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CHAPTER XIV.

THE ANNALS OF AUSTRALIA.

The Commonwealth of Australia includes the entire continent of Australia proper, and the island of Tasmania. It is the only inhabited continent wholly in the Southern Hemisphere, and two-fifths of its area lie in the tropic zone. The continent has a low-lying, well-watered coast, with mountain systems parallel to and not far from the coast-line. The interior is a low plateau, consisting chiefly of desert and arid grass land. The population is concentrated along the southeastern coast.

Prior to 1901, this area was governed as seven separate British colonies: New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria, and Western Australia. On January 1, 1901, these states were federated into the Commonwealth of Australia.

The area of the Commonwealth is 2,974,581 square miles. Its population has been as follows: ^a

Census Date	Population	Persons per Square Mile
April 3, 1881.....	2,250,194	0.8
April 5, 1891.....	3,174,392	1.1
March 31, 1901.....	3,773,801	1.3
April 3, 1911.....	4,455,005	1.5
April 4, 1921.....	5,435,734	1.9

^a Australia Bureau of Census and Statistics, *Official Year Book, 1924*. Melbourne, 1925. Exclusive of full-blood Australian aborigines, estimated at 60,000.

Immigration to Australia was greatest during the decade 1881-1890. After years of quiet, it was resumed in 1907 and the years 1909-1913 recorded a net immigration of 281,193 persons. This source of increase was stopped by the War. Australia is not only one of the least densely populated countries in the world, but the little population which it has is largely urban in nature. The *Census of 1921* reported that 62.1 per cent of the population lived in incorporated cities and towns.

The following table indicates the relative importance of the various branches of activity in Australia:

Industry	Estimated Value of Production ^a (millions of pounds sterling)	
	1911	1923-24
Agriculture	39	81
Pastoral	51	103
Dairy, Poultry and Bee-Farming.....	19	42
Forestry and Fisheries	6	12
Mining	23	22
Manufacturing ^b	51	132
Total	188	393
Imports	67	141
Exports	79	119

^a Australia Bureau of Census and Statistics, *Official Year Book of the Commonwealth of Australia, 1924*. Melbourne, 1924. pp. 223 and 1,040, and *Quarterly Summary of Australian Statistics*, September, 1925. Melbourne.

^b Value added by manufacture, excluding items included under other headings, especially dairy products and forestry. Census refers to Queensland, Western Australia, and Tasmania for year ending December 31; New South Wales, Victoria, and South Australia for year ending June 30, six months later.

In Australia, the pastoral and agricultural interests are each dominated by one product. The number of cattle and sheep reached a peak soon after 1890, and then fell off to 1902, since which time the number of sheep has slowly increased, and cattle herds have grown extensively. However, wool remains the chief factor in pastoral wealth. The bulk of the wool is exported. Because it is clipped in November, the clip generally known as that of 1890-91, for example, is discussed in the following annals as the clip of 1890.

Agriculture has shown rapid development, the acreage under crops having increased during the thirty years between 1890 and 1920 from 5.4 million to 15.1 million acres. Nearly two-thirds of this area is given over to wheat, which is by far the most important agricultural commodity. Since wheat is harvested in January, the crop generally known as the 1890-91 crop, for example, is discussed in these annals as the crop of 1891.

Although it was mineral wealth which first gave Australia prominence in the eyes of the world, the value of its mineral production is today much less than that of either the pastoral or agricultural industries. Coal mining has become the most important mining industry and its annual output accounts for nearly one-half the total value of mineral products, though gold, copper, lead, zinc, and iron are mined

in appreciable amounts. Maximum gold production was reached in 1903.

Largely due to the nature of its population, and its distance from other industrial centers, Australia has developed manufacturing facilities more rapidly than most newly settled countries. In 1921, the Census reported for the first time a larger proportion of the breadwinners engaged in industrial employment than in agricultural, pastoral, and mining activities combined. In 1923-24, there were 20,189 factories, each employing four or more employees, or using power. The industries employing the largest number of wage-earners are the manufacture of textiles and clothing, and metal works and machinery.

The foreign trade of Australia is of great importance. This is shown by the fact that the sum of the exports and imports equals about two-thirds of the total value of domestic products in any year. Up to 1892, the annual returns generally indicated imports larger than exports, but since that time, with few exceptions, the balance of trade has remained favorable. Great Britain is gradually losing the quasi-monopoly on Australian trade which it has held for many years. The chief articles of export are wheat and wool, and of import are apparel and textiles, machinery, and metal products.

The following table shows the distribution of breadwinners by occupations at decennial periods, 1881 to 1921. The arrest of industrial progress by the financial crisis of the nineties is clearly shown, breaking the advance of the industrial group into two sections, that prior to 1891, and the resumption of advance after 1901.

Industry	Per Cent of Total Breadwinners ^a				
	1881	1891	1901	1911	1921
Primary Producers	38	31	32	30	26
Manufacturing	30	31	26	28	31
Commerce	9	12	14	15	15
Transport and Communication...	5	7	8	8	9
Others ^b	19	20	20	19	19
Total	100	100	100	100	100

^a Percentages computed from original data given in *Official Year Book, 1924.* p. 938.

^b Includes professional, domestic, and independent groups.

The industrial development of the Commonwealth has been paralleled by improvement in the means of transportation. The following table demonstrates the growth of railroads during the last thirty years:

Date	Railway Mileage ^a
June 30, 1891 ^b	10,123
June 30, 1901 ^c	13,551
June 30, 1911.....	18,012
June 30, 1921 ^d	26,202

^a Australia Bureau of Census and Statistics, *Official Year Book of the Commonwealth of Australia, 1922*. Melbourne, 1923. p. 537. Excluding sidings and cross-overs.

^b Including Tasmania as of December 31, 1891.

^c Including Tasmania as of December 31, 1901.

^d Including Western Australia as of December 31, 1921.

On June 30, 1921, 89 per cent of the railways were government owned, only small and relatively unimportant railways remaining in private hands.

The banking facilities in Australia have developed in the hands of a small number of banks. In 1911, the various State banks were consolidated into the Commonwealth Bank. In December, 1920, the control of the Australian note issue was handed over to the Commonwealth Bank. The various private banks have undergone a gradual process of amalgamation, and on June 30, 1922, there were eighteen private commercial banks trading in Australia.

Australian history prior to 1890 is one of sporadic spurts of development coupled with increasing fiscal difficulties. The first notable crisis came in 1839 with the failure of the Bank of Australia. Depression was severe in the early forties, and was not completely dispelled until the discoveries of gold in 1851. The next decade was one of rapid growth. The excitement gradually waned, and the following decade, from 1861-1872, was one of quiet and pause, broken by a severe financial crisis in Queensland in 1866. From the early seventies until 1884, the Australian colonies were generally prosperous, interrupted only in 1879-1880 by a severe drought. Much new mineral wealth was discovered, public land was sold extensively, and large sums were expended on public works. From 1886 on, expansion was at a slower rate, and prosperity became strained as it approached the crises of 1890 and 1893.

1890 Recession; depression.

Activity retarded by maritime strike, August to November; industrial crisis in Queensland; many failures; silver mania of 1888 subsides; foreign trade depressed, especially exports.

Money easy, but banks cautious.

Agricultural prosperity; record wheat harvest; small wool clip; good prices; sheep shearers' strike temporarily disorganizes wool trade.

1891 Depression.

Severe depression somewhat relieved late in year; home trade restricted; many failures; foreign trade active with unfavorable balance.

Easy money gradually tightens; failures of banks and building societies, beginning July; financial panic in Melbourne, December; large governmental borrowing.

Small wheat crop, large wool clip; good prices.

Drought; much distress in Victoria; gold discoveries in Western Australia.

1892 Depression.

General stagnation in industry; widespread unemployment; Broken Hill silver mines closed for three months by strike; land boom collapses late in year; beginning of period of large increases in gold production; fall in commodity prices; foreign trade declines.

Financial stringency; run on Savings Bank of New South Wales, February; general panic averted, March, by concerted action of banks; continued failures of building and land societies.

Small wheat crop with high price; large wool clip with depressed price.

Agricultural distress becomes widespread; higher tariff, March; gold rush.

1893 Depression; panic.

Continued inactivity with sharp fall in commodity prices; many failures; period of wage reduction begins; foreign trade slack.

Money very tight; financial panic causes many bank failures, April and May; fiscal difficulties.

Large harvest and wool clip, very low prices.

Droughts and floods.

1894 Depression.

General sluggishness; failures continue numerous; wage fall checked, increased unemployment; greater activity in local manufacturing; complete cessation of construction; commodity price fall continues; low point in foreign trade.

Money market recovers slowly.

Small wheat crop and large wool clip; prices very low; wool shearers' strike.

- 1895 Depression; slight revival.
Gradual increase in activity; marked decline in business failures; commodity prices very low; foreign trade revives, particularly exports.
Money eases; signs of recuperation on stock exchange; influx of British capital for gold mining.
Large wheat crop, but smaller wool clip; low prices.
Drought.
- 1896 Strong revival.
Great increase in activity; sharp decrease in unemployment; Western Australia gold boom; marked increase in imports.
Money easy, with temporary tightness in autumn.
Very small wheat crop and wool clip; wheat price rises sharply; slight improvement in wool price.
Severe drought; tariff reduced, January.
- 1897 Mild prosperity; agricultural depression.
Continued activity in home trade; railroad construction revives; many new enterprises formed; foreign trade active.
Money very easy; large bullion shipments.
New South Wales wheat crop very large, but Southern and Western Australian crops complete failures, high wheat price; small wool clip, good price.
Continued drought; colonies adopt Commonwealth Bill, March.
- 1898 Prosperity.
Rapid expansion; great activity in building construction; commodity price rise begins; continued growth in foreign trade.
Money tightens gradually.
Large wheat crop with fair price; small wool clip, high price.
Drought breaks; tariff increase, December.
- 1899 Prosperity.
Activity and expansion; slight depression in Western Australia; foreign trade very active.
Money easy; rapid extension of credit causes tightening; stock exchange active.
Good wheat crop, low price; small wool clip, high price.
Contingent of troops sent to South Africa.
- 1900 Prosperity.
Further activity and expansion; gold production falls off; increase in imports and slight decline in exports.
Money market active.
Good wheat crop with low price; small wool clip, price collapse.

- 1901 Recession.
Activity continues though somewhat retarded; revival in gold production; foreign trade reaches peak.
Money fairly easy with occasional tendencies to tighten.
Larger wheat crop and wool clip; low prices.
Severe drought begins; Commonwealth inaugurated, January; Immigration Restriction and Industrial Arbitration Bills passed; troops sent to South Africa.
- 1902 Mild depression.
General dullness; unemployment; wages fall sharply; falling off in foreign trade.
Money tightens; stock exchange dull.
Very poor wheat crop and wool clip; good prices.
Continued drought; federal protective tariff adopted; additional troops sent to South Africa.
- 1903 Depression.
Inactivity; peak in gold production; some revival in exports, but imports fall off severely.
Money tight; bank deposits decline.
Failure of wheat crop; wool clip slightly larger; low prices.
Continued drought.
- 1904 Revival.
Increased activity with lower commodity prices; decline in gold production sets in; considerable increase in exports with further decline in imports.
Money continues tight; stock exchange inactive.
Very large wheat crop with low price; larger wool clip with good price.
- 1905 Mild prosperity.
Industry quiet and sound; slow rise in commodity prices; foreign trade steady.
Money eases.
Wheat crop small with higher price; large wool clip with high price.
- 1906 Prosperity.
Gradual improvement and expansion in home industry; many wage increases; declining output of gold causes stagnation in Western Australia; foreign trade increases rapidly, especially exports.
Money easy with rapid extension of credit; mild boom in mining securities late in year.
Good wheat crop brings good price; very large wool clip with high price.
Period of increased immigration begins.

- 1907 Prosperity.
Activity maintained in domestic trade except in Western Australia; rising commodity prices; further expansion of foreign trade.
Credit restriction evident; security prices decline late in year.
Good wheat crop with low price; larger wool clip, lower price.
Drought; higher tariff "to regulate wages" passed; marked increase in immigration.
- 1908 Recession; mild depression.
Expansion checked and general activity somewhat retarded; coal strike, March; commodity prices reach peak; foreign trade declines.
Further tightening in money market, August.
Very poor wheat crop and small wool clip; prices low.
Drought; tariff of 1907 declared unconstitutional.
- 1909 Rapid revival; prosperity.
Strong increase in business and industry; many new enterprises; coal miners' strike late in year; commodity prices low; foreign trade continues somewhat depressed.
Money eases, May; security prices rise.
Good harvest and wool clip; fair wool price and sharply rising wheat price.
- 1910 Prosperity.
Great activity and expansion; extensive construction; wage rates advance; long coal strike; foreign trade very active.
Money easy.
Excellent harvest and clip; high wheat, low wool price.
Excitement in Western Australia over Bullfinch gold boom, October.
- 1911 Prosperity.
Internal activity retarded slightly by labor troubles; further increase in foreign trade.
Excellent wheat crop with high price; good wool clip and price.
Large increase in immigration.
- 1912 Prosperity.
Increased activity and expansion; rapid extension of frozen meat industry; commodity prices rise; imports increase while exports remain stationary.
Money tight, second quarter; Commonwealth Bank opened.
Deficient harvest with sharp decline in price; small wool clip with high price.
Trans-Australian Railway begun; immigration reaches peak.

- 1913 Mild recession.
Dullness gradually extends through industry; foreign trade reports first unfavorable balance since 1891.
Banks cautious; reform in banking organization.
Large wheat crop and wool clip with high prices.
Decline in immigration.
- 1914 Revival; recession; depression.
Revival and expansion evident, first half-year; after August, home industry inactive; shipping shortage; much employment; foreign trade checked.
Increased caution in money market.
Excellent harvest with high price; small clip with sharp fall in price.
Export of wheat prohibited except to Great Britain, September; immigration checked.
- 1915 Mild depression; revival.
Dullness and inactivity at beginning of year gradually disappear; unemployment severe to spring, then rapid decline; commodity prices rise rapidly first half-year; foreign trade severely depressed.
Money market tightens.
Wheat failure, good price; small wool clip, price recovering.
Severe drought; government undertakes control of wheat; embargo placed on wool export; widespread enlistment of men.
- 1916 War activity.
War boom; commodity prices gradually decline; full employment; rapid increase in foreign trade.
Money eases.
Enormous wheat crop with high price; very small wool clip and high price; government assumes control of both markets; price-fixing policy adopted.
- 1917 War activity.
Rapid expansion of home industry; labor troubles, with railroad strike lasting three months; ship shortage; commodity prices rise; severe unemployment; increase in exports and decline in imports cause return to favorable balance.
Money fairly easy, in spite of floating of War Loans.
Excellent harvest, lower price; small wool clip with very high price; government control continues.
Trans-Australian Railway completed, October; referendum returns majority against conscription; importation of luxuries prohibited.

1918 War activity.

Continued activity; flurry after Armistice followed by increased activity; full employment; commodity price rise accelerated; foreign trade continues expanding with large increase in imports.

Money continues abundant.

Small wheat harvest and large wool clip; wheat price high, but wool declines.

1919 Prosperity.

Continued activity disturbed by severe maritime and coal strikes; wages rise rapidly; full employment; commodity price rise continues; foreign trade very active with great increase in volume of exports.

Gold goes to premium, February; money tightens.

Large wool clip with peak price; very poor wheat crop, price slightly lower.

Severe drought; civil unrest, April; extensive immigration; epidemic of influenza; Australian Army returns.

1920 Prosperity; recession.

Continued activity; rapid recession, last quarter, with increase in unemployment; commodity prices reach peak, August; foreign trade boom continues, large increase in imports creating an unfavorable balance.

Money tightens, July; severe financial strain late in year; control of note issue transferred from Treasury to Commonwealth Bank.

Crop failure with high price; small wool clip with falling price; British government contract to purchase wool clip expires, June.

New protective tariff; sharp drop in immigration.

1921 Depression.

General dullness and depression; maximum unemployment reached, second quarter; many failures; wage rates reach peak, end of year; imports continue large but gradually decline, balance favorable.

Money tight and banks very cautious.

Large wheat crop with good price; good wool clip, low price; British-Australian Wool Realization Association formed to dispose of heavy stocks of wool.

Little immigration, but increase in emigration; higher tariff instituted.

1922 Slow revival.

Gradual increase in activity retarded by numerous labor difficulties, especially in mining where government intervention is necessary; failures continue numerous; commodity prices reach bottom, March, and then gradually rise; increased imports and small exports cause return to unfavorable balance.

Money eases; security prices rise; foreign exchange strengthens.

Good harvest, but sharp decline in price; good wool clip with much higher price.

1923 Revival; mild prosperity.

Recovery continues; employment fair, with wage rates at lowest point, first half-year; construction active; commodity prices rise to peak, July, and then fall; increase in imports with drop in exports.

Money tightens toward end of year.

Very small wool clip and harvest; higher wool price, but lower wheat price.

Police strike, Melbourne, October, with accompanying riots.

1924 Mild recession.

General activity in home trade; unemployment increases steadily; commodity prices fall to August and then rise; foreign trade shows large increase with favorable balance, last half-year.

Tight money eases and then tightens in autumn; foreign exchange difficulties.

Good wheat crop and excellent wool clip; high wheat price, wool collapses.

1925 Revival; prosperity.

Production at high level; commodity prices decline slightly to April, and then rise to peak, November; record volume of foreign trade despite seamen's strike, August to October; return to favorable balance.

Money easy; gold standard restored, April; stock market very active with rising prices.

Tremendous wheat crop, good prices; large wool clip, some recovery of wool price.

Labour Party wins general election, May, but is defeated, November; severe flood, New South Wales, May; new tariff increases rates, September.