves with the receipt docket at the dock's warehouse, the buyers took delivery of their bales, and despatched them on their last voyage to their mills in northern England and the West Country.

The London importer then made up an account for his colonial supplier, taking out his commission and all the charges for shipping, insurance, warehousing and broking. The net proceeds, amounting to some 80 to 85 per cent of the total auction price, were placed to the credit of the consignor, who was immediately informed of the result. The conscientious London merchant enclosed with his financial statement an evaluation of the general course of the latest auctions, and his opinion, or that of his broker, on the quality of the wool and the way in which it had been cleaned and prepared for shipment. Comments on the length, strength and thickness of the fibre, and the 'getting up' of the wool, were passed back to the grower to help him improve his product. Usually such advice was gratefully accepted, but not always. James White, of Edinglassie in the upper Hunter valley, wrote angrily to the Sydney merchants Dacre & Wilks, of 115 Pitt Street:

I was very much surprised on receiving your letter of 1 January [1838] in which your agent in London states my wool to be badly got up. There must be some very great mistake for I have got up many hundred bales and never had any cleaner than those were, and I can bring several people who saw the wool being shorn and packed who said they never saw cleaner wool. Amongst them were Mr Goggs who helped to shear the sheep, Mr Tassel and Mr Eales. The latter gentleman offered to get me an advance of 2s. per lb. if I would consign it to

his agents and I was offered 2s. 4d. in Sydney, if I would sell it there. I was hardly surprised at its selling so low, when I have heard how other wools sold, all that surprises me is that Mr Brooks should state it was so badly got up.

By the time James White, 250 kilometres from Sydney, received the report of his wool's sale in London the seasonal cycle of the Australian wool trade was closed—one year almost to the day after it had started with the shearing of his sheep. On its long way to market the wool had rested in his station shed, in the Sydney warehouse of Dacre & Wilks, and on the floor of the London Dock Company's wool establishment. In between it was carried over long weeks and months by bullock cart and sailing vessel. Nearly all Australian wool followed these five stages. Each physical movement in one direction was matched by a flow of finance in the other. Advances, credits, sales accounts and payments, were what the trade was all about, tying all—woolgrowers as well as merchants—to the British marketplace. Its dictates and its rewards ruled the colonies.

Port Macquarie. One of several ports on the coast of New South Wales, including Moreton Bay, Maitland, Wollongong and Port Phillip, that were connected by paddle-steamer with the capital. Detail of an oil painting by J. Backler, c1832.

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TRANSPORT

Transport forms the sinews and veins of all societies. The expanding economies and increasingly complex way of life of the Australian colonies depended on transporting large quantities of goods, both within the colonies and between them and the outside world.

Australia's freight market was dominated by shipping. Land transport was necessary in inland areas where there were no navigable rivers. But wherever there was choice, the physical difficulties and great cost of land transport made water transport preferable. Many craft plied the navigable estuaries and rivers. Ships and boats formed the vital links between the islands of the British 'archipelago' in Australasia, and many places were inaccessible by any other means. Outlying places like Swan River and Bunbury, Adelaide and Moreton Bay, utterly depended on these slow and irregular vessels. It was by sail that Port Essington was founded from Sydney, just as Melbourne and Geelong had been settled by sail from Launceston. All contact with the world beyond had to be conducted by sea.

Each port maintained four kinds of trade: with smaller outports, with the other major ports around the coast, with ports in Asia and the Pacific, and with the British Isles. Sailing ships could be transferred easily between different routes and cargoes, and their movements spun an intricate web of communications.

The smallest ships worked the short coastal routes. They linked Fremantle with Bunbury and Albany; Adelaide with Kangaroo Island and Port Lincoln; Melbourne with Geelong and Portland; Launceston and Hobart Town with the little bays

around the Van Diemen's Land coast; and Sydney with the even larger number of havens and small towns along the eastern seaboard. Most of these vessels were owned by their masters or by other independent men whose main concern was to keep their ships moving. Mobility of people and expansion of trade allowed a specialisation like this. Only in struggling Western Australia were the services of the government's own schooner *Champion* essential to movement along the colony's coastline.

One of the shipowners of 1838 was John Miller, a Scottish sea captain with great experience. His story is representative of many—more so than that of Daniel Egan, the native-born shipowner whom we met in chapter 1. In December 1836, in London, Miller had met his 'old friend and agent' P.W. Welsh from Launceston:

we consulted together as to what might be done for the good of both parties—I knew he was a very speculative character, and that it was necessary to be cautious in my transactions with him.

He suggested purchasing a small vessel and taking her out to the colonies to trade with stock from port to port.

Soon the two men found a suitable ship, 'a very nice brig exactly fitted for this purpose, having been a *slaver*. She was called the "Black Joke", and had a great beam, as also a very fine bottom, and consequently a very fast sailer ...' Trade on the Australian coasts was so lucrative that it attracted the best ships.

As Miller had feared, Welsh did not keep his promise to take half a share in the *Black Joke*. This

put me to great inconvenience as I had to borrow the money to complete the bargain, as well as build a raised after deck, to give some necessary cabin accommodation and fit her out completely. In short I was brought into a very heavy expenditure of at least double the amount calculated on ...

Miller arrived at Sydney, by way of the Cape of Good Hope, on 17 March 1838. 'Our time was fully occupied here taking out one cargo, and getting in another for Launceston ... where I intended to pitch my Head Quarters for some time to come.' Miller's wife also made the journey. Both were delighted 'with the very picturesque and lovely scenery' on sailing up the Tamar. At Launceston they found that Welsh had arrived a month earlier.

It was now Welsh's turn to do something to help me with the Brig; and he did so to some advantage for a time, till I could manage for myself ... I had a heavy debt of £1,100 to pay my London agent, and I set to work at once ...

Miller's first trip was to Port Adelaide where he found the creek and port 'a very shabby concern'. After this he settled with his wife in a cottage outside Launceston. While he cultivated his three acres of 'this little paradise', his chief officer was put in command of the *Black Joke* and made a 'very successful' voyage to Sydney. During his absence Miller made arrangements to lease his ship to a Launceston merchant 'for some months at a certain sum per trip to Port Phillip or Adelaide'. The invasion of the land was fed from the sea, as Miller 'fitted her to carry sheep, and *with expedition!* and paid all [the crew] *well*, as I was so myself by the charterer; so we started fair, making generally two voyages in the month'. Miller's efficient management paid him ample dividends. 'The little *Black Joke* continued to perform her voyages with sheep to Port Phillip with great rapidity', he wrote, 'and I took care we should never be more than 3 days at Launceston; so that everything was going on well; and I was in a fair way to be able to clear off my debt to my London agent very soon ...'



The Macquarie lighthouse at South Head, Sydney Harbour. Such beacons were essential for safe and efficient transport to and from the world. Watercolour by Joseph Fowles, c1842–45?

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The *Black Joke*, apart from its superior sailing qualities, was typical of many craft that linked mainland Australia, Van Diemen's Land and New Zealand. Others did not always ply on regular routes. One such was the little schooner *Joshua Carroll*, of 145 tonnes. Between December 1837 and December 1838 this freighter made a complete circumnavigation of Australia. Captain E.F. Lindsay, whose wife accompanied him, was shrewd as well as lucky, enterprising as well as thorough in reading the market. On 17 December 1837 Lindsay had arrived at Swan River from London, via Cape Town. He sailed for Hobart Town a week later, with part of his cargo still on board. There he found a good demand for transport to Sydney, as drought-stricken New South Wales imported much agricultural produce, and he decided to make the schooner a 'regular trader' between Sydney and Hobart Town.

But circumstances changed, and after two return voyages Lindsay left Sydney for Timor. On 29 September 1838 he reappeared at Fremantle with a cargo of sugar from Mauritius. Testing the market, he advertised the *Joshua Carroll* 'for freight or charter to any part of the world'. Swan River may not have been an impressive colony, but for a mobile captain there were no limits. As it happened, Lindsay's ship was just the right size to carry the first direct cargo of colonial produce to London. Under George Leake's management the business of loading included a quick return trip to Bunbury. When Lindsay left Fremantle on 8 December, his ship carried not only 71 tonnes of whale oil and bone and 105 bales of wool, but also the high hopes of the Western Australian colonists.

As Lindsay's example showed, captains and owners did not hesitate to leave Australian waters when a favourable opportunity arose. Imports of sugar and tea, wheat and rice required a rapidly growing number of ships to travel to Java, the Philippines, China, India, Mauritius, and even across the Pacific to Valparaiso in Chile. Trips across the Tasman to New Zealand had become routine.

Voyages of speculation were always possible, but more frequently men who chartered ships were confident of profit. Many merchants still doubled as shipping agents and brokers, and as yet there were no independent freight exchanges. Ships were hired in the same counting houses and offices where all commercial business was transacted. If they operated on routes where passengers and small consignments were carried, rather than being chartered to carry or fetch a full cargo, the agents often advertised the ship for freight. There was hardly a merchant who did not act

East India Company ship Mellish entering Sydney Harbour. Aborigines watch the Mellish sail up the harbour towards Sydney Cove. W.J. Huggins, the painter, was employed by the East India Company as a professional maritime artist. Undated hand-coloured aquatint, engraved by Edward Duncan, after Huggins.
ALEXANDER TURNBULL LIBRARY, WELLINGTON



in the freight market. The fifteen wool ships that loaded at Sydney for London in February 1838 were handled by no fewer than eleven firms, including W. Walker & Co, Montefiores Breillat & Co, A.B. Spark, and Hughes & Hosking.

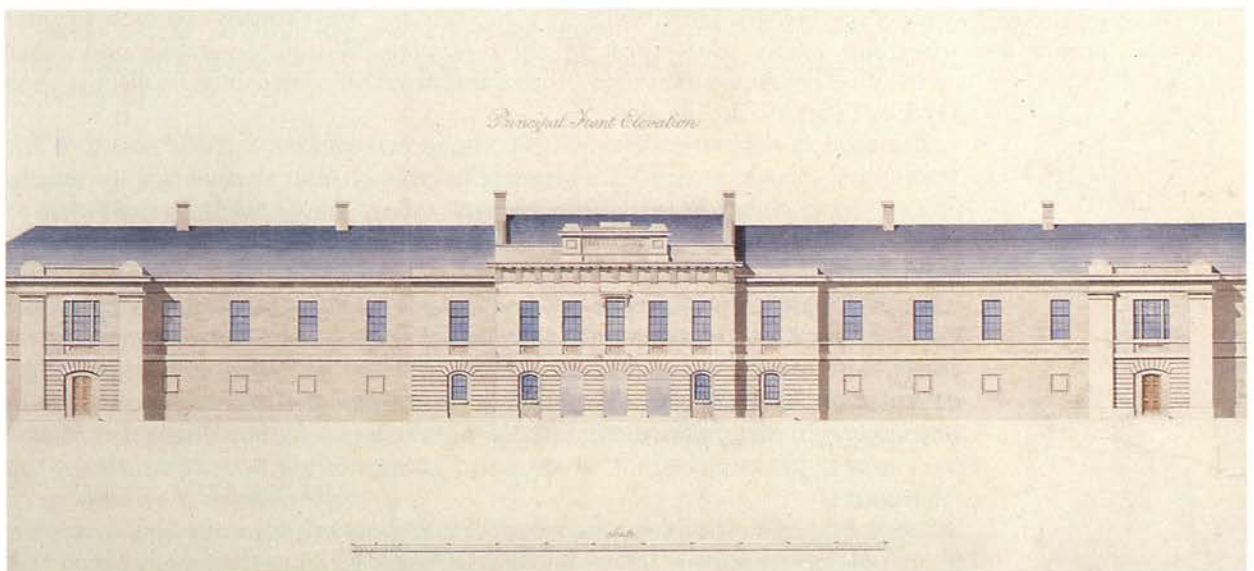
Most ships in the British trade were owned by individuals or firms in Britain. Although they could give instructions to their masters and agents in Australia, many decisions had to be made on the spot. Masters and agents had to be flexible and imaginative. During the year A.B. Spark handled eighteen ships that came to his agency in Sydney, sending them to such scattered destinations as London, Canton, Calcutta and Valparaiso.

Most ships returning to Britain from Australian ports did so during the wool season. Rivalry for freight was keen, and for passengers even more so, because they paid well for a small proportion of the ship's space. Ships were advertised in the most flattering terms, 'fine' and 'fast-sailing' being standard. Really quick passages—under a hundred days from England—were always stressed, and letters of recommendation from satisfied passengers were printed in the papers. When Captain W.S. Deloitte of the *Florentia* married and settled at Sydney, he handed over his command to his first officer, Mr Goodwin, who, according to the *Sydney Herald*, was 'well known for his urbanity and attentive conduct in the *Florentia*, and will no doubt keep up the respectable connexion acquired by Captain Deloitte'. Captain John Flint of the *Alfred* let it be known that he was of the 'Honourable East India Company's service'. His colleague Mollison could boast that his last three passages from Britain had taken 100, 105 and 89 days only.

Sailing ships were totally dependent on the elements. Besides, they usually sailed only when fully laden, which made their departures unpredictable and their progress slow. Sharply in contrast were the regularity and speed of the newly introduced paddle-steamers. The owners of these noisy, greasy and heavily vibrating vessels could maintain a regular sailing pattern and advertise their schedules well in advance. Their superiority began in 1831, with the arrival from England of the *Sophia Jane*. By 1838 the *Governor Arthur* served the Derwent estuary, while the smaller *Dolphin* and *Tamar* maintained regular links throughout the waters of the Tamar, around Launceston. Ten steamers operated out of Sydney. Four of these plied Port Jackson and the river to Parramatta; the rest worked beyond the heads.

New customs house, Hobart Town. Begun in 1835, it was not quite complete in 1838. It was the most splendid work so far by John Lee Archer, the government architect. A new customs house proclaimed the flourishing state of trade and business confidence.

ARCHIVES OFFICE OF TASMANIA





Sophia Jane is the first 'auxiliary steamer'—a ship powered by both sail and steam—to reach Australia. Undated etching by T.R. Amies.

DIXSON GALLERIES

The main route served by the New South Wales steamers was between Sydney and the Hunter River. They called at Newcastle, and their small size allowed them to travel upriver to Morpeth and Maitland. Intense competition developed between the Sydney boats. The *Sophia Jane* and the *Tamar* already sailed at exactly the same hours, when in February the owners of the former introduced the *King William* to the trade, and Edye Manning put on his new steamer *Maitland* as well. There were loud complaints that more ships had not led to more frequent sailings. For the owners the rivalry was ruinous. Free competition had its drawbacks.

When John Bede Polding, the Catholic bishop, travelled in August from Sydney to Maitland he 'submitted to the horrors of steam navigation'—the noise, the smell, the unfamiliar speed—in order to save time. Steam's prospects of taming time and distance were keenly appreciated. The anonymous Melbourne commentator who proudly compared his town with Cincinnati in the United States may well have seen the latter's busy steamer traffic as the main cause of its growth. He heralded the coming of steam to the colonies as a progressive force of unequalled strength:

It is admitted upon all hands, that there is no advantage of a social and commercial nature, the want of which is more universally and severely felt in these colonies at the present time, than that of having a sufficient number of Steam Ships, for carrying on the extensive and daily increasing intercourse which now subsists between the several Australasian colonies and their respective maritime districts.

Moreover, the prospect of rapid steam communication with England loomed on the horizon. In August the prospectus of the Indian Steam Ship Company reached Australia, describing a project that included a trunk line from England to Ceylon via the Cape, from where a branch service would extend to Australia. Everything seemed possible.



Most people walked to work, and when shopping and visiting usually walked or took their own horse or carriage, if they had one, as did many long-distance travellers. In August Bishop Polding, traversing New South Wales on horseback, covered over three hundred kilometres in five days. Nearly all large herds of cattle and sheep driven overland to Port Phillip and South Australia were handled by the owners themselves. Their bullock teams, carts and drays hauled out most of their wool and carried back most of their supplies. Wheat, vegetables and other agricultural produce were more often transported by professional hauliers, such as Cock & Ferguson at Adelaide.

The road system of the Australian colonies was meagre. In New South Wales Sydney stood at the centre of a network of convict-built roads, made up mainly of the Great North Road to the Hunter valley, the Great Western Road to Bathurst and the Great South Road to Yass. Van Diemen's Land was crossed by a highway from Hobart Town to Launceston. Otherwise few roads were better than tracks. In Western Australia the path between Fremantle and Perth—only sixteen kilometres—was so bad that most travellers preferred to go by riverboat. Only a tumble by a prominent colonist coaxed the Western Australian government into improving this road. The overland routes from Perth to Albany and to the Avon valley were no better than those on the fringes of settlement in New South Wales. Everywhere, most tracks used by colonists had been formed over centuries by the Aborigines.

Owners of oxen teams charged high prices. From Bathurst to Sydney, over two hundred kilometres, their lowest rate was £7 per ton, more than the overseas rate



Cutter's Inn, Mittagong. Roadside inns were staging places for freight, mail coaches and travellers. They were also centres for the exchange of information. Watercolour by William Govett, 1837.

NATIONAL LIBRARY

from Sydney to London. The passage through the Blue Mountains was always hazardous, with narrow turns and steep inclines. One traveller found it 'bad beyond an English comprehension; sometimes it consists of natural step-like rocks protruding from the dust or sand one, two, or three feet above each other'. Carts and whole teams occasionally left the road. During the drought feed for the oxen was difficult to find and many perished on the way. At the other extreme of the Australian landscape, at swollen river crossings, bullocks could be swept away or become so bogged that they had to be left to die where they stood. When Joseph Docker crossed the Murray all animals had to swim over. The wagon and drays were even harder to handle. The waggoner, 'Cranky Bill', who was clearly a resourceful man, put four bullocks in front of the wagon, tied two empty casks under its axles and attached the drays behind.

The undertaking began and all watched from the opposite bank. All went [well] in the shallow water but as soon as they touched the strong flow the drays began rolling over and over. Then the waggon, with 'Cranky Bill' climbing to the highest part of it, turned over. Fortunately a couple of white men and some blacks followed in the boat, and rescued the bullocks by cutting the yokes and taking out the pole pin, but not before one of the bullocks was drowned. With the assistance of the blacks, Bill and the waggon and drays were hauled on to the bank.

It was on the improved routes that the few Australian coaches operated their regular services. Supported by a contract from the Van Diemen's Land government to carry the mails, Mary Ann Cox operated a twice-weekly schedule from one side of the island to the other. Her light chaise left Hobart Town each Tuesday and Friday, and Launceston on Monday and Thursday. It had space for only one passenger, who had to pay £5 for the trip. In New South Wales the rise of country towns had provoked a small network of private mail coaches serving Bathurst, Kelso, Yass, Singleton and Maitland. The overland mail from Sydney to Melbourne, however, was transferred to horseback beyond Yass. Similarly, in Western Australia nothing but mail was carried between Perth and the important agricultural district of York, despite pressure from many colonists for a 'caravan for passengers and light articles'.

Only a few thousand passengers travelled each year with the mail coaches. Nevertheless, these services were important for the social cohesion of the colonies,



Bullock-drawn wool drays descending Lapstone Hill on the Bathurst road west of Sydney. Undated watercolour by S.T. Gill.

MITCHELL LIBRARY



King's Tableland, Blue Mountains, N.S.W. The appearance of the new road. *Watercolour by Augustus Earle, c1826.*
NATIONAL LIBRARY

and in particular for rapidly expanding New South Wales. Their frequency, reliability and, above all, regularity—however much interrupted by mishaps—meant that the colonists could be fairly certain of their mail and newspapers arriving on time. By such means the colonists began to learn more about each other, and develop a greater interest in their own country, and its growing variety of towns and villages, instead of looking perpetually across the seas.

Some people predicted a time when passengers and goods could be conveyed as surely as the mail. The promoters of the Bathurst Land Conveyance Company believed that respectable and energetic management could not only improve the present service across the Blue Mountains, but also expand its market and combine greater comfort with greater profits all round. Thus the company argued that 'parties who would not have consumed certain articles, who could well afford many conveniences and luxuries, go unsupplied with them merely on account of the risque and delay of carriage'. Even butter, eggs and meat—if the weather was cool—could be carried by this road with some chance of arriving edible. It only needed efficient and respectable men in charge. This vision was, however, impracticable. The Bathurst company was severely hit by the drought, dishonesty and unreliability. It was liquidated late in the year.

Travellers closer to the capital towns could use the services of various entrepreneurs, like George Jones, who in August transferred his livery stables to George Street, Parramatta, and had his horses and gigs 'always on hire at a moment's notice'. But a service like this was expensive, and most people who could afford it usually had horses and vehicles of their own. These were indispensable to city merchants and other notables, who used them to visit their country properties, to come to town from their suburban estates or to take pleasure rides. A private carriage was a distinct sign of status, and there was great social rivalry among owners. In Sydney Stuart Alexander Donaldson scoffed angrily at the 'hundreds . . . sprung from the scum of the common herd, who can sport their carriages'. Nor was everyone anxious to conceal the origins of his or her wealth and status: Captain



Mortimer Lewis out driving. Prosperous and fashionable gentlemen disported themselves on the streets of Sydney in the latest carriage design. This curricle, driven by Mortimer Lewis, colonial architect, was built both for speed and elegance. Lewis's position in the colony is reinforced in the picture by the appearance of government house in the background, whose construction he was supervising. Watercolour by an unknown artist, c1838–40.

MITCHELL LIBRARY

Kelly, a whaler and merchant of Hobart Town displayed a self-designed coat of arms, a hand grasping a whaling harpoon with the caption 'olium'—oil!

Carriages attested to the dignity of towns as well as people. Only a few chaises were to be found on the narrow hardened strip of St George's Terrace, Perth's main promenade. Many more could be seen in the bustling streets of Launceston. The 'very superior' chariot built by Williams of Oxford Street, London—

superior highly-finished . . . painted green, picked out a shade lighter, lined with drab cloth, ivory fittings, patent spring silk and Venetian blinds, elliptic springs, moveable rumble, patent axles, etc.—being in all the most elegant Chariot ever imported

—could only be intended for the discerning market of Sydney, the Paris of the southern seas.

FINANCE

By 1838 free enterprise capitalism in Australia was served by a financial market tiny compared with those of Britain and the United States but only a little less sophisticated. Money could be raised for investment, mortgages, commercial or consumer credit.

There were large differences in the access people had to this money and credit. For the rich and well connected, the money market was a pleasant garden. One needed only a green finger to create new life and sometimes astonishing growth. The poor could barely see over the garden wall. But they largely accepted the system, hoping, perhaps, that in the future they, too, might be able to make something out of it.



South Australian Company's Bank, North Terrace, Adelaide. The presence of its bank enhanced the influence of the South Australian Company in the small and isolated community. The joint-stock company was formed in 1835–36 as a vehicle for investment in a range of enterprises in the colony. Detail from a watercolour by Mary Hindmarsh, 1838, looking south from the Parklands near the River Torrens towards North Terrace, west of King William Street.

SOUTH AUSTRALIAN ARCHIVES

The economic growth and development of the Australian colonies, as of all regions of recent settlement, required considerable infusions of capital. Investments had to be made in land, stock and buildings, and boom-time expectations and speculation mightily inflated prices. Imports, freight and insurance charges syphoned off much of the available money supply. In South Australia business had to be done on a credit basis simply because there was hardly any cash available. As we saw in the previous chapter, labour was scarce and expensive, and convict labour was only a partial solution. Some form of wages, or rations at least, had to be provided to all labourers, often long before the fruit of their work could be sold. The wish of many colonists to demonstrate worldly success by the purchase and display of costly goods, such as furniture and housing, added to the demand for funds.

The Australian money market included the subscription of shareholders' capital to public companies as well as the funding of private partnerships, mortgages, and bank credits with long- as well as short-term advances. It covered the amounts banks brought into circulation, the discounting of merchants' bills, and the few shillings shopkeepers or publicans allowed their regular customers to chalk up. There was virtually no limit to the reach of the money market. It stretched from the spartan offices of the colonial banks and the plush rooms of merchants and wealthy landowners to the desks of the savings banks where working men lodged their modest deposits. Geographically, it stretched from the quays of Sydney to the remotest country stores, and across the seas to London and Glasgow. For the resources of the colonists were insufficient to meet all requirements for funds that had to be supplemented by massive transfers of capital from Britain. These consisted of the property and wealth taken to the colonies by emigrants, the sums sent by absentee financiers and investors, together with the more indirect supplementation hidden in such things as assisted immigration and the labour of convict work gangs.

It is impossible to estimate the extent of the private money market, but it stretched from the highest to the lowest, through the length and breadth of the colonies, and left hardly a British soul untouched. Many workers received their wages infrequently, and often in kind, and so people had to seek what we now would call consumer credit. Shopkeepers gave credit to people they knew and trusted, sometimes unwisely. But to compensate for losses and other difficulties many charged high interest rates on accounts. Yet nothing could change the credit system. Colonial newspapers frequently carried notices from masters of vessels in port, warning the public not to give any advances to their crew members. This may have been a device intended to discourage their crews from absconding but it would have been pointless unless even itinerant seamen were sometimes able to cheat shopkeepers and publicans. In a booming economy, where money seemed to flow like water, there was always the temptation to trust.

The case of Henry Herring shows that almost anyone could get credit. He was the only man ever to be transported for life three times to Australia—in 1807 under his original name, Henry Millson, and again in 1815 and 1825. He had twice escaped from Sydney and returned to England, and when sentenced for the third time, he possessed the sizeable sum of £380 and 360 Spanish dollars, which the authorities duly deposited in the New South Wales Savings Bank. In theory convicts were not allowed to get back their possessions until the end of their full sentence, but it had become customary to allow this when they were granted their ticket of leave. Herring had in recent years conducted himself 'very properly' and had become, according to Governor Gipps, 'one of the Class, called Specials or Gentlemen Convicts'. Just before Gipps arrived in the colony, Herring applied for permission to withdraw his money from the Savings Bank. It had now grown by

the addition of interest to £714. Herring intended this 'for the express purpose of employing it, after payment of his debts, partly on mortgage and partly as an investment in a business'. Gipps found it improper to go so far as to furnish a ticket of leave holder with funds to go into business, whereby he would presumably become an employer of servants, but he did not deny him the sum needed to pay his colonial debts. Among these were the costs of living at a Sydney inn during the time he was waiting for his request to be heard. Altogether Herring received £357—a measure of the extent of credit which the innkeeper, and others, had allowed him.

The retailers themselves were only too keen to receive credit from their suppliers. These could include local manufacturers such as flour millers, or primary producers such as cattle men or market gardeners. Far more important were the colonial merchants who imported so many of the colony's wants, and who were responsible for their distribution and sale to shopkeepers and other retailers. Unless the imports were sold by auction, where cash payment was obligatory, these transactions always involved the granting of credit. This also applied to the large quantity of goods ordered from Britain through direct commissions or by regular 'indents' from retailers. Usual terms included a three-month interest-free deferment of payment, but more generous conditions could often be negotiated. The Sydney ironmonger Lancelot Iredale, who imported directly from Britain, paid his London invoices in two instalments: one half at three months, and the other six months after receipt of his goods. He nevertheless regularly abused this arrangement, and in that he was not unusual.



Colonial importers and wholesalers, whether they received imports on commission or on their own account, often did not wait until they were entitled to their cash. Instead they drew bills in anticipation, which they then sold to other merchants or to banks. In principle they should have used the money raised to pay for these imports; after all, their overseas suppliers had in turn to purchase their goods. But, except in Western Australia, 1838 was a year of boom and excitement. Colonial interest rates stood at 10 per cent per annum and higher, at least twice the rate customary in Britain. All sectors of the colonial economies strongly demanded money. As prices rose rapidly, investment and speculation in land or trade promised ever greater profits. It became increasingly inviting for those who could lay their hands on funds or convertible goods to use them, not for remittance to principals abroad, but on the spot. Short-term debts were ignored, and the cash was used to buy real estate or to finance other forms of speculation.

This obsession with money was nicely expressed by Stuart Alexander Donaldson in a letter to his father:

The fact is money is so valuable to people engaged in trade in this place, whether settlers, shipowners, or others, that anything in the shape of produce must be turned into money or its equivalent as soon as possible . . .

After all, if you have the use of money for the purposes of your business, and that business is sufficiently successful to pay the interest account, the party conducting it is bona fide in possession of capital to the amount he employs . . .

I have very large sums passing through my hands from my consignments and shipments, and both of these are *capital* in my opinion.

There seemed to be no limit to the opportunities. Merchants and others started to borrow money directly from their overseas connections, through loans or by



The Bank of South Australia, North Terrace, Adelaide. Watercolour by Colonel William Light, 1839.

ART GALLERY OF SOUTH AUSTRALIA

drawing short-term bills that would have to be met much sooner than ordinary loans. Merchants such as Donaldson and Robert Campbell junior used their credit with their London connections to finance the importation of sugar from Java and wine from the Cape of Good Hope. But the main areas of interest were speculation in real estate and in the pastoral industry.

We have already seen that advances were made on wool even before it was exported to Britain, and that large-scale credit helped to sustain even larger flocks in the interior. The rewards for making credit available were the high interest rates that could be charged—20 per cent on secured loans was common—and the ability to direct consignments to London. Credit had become central to all mercantile operations. Prosper de Mestre was able to get a full advance on the oil from his whaler *Clarkstone* even before the ship had returned to Sydney. The cargo was valued at no less than £14 000 but the danger of de Mestre taking his business elsewhere had been enough to force his agent to advance the money. Thomas Walker was also noted for his confidence. By May 1838 he had invested over £20 000 in the cattle concerns of Dr Imlay at Twofold Bay. In the wool business conditions were no different: London importers had to allow their colonial agents the use of extensive funds for loans, in the hope of increasing their share of the trade. Montefiore Brothers of London went so far as to allow their colonial agents to advance money for wool while it was still on the sheep's back.

The profits available in the booming wool trade encouraged even conservative merchants to advance large and unsecured loans. In August, long before the annual wool season began, Donaldson had already laid out £7400. Soon afterwards he had to admit that £4000 of this did not belong to him, and that he would be 'in a scrape' if he were suddenly asked to repay the sum. Without any large capital of his own, he had to borrow heavily from his London principals, and in order to assure himself of their support he patiently explained to them how the system worked. 'I consider the settlers here to be your constituents, not mine', he wrote:

They owe me the money, and their debts always increase as the wool season comes in, when I continue to get in produce or in some other ways the amount of these debts. I grant you—you do not directly make the advances to them—but I do it for you. I am obliged to have stocks of sugar, tea, etc., such as

they require for their supplies. These I have to pay for here, and the settlers take them off as they require them. It is the case I assure you with every house in the trade ...

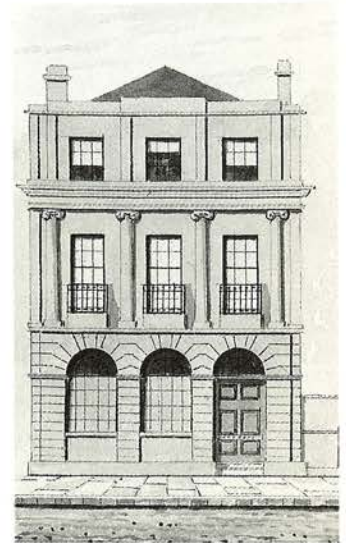
The smooth functioning of this credit system depended on the state of the wool market and moderation in the money advanced. The first weeks of 1838 had been anxious ones as a result of a general financial crisis in Britain. Money had become scarcer and dearer and wool values tumbled. The Hobart Town *Colonial Times* reported on the severe repercussions 'throughout our small community' of a decline in the value of sheep from forty to fifteen shillings a head. But soon the wool panic was over and reports of large consignments of cash from Britain helped restore business confidence. Once that psychological corner was turned, the economic and financial expansion of previous years accelerated into an unprecedented boom.



The Union Bank of Australia did much to restore business confidence. Founded at the worst point of Britain's financial crisis, in July 1837, it represented the strong belief in Australia's future held by many in the City of London. It was also a formidable addition to the impressive array of banks already serving the Australian colonies. Since the creation in 1817 of the Bank of New South Wales a spate of rivals and sister institutions had grown up both in the colonies and in London, the latter being called 'imperial' banks:

THE MAJOR BANKS OF AUSTRALIA

YEAR	SEAT	NAME
1817	Sydney	Bank of New South Wales
1823	Hobart Town	Bank of Van Diemen's Land
1826	Sydney	Bank of Australia
1827	Hobart Town	Derwent Bank
1828	Launceston	Cornwall Bank (absorbed in 1835 by the Australasia)
1829	Hobart Town	Commercial Bank [of Tasmania]
1834	Launceston	Tamar Bank (absorbed in 1838 by the Union)
1834	Sydney	Commercial Banking Company of Sydney
1835	Bathurst	Bathurst Bank
1835	London	Bank of Australasia
1836	London	South Australian Company
1837	Perth	Bank of Western Australia
1837	London	Union Bank of Australia



Watercolour by Joseph Fowles of the Union Bank of Australia, Pitt Street, Sydney, 1842-45.

MITCHELL LIBRARY

The banks assisted greatly in mobilising capital and financing trade. In 1838 they provided in New South Wales £1 000 000, while in Van Diemen's Land they amounted to nearly £400 000.

When the directors of the Union Bank established their head office at 38 Old Broad Street, in the heart of London, they rejected other offices that were 'insufficiently central'. The colonial banks and branches, similarly, stood squarely in central business districts: physically as well as financially they were the heart of the colonial economies. Yet their architecture was by no means monumental. In Sydney even the two-storey office of the Bank of New South Wales in George

Street occupied only modest premises. The Bank of Australasia in Melbourne was housed in a cottage of four rooms, of less than 3½ by 3 metres each, while the private rooms at the back were even smaller. A scullery and kitchen completed the building. No more commodious was the Union Bank, on the corner of Queen and Little Flinders streets, or the office of the banking establishment of the South Australian Company on North Terrace, Adelaide.

In the banking world initiatives were not limited to the port towns, as was demonstrated by the creation of the Bathurst Bank. Its directors included landowners as well as the local physician, Dr George Busby. Originally housed on the ground floor of the government's commissariat store, in 1838 it occupied a cottage, at a rent of £1 per week. When cash was required—the bank took no deposits—instructions were sent to its Sydney relation, the Bank of Australia:

the Directors of the Bathurst Bank . . . request that you will have the goodness to forward by the first mail . . . the sum of fifty pounds sterling in small silver to be packed in a small box in such a manner as will prevent suspicion of its true contents and addressed to Dr Busby, Bathurst, and marked medicine . . .

The methods of managing banks varied. The directors of the oldest bank, the Bank of New South Wales, included the colony's major woolgrowers as well as some merchants. In the small colony of Western Australia the local traders also needed the active support of landowners and officials. But generally the banks were run by and for the merchants. By inclination, preference, and often also because of specific regulations in their charters or deeds of agreement, they stayed aloof from lending money for other than mercantile business. Landowners, land speculators and shopkeepers had to borrow from merchants rather than banks. As these merchants turned to the banks for their finance, the private and corporate credit systems dovetailed. Only Charles Swanston, the manager of the Derwent Bank at Hobart Town, used his connections in India and Britain to attract funds for real estate investments.

The 'imperial' banks were founded in London to supplement the work of colonial banks and to meet the great difficulties experienced in the direct transfer of funds between Britain and Australia. With these institutions some entirely new elements were introduced. Ultimate control remained with their directors in London, although in practice their colonial inspectors, George Kinnear of the Australasia and John Cunningham McLaren of the Union Bank, wielded great power. Limited local shareholding was sought, and local directors were appointed but the banks' main purpose was to make money for British shareholders. Once established in the colonies, they pursued an aggressive policy of attracting deposits from the public and forced the colonial banks to follow suit.

The Australasia and the Union were the first banks to operate in more than one colony. The Bank of Australasia was solidly established by 1838 and through its expansion more than justified its nickname, Goliath. It had branches in Sydney, Hobart Town, Launceston—where it had taken over the Cornwall Bank—Bathurst and Melbourne, and others were contemplated at Maitland, Adelaide and Perth. Its London directors included wealthy men like Jacob Montefiore, whose family formed one of the major firms trading between Britain and the colonies, and the board members of their colonial branches were among the most prominent local businessmen. Of the Union Bank the secretary claimed proudly that in few London companies outside the East India Company and the Bank of England 'can be found so much wealth or respectability'. The imperial banks succeeded not only through sound management, but also because they were so 'very respectably fathered'.

Below and opposite.

Two directors of the Union Bank of Australia.

George Fife Angas was also a director of the South Australian Company. A philanthropist with extensive mercantile and banking experience, his friends included Sir George Arthur, formerly lieutenant-governor of Van Diemen's Land. Detail of an undated oil painting by an unknown artist.

ANZ BANK



At the opening of the year the Union Bank was well positioned to commence business. The sum of £25 000 in cash, as well as a Chubb safe, was on its way to Launceston where the takeover of the Tamar Bank signalled the beginning of a network of branches intended to rival that of the Australasia. News of this valuable consignment helped persuade colonists that their crisis was over. The Australasia responded to the challenge by also shipping large sums: on the *Wilmot* came £12 000 in gold alone. Other banks regained confidence that the scarcity of funds had ended and an orgy of lending began, especially to the colonial directors, mostly merchants, who helped themselves liberally to the banks' funds. The London boards knew what was happening, but could do little to prevent it. Thus when Kinnear organised the Adelaide branch of the Australasia, he deferred appointing local directors, remarking that:

In a small community and where all institutions are in a primitive state, the absence of competition and of those checks on the influence of money which exist in old countries gives to the directors of banks too great a command over the other transactions of the place, and the influence this gives is so easily turned to the advantage of the possessor in other respects that the temptation appears more than even people of good principle and character can always withstand.

The imperial banks often encountered hostility. Merchants on the spot resented their intrusion into the profitable foreign exchange business and the severe competition faced by the local banks of which they often were directors. However in most cases the ranks of colonial merchants were easily split, with the agents of British firms coming out in favour of the imperial banks. Often they became local directors. Other merchants defected from their colonial institutions, attracted by the ease with which the imperial banks could raise British funds. Prominent and ambitious businessmen like Philip William Flower and Severin Kanute Salting in Sydney joined the Union Bank.

The strength of the imperial banks lay in their access to extensive funds on the British money market. They tapped a limitless reservoir of depositors and could easily raise and later increase their share capital. The Union's amounted to £500 000, and the Australasia boosted its stock to £600 000. Money was power, as the Bathurst Bank acknowledged in July when its directors decided to sell out to the Union Bank. Small boxes marked 'medicine' were not enough in a boom-time money market.



Banks were created essentially by and for merchants. But those that took deposits came into contact with a much wider circle of people. Retail traders and small shopkeepers commonly found their way to their polished desks. They probably also attracted some thrifty labourers and domestic servants. Many of these smaller depositors used savings banks designed especially for them. In most capital towns these were independent institutions, but in tiny Perth the recently founded Bank of Western Australia included a separate savings department. This was specifically created to help the working class, 'as a preventive of improvidence, and the extravagant expenditure of the sums they acquire from steady application and labour'. However, it failed in that purpose and attracted only very modest sums, mostly from small businessmen.

The Savings Bank of New South Wales had been created to hold the cash possessed by convicts and the savings of ex-convicts, but gradually it had widened its scope to include all small savers, as had savings banks at Hobart Town and Launceston. The quest for money led the New South Wales Savings Bank to open



Philip Oakden was a leading merchant at Launceston and a director of the Tamar Bank, which was the Launceston agent of the South Australian Company. Miniature watercolour on ivory by an unknown artist.

ANZ BANK

branches at Windsor, Goulburn, Parramatta, Bathurst and Maitland. It held deposits worth almost £70 000 for over 1600 free settlers, while about £8400 was held for convicts. Almost 10 per cent of the latter sum belonged to the enterprising Henry Herring. His impudent request for his £714 when he received his ticket of leave caused considerable financial embarrassment. The secretary of state, Lord Glenelg, decided that in future convicts could draw no more than £30 at one time.

Because prominent merchants were trustees, the savings banks invested their funds in mortgages and in bill discounting. Despite their original purpose as banks for the poor, they thus helped to extend the land and money market. At the same time they gave people of small means a stake in the general prosperity.



Everybody understood the language of money. Few could use it with the power of an orator; most spoke only when spoken to. But it could charm all who listened. While such an old and cunning lag as Herring was willing to work the system, the order of colonial society was safe.

NEWSPAPERS

To the Printers of Great Britain.

FOR the information of Letter Press Printers who may be desirous of emigrating to New South Wales, we hereby make known that there are seven Printing Establishments, and fifteen Newspapers published in Sydney alone, weekly; there are also several Printing Offices at Hobart Town, Launceston, Port Phillip, South Australia, Swan River, &c., the Proprietors of which are desirous of engaging steady, sober, and good PRESSMEN, there being but few expert Pressmen in the above-named places. We should be ready to engage two PRESSMEN, for a period, at Fifty Shillings per week, and if six more were to arrive in Sydney, they would be sure of constant employment at the various Offices. Parties proceeding hither may obtain a free passage for themselves and Families, by applying to Mr. Marshall, Emigration Agent, London.

Herald Office, Sydney, }
New South Wales. }

We beg, as a favour, that all our Contemporaries here and in Great Britain, who feel interested in our welfare, will make this as publicly known as possible.

Sydney Herald, 7 Sept
1838.

The boom depended on good communications. The British press carried glowing reports on the printing and newspaper trade in the Australian colonies and on the fine prospects for experienced printers. These enticed John Fairfax, a bankrupt young newspaper proprietor from Leamington Spa in Warwickshire, to emigrate to New South Wales. In May 1838 Fairfax shepherded his large family on to the *Lady Fitzherbert* for the four-month voyage to Sydney. They set out with only £5, but their meagre savings were doubled by a lucky chance at the end of the voyage when Fairfax won second prize in a competition among the passengers to guess the date of the ship's arrival. Before leaving England, he had prevailed on a friend who had been an official in New South Wales to provide him with letters of introduction to various prominent gentlemen in Sydney. On landing, Fairfax installed his family in a modest four-room wooden cottage off Sussex Street and, armed with his letters of introduction, set off confidently to find the plentiful work promised by the English papers.

Newspaper ownership in the colonies had become expensive, like everything else, particularly in the older capitals where competition was fierce. The Reverend John Dunmore Lang estimated the value of his paper, the *Colonist*, to be £4500 and the *Sydney Herald* £10 000. In Van Diemen's Land even a minor journal, the *Colonial Times*, had recently been sold for the considerable sum of £3500, while the *Hobart Town Courier*, with its premises, had changed hands for £12 000. An intending proprietor needed lots of money behind him, his own or someone else's. John Fairfax had neither, so he had no chance of a paper of his own.

Several factors were forcing prices up. Most proprietors were printers as well and could therefore avoid the high charges of independent printing establishments. Even so, presses and type were expensive, as were imported newsprint and typing ink. Lang estimated his two Columbian presses, types and stocks of paper to be worth £3500. The *Sydney Gazette* had been founded by George Howe in 1803 and for 22 years, as the only newspaper on the mainland, it had enjoyed a monopoly of government business and used government presses and newsprint from government stores. Its more recent career showed how necessary capital was. Government business had since been opened for tender and in 1838 the *Herald* gained the contract. At the *Gazette* office Howe's son had mortgaged assets to



TO THE SUBSCRIBERS OF THE " CORNWALL CHRONICLE."

This Number commences another Quarter!!—Subscribers in arrears, are earnestly requested to pay them up.

replace the government-owned Stanhope with the best available presses: a Columbian and an Albion. However, without a reliable income from government work Robert Charles Howe, grandson of the founder, struggled to keep up payments, and the *Sydney Gazette* lost its pre-eminence.

The wage bills rose too, because newspaper offices required a growing workforce. Times had changed since George Howe had collected his own material, set up the type, worked the press and then delivered the finished product to the subscriber's door. Competition meant that the *Gazette* must come out more frequently, and each issue must carry more news and more advertisements. In 1838 its office employed about twenty men. Despite innovation in the design of presses, most printing operations were still performed by hand, and four pressmen, four compositors and an engraver were needed in the printing department of the *Sydney Gazette*. Record and account keeping required a team of debt collectors, local agents and clerks to manage subscriptions and advertising and to pay salaries. Increasing demand for local news meant that more journalists were needed than in the old days, when news items were simply reprinted from foreign publications. The weekly wages bill for the *Sydney Gazette* office, £37 in 1829, had almost doubled by 1838.

Nor did assigned convict labour offer newspaper proprietors any relief. Although most offices used convicts when free tradesmen were in short supply, they were paid the same rates as free workers. Wages for skilled workers were about double the rates for unskilled labour. Even so, newspaper offices suffered labour shortages throughout the year. In Sydney the proprietors of the *Herald* and the *Australian* were prevented for some time from matching rivals by moving up from two to three issues a week. Proprietors advertised for 'reliable' men, that is, recently arrived free immigrants who, they hoped, would be less bumptious than unionised colonial printers and more efficient than the allegedly drunken and insubordinate convicts.

While the costs of newspaper production were increasing, sources of income were not keeping pace. Competition had forced down charges for subscriptions and advertisements, but it was still difficult to secure regular payment of accounts. Like everyone else, newspaper owners generally operated on credit, accepting payment at the end of each quarter. Subscribers were often reluctant to pay and many defaulted altogether. Nathaniel Kentish of the *Sydney Times* offered

The colonial press. The newspaper's artist depicts men and women responding with animation to copies of the Launceston Cornwall Chronicle displayed outside its office. People could also read copies pinned up in public houses. Some people subscribed, though not all paid promptly enough to satisfy the proprietor. William Goodwin, who owned the Chronicle, may himself have been the artist. Woodcut in Supplement to the Cornwall Chronicle, 1 July 1837.

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subscribers who paid in advance discounts of up to 50 per cent. Editors were even willing to accept payment in kind. In desperation Andrew Bent in Van Diemen's Land notified his public that he would take wheat, poultry or any colonial product in settlement of bills. But the constant pleas and threats directed at customers suggest that there was no effective solution. In February Lang, as proprietor of the *Colonist*, pleaded for payment of outstanding accounts amounting to about £2000, and the owners of the *Sydney Herald*, the *Australian* and the *Sydney Gazette* warned clients that they would sue to recover their debts. In July Nathaniel Kentish threatened to publish in the *Sydney Times* the names of 700 people who owed him a total of £1000.

Financial difficulties forced proprietors into new business arrangements. G.R. Nichols of the *Australian* reduced overheads by inviting his printer, Abraham Cohen, to become his business partner. The owners of the *Sydney Monitor* and the *Sydney Gazette* mortgaged assets to meet pressing debts. At the *Gazette*, Anne, widow of the son and heir of George Howe, had been unable to clear the estate of debt. The executors, especially Richard Jones, manipulated affairs so that the ownership of the paper passed from herself and her children to her husband's illegitimate son, Robert Charles Howe. Meanwhile, Kentish and Lang sold shares in their papers to raise capital. Kentish owed his printer £1000 when seventeen shareholders assumed financial control of the *Sydney Times* in March 1838. In August Lang offered 80 shares in the *Colonist* for sale at £50 each, later reduced to £25. Two newspapers were offered for sale in Van Diemen's Land during the year: *Bent's News and Tasmanian Register* in May and Robertson's *Tasmanian Chronicle* in September. Both owners planned to continue as editors only.

Entrepreneurs could flee competition by moving to newer settlements, where both capital requirements and the costs of labour were lower. Port Phillip attracted skilled printers and experienced editors from the older colonies, just as it attracted squatters. John Pascoe Fawkner moved over from Van Diemen's Land and set up the *Port Phillip Advertiser* early in the year. The paper first appeared in manuscript, but in March he brought from Launceston an obsolete press and worn type and produced the first printed newspaper, which was suspended soon afterwards because it was unlicensed. At this point Thomas Strode left the employment of the *Sydney Herald* and with George Arden, who had examined chances of success in both Sydney and Adelaide, established the *Port Phillip Gazette*. Their worn press and type had been discarded as unserviceable by the *Sydney Herald* and Strode had to replace parts of the plant from local materials. The difficulties in obtaining a press at all were increased by the fears of Sydney proprietors that Arden and Strode might set up in competition. As for Fawkner, he resented the invaders from Sydney in an area that Tasmanians had come to regard as their own domain.

The South Australians were better organised. The first colonists included trained printers who brought with them new presses and type, and the *South Australian Gazette and Colonial Register* had already begun publication in London before they set sail. However these ideal conditions did not last. In 1838 the paper, coping already with a shortage of skilled men, was badly hit by the desertion of its printer. Robert Thomas, one of the joint proprietors, maintained production for a time with the casual untrained help of members of his family, until he could find more workmen. From the middle of the year he and his partner also had to face competition from the *Southern Australian*, set up by a committee of colonists to oppose the politics of the older paper. In Western Australia there were also two newspapers, the official *Perth Gazette* and the *Swan River Guardian*, though the *Guardian*, as we see in chapter 8, ceased publication in February.

John Fairfax may have known little of these newer settlements when he and his



John Pascoe Fawkner. Detail of an oil painting by William Strutt, 1853.

LA TROBE LIBRARY

family set sail for Sydney in May. His connections, in any case, led him to New South Wales. An apprentice in London at the age of twelve, at 33 he was an experienced printer, journalist and editor, with hopes of finding a job as overseer in a printing works. However, on application to Tegg's printing and stationery office in Sydney, Fairfax discovered that his optimism was misplaced. Tegg suggested that he take a job in one of the newspaper offices advertising for pressmen, and Fairfax went to the office of the *Commercial Journal* where William Jones took him on as a compositor. He was back in the business he knew, if not at the level he had hoped for.

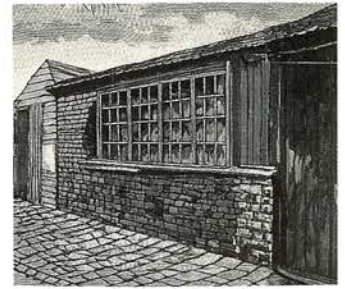


Newspaper owners had to put their product almost literally into the hands of prospective readers. In Sydney and Hobart Town runners delivered newspapers to subscribers' doors. Most offices appointed agents in country towns to distribute their papers and collect subscriptions. Unless we count Launceston, country towns did not have their own presses, though attempts were made during the year to establish a paper at Parramatta. The proprietors of the *Australian* tried to take advantage of the absence of competition in the country by nearly doubling their agencies outside Sydney—a rash move, considering the problems of distribution and of getting remote country subscribers to pay their bills. It remained to be seen whether advertisers—ships' agents, exporters, importers, retailers, auctioneers—could be convinced that through the *Australian* they might create for themselves a richer market, in parts of the colony hitherto little known.

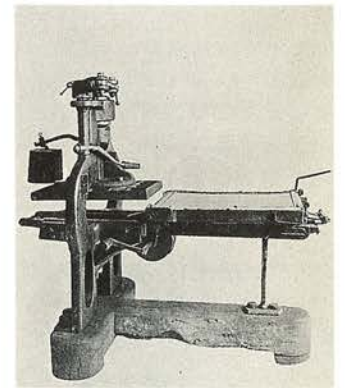
Outside the main towns, then, colonists did not have ready access to newspapers. Government allowed free carriage of newspapers by mail, but this afforded no advantage in places where there was no postal service. Even in New South Wales government mail routes were limited almost entirely to the three great highways and the coastal steamer service. Elsewhere mail services were irregular or non-existent. More remote subscribers were irritated to have their newspapers arrive late and well thumbed. Sometimes the delivery system broke down altogether for weeks at a time. A trickle of newspapers crossed colonial boundaries to bring belated news from other points of settlement, and when that happened the press fostered what might be called an Australian, or intercolonial consciousness, making nonsense of the more artificial boundaries. Subscribers at Port Phillip received Sydney newspapers by sea by way of Launceston, rather than by the slower overland route. Because communication was so slow, newspaper proprietors saw contemporaries in other capitals as allies rather than rivals, welcoming their appearance and readily copying items verbatim from their columns.

Visitors remarked that colonists, like their British counterparts, were avid readers of newspapers. It is hard to say exactly who bought them and why, or how many people read any single copy. The editor of the *Commercial Journal* asserted that his product was available to the casual reader in most public houses and business premises throughout Sydney, as well as having a wide circulation among 'respectable' inhabitants. Given that 'respectability' could be measured in any number of ways, such claims are difficult to assess. It is especially difficult to know how many of the poor habitually read newspapers. Perhaps a third of the adult male and half the female population could not read, and among the poor even literate men and women might labour under conditions that made newspapers a rare sight.

All the same, papers were read aloud in the public houses to the literate and illiterate alike, and it may well be that the news and ideas that they conveyed were carried by word of mouth far beyond the original reading. This helps to explain



Fawkner's first printing room in Collins Street, Melbourne. Australasian Sketcher, 12 July 1887.



Robert Thomas used this Stanhope press to produce the first issue of the South Australian Gazette and Colonial Register, 3 June 1837.

SOUTH AUSTRALIAN ARCHIVES

why some colonial journalists made a point of espousing the interests of the poor. Much of the flavour and style of this tradition was borrowed from the contemporary British and American radical press. At least two colonial editors, E.S. Hall and R.L. Murray, took their ideas and their language from William Cobbett, mentor of British working men. Hall was fond of using English rhetoric which represented the newspaper press as the 'fourth estate': a part of the fabric of the political system entrusted with defending the liberties of the people against corruption and tyranny.

NEWSPAPERS IN NEW SOUTH WALES, MARCH 1838

<i>Newspaper</i>	<i>Circulation per issue</i>	<i>Days of Publication</i>	<i>Quarterly rates</i>	
			<i>Sydney</i>	<i>Country</i>
Sydney Herald	2000	Monday, Thursday	8s	10s 6d
Commercial Journal	1200	Wednesday, Saturday	5s	
Colonist	1000	Wednesday, Saturday	8s	10s 6d
Sydney Times	910	Monday, Sunday	10s	
Australian	800	Tuesday, Friday	8s	10s 6d
Sydney Monitor	650	Monday, Wednesday, Friday	12s	
Sydney Gazette	585	Tuesday, Thursday, Saturday	8s	10s 6d

Within each capital town there was intense competition between newspaper offices to satisfy the interests, tastes and values of the diverse reading public. Proprietors and editors experimented with price, size, layout, content and frequency of publication. The seven newspapers in Sydney appeared at different intervals—once, twice or three times a week—and cost 8s on average per quarter. Many subscribers took more than one paper, and so got the news every morning. In Hobart Town nine papers vied for custom. A typical range of topics covered theatrical performances, court proceedings—a vital source for the more sensational papers—sessions of the legislative councils, local accidents and incidents, shipping movements and changes in prices of colonial commodities, agricultural reports and domestic politics, as well as news of other colonies and comments on the contents of rival newspapers.

Within this framework, editors gave prominence to specific interests. The *Australian* printed news items that proclaimed the advances made by the native-born community and warmly praised their contribution to colonial agriculture. As well as representing urban small traders, the *Australian* concerned itself with the compact farming communities to the north, south and west of Sydney, publishing items from correspondents in country towns such as Yass, Bathurst and Maitland. By contrast, the *Sydney Herald* treated the interior as an area for investment by urban capitalists, and its coverage of country life nearly always had some connection with pastoral activity. The *Herald's* news concentrated on trading, while the *Australian* was more interested in constitutional issues.

Most newspapers reprinted generous extracts from popular British authors. *Pickwick papers*, by Charles Dickens, was serialised by almost every colonial newspaper during the year. Newspaper editors also experimented with offering local literature. Kentish of the *Sydney Times*, a prolific if unexceptional poet himself, encouraged young colonial writers. But journals devoted principally to literature

had a high failure rate. One correspondent in the *Colonist* suggested that to cater for colonial tastes, local writers should abandon literature for sausage vending.

The only illustrations in newspapers were wood-cut engravings, usually crude and for the most part confined to the advertising pages. A notable exception was William Lushington Goodwin's *Cornwall Chronicle*, published in Launceston during 1837 and 1838. Goodwin published a series of engravings, among them domestic vignettes and pieces of social and political satire. His anti-clerical and anti-government sentiments offended some readers. A group of thirteen subscribers notified the editor of their intention of withdrawing their support from his paper because of his attacks on their friends and political allies. They pronounced themselves particularly offended by Goodwin's 'vulgar' woodcuts. All this was good for circulation.

Newspaper owners promoted their sheets for advertising and competed vigorously for patronage. In the prospectus for their forthcoming paper, the *Port Phillip Gazette*, Arden and Strode promised local advertisers a chance to draw potential customers away from Sydney suppliers. Advertisers generally sought out competitive rates, and customers with large accounts were given attractive reductions. Advertisements were given prominence in layout, occupying the front page of most newspapers. In Sydney, newspaper offices were clustered around the principal business houses and followed the gradual southward shift of the commercial centre along George Street. The *Sydney Gazette* office had moved five times in pursuit of its best customers.

The content of the papers shows how much proprietors relied on advertisements. In Sydney, the *Herald*, the *Australian*, the *Monitor* and the *Gazette* all devoted at least two-thirds of their space to advertisements, nearly twice as much, for instance, as the *Times* in London. Even so, advertisements were not the main source of income. A rough calculation for the *Herald* suggests that for each issue about £25 worth of revenue came from advertisements and £80 or £90 from sales, which were mostly to subscribers. But subscribers were less reliable than advertisers. Their numbers rose and fell and they did not always pay their bills. A wise newspaper owner depended largely on his advertisers, and especially on the local auctioneers who between them usually bought a quarter of each issue in their efforts to beat up custom for approaching sales—mostly sales of land. Auctioneers took their newspaper advertising very seriously and newspapers might not have flourished in such numbers without this gilt-edged source of revenue. It seems likely that there was a vital connection between the buoyant optimism of the press and the richness of the real estate markets.

Relations between proprietors and advertisers varied. In South Australia advertisers behaved in a partisan fashion, reflecting the extreme factionalism within the colony. The *South Australian Gazette* was closely linked with the government and monopolised official printing contracts, while the *Southern Australian* represented the rival group associated with the resident commissioner. Advertisers saw their interests bound up with one or other party and distributed their business accordingly. In Sydney and Hobart Town, advertisers more often patronised several papers. They thereby not only reached a wide range of customers, but offered their wares daily, an important point in a highly competitive market.

The usefulness of newspapers as advertising sheets is clear from the story of the *Commercial Journal*, published in Sydney from 1835. The original proprietor had kept his costs to a minimum by including almost no news or editorial comment. To begin with almost the whole paper was used for advertisements and was given away free, the entire cost of printing and distribution being met by income from advertising. This situation changed when the paper was sold to William Jones, its

**SOUTH
AUSTRALIAN
GAZETTE**
COLONIAL REGISTER.

ON SATURDAY AUGUST 12th,
Will be published,
 The Fifth number of the
**SOUTH AUSTRALIAN GAZETTE AND
 COLONIAL REGISTER.**

*Orders, Advertisements, and all Communications
 to the Editor, received only by R. THOMAS and
 Co., Printers.*

*It is requested that Advertisements intended for
 the Fifth number may be sent to the Office not later
 than WEDNESDAY, AUGUST the 9th.*
Adelaide, 7th August, 1837.

MITCHELL LIBRARY

printer. Jones transformed the *Commercial Journal* so that it contained much of the news to be found elsewhere but was still exceptionally cheap. Large subscription lists attracted advertisers, who also paid the same rates as before. Editorial comment was very rare—though surprisingly radical. By changing from a weekly to a biweekly, Jones was able to offer more advertising space than ever. He also made a point of coming out on Wednesdays and Saturdays, the two working days on which there was neither an *Australian* nor a *Herald*. Using this formula for success, Jones claimed that his profits reached £1000 a year. In Sydney the *Commercial Journal* was second only to the *Herald* in circulation.

Not everyone approved of these innovations. John Dunmore Lang, as owner and editor of the *Colonist*, sourly contrasted his competitors' pecuniary motives with his own more enlightened approach:

the *Colonist newspaper* has not been got up as a mere money making speculation, by one or more hopeful adventurers bred merely to the printing business ... whose whole and sole object is to establish themselves in a profitable concern—to fill their sheets with advertisements, and to sell as many copies of it as possible ... the natural result [being] that they exert little or no influence on the public mind.

However, the commercially orientated newspapers that Lang affected to despise simply reflected the latest British methods. Lang himself found to his discomfort that high-mindedness alone could not keep a newspaper afloat.

On the other hand, Lang may have been right about the influence newspapers exercised over the public. This was certainly widely believed. The power of the press was proudly remarked on in the British and American journals reaching the colonies, as well as by colonial editors and journalists. Newspapers attracted men with a mission or an axe to grind. In New South Wales, a group of substantial landholders and merchants campaigned to get control of newspaper offices, taking advantage of their tight financial circumstances. First the *Sydney Monitor* succumbed and then the *Sydney Gazette*, both past exponents of radical and reformist programs. In 1833 Edward Smith Hall of the *Monitor* had accepted financial aid from Hunter valley landowners opposed to Governor Bourke and altered his politics to suit his new masters. The *Gazette* virtually changed hands in 1836, when control was awarded to Richard Jones, who was able to manipulate anticonvict prejudice to discredit the *Gazette's* proprietor. In 1838 he installed his own editor. As a substantial merchant with connections in the City of London, Jones represents the new money that was making such a difference to colonial markets. Through such men the newspapers were used not only as forms of communication—especially commercial intelligence—but also to proclaim the worldwide domination and rights of free enterprise.

The proprietors of both the *Sydney Herald* and the *Colonist* had personal links with substantial landholders and were sympathetic to their point of view. Ward Stephens of the *Herald* was a landowner himself; he supported the pastoralists in their efforts to secure livestock against Aboriginal attacks—the *Herald* was a violent defender of the Myall Creek murderers—and to ensure a good labour supply. As a Presbyterian minister, Lang worked for the ascendancy of the Protestant churches, to which most of the wealthy graziers belonged, and for the downfall of Catholicism, a religion he associated with moral degeneracy and the worst aspects of convictism. He regarded with suspicion the earlier radicalism of the *Sydney Gazette* and *Monitor*, and welcomed their change of outlook.

In New South Wales only the *Australian* was consistently hostile to the pretensions of the wealthy and powerful, but recently it, too, was placing a new

emphasis on law, order and respect for property. This newspaper provided a platform for those who stood at the edge of established society and who were therefore committed to gaining new political and civil rights and religious toleration. Foremost among its supporters were Jewish merchants, retailers and auctioneers, whose preference for the *Australian* is clear from the number of their advertisements appearing there. Ex-convict retailers also tended to favour the *Australian* rather than its rivals. The proprietors of the *Australian*, G.R. Nichols and Abraham Cohen, were both of Jewish extraction, and Nichols was the native-born son of a convict. In maintaining, as far as they could, the traditional outlook of the ex-convict and native-born community, Nichols and Cohen also kept open for themselves distinctly local sources of money, very different from the British credit of such a man as Richard Jones.

LAND

Exploitation of the land was a vital aspect of white Australian prosperity. Taking, controlling and using the land was central to the purpose of the British invasion. During the previous half-century many Aborigines had been dispossessed of the land that was their ancient home and livelihood. As white occupation advanced inland, violence was always threatening and often erupted into unequal and bloody encounters. In essence the land was changed even as it opened to the acquisitive gaze of the first explorers—the ‘white ghosts’ Aborigines saw passing by watercourse and scrubland.

The struggle for land was a fight for exclusive power and control over space. Colonists came armed with moral and legal theories to justify their aggression; above all, with the belief that the land could be ‘owned’ only by tilling, transforming and improving it. Hence the Aboriginal attachment to the land had no standing in international law. The blacks were merely vagrants on the land. From this it followed that the land was ‘empty’ or ‘waste’. It could be occupied by the first comer from the recognised family of civilised states. Occupation was sometimes hastened by fear of a European rival.

Aborigines were unacquainted with the niceties of international law. They did think in terms of control over space and fiercely resented trespass, but they had no concept of personal ownership. The spirits of their ancestors were in the land, and the spirits of their children came from it. It was the land of Dreamtime stories, often recorded on its rocks and in its caves.

The idea of private property, implying that land itself could be bought or sold, inherited, mortgaged or otherwise assigned, was completely alien to the Aborigines. It was central to European culture, and anchored in British common law. But even if the Aboriginal occupants had been accepted as people who could be dealt with by treaty, that might not have protected them from the invaders’ greed. In December 1838 the United States army removed the last of the Cherokees, one of the ‘Five Civilised Tribes’ of American Indians, and hitherto protected by treaty, and resettled them in the dry interior of the country.

As it was, all Australian lands were therefore claimed by colonial governments on behalf of the British crown. By 1838 much of the land had already been granted, freely or by purchase, to individuals and business organisations. Thus public and private property existed side by side, and two distinct land or real estate markets can be distinguished. First was the transfer of crown land, mostly through selling or leasing, to the private sector. Second were the transactions within the private sector. Rapid population growth and economic expansion increased the demand for land, and business in both markets was exceedingly brisk in 1838.

The demand was of two kinds. In the country land was needed for agriculture and pasture, in the cities and country towns mainly for home building and gardens. Lots varied in size, from building allotments that could be as small as one-twentieth of an acre, to blocks of well over a hundred acres for farming, and finally to tracts of more than 2000 acres for grazing. The crown was under great pressure to sell or otherwise make land available, while private landowners looked to profits from subdividing large holdings. Thus pastoral land could be turned into agricultural farm lots, while urban and suburban blocks were sliced into small building allotments. Many properties were snapped up by absentee investors and speculators. Indeed, a striking aspect of the real estate market was the widespread speculation in all types of land. Prices rose to unprecedented heights. New techniques of selling were developed and specialised land agents appeared.

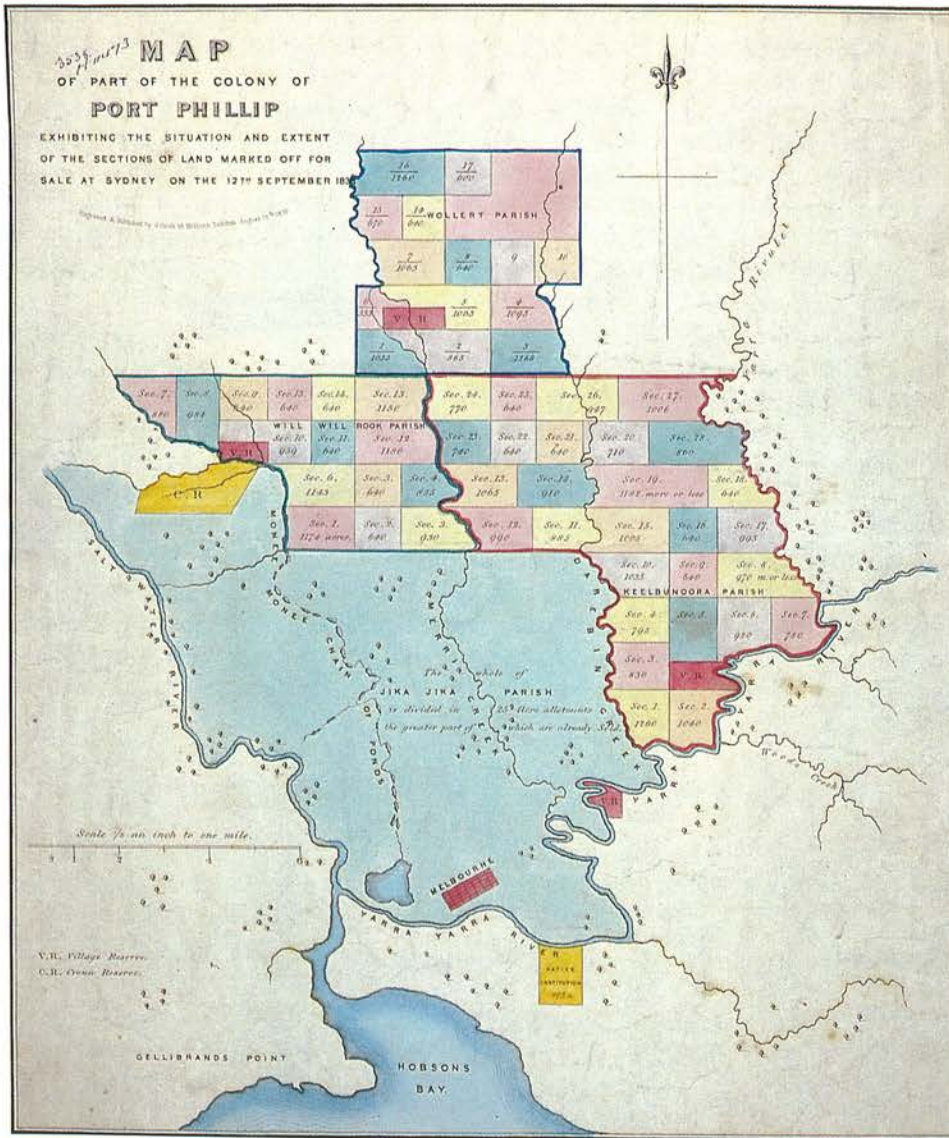
By far the greatest demand for crown land was caused by the rapid growth of the Australian sheep flock. There were millions of hectares of grassland and hundreds of stock owners eager to occupy them. Colonial regulations forbade the unauthorised use of crown land, but since 1831 'waste land' had cost a minimum of 5s an acre in New South Wales, Van Diemen's Land and Western Australia. In South Australia its price had been fixed even higher, at £1 an acre. Most sheep owners were not prepared to buy all or even part of the land they needed. Especially in New South Wales they pressed inland, sweeping aside both land regulations and the claims of the Aborigines.

In 1836, as we shall see in chapter 8, their occupancy had been given some legality by a system of squatting licences. For a payment of £10 a year the squatter gained the right to let his flock graze on crown land. The term 'squatter' was changing its meaning, from trespasser to substantial stock holder. The fee did not give squatters any title to land, nor did the system make any allowance for improvements made or buildings erected. But even if the squatters' control over the land remained insecure, the new rules were clearly in their interest. Western Australia introduced similar licences, and in South Australia they existed from the beginning of British settlement. Overlanders were making the long crescent from Spencers Gulf to the Darling Downs into one giant sheep run.

On 1 July 1838 Gipps extended the licence system to the bustling Port Phillip district, and a few months later there followed the first public sale of 'waste land' in that area. Hitherto all stockholders in the district, such as the Henty family of Portland, had been no more than trespassers: far away from the centres of power they could act as they wished. In Van Diemen's Land Governor Franklin refused to change the land regulations, and on the small island no flouting of the law was possible. The *Cornwall Chronicle*, a staunch defender of private enterprise, severely attacked the 'TOUCH-ME-NOT regulations'. This ban on squatting, the paper argued, stifled both the economic prospects of the colony and the flow of free immigrants. Franklin was urged to adopt the New South Wales system. 'Had a similar policy been in practice in Van Diemen's Land', the *Chronicle* argued, 'its free population would at this time be double its present amount'. This would not only have helped to change the colony from a gaol into a free society. It would also have prevented an exodus of Tasmanians to the new colonies on the mainland.

Because of uncertain tenure and competitive pressure for land, there always remained a strong interest in buying crown land. A strategic selection could give the purchaser control over a much larger area than the block he actually bought. Riverside frontages and other well-watered positions were keenly sought. So were the choice sites in new districts.

In New South Wales, Western Australia and Van Diemen's Land, all crown land, whether town or country, was sold by public auction to the highest bidder.



Engraved and published by
J. Crofts, 1839.
STATE LIBRARY OF VICTORIA

Government aimed thereby to obtain the largest possible revenue from land sales, a policy, as Governor Gipps put it, 'essential' for 'continued prosperity'. The revenue was used to bring out the immigrants who provided landowners with labour and merchants with customers.



As a result of the introduction of squatting licences the revenue raised through land sales in New South Wales in 1838 was slightly lower than in the previous year. But the land market was still booming. Although much grazing land in the interior fetched no more than the minimum 5s per acre, there was keen interest in other blocks, especially in town allotments in the many villages and country towns that were to be the nerve centres of rural society. Although the government could afford to fix its minimum prices at a high level, its prices often lagged far behind what investors and speculators were prepared to pay. The land agent John Liscombe of Bathurst bought three of the blocks advertised in his home town,

twice paying £4 6s 8d per acre, and once as much as £8 13s 4d. William Blackman of Mudgee bought four blocks, ranging from £1 5s to £12 10s, prices typical of small town sales.

The buyers of rural land and country town blocks included not only local figures but also prominent Sydney investors. Alexander Brodie Spark bought crown land in Wollongong, Goulburn, Maitland and Port Macquarie, as well as the private estate of the bankrupt Wilson brothers (£4875) and over 25 hectares near Sydney (£1400) from Robert Campbell senior. Spark's operations and those of many fellow merchants of Sydney show the close connection that existed between pastoral expansion and the explosive growth of the capital.

The faith of Sydney merchants in the profits to be gleaned from expansion was most clearly demonstrated by the first rural land sales in the Port Phillip district. Conveniently for the colonial treasury as well as the Sydney merchants, it was held at Sydney. Bidding was keen and the results exceeded Gipps's expectations. Although not all 60 blocks were sold, the prices obtained were far higher than the minimum limit. Thomas Walker, who already owned town lots in Yass, Bathurst and Melbourne, bought 3130 acres at prices ranging from 20 to 48 shillings per acre. Robert Campbell acquired six lots totalling 4862 acres. But by far the heaviest investors were John Terry Hughes and John Hosking, one the nephew and the other the son-in-law of the recently deceased 'Rothschild of Botany Bay', Samuel Terry. To their already substantial holdings in the older parts of New South Wales, Hughes and Hosking added over 12 000 acres in the country just north of Melbourne.

MINIMUM PRICES PER ACRE AT AN AUCTION OF
TOWN ALLOTMENTS

Yass	£2
Mudgee	£2
Bathurst	£2
Maitland	£2
Bungendore	£2
Raymond Terrace	£4
Gunning	£4
Ballengarra	£4
Maitland (lots 68—72)	£7

The prices obtained at government auctions matched those in the private land market. While the frontier of 'waste land' receded into the interior many owners decided to benefit from the general rise in prices by selling existing holdings to newcomers and investing in new sites. In New South Wales alone hundreds of transactions were recorded during the year. In the small-farming district of Liberty Plains, near Sydney, 32 transactions were registered. The lowest price obtained was £40 for an agricultural block of 38 acres, but others of similar size changed hands for many times more.

For all the *Cornwall Chronicle's* complaints, the land market in Van Diemen's Land was not depressed by the rush across Bass Strait. On the contrary, the excellent prices obtained in New South Wales and South Australia for wheat and other produce boosted prices on the island. Alexander Orr, a Hobart Town merchant who had bought Colonel Sorell's estate near Hamilton, could not get the adjacent Lower Hamilton property of 2275 acres (925 hectares) from Edward Abbott for less than 35s per acre. In December the sale of Thomas Bell's grant of 1309 hectares

on the Ouse at £1 13s 9d per acre to James Clarke confirmed the buoyant state of the market. At these prices landowners felt they could afford to maintain such large estates, rather than encouraging small farming by subdivision.

In New South Wales subdivision of large holdings was more common. As the pastoral frontier moved inland, more of the fertile land on the coastal side of the ranges could be given over to agriculture or dairying. There was much leasing to small tenants, together with outright sales. Private owners largely agreed with the government that public auctions were likely to produce the highest prices and Sydney's ambitious auctioneers widely advertised the properties entrusted to them.

The emphasis on physical beauty, improving transport facilities and increasing value were constant themes. The link between the last two might even become part of a pan-colonial vision, a commonwealth of prosperity. Commenting on plans to establish steam navigation between England and 'Swan River, South Australia, and the ports of Sydney and Hobart Town', the Hobart Town newspaper *Murray's Review* boldly stated that 'Property will of course become much increased in value, in consequence of these colonies being thus brought into so much closer neighbourhood with Britain'. Here was a newspaperman's paradise: quick communications, a bustle of advertisements and a continent to write about.



'SPLENDID ESTATE AT ILLAWARRA'

John Dunmore Lang offers his Illawarra estate for sale through the agency of Isaac Simmons. A lengthy advertisement tells potential buyers that a 'very beautifully executed plan' of the 29 allotments or farms is on view at the agents' office.

The property in question was selected by an experienced agriculturalist in the year 1824, and consists of 1207 acres of land, of which nine-tenths are alluvial and of the first quality. It is beautifully situated on the banks of Mullet Creek, a navigable stream, abounding with the finest fish, and of Illawarra Lake, one of the most picturesque sheets of water in the Colony. It is intersected diagonally for a half a mile in length by the great road to the southward, being within six miles of the town of Wollongong, where a breakwater and basin are now constructing, which will, ere long, render that settlement easily accessible to steam navigation, which will unquestionably make the district of Illawarra, with its fine climate, its frequent rains, and its semi-tropical vegetation, the garden of New South Wales. In short, there is no district in the Colony in which a gentleman of moderate fortune could fix himself with the prospect of greater comfort, or in which the investment of a portion of his capital in land would be sure to turn to a better account.

From the frequent droughts to which the interior of this Colony is subject, it is evident that the available land on the coast will at no distant period be all thickly peopled, and become the granary of the Colony. And when the beautiful district of Illawarra shall be brought within six or eight hours sail of Sydney, which will be the case as soon as the new harbour at Wollongong is available for steam navigation, the rise of the value of property of all kinds, and especially of land fit for cultivation in that vicinity, will be unprecedented. There is already a thriving village at Wollongong, with a Police Magistrate, an English and a Scotch clergyman, and an increasing mercantile community.

NOTICE.

Great Bargains.

GENTLEMEN lately arrived in the Colony are respectfully invited to a look at Isaac Simmons & Co.'s Memorandum Book, comprising Lists of Town and Country Estates to be disposed of at cheap prices and liberal terms; together with sundry lots of very beautiful Horned Stock and Sheep, now ready for delivery.

Great bargains in land. The boom of 1838 brought many innovations with it, including land agent Isaac Simmons' real estate 'Memorandum Book'. Simmons sold John Dunmore Lang's 'splendid estate at Illawarra' on 3 September. Sydney Herald, Feb 1838.

LAND OFFICE.

TO BE
Sold by Auction,
 AT THE
OFFICE OF THE DEPUTY SURVEYOR,
 AT ADELAIDE,
On MONDAY the 27th instant,
At Ten o'clock a.m. precisely.
 The undisposed of **SECTIONS of LAND,** forming
 part of the site of the proposed
TOWN OF ADELAIDE,
 And containing one acre each.

Catalogues may be had tomorrow afternoon, at
 the Office of the Deputy Surveyor, at Adelaide.
 March 24, 1837.

Southern Australian,
 Adelaide, 21 July 1838.

South Australia differed from all its neighbours in the disposal of 'waste land'. This was partly the result of a more thoroughly planned approach to the occupation of the soil, but it was mainly due to the way in which businessmen were able to capture the market. Elsewhere crown land was sold by auction: anyone wanting to buy a block had, after selecting it, to take a chance at the auction where the block was put up for public sale. In sluggish Western Australia this caused no problems, as sales were not contested. But in New South Wales, where competition was keen, the raising of prices and acute disappointment were common.

In South Australia all country land bore the fixed price of £1 per acre. Calculated without any reference to its specific qualities or location, this price had been established in order to create an immigration fund. A total of 437 blocks in the district around Adelaide had been sold in London before first settlement and were selected on the spot by their owners or owners' agents in the first months of 1838. Otherwise there was no limit to the quantity that could be bought at £1 per acre. Where surveys had been made, the investor need only go to the Land Office, indicate his or her choice and pay the amount due.

The Adelaide district had been surveyed by the beginning of the year, but further out the task had hardly started. In order to attract large investors, a system of special surveys had been adopted. Any businessman willing to purchase 4000 acres could ask for a survey by the colonial surveyor's department of any 15 000 acres in the province, from which he could then pick the best area. In 1838 the first of these extremely costly and time-consuming arrangements was carried out. The immediate result was that survey and opening of land for small agricultural settlers were greatly delayed. Those who benefited from the special surveys were magnates such as William Hampton Dutton, who organised a special survey in the Mount Barker district. In this way he acquired a magnificent property, ideal for pasture according to the current wisdom. 'It is broken into rounded hills and warm vallies', the explorer Charles Sturt observed,

clothed with a plentiful verdure, and watered by numerous chains of ponds; and in its present luxurious state *far exceeds in richness any portion of New South Wales that I ever saw.*

Indeed, in England I have seldom observed a closed sward of more abundant herbage growing.

The largest landowner remained the South Australian Company, a fascinating mixture of philanthropy and profiteering. By the end of the year the company had acquired more than 14 000 acres (5435 hectares) of land, of which 168 (65 hectares) were in Adelaide itself.

Another aspect of the land market in South Australia shows even more clearly how the colony had been organised for the benefit of the early investors. The government specifically left the 'establishment of secondary towns'—that is the subdivision of country land for the founding of all towns and villages outside Adelaide—to private enterprise. For the shrewd speculator this proved to be a virtual licence to print money. Governor Hindmarsh himself not only set the rules of the game, but also showed how to play it.

Town allotments in Adelaide had been selected and sold in March 1837, but surveying the Adelaide district had taken longer. Not until 12 May 1838 could the holders of preliminary land orders—those who had bought their land in England—proceed to select their blocks. The order in which they could do so was established by drawing lots. The lucky first was the surveyor-general Colonel Light himself, and Hindmarsh was third. The governor took one block to the immediate northwest of the capital, a wedge-shaped section between the Torrens and the road

to Port Adelaide, and another to the northeast, also on the Torrens. The roads to the port and to Glenelg and the streams, determined the prime sites in the colony. The agents of the South Australian Company, and of major absentee investors, such as George Fife Angas, a shipping magnate who had been instrumental in the founding of the colony, further increased the value of Hindmarsh's land by their selections in the same areas.

Two days later Hindmarsh issued a government order demanding the removal of everyone from the Parkland, the reserve surrounding Adelaide, within two months. Many were living in shanties and tents; all now had to find other accommodation. With winter approaching, their situation was all the more urgent. Hindmarsh accordingly offered his block near Adelaide for sale, in half-acre lots at £5 each, on condition that all two hundred lots be taken up. Within a short time the subscription list was filled. But while Hindmarsh pocketed £1000 for land that had cost him only £80, the expenses for the small buyers of his property had only begun. Roads and paths had yet to be laid out, individual holdings surveyed and boundaries established. Later in the year several more subdivisions were advertised and carried out. In some cases, such as Angas's settlement of a German immigrant party at Klemzig, the subdivided land was only leased. But most of it was sold, and villages such as Payneham, Prospect and Marion were created.

PLANNING A TOWN IN SOUTH AUSTRALIA

After he had left the colony, Governor Hindmarsh sold his second block of land for £1100. Located northeast of Adelaide, it was divided into 100 one-acre allotments. A meeting in December of the new owners is described by William Mann, a visitor to the colony;

A person, with a strong provincial accent, stated that the town was not named, or laid out yet in streets, terraces, or squares. Another near him said he would soon supply that deficiency; and, calling for a pair of compasses, which were supplied by a carpenter who was present, he procured a ruler and a sheet of paper, and in less than ten minutes had it covered with the dimensions of the required streets, &c., which not yet being named, there was some clamour on that subject. They were all unanimous about calling the principal square after the Duke of Wellington; and Nelson Circus met with no opposition. Victoria Terrace was proposed; but opposed, on the ground that there was one of the squares of the city called after the Queen already, and they would grant her no more honours in that way, 'until they could see how she would turn out.'

Now came the 'tug of war!' The squares, terraces, circuses, streets, lanes, and alleys, were all named; but the town itself was not yet named. A variety of opinions seemed to exist on this important subject. Some would have it called after the acting Governor, Mr. Stephen; who seemed to have given very general satisfaction to all parties; but as he was now out of office, he was not supported with as much energy as he might have been a few weeks before. The present Governor was next mentioned; but as Colonel Gawler had but lately arrived, they wanted to see what kind of Governor he would become, before they spoiled him by flattery. It was at length proposed to call it after the Treasurer [not the Colonial Treasurer, but their own], whom they all respected; which being carried without opposition, three cheers were given for Walkerville, and the party separated.



Rapid population growth and massive immigration made their mark on the urban real estate markets of Australia. Property values shot up, many holdings changed hands, and building sites were visible everywhere. In the established centres of Sydney, Hobart Town and Launceston, in the villages of Van Diemen's Land and in Adelaide nearly all land had already passed into private possession. But in the country districts of New South Wales, the crown still owned most urban land and drew considerable revenue from sales in places like Yass, Goulburn, Scone, Berrima, Maitland and Port Macquarie. As important for the occupation of eastern Australia as this expansion of country towns was the creation of new port towns along its coastline. In Brisbane, still a convict establishment, and Port Essington, no sales to private enterprise were as yet allowed. This was regretted by Captain Sir J.J. Gordon Bremer, the founder of Port Essington and a promoter of business. Speculators and investors could, however, find ample satisfaction in the progress of Melbourne, on the other side of the continent.

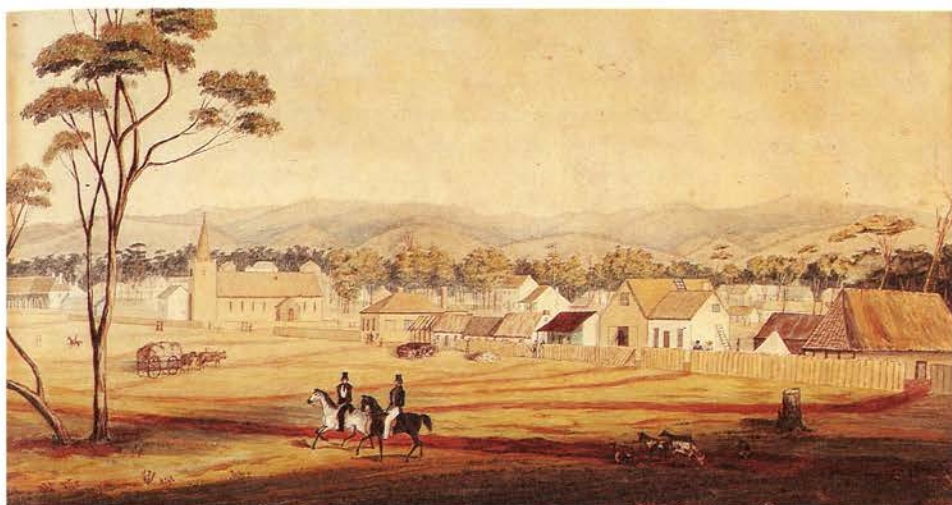
Until the first urban land sales in June 1837 all residents at Melbourne were trespassers on crown land. As the town and its port, Williamstown, had first to be surveyed, a little delay had been unavoidable. But with the continued rush of immigrants pressure mounted for both urban and rural sites. Prices at the second auction, in November 1837, were much higher than in June. Sydney capital now began to take notice. In July 1838 the third sale of Melbourne town lots was advertised for 13 September, to be held in the George Street, Sydney, auction rooms. Of about seventy central blocks, 51 were bought by Sydney men. Their keen bidding drove up the average price to £118 per block, nearly three times the figure reached at the November sale. Especially active were such magnates as Thomas Walker, who spent nearly £500, Robert Campbell and Alexander Brodie Spark. Hughes and Hosking bought one block in Melbourne and nine at Williamstown. Stuart Alexander Donaldson took two adjacent lots and prepared to send down his clerk James Graham to open a branch of his Sydney merchant house.

How this wave of speculation in Melbourne overwhelmed people is shown by the case of Thomas Black, a physician from Penrith on holiday in Sydney:

As he strolled in idle fashion along George street he was attracted by the sounds of an excited auction, and turning in for a moment to be a spectator, noticed at a glance that all the most astute people of Sydney were there, and that under a certain amount of assumed indifference there was a great deal of excitement. It was a sale of land at Port Phillip, a place he had never heard of; but there could be no doubt that the investment was considered a good one, and in a careless spirit he nodded his head cheerfully to Mr. Jaques, the auctioneer. At the close of the sale he found himself possessor of two allotments.

Later in the year the first urban land sales at Geelong were advertised, as well as further sales at Melbourne.

The pace was equally hectic in the private real estate market of Australia's major towns. Empty blocks, but also well-developed estates and built-up allotments, were changing hands at rapidly rising prices. Adelaide town acres easily sold for prices rising from £100 to £300, and several speculators who had bought their blocks at the auction in March 1837 made fortunes. J. and C.B. Fisher, sons of the resident commissioner, and John Barton Hack were especially active. For seven blocks that the Fishers sold at a total price of £970, they had paid no more than £33 2s 0d. Building lots in the new suburbs of Hindmarsh and Walkerville soon rose from £5 and readily changed hands at £25 and £50. Single acre blocks in Adelaide had cost the original London investors only £1, while at the auction of March 1837



North Terrace, Adelaide.
Garden fences enclosed
increasingly precious freehold
land. Watercolour by Martha
Berkeley, 1839.

ART GALLERY OF SOUTH
AUSTRALIA

the top price had been little more than £10. In 1838 the absentee investor Lord Stuart de Rothesay was demanding £250 cash for a quarter of an acre on North Terrace, and £1300 for half a block on Rundle Street, 'with buildings'. Much smaller blocks were created in the city, and even in brand-new Walkerville.

In Melbourne prices climbed to well over £200 for centrally located half-acre blocks. Much smaller lots changed hands at Sydney: in August three allotments in Pitt Street, together less than three-eighths of an acre, fetched £1432. Hughes and Hosking bought three blocks, in the Rocks, Elizabeth Street and Sussex Street, for £1505, and capped off their purchases for the year by paying £2200 for less than three-eighths of an acre in Pitt Street. These figures show that the prime real estate of Australia was within the reach of only very few, and it was largely those who already possessed land who benefited. In Adelaide a Mechanics Land Company was formed, and the owner of one district section intended his subdivision, as he said, for 'the Working Classes'. But as we noticed in the previous chapter, in Adelaide and elsewhere most workers rented their homes, or else the roof over their heads was supplied by employers.

As with rural estates, the subdivision of town properties was especially profitable. The activities of speculators like Governor Hindmarsh in the Adelaide district had their counterparts all over New South Wales and Van Diemen's Land. In November two Hobart Town properties were split up into building allotments. At the top of Macquarie Street Henry Jennings sold 106 acres in 30 parts, from one to nine acres each: 'the whole of the Allotments fronting Macquarie street, have the advantage of the Aqueduct running through them'. On the New Wharf the last remaining block was sold in thirteen parts. Earlier in the year, Launceston had witnessed a similar sale of no fewer than 40 allotments in Wellington, Frankland, Cleveland and Charles streets. Addressing himself to 'Capitalists, Builders, and Others', the auctioneer J.C. Underwood also offered 400 000 'Excellent Bricks' for sale. Not all blocks were sold and Underwood organised a second auction. This time he also included 'Western Lime' and 'Sydney Stone', and pointed out that 'the Allotments abound with the best brick earth'. As one more Launceston innovation, refreshments were provided to soften up the buyers.

Subdivisions were also carried out in several of the smaller towns of Van Diemen's Land. Underwood offered fifteen allotments in the 'rapidly improving township of Perth', near Launceston, and later 24 at Georgetown. On 16 April one of his brother auctioneers organised the public sale of 28 lots in the 'rapidly rising'

VAUCLUSE.

A. POLACK

HAS great pleasure in announcing to the Inhabitants of New South Wales, that he has been honored with instructions from the Proprietor, W. C. Wentworth, Esq., to submit to public competition at an early day, so soon as the Surveyor's Plans are ready, a portion of that splendid and unequalled Marine Estate, known as Vaucluse, situate in those fine land enclosed prisms of Port Jackson Harbour, called Watson and Rose Bays. Its situation is beautifully grand, as it commands a perfect view of the head lands and sinuosities of the various Bays and inlets of the truly romantic Harbour in which it is situated, both on the east and west sides thereof, from the North and South Heads to the Parramatta River, taking in the Town of Sydney, and having the Blue Mountain Range in the Western Horizon.

The new South Head Road passes through the Estate, which makes its distance from the Capital about four miles, along a good and lively road, it is also about the same distance by water, so that conveyances at all seasons are practicable, a desideratum of great importance, as gentlemen in public offices (particularly those with families) might here live economically and conveniently.—The rising Village of Watson's Bay, the celebrated Point Piper Estate, the residence of Major Gibbs, &c. &c. are contiguous, and it is within gun shot of the South Head Light House and Flag Staff, consequently has an unbounded view of the South Pacific Ocean. It is also so situated that every vessel entering in or going out of the Harbour, must pass almost within hail, so that in this particular it may be compared to the celebrated fashionable watering place, South-end, at the mouth of the Thames.

For the site of an Establishment for the accommodation of Invalids and Officers on leave of absence for health, from India, another spot in the Colony could not be found, as sea bathing, so requisite for such persons, may here be enjoyed in reality, amusement is also at hand in boating, fishing, shooting, &c. The Proprietor has decided that about four hundred acres of the magnificent Estate shall be divided into spacious allotments varying in size—when the same is completed by the Surveyor a more perfect description will be notified prior to the day of sale.

Terms highly liberal, made known in future advertisements.

Abraham Polack, Sydney's leading auctioneer, advertises part of W.C. Wentworth's estate. Sydney Herald, 12 Feb 1838.

town of Longford. Here too there was a picnic atmosphere: 'Refreshments provided on the Ground'. In New South Wales Bathurst showed a good deal of activity, and Maitland even more.

By far the strongest pressure for subdivisions occurred in Sydney itself. Several large properties were carved up and new suburbs created. William Charles Wentworth sold part of Vaucluse, and the trustees of Solomon Levey's estate put large parcels on the market. Among Levey's properties was a grant in Chippendale of 31 ½ acres (12 hectares), which was offered to bidders by Abraham Polack in 54 allotments for £6424 17s 6d, or about £200 per acre. Thomas Macquoid subdivided his land at Darlinghurst and J.T. Wilson invented the new waterside village of Gippston on the north shore. Wilson surpassed himself in his description of six allotments situated 'delightfully' on the margin of Little Sirius Cove in the 'very centre of Port Jackson'. The lots were especially suitable for shipbuilding yards or coopering, he declared, as they had deep water alongside. There was a chance, too, of 'Marine Villas', gardens and 'pleasure grounds'. 'The purity of the air is not surpassed in the world, and the scenery has been justly said to rival in beauty the much admired Harbour of Rio de Janeiro.' It was an absolute certainty that values 'must daily increase'.



In their hunger for land and profits, investors and speculators were greatly helped by the rise of a small group of professional and extremely active auctioneers and land agents. In Sydney it was impossible to bypass Isaac Simmons, Abraham Polack, J.T. Wilson or T.W. Smart. Often they dabbled in property themselves. Bathurst revolved around J.H. Liscombe. Hobart Town, Launceston and Melbourne had their own operators. But as with many other aspects of the market, it was in Adelaide that the most skilled and dedicated agents flourished.

The first of these middlemen in Adelaide was the surveyor-general himself, Colonel William Light. In July he retired and, with a former assistant and most of the staff of his department, founded Light Finnis & Co, 'Land-Agents & Surveyors'. A second official turned investor and land agent was Captain Charles Berkeley, until July an assistant to the colonisation commissioners. But by far the most active, and probably the most successful, was Robert Cock. He was not an original investor, but had bought fifteen Adelaide lots, several of them in central locations. Their total price was a paltry £115—a fraction of what he demanded for several of the individual blocks he resold in 1838. He began a carrying business with William Ferguson, but gave that up in July to become involved 'more extensively in rural operations'. A few months later Cock spread his wings still wider, over the full expanse of the British empire. 'Having been much employed by the Colonists', he begged to offer his services 'to those at a distance', thereby hoping to draw to himself capital from other parts of the continent and beyond. The list of references he supplied included distinguished names in England, Scotland and Ireland, as well as eminent merchants in Sydney, Launceston and Hobart Town.

The exuberant optimism of Robert Cock, prepared to help the whole world to occupy South Australia, was of a kind with the energies of all colonial investors, builders and speculators. His success, and the buoyant state of the market, depended on the still growing demand for land. Few working-class men and women could join in the rush to landownership, but otherwise large numbers of Australians were prepared to invest and speculate. The reasons for their buying land were complex and various. The quest for independence, a secure income, or the enjoyment of a pleasant landscape, were often mixed with the desire to gamble or to display wealth

in the form of a landed property. The wish for a quiet home among respectable neighbours was also important, judging from the number of advertisements that listed the owners of adjacent estates. Economic and social ambitions were married to ideals of family happiness. Sydney auctioneer J.T. Wilson summed up all these motives when he addressed one of his sales to:

The Aristocracy of Australia,
Speculators in Land,
Lovers of Interest,
Admirers of Scenery, and
Fathers of Families.

To all this the other side of Robert Cock provides a sad footnote. A Quaker with philanthropic views, he gave £3 15s 6d to the Aborigines in the Adelaide district. He made it clear that this was not a 'charitable donation, but rent due for land purchased'. Acting Governor Stephen praised his generosity, but remarked how slow were 'his brother Colonists' in following his example, 'for unfortunately it remains a solitary instance'.



The spirit of 1838 was neatly summarised by Stuart Alexander Donaldson's former clerk, James Graham. Writing from the boom town of Melbourne, where he part-owned and managed a new branch of Donaldson's import-export and agency business, he stated: 'In this country money is the great idol, and for it they [the colonists] will do anything or undergo any hardship'. Both the convict Henry Herring and Governor Hindmarsh, at opposite ends of the social scale, demonstrated this strong interest in money. Donaldson himself embodied the ruthless drive for profit that permeated much of society.

In the conduct of their business the major operators set the tone and standards for all. The rise of auctioneers like Abraham Polack, the enormous sums that entered the colonies and the tremendous turnovers on all colonial markets were seductive stimulants. The rivalry of newspapermen fuelled the bonfire of enterprise. Business ethics suffered from the rush to get rich, but the powerful and the free were more to blame than any convict. Lawyers flourished on the many conflicts that erupted. Donaldson was speaking from his own experience when he said of Sydney:

we do business and that to an extent of thousands with men whose characters are bad, and who are only honest for expediency . . . [and] we are tormented and disgusted by examples of bad faith and trickery in our everyday life.

But it would be wrong to conclude that the colonies were much different from other European societies, or that the colonists had generally abandoned normal standards of business conduct. The great bulk of all transactions still rested on mutual confidence, and many saw cheating as counterproductive.

Colonists had other ambitions besides making money: independence and social status, family happiness and charity, class solidarity and political reform. Some indeed viewed the dispossession of the Aborigines with regret and even with feelings of guilt. Many were deeply moved by religious faith and were committed to the view that their lives should constitute an attempt to expiate sin and save their souls from damnation. As the Quaker land agent, Robert Cock, showed when he paid a form of rent to the Aborigines for the soil he was selling out from under them, higher concerns might temper the onrush of materialism—but they would not be allowed to stand in its way.



Colonists arriving for church service at St Thomas's, Port Macquarie, NSW. Before it was built in the 1820s, Governor Brisbane had directed that this be 'a plain building, without any spire', so that if it should 'be no longer required for sacred offices' it could 'be usefully converted to others'. This throng of worshippers in the mid-1830s shows how important churches were as places of meeting among 'respectable' sections of colonial society. Oil by an unknown artist, c1835.

MITCHELL LIBRARY