

## Economic Development in Queensland during the Nineteenth Century

During the nineteenth century, and well into the twentieth, the ‘call of the land’<sup>1</sup> was the catchcry that characterised Queensland’s economic development. Indeed, this rural background is prominent in the symbolism inherent to Queensland’s Coat of Arms where the pastoral, agricultural and mining industries are represented on the shield; the secondary industries are conspicuous by their absence.<sup>2</sup> Queensland’s economic history is essentially the history of the interaction of several basic elements, including its geography and environment, the land and land usage, its people and their ideologies, its politics, public and private finance, and domestic and foreign markets. From its inauspicious beginnings as a penal settlement at Moreton Bay in 1824 the evolution of the European economy of Queensland was driven by the expansion of the pastoral frontier and the subsequent dispossession of the indigenous custodians of the land. Pastoral activity penetrated inland first from the New England district in the south on the Darling Downs, the Brisbane River Valley and later from beachheads along the coast, progressively moving north and west. Sheep and cattle grazing opened up the pastures and plains of Queensland’s interior, mining penetrated many isolated areas and provided a crucial fiscal liquidity to the colony, while timber-getting, small-scale farming, and the plantation-style sugar industry encouraged the occupation of large tracts of the coastal plains in the southern and central districts, and later in the far northern tropics. The nineteenth century was also characterised by rapid increases in population, the development of numerous urban clusters and by new ventures in the mining, manufacturing, and tertiary sectors. It is the task of this chapter, therefore, to analyse the economic evolution of Queensland from a number of perspectives in order to present a broad overview of the dynamic forces of this complex social and economic process. This chapter will examine the main currents of economic activity that occurred in Queensland during this period to provide the context with which to review the early decades of the twentieth century. These processes will be assessed chronologically by examining the various sectors of the economy as they evolved, with a particular emphasis on the development of secondary industries. This dynamic process will be interpreted by using the available economic indicators and taking into account the interplay

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<sup>1</sup> W. Ross Johnston, *The Call of the Land: A History of Queensland to the Present Day* (Brisbane: Jacaranda Press, 1982).

<sup>2</sup> Illustration- Queensland Coat of Arms, *Queensland Year Book 1992* (Brisbane: Australian Bureau of Statistics Queensland Branch, 1991). The agricultural industries are represented by cattle, sheep, grain and sugar cane and mining by a column of gold on a bed of quartz with crossed pick axe and shovel.

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between the external and internal geographic, economic, social and political forces.

### **Moreton Bay: The Convict Era to the Early 1840s**

There has been considerable historiographical debate concerning the ‘real’ motivations behind the establishment of a penal colony in New South Wales in 1788. It is not the intention of this thesis to enter into this debate. The rationale behind the establishment of a penal settlement on Moreton Bay, however, lies with the suitability of the geographic location of Moreton Bay for the provision of secondary prison services for the penal colony of New South Wales. Moreover, it is evident that the convicts, troops, officers and administrators who were intentionally marooned on Moreton Bay in 1824 were involved in more than merely an exercise in penal servitude or duty to the Crown. They were, in fact, involved in the development of a rudimentary subsistence economy sustained by inputs from Sydney and Britain.

This was European economic activity at its most primitive, but it was not the first economic process to occur in the geographical boundaries of the present state of Queensland. The indigenous population had engaged in a subsistence economy, of varying complexity, for perhaps 40,000 years or more. This predominantly hunter-gatherer society also engaged in the production of basic hand-made manufactures for use as domestic and productive implements and for cultural artifacts.<sup>3</sup> Apart from the Aboriginal, Torres Strait Islander, and Macassan hand manufacturing, the first known manufacturing activity undertaken on the Australian continent is that associated with repair work carried out on HMS *Endeavour* in 1770. Captain James Cook and his crew lived on the bank of the river he named the Endeavour, near the site of present day Cooktown, where their barque was deliberately beached for almost seven weeks between June 19 and August 5, 1770.<sup>4</sup> While Cook’s crew worked to repair the barque’s damaged hull with sections manufactured from timber carried on board and from local timbers. Such activity, however, was only temporary and was not undertaken for the creation of wealth or profit, but to ensure the survival of Cook’s expedition.

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<sup>3</sup> For an assessment of this indigenous manufacturing activity see Josephine Flood, *Archaeology of the Dreamtime: The story of prehistoric Australia and its people*, Revised Edit. (Sydney: Angus & Robertson, 1995).

<sup>4</sup> Ross Fitzgerald, *A History of Queensland from the Dreaming to 1915* (Brisbane: University of Queensland Press, 1986), p. 50.

The first European to return to the coastline of Queensland after Cook's visit was Matthew Flinders during his coastal charting expedition aboard the *Norfolk* in July 1799. Flinders party landed on Bribie Island, at a place he named Point Skirmish. On a later voyage in 1802 on board the *Investigator*, Flinders visited several sites along the Queensland coast. At Broad Sound (seventy kilometres south of Sarina) Flinders mused that a settlement might be founded upon the growing of 'wheat, maize, sugar and tobacco, if ever it were in contemplation to make an establishment in New South Wales within the tropic.' It is generally accepted that Europeans are not known to have revisited Queensland, and more specifically Moreton Bay, until 1822: the first documented sustained European economic activity to impact on Queensland's landscape was not to occur until 1824.<sup>5</sup> The process of European economic occupation and exploitation of Queensland's natural environment began with the arrival of a group on board the *Amity* on 11 September 1824, who had been sent from Sydney to establish a penal settlement on the shores of Moreton Bay. The party, led by Lieut. Henry Miller, included John Oxley and his assistant Robert Hoddle, Walter Scott (store-keeper/surgeon) and his assistant, Oxley's assistant Robert Hoddle, Allan Cunningham, fourteen soldiers and their wives, and most significantly, a labour force of twenty-nine convicts.<sup>6</sup> It has been suggested that perhaps fourteen or more of these convicts were volunteers who hoped to receive tickets-of-leave for their pioneering services.<sup>7</sup> The original site of the penal settlement was located between a small creek (now named Humpybong Creek) and the beachfront at what is now the Brisbane suburb of Redcliffe.<sup>8</sup> Animals were put out to graze, land was cleared and crops planted, but this first tentative agricultural activity met with little success. Some limited manufacture and assembly of building materials for shelter and storage also occurred.<sup>9</sup> The

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<sup>5</sup> *Ibid.*, p. 58-61.

<sup>6</sup> J. G. Steele, *Brisbane Town in Convict Days 1824-1842* (Brisbane: University of Queensland Press, 1975), pp. 8-9. The stated occupations of the 29 convicts were: carpenters and joiners (2), stone masons (2), shoemaker (2), sawyers (2), and one of each of the following; cabinet maker, wheelwright, dry cooper, ship's blacksmith, brickmaker, tailor, sailmaker (he also a tailor), smith, gunsmith, baker, nailmaker. The rest were general labourers, seamen or shingle splitters. Raymond Evans and William Thorpe, 'Power, punishment and penal labour: Convict Workers and Moreton Bay', *AHS*, 25, 98, (1992), pp. 92-95. Evans and Thorpe in their critique of Nicholas and Shergold's *Convict Workers* (1988) point out the numerous limitations and inaccuracies associated with the collection of convict era statistics, and the pit falls associated with qualitative assumptions made based upon these problematic qualitative sources.

<sup>7</sup> Fitzgerald, *From the Dreaming to 1915*, pp. 64-66.

<sup>8</sup> Steele, *Brisbane Town*, illustration 9. The site of the settlement covered a triangular area now bounded by ANZAC Avenue at the base and Redcliffe Parade and Humpybong Creek on the sides to an apex where the creek meets the sea to the north. See UBD, *Brisbane Refidex Street Directory: 38th Edition* (Brisbane: UBD, 1994), Map 2C, coordinates 6B-D and 7B-D.

<sup>9</sup> *Ibid.*, p. 17. At the Redcliffe site convicts were employed in the manufacture of timber members, weather boards,

settlement struggled and was soon abandoned when the Redcliffe site was officially deemed unsuitable for a number of reasons, including a suspect water supply, the marginality of its soils, and the inadequacy of its harbour. One unconfirmed source, a man believed to have lived at the settlement, was reported in 1895 to have claimed that it was the increasing resistance of the local Aborigines which forced the relocation of the settlement.<sup>10</sup> Whatever the reason, after Miller was replaced in 1824 by Captain Peter Bishop, the struggling camp was moved in 1825 to a superior location on the northern bank of the Brisbane River at the site which is now North Quay in the Brisbane Central Business District.<sup>11</sup> It was from this more favourable base that Brisbane Town evolved as the administrative and commercial hub and transshipment node for the Brisbane Valley hinterland and the eastern Darling Downs.

Details of economic activity in this early period to the 1840s are sketchy and under-researched. The details that are available provide important insights into the economic life of the penal settlement. Skilled labour shortages appear to have been an acute problem for a number of years. Captain Patrick Logan, commandant from March 1826, reported that in order to construct more permanent buildings, he required more skilled labour as the penal settlement had only one carpenter, a bricklayer and one stone mason suitable for this type of work.<sup>12</sup> Contemporary sources indicate, however, that a wide variety of tools, utensils and building materials were manufactured, modified and repaired by convicts using local and imported materials, all of which must have required an increasing diversity of skills.<sup>13</sup> However, most of the manufactured items produced by skilled tradesman would have been

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shingles etc, for huts and other structures. Bricks were manufactured for floor paving and lining of the camp well. Also special timber items had to be made to complete the erection of the pre-fabricated commandant's house (made in Sydney) due to ill-fitting sections and missing components. A fair degree of skilled carpentry would have been involved in this task.

<sup>10</sup> J.J. Knight, *In the Early Days: History and Incident of Pioneer Queensland* (Brisbane: Sapsford, 1895), p. 16.

<sup>11</sup> Fitzgerald, *From the Dreaming to 1915*, p. 74.

<sup>12</sup> Logan took command on 17 March. Janet Hogan, 'Brisbane's Historic Windmill', in Rod Fisher, ed., *Brisbane: Mining, Building Story Bridge, The Windmill*, Brisbane History Group Papers No. 10 (Brisbane: Brisbane History Group, 1991), p. 151. & Evans and Thorpe, *Power, Punishment and Penal Labour*, p. 106.

<sup>13</sup> Steele, *Brisbane Town*, pp. 53-56. The *Quarterly Return of Public Labour and Expenditure of Materials at Moreton Bay, for 25 December, 1825 to 24 March, 1826*, by L. V. Dulhunty, shows eighty-eight convicts listed, the occupations they were engaged in being: labourers (30), ground breakers (6), Carpenters (5), limeburners (4), sawyers (4), brickmakers (4), shingle splitters (3), 2 each of boat builders, blacksmiths, slab splitters, fencers, plasters, and brickmakers, and one each; tinsmith, nailmaker, cooper, stockman, bullock driver, shepherd, pig man, storeman, wardman, prisoners' cook, assistant cook, and the Commandant's servant. This report also lists numerous items manufactured by convict labour at Moreton Bay during this three month period. These include the construction of the schooner *Talbot* (45' x 10' 3" across the beam, coppered hull, 5' hold in clear), 51,250 shingles split, 1700 slabs split, 1500 laths [battens for plaster], 44,500 bricks, 19,907 shingle nails, 3471 three inch and 1125 four inch nails, and various iron bolts, bars, implements etc., drawn from a newly constructed brick forge. Other metal articles made included copper binnacle lamp, a copper canister, tin kettles, tin lanterns, milk strainers, bread tins, lead pumps, yard gates, iron hinges, tin scales, a large iron beam, tubs, buckets, kids, bead stretchers and timber writing desks, forms, and tables.

imported from Sydney, Britain and elsewhere because of skills shortages and the rudimentary state of the workshop facilities available at Moreton Bay. Some of the early industrial activity noted included the establishment in 1827 of a convict outpost and limestone quarry at Limestone Hills, near what is now Ipswich. The quarry was a source of mortar lime and foundation stones for the larger buildings under construction in Brisbane.<sup>14</sup>

The first recognisable ‘factory’ to be established in Brisbane was the Tower Windmill which began to grind maize by October 1828, and which still stands on Wickham Terrace, Spring Hill, and is the oldest example of a convict-built structure in Queensland. Brisbane’s isolation and lack of skilled labour are apparent in the fact that the mill was often idle for considerable periods because of delays in obtaining spare parts from Sydney. This was the case throughout the 1830s as one contemporary report noted ‘... there not being proper convenience or materials requisite to prepare the ... [windmill machinery parts] at Moreton Bay’.<sup>15</sup> While one study of the windmill’s structure claimed that some of the more substantial timberwork that carried the sheer tree and windshaft assembly atop the tower ‘... was cut by local convict labour and that they display the oldest carpentry work in Brisbane’, industrial historian Ray Whitmore believes the framework and other equipment was prefabricated in Britain.<sup>16</sup> It is fitting that it is also representative of the central dynamic of the Queensland economy, one largely based upon the exploitation and processing of raw materials and the manufacturing of primary sector commodities. It also stands as a poignant reminder that Queensland’s economic development owes as much to the use of manufacturing technology (for the

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<sup>14</sup> Fitzgerald, *From the Dreaming to 1915*, p. 78. Only a few structures have survived from this early period, the most notable being the Commissariat Stores beside the Riverside Expressway at North Quay (constructed 1828-29) and the Windmill (constructed 1826-28) off Wickham Terrace. Recently an archaeological dig on a cleared site opposite the Treasury Building in Brisbane uncovered a timber yard that dates from the early convict period and is of considerable historical value being a rare example of early European-Australian industrial activity.

<sup>15</sup> Hogan, ‘Brisbane’s Historic Windmill’, pp. 152-153.

<sup>16</sup> This claim was made by Allom Lovell Merquis-Kyle, *The Windmill: A conservation study* (Brisbane: TS Report, 1988), p.17. However, Whitmore’s case appears the more plausible based on the evidence presented here. Ray Whitmore, ‘Brisbane’s Tower Mill: A New Look at an Old Friend’, Rod Fisher, ed., *Brisbane*, p. 181.

crushing of sugar-cane, the boiling down, preserving and packing of beef and mutton, for canning and preserving fruits, for extracting and transporting minerals, and for the extraction, reduction, and smelting of minerals), as it does to the grazing of livestock and to growing crops.

The manufacturing activity which existed in the early years of settlement was relatively crude; it included the small-scale production of building materials, such as structural timbers, stone work, mud and clay bricks, and to a lesser degree, the manufacture and repair of agricultural implements and various types of wheeled transportation (for example, carts, drays, jinkers, and barrows). The fledgling settlement struggled through the early years, with the first of many taxing droughts hindered agricultural development in 1827-28. The often harsh climate was to continually shape and direct the patterns of development, and drought, particularly, was to play a fundamental role in how settlers and governments viewed the economic value of the land.<sup>17</sup> This struggle was exacerbated by the influx of increasing numbers of convicts. The increase in potential labour power for developmental work was largely off-set by the problems of feeding and sheltering the convicts. The scale of commandant Logan's task is demonstrated by the rapid growth of the convict population: from 77 in 1826 to 975 by 1830. As Ross Fitzgerald has noted, Logan's developmental zeal was often misdirected and much energy, expense and precious timber resources were wasted on agricultural projects of marginal value. Other projects, such as berthing facilities, were built at places inaccessible to the river craft they were meant to serve, and boats were at times constructed on slips with no access to the river.<sup>18</sup> Logan's zeal for development, progress and discipline can be seen as a precursor of the autocratic developmentalist Chief Secretaries and Premiers who came to dominate the political economy in Queensland. The convict population peaked in 1832 when, under the command of James Clunie, there were 1200 convicts labouring in the settlement. By 1834, convict numbers had been reduced to about 700, and by 1837 to only 300 under the command of Captain Foster Fyans. Under commandant Lieut. George Gravatt the sound of clinking irons and curses of the chain gang began to fade as less than 100 convicts resided at

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<sup>17</sup> Dan Daly, *Wet as a shag, Dry as a bone: drought in a variable climate* (Brisbane: Department of Primary Industries Queensland, 1994), p. 117. Rainfall data was recorded in Brisbane from 1840, however, continuous records have only been kept since 1858 and not much data on drought is available before this date. There were significant droughts recorded in Queensland during the years 1827-28, 1858, 1862-68, 1882-86, 1887-88, and 1898-1903.

<sup>18</sup> Fitzgerald, *From the Dreaming to 1915*, p. 81. He cites William Coote in *History of the Colony of Queensland; from 1770 to the close of the year 1881*, vol. 1, (Brisbane: William Thorn, 1882), pp.17-18. and Louis Cranfield, 'Life of Captain Patrick Logan', *JRHSQ*, 6, 2 (1959-60), p.320.

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Morton Bay by 1839.<sup>19</sup>

The distinctive feature of the Moreton Bay settlement, when compared to that of the penal establishments at Newcastle and Port Macquarie, was its near total economic and social isolation from the influences of free commerce and pastoral development. It was not until the late 1830s and early 1840s that the hinterland began to develop to the point where Brisbane and Limestone Hills became necessary conduits for the trade of rural commodities. Moreton Bay, in fact, was effectively quarantined from free settlers until about 1840 when increasing pressure from Darling Downs pastoralists for access to the ports at Brisbane and Limestone Hills forced Governor George Gipps to lift the trade and traffic restrictions in the fifty-mile exclusion zone around the settlement. Ships were then allowed to call at the port of Brisbane to off-load goods and seek outward cargoes without prior permission. The township was eventually declared a free settlement in May 1842, marking the official end of the convict era at Moreton Bay.<sup>20</sup>

### **Invasion and Occupation: Free Settlement and the Early Pastoral Frontier Era 1840-1859**

It is evident that the pattern of economic development in Queensland up to the 1840s was suppressed by the official restrictions placed upon economic activity. Economic activity therefore was contained to only that which served the subsistence needs of the penal settlement. The pastoral frontier would not be held back, however, and pastoralists made their way on to the Darling Downs despite the official isolation of the Moreton Bay settlement. Allan Cunningham is credited as the first European to have seen the broad grazing lands of the Darling Downs when he made his way over the Liverpool Ranges on 6 June 1827. He returned later that year to blaze an overland route from Brisbane to the Darling Downs, and in August discovered another pass through the Great Dividing Range, a pass now known as Cunningham's Gap. The incursion of squatters on to the Darling Downs did not occur for another thirteen years. From March 1840, the Leslie brothers, Patrick, Walter and George,

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<sup>19</sup> Fitzgerald, *From the Dreaming to 1915*, pp. 81, 83-84, 87 & 89.

<sup>20</sup> *Ibid.*, p. 90. & G.J.R. Linge, *Industrial Awakening: A Geography of Australian Manufacturing 1788 to 1890* (Canberra: Australian National University Press, 1979), p. 154.

drove 5000 sheep on to the plains by the Condamine River and took up the first run on the Darling Downs at 'Toolburra'.<sup>21</sup> Pastoral activity increased in the Darling Downs and Moreton Bay regions in the early 1840s despite the severe depression that beset the rest of New South Wales during this period. In late 1840 two squatters named Gilbert Elliot and Arthur Hodgson (Eton Vale station),<sup>22</sup> breached Brisbane's economic and social quarantine when they rode down Cunningham's Gap to Limestone Hills and then to Brisbane. They purchased stores and returned to Eton Vale through Cunningham's pass with their dray loaded with supplies. Their journey marks the beginning of trade and traffic through the pass and which accelerated the alienation into European hands of not just the Darling Downs, but also the Brisbane Valley and the south-east corner of what is now Queensland.<sup>23</sup>

The story of the economic and industrial development of Queensland from this point is a pattern of expansion of pastoral frontiers, and the resistance, subjugation, and dispersal or death of many of the traditional custodians of that land. Indeed, the period 1841 to 1845 on the Darling Downs has been called the 'Great Fear' when European aggression and Aboriginal resistance characterised race relations on that section of the pastoral frontier.<sup>24</sup> The impact of European occupation of Aboriginal lands in Queensland, and elsewhere in Australia, has undergone a process of significant and sustained historical investigation in this country over the past two decades. The issues here are complex and this thesis is not the forum for investigating this process in any detail. It is essential, however, that it be understood that the economic 'progress' experienced in Queensland was made possible only by the forced dispossession and exploitation of its indigenous inhabitants. The popular historical imagery of the pastoral industry has rested on the much romanticised vision of the frontier pioneer battling the bush to carve out a living, the story of the self-made 'man' and the rugged rural individualist. While, on the other hand, the birth of the political labour

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<sup>21</sup> The Leslie brothers' 'Toolburra' run was located to the north-west of Warwick near the present day Toolburra siding on the Toowoomba-Warwick railway line. For a fascinating account of the squatters move onto the Darling Downs and the later struggle break up the pastoral monopoly over land to make way for closer settlement see Beverley J. Irwin, *A Million Bushels of Wheat: The History of the Clifton Shire 1840-1988* (Clifton: Clifton Shire Council, 1989), pp. 16-41. For more detailed assessment of the European occupation and Aboriginal dispossession of the Darling Downs country see Maurice French, *Conflict on the Condamine: Aborigines and the European Invasion - A History of the Darling Downs Frontier: 1* (Toowoomba: Darling Downs Institute Press, 1989), pp. 45-63 and 91-115. & D.B. Waterson, *Squatter, Selector & Storekeeper: A History of the Darling Downs, 1859-1893* (Sydney: Sydney University Press, 1968).

<sup>22</sup> Irwin, *A Million Bushels of Wheat*, pp. 16-9. Other early pastoralists on the eastern Darling Downs were the Patrick brothers at Toolburra & Canning Downs, Joseph King and Charles Sibley at King's Creek (Clifton station), Frederick Isaac at Gowrie, the Hodgson brothers, the Gammies, Campbells, Joe King, Charles Coxen, Henry Russell, and the Gore brothers.

<sup>23</sup> Fitzgerald, *From the Dreaming to 1915*, pp. 78 & 90-91.

<sup>24</sup> French, *Conflict on the Condamine*, pp. 91-101.

movement in Australia draws upon the same economic process but from the perspective of the 'exploited' bush worker. Both of these ideals have foundations in truth, but what they neglect to reveal is the brutal process of dispossession and the crucial role played by Aboriginal workers, male and female, in the successful development of the pastoral sector: a role which earned them little by way of rewards, rather, only a marginal means of survival (and for so many, genocide), and the continuing ignorance, scorn, distrust and racial hatred of a largely disinterested European immigrant population.<sup>25</sup>

It is from this early period of pastoral expansion in Queensland that the seeds of the recent High Court rulings concerning Native Title were sown (Mabo in 1992 and Wik in 1996). Henry Reynolds has advanced evidence of the coexistence of native 'title' rights within pastoral leases in the late 1840s. This institutionalisation of native title rights in the nineteenth century inherent within early pastoral leases, and more broadly as an accepted concept by the British in Canada, America and New Zealand, can only be interpreted as official recognition of native title and a repudiation of the notion of *terra nullius*, an interpretation confirmed by the High Court's Mabo and Wik decisions.<sup>26</sup> The historical evidence is irrefutable: the state supported the dispossession of indigenous people from their lands, sanctioned the widespread murder of indigenous populations, and endorsed their exploitation as neo-slave labour by the pastoral industry.<sup>27</sup> This exploitative process characterises, fundamentally, the nature of the economic development of the pastoral sector and, therefore, the economic foundation of Queensland and the other colonies. The economic advancement of the pastoral sector is as

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<sup>25</sup> For early examples of the reassessment of frontier relations see Henry Reynolds, *Race Relations in North Queensland* (Townsville: History Department James Cook University of North Queensland, 1978); *The Other Side of the Frontier* (Townsville: History Department James Cook University, 1981); "Before the Instant of Contact": Some Evidence from Nineteenth-Century Queensland', *Aboriginal History*, 2 (1978), pp. 63-69; 'Racial Violence in North Queensland' in *Lectures on North Queensland History*, 2nd series (Townsville: History Department James Cook University of North Queensland, 1975), pp. 21-29; 'The Other Side of the Frontier', *Historical Studies*, 17 (April 1976), pp. 50-63; Glenville Pike, *Queensland Frontier* (Adelaide: Rigby Limited, 1978); Noel A. Loos, 'Aboriginal Resistance on the Mining, Rainforest, and Fishing Frontiers', in *Lectures on North Queensland History* (Townsville: History Department James Cook University of North Queensland, 1974), pp. 163-75, and Loos, 'Aboriginal Resistance in North Queensland', in *Lectures on North Queensland History*, 3rd series (Townsville: History Department James Cook University of North Queensland, 1978), pp. 233-45. A substantial body of work has developed in this area since the 1970s including, Henry Reynolds, 'Native Title and Pastoral Leases' in M.A. Stephenson and Suri Ratnapala eds. *Mabo: A Judicial Revolution* (Brisbane: University of Queensland Press, 1993), also *With the White People: the crucial role of Aborigines in the exploration and development of Australia* (Ringwood: Penguin Books, 1990); *Frontier: Aborigines, settlers and the land* (Sydney: Allen & Unwin, 1987); Richard Broome, *Aboriginal Australians: black response to white dominance, 1788-1980* (Sydney: George Allen & Unwin, 1982); French, *Conflict on the Condamine*; and Raymond L. Evans, Kay Saunders and Kathryn Cronin, *Exclusion, Exploitation and Extermination: Race Relations in Colonial Queensland*, 3rd edit. (Brisbane: University of Queensland Press, 1993).

<sup>26</sup> See Henry Reynolds, *Frontier: Aborigines, Settlers and Land* (Sydney: Allen and Unwin, 1987), pp. 133-61. & Michael Bachelard, *The Great Land Grab: What every Australian should know about Wik, Mabo and the Ten Point Plan* (South Melbourne: Hyland House, 1997), pp. 1-68.

<sup>27</sup> See Raymond Evans chapter in Kay Saunders (ed) *Indentured labour in the British Empire, 1834-1920* (London:

much based upon these racially exploitative relations as it is on the individual enterprise, personal hardships and sacrifice of the European settlers.

### **Economic Geography and the Demography of Development, 1840-1860**

The developmental patterns that evolved over the two decades after 1840 emerged from the complex interaction between individual and cooperative material desires and ideologies, race relations and exploitation, access to capital, the demand created by the needs and wants of the European and Asian populations in the colonies and back 'home', the modes of transportation and transport linkages available, and above all else, the geography of the landscape, its natural resources, and the climatic conditions that acted upon it. Up to, and including, most of the 1840s the economic geography of Queensland was limited to the Moreton Bay, West Moreton, Wide Bay, and the Port Curtis regions. During the 1840s the town of Ipswich grew out of the convict-quarrying outpost at Limestone Hills, and some small settlements began to appear on the Darling Downs (Drayton and Warwick) to service the pastoral trade built up by the success of the squatters. All of the prime pastoral country on the Darling Downs was taken up by the late 1840s and the pastoral frontier had driven north and west to include most of the Maranoa district and the lower Leichhardt district by the late 1850s.<sup>28</sup> At this stage the mercantile and manufacturing sectors began to develop, the latter establishing itself in all population centres at first tapping the market for essential goods, such as food, drink, clothing, footwear, leather goods, saddlery and harnessware, basic agricultural implements, and carriage and wagon making and repair. During the late 1840s and 1850s economic activity moved north along the coast, spurring the foundation of Maryborough, Rockhampton and Gladstone (after the unsuccessful attempt in 1840s at Port Curtis). During the 1860s townships were established at Townsville, Mackay and Bowen, as well as other service centres to the west at Roma, Charleville, Goondiwindi and Clermont.<sup>29</sup>

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Croom Helm, 1984).

<sup>28</sup> For a comprehensive account of the success of pastoralism on the Darling Downs and the rise of closer settlement from the early 1860s see French, *Conflict on the Condamine* (1989); French, *A Pastoral Romance: The Tribulation & Triumph of Squatterdom - History of the Darling Downs Frontier: 2* (Toowoomba: UCSQ Press, 1990) & French, Maurice. *Pubs, Ploughs & 'Peculiar People': Towns, Farms & Social Life - A History of the Darling Downs Frontier: 3* (Toowoomba: USQ Presss, 1992).

<sup>29</sup> Margaret Stubbs-Brown, *The Secondary Industries of Queensland: 1875-1900*, B.A. Hons, University of Queensland, 1962, pp. 5-6.

The census of 1851 lists six towns or villages in the area of New South Wales that now comprises Queensland. The European population was estimated at 8600; of these 4800 were males. The breakdown of population figures were: Brisbane 2550, Ipswich 930, Maryborough 300, Warwick 270, Drayton 200, and Gayndah 90. These towns comprised about half the total population with the other half over an area of approximately 58,000 square miles. There was also a distinct demographic imbalance in terms of gender and age between the towns and the rural areas, with approximately 67 per cent of the children, and only 38 per cent of the adult males, living in the towns.<sup>30</sup>

As settled populations began to establish themselves in the south-east of the colony the demand for local industries grew. The markets for non-essential items were, however, largely denied to local manufacturers for various reasons which included the lack of capital for investment, cost of materials and labour, a general prejudice against local wares and a preference for the imported item from 'home'. This prejudice should not be underestimated; it played a significant role in the distortion of development in the secondary industries sector which is discussed in Chapter Four. Some historians, for example, Margaret Stubbs-Brown, argue that the concept of cultural baggage played a part in fostering this prejudice. This concept is drawn from the theory behind the Louis Hartz thesis which contends that migrants surrounded themselves with the goods and chattels, and also ideals, values and mores, that reminded them of 'home'.<sup>31</sup>

Growth did occur, however, in the manufacture of 'non-essential' items as local products were adopted, or adapted, to suit local conditions; this is especially true of coach and wagon making. The opportunity for local manufacture was boosted depending on the size and portability of the goods. Stubbs-Brown contends that goods of a bulky nature, which were costly and difficult to transport, found ready-made localised markets. Also the climate affected tastes: local wine, spirits (especially rum) and beer were popular, although one might argue the latter might have been considered an 'essential' item for parched Queensland

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<sup>30</sup> G.J.R. Linge, *Industrial Awakening: A Geography of Australian Manufacturing 1788 to 1890* (Canberra: Australian National University Press, 1979), p. 154.

<sup>31</sup> Stubbs-Brown, *Secondary Industries*, pp. 2-3. For a detailed discussion of the concept of cultural baggage and the Hartz thesis see, Louis Hartz, *The Founding of New Societies: studies in the history of the United States, Latin America, South Africa, Canada, and Australia* (:, 1964); Neville Meaney, ed., *Under New Heavens: cultural transmissions and the making of Australia* (:, 1989); G. Bolton, 'Louis Hartz', *AEHR*, 13, 2, (1973), & A. Martin, 'Australia and the Hartz "fragment" thesis', *AEHR*, 13, 2, (1973).

throats. The establishment of permanent settlements encouraged the growth of essential service industries. In the townships, and along the wagon and coach routes, small manufacturing enterprises were established — saddlers, blacksmiths, sawmillers, joineries, coach and wagon workshops, coopers, tailors, dressmakers, and boot-makers. Eventually, with the growth in population densities, these markets would reach a point of critical mass when it became viable to establish non-essential goods manufacturing.<sup>32</sup>

A difference of historical opinion exists over the definition and demarcation between various industry sectors, and what may or may not be defined as ‘manufacturing’ activity. While Stubbs-Brown, for example, notes the development of various manufacturing activities during the 1840s and 1850s, industrial geographer G.J.R. Linge claimed that by 1850 the ‘industrial development of Queensland ... was so slight that it can virtually be ignored’.<sup>33</sup> In another study Linge claimed that even later in that decade ‘industrial development worthy of the name did not exist ...’, and that Queensland was totally dependent on Sydney for almost all ‘finance, services, and supplies’.<sup>34</sup> Nevertheless, the scale of industrial activity utilising the banks and waters of the Brisbane river was such that in the 1840s the pollution of the river by noxious industries was considered a noteworthy problem. The river was used as a ‘drain for the effluent of a combined abattoir, wool-washing plant, boiling down establishment and salting works’.<sup>35</sup> In defence of Linge, it is certainly true that the more sophisticated industries associated with manufacturing technology of the industrial revolution were virtually non-existent in Moreton Bay at this time. One must not underestimate, however, the scope of manufacturing activity of a more basic kind undertaken during this period; to do so creates a false impression of the actual depth of economic activity.

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<sup>32</sup> Stubbs-Brown, *Secondary Industries*, pp. 4-5.

<sup>33</sup> Linge, *Industrial Awakening*, p. 156.

<sup>34</sup> G. J. R. Linge, ‘The Forging of an Industrial Nation: Manufacturing in Australia 1788-1913’, in J. M. Powell & M. Williams, eds., *Australian Space, Australian Time* (Melbourne: Oxford University Press, 1975), p. 157.

<sup>35</sup> J. M. Powell, *Plains of Promise, Rivers of Destiny: Water Management and the Development of Queensland, 1824-1990* (Brisbane: Boolarong Publications, 1991), p. 10.

## Separation to Federation: Economic Development from 1859 to 1899

### The 1860s: Opening up the Land

By the time Queensland was formally separated from the colony of New South Wales on 10 December 1859<sup>36</sup> the pastoral push had advanced throughout the south-eastern coastal plains, had penetrated deeply in to the southern brigalow belt, an area encompassing the western Darling Downs and the ranges and plains to the west of Rockhampton and Gladstone in central Queensland. Considerable pastoral activity had also occurred in the northern savanna country centred on the Burdekin River Valley to the west of Townsville in north Queensland.<sup>37</sup> The pastoral industry was the dominant economic force at this time and its importance is reflected in the focus accorded to it by the first Queensland legislature elected in 1860. The first ministry, led by Colonial Secretary Robert Herbert, was representative of the pastoralists' interests yet adopted a land use strategy that, at least in part, attempted to address the needs of the smaller landholder and of the ideal of closer settlement. The Herbert government set aside tracts of land in three categories: town, suburban (including small farming allotments) and country (for pastoral runs and larger farms). The government's rationale appears to have been to allow immigrants of limited means to establish small farms to supply produce to the growing urban centres. The pastoralists were not, on the whole, against this form of rural intensification. The small landholders, it was believed, would provide a reliable alternative labour supply to the itinerant bush workers. Large tracts of land were reserved for agricultural use; for example, 100,000 acres around Moreton Bay, Wide Bay and at Port Curtis (Gladstone). Smaller areas of 10,000 acres were to be retained around towns with a population density greater than 500. Immigrants were able to apply for land grants and, if unsuccessful, they could purchase small farms of between 40 and 300 acres. Unfortunately, this ideal failed largely because of a lack of knowledge of what the land could realistically yield under intensive agriculture.

Another attempt at regulating land usage, in concert with rural intensification, came from the

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<sup>36</sup> Fitzgerald, *From the Dreaming to 1915*, p. 112.

<sup>37</sup> For details on the development of the pastoral industry in these and other regions see Noela C. Deutscher, *The Development of the Cattle Industry in Queensland 1840-1890*, B.A. Hons., University of Queensland, 1959; French, *Conflict on the Condamine &* and Lorna McDonald, *Cattle Country: the beef cattle industry in Central Queensland 1850s-1980s* (Brisbane: Boolarong Press, 1988).

Mackenzie/Lilley ministries from 1868-1869. Under pressure from northern pastoralists, who felt the 1860 regulations did not provide sufficient security of tenure, the *Crown Lands Alienation Act 1868* gave certain pre-emptive rights of purchase to the pastoralists while allowing the government to resume up to half a lease area for closer settlement. The 1869 regulations were aimed at providing a means of control over unoccupied land in the north. Pastoralists in the more established regions, such as the Darling Downs and Moreton Bay, were able to capitalise on this to gain freehold tenure of the best country through ‘dummying’ tenure,<sup>38</sup> despite the government’s hopes of making leasehold the preferred method of pastoral occupation.<sup>39</sup> As Beverly Irwin notes, in her study of the rural development of the Clifton Shire, the passage of the *Crown Lands Alienation Act 1868* marks an important juncture where the pastoralists’ power over the land was beginning to be usurped ‘... as selectors, merchants, bankers and middlemen of all descriptions came to feast on the pastoral banquet’ (see Fig. 1.1 and Fig. 1.2).<sup>40</sup>

The increase in pastoral production was fuelled by a rapidly growing demand for wool by British mills, and expanding export markets for preserved meat and meat extracts, tallow, leather and hides. Pastoral exports had grown to a value of £489,728 by 1860 and increased to £1.8 million by 1870 (see Fig. 1.3, Fig. 1.4 and Fig. 1.5).<sup>41</sup> This export trade was built upon the surplus production that satisfied domestic demand for meat and its by-products due to the rapid population growth associated with the Victorian and New South Wales gold rushes. This necessitated the establishment of pastoral product-processing works which made it possible for these raw materials to be converted into more transportable, and therefore, more marketable commodities. At first this process was directed at satisfying Australian markets, principally those in Brisbane, Sydney and Melbourne. The combination of production surpluses and advances in manufacturing and transport technology made it possible for Queensland’s rural industries take advantage of expanding export markets in Britain and Europe. Among the urban centres, Brisbane consolidated its economic importance once confirmed as the colony’s capital, while the coastal towns of Maryborough, Rockhampton and

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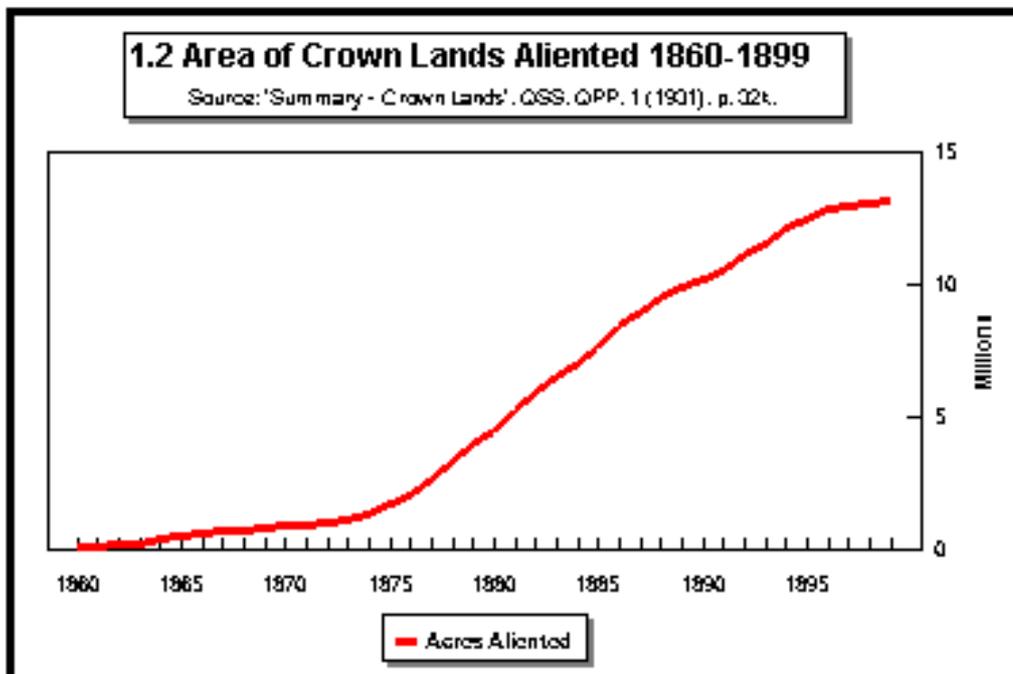
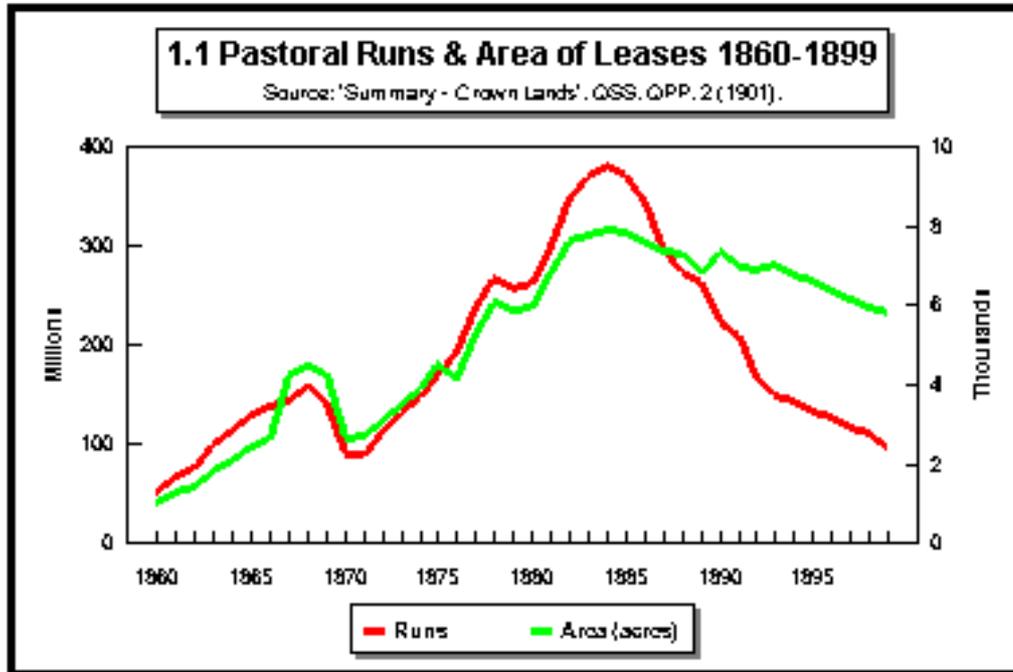
<sup>38</sup> Dummying runs was a process where pastoralists would freehold sections of their leasehold runs along the water courses in their own names, and in many cases under the names of trusted associates or ‘dummies’ on their behalf. This strategy effectively secured the best watered country for the squatters and left the agricultural selectors with limited or no access to water. For an example of this see Irwin, *A Million Bushels of Wheat*, pp. 26-7.

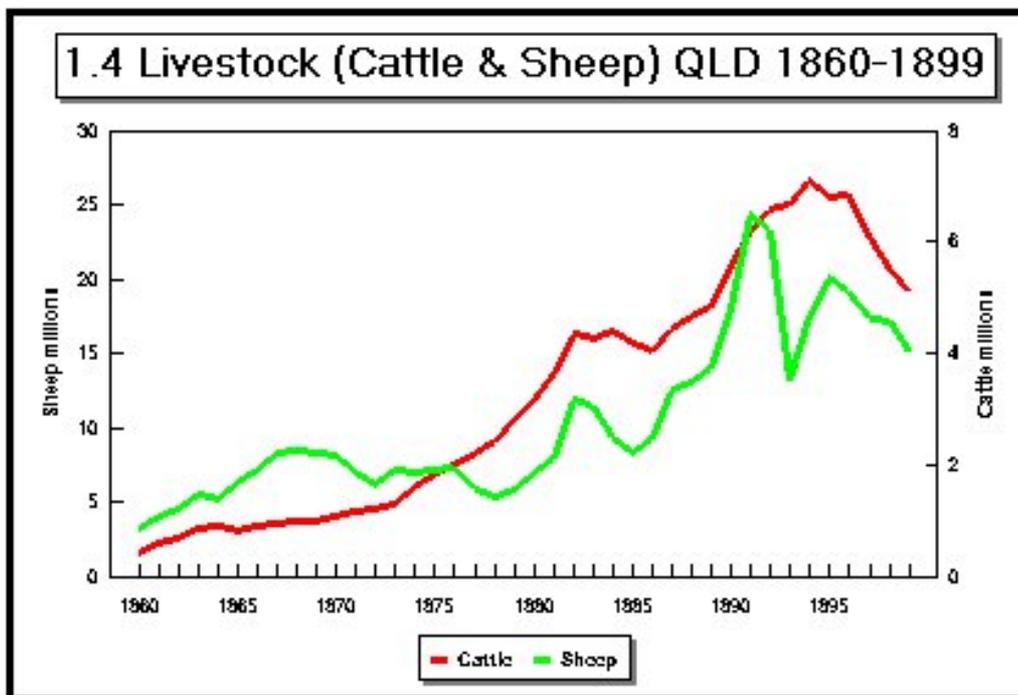
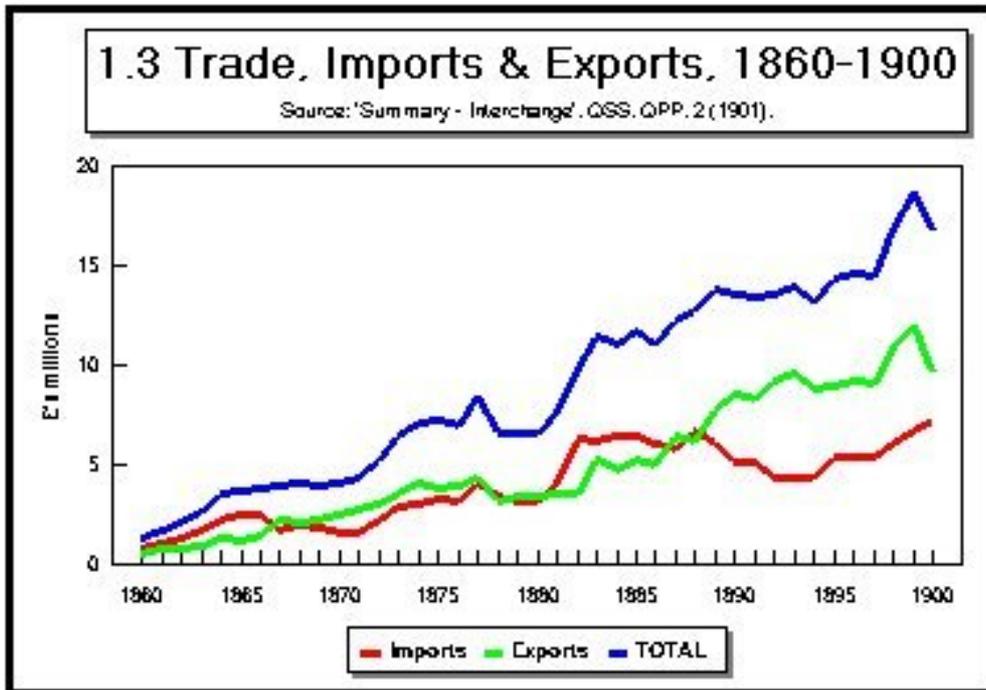
<sup>39</sup> Johnston, *The Call of the Land*, pp. 50-51.

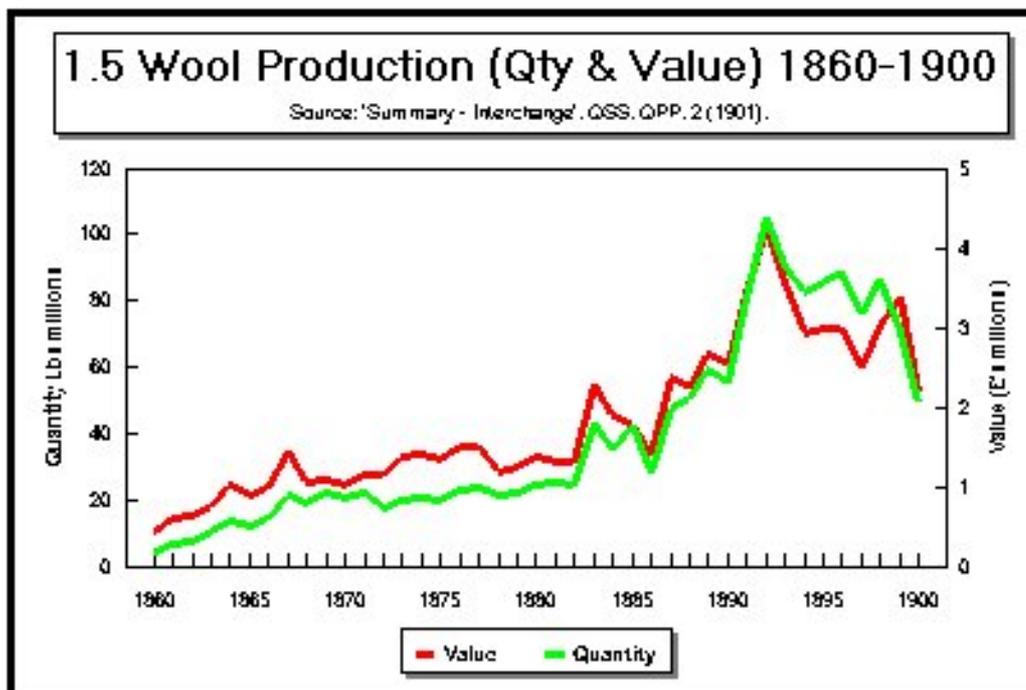
<sup>40</sup> Irwin, *A Million Bushels of Wheat*, pp. 22-3.

<sup>41</sup> ‘Summary - Value of Principal Exports’, QSS, *QPP*, (1931), p. 22k.

Townsville (like Brisbane) all benefited from being ports which serviced large and resource-rich hinterlands.







## The Economic Crisis of 1866

Pastoralism provided the Europeans with the economic foundation essential for their successful occupation of Queensland. For this reason pastoral development was a consistent priority of all Queensland governments. Successive Queensland colonial administrations became increasingly active in the affairs of the pastoral and agricultural sectors, in which most parliamentarians were closely involved in promoting developmental railways, pastoral expansion, and ultimately closer settlement agriculture, while manufacturing was generally left to its own devices.<sup>42</sup> By the mid-1860s the pastoral sector had over-extended itself and the economy teetered on the brink of collapse. A series of droughts occurred around Queensland between 1862 and 1869, with a severe drought lasting from 1867 to 1869. The financial crisis of 1866 was followed by a severe drought, lasting from 1867 to 1869, which further weakened the pastoral and infant agricultural industries, and contributed significantly to the depth of the fiscal and financial crisis that overtook the colony in 1866.<sup>43</sup> The economic

<sup>42</sup> Stubbs-Brown, *Secondary Industries*, pp. 22-3.

<sup>43</sup> Dan Daly, *Wet as a shag, Dry as a bone: drought in a variable climate* (Brisbane: Department of Primary Industries Queensland, 1994), p. 117.

instability of the 1860s had long-term implications on the financial structure of the Queensland economy, and, in particular, in the pastoral sector with the wholesale replacement of pastoralist capitalists by their creditors: the banks and the land mortgage companies under the control of predominantly British investors.<sup>44</sup>

The fiscal crisis of 1866 had a number of indigenous and exogenous causes. The Queensland economy had contracted from 1864 and in that year a major outbreak of pleuro-pneumonia drastically reduced stock numbers. The pastoral industry was over-capitalised, and this allied with stock losses, low prices and periods of drought, weakened the viability of the entire industry. Overseas, a financial crisis was unfolding that involved a deflationary increase in lending interest rates that topped 10 per cent in 1866. A number of firms engaged in the global railway construction boom failed. The British Agra and Masterman Bank, which had raised the loan to finance Queensland's first railway from Ipswich to Grandchester (Bigge's Camp) in 1864-1865, was among the casualties of the 1866 crisis. Likewise, Peto, Brassey and Betts, the firm contracted to construct the Ipswich-Grandchester line, also collapsed in 1866.<sup>45</sup> The financial collapse of 1866 was exacerbated by severe drought and the collapse of land prices. The problems facing the Queensland treasury in 1866, however, had their origins as far back as the severe depression that seized Britain during 1857.<sup>46</sup> The Queensland government had committed vast sums of borrowed money to developmental projects, especially to railway construction, and costs associated with its assisted immigration scheme had been rising. Mass immigration during this period was linked to the granting of land orders which undermined government revenues derived from land sales. As a result of this, and in the wake of intakes of about 1000 immigrants a month in 1865, the Queensland Treasury was essentially bankrupt by May 1866. The extent of government involvement in the economy, and the necessary curtailment of public works, accounts for much of the extreme hardship experienced by newly arrived migrants and those already resident in the colony. This led to mass unemployment and considerable social unrest. The colony's economy was paralysed.<sup>47</sup> When a new loan was raised in London, gold was discovered in viable quantities at Gympie in 1867, and after the

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<sup>44</sup> Johnston, *The Call of the Land*, p. 52.

<sup>45</sup> James Foreman-Peck, *A History of the World Economy: International Economic Relations since 1850* (Brighton: Wheatsheaf Books, 1983), pp. 85-6. & Ian Cameron, *125 Years of State Public Works in Queensland: 1859-1984* (Brisbane: Boolarong Press, 1989), pp. 38-42.

<sup>46</sup> Foreman-Peck, *A History of the World Economy*, pp. 85-6.

<sup>47</sup> Johnston, *The Call of the Land*, p. 85.

worst effects of the drought had faded after 1868, the pastoral sector regained its composure and the economy was revived.<sup>48</sup>

## Industry Development in the 1860s

During the 1860s agriculture was still fairly rudimentary in scope and scale and had not begun to realise its true potential. Closer settlement selection began to take place on the eastern Darling Downs, but this process was slow and the results were not immediately spectacular.<sup>49</sup> Between 1860 and 1870 the total area of land under cultivation increased from 3353 acres to 52,210 acres (see Fig. 1.6), with maize accounting for the largest area under crop, followed by wheat and cotton in 1860. By 1870 cotton-growing had boomed from just 14 acres to 14,674 acres (1.6 million lbs produced) to overtake wheat-growing (2892 acres producing 40,000 bushels) and briefly challenged maize-growing (16,040 acres by 1870) for agricultural supremacy. Sugar cultivation did not begin until 1863 and had expanded to cover 6341 acres, producing 2854 tons of sugar by 1870. By the end of the decade several new crops had emerged, including tobacco, banana, and pineapple growing.<sup>50</sup>

The mining sector began to assert its importance during the 1860s. The total value of mineral production jumped from £20,925 in 1860 to £484,031 by the end of the decade. Gold was the most significant in value followed by coal and copper.<sup>51</sup> The first gold rush in Queensland was at Canoona in the Port Curtis district in 1858 which attracted between 10,000 and 16,000 diggers. The shallow alluvial leads were soon exhausted and the collapse of the field caused great hardship among the miners, and which led to a degree of civil unrest.<sup>52</sup> During the 1860s gold was mined at Peak Downs, Calliope, with the most significant activity at Crocodile Creek (near Mt. Morgan in 1865) in central Queensland, and also at Nanango, Eidsvold and

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<sup>48</sup> *Ibid.*, pp. 85-7.

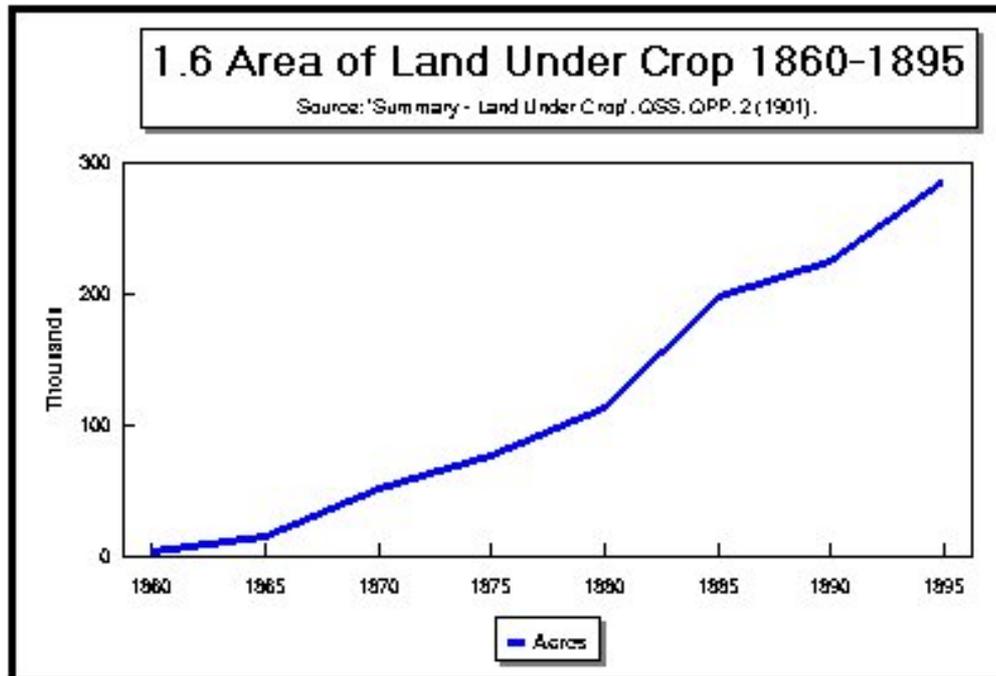
<sup>49</sup> Irwin, *A Million Bushels of Wheat*, pp. 22-6.

<sup>50</sup> 'Summary - Produce of Crops and Land under Crop, 1860-1870', QSS, *QPP*, (1931), pp. 36k & 38k. & H. N. Lund, 'The Origin & Development of Co-operative Sugar Mills in Queensland', *JRHSQ*, 5, 3, (1955), p. 1104.

<sup>51</sup> 'Summary - Mining', QSS, *QPP*, (1931), p. 34k.

<sup>52</sup> P. Bell, 'Essay on North Queensland Mining Settlement', in K. H. Kennedy, ed., *Readings in North Queensland Mining History Vol. 2* (Townsville: James Cook University of North Queensland, 1982), p. 3. For the best account of the development of the mining industry in North Queensland see G. C. Bolton, *A Thousand Miles Away* (Canberra: Australian National Library Press, 1970), and for an account of the development of one northern field see J. Wegner, *The Etheridge: a Study*

Gympie in the south-east. In the latter years of the decade gold mining occurred at Cape River, Gilbert River, Etheridge, Ravenswood and Hodgkinson in the north, and at Cania, Kroombit and Rosewood in the south. Other metals were worked, principally tin, lead, silver, zinc and copper. Operations to extract copper were conducted at Peak Downs in 1861, at Cloncurry in 1867 and briefly at Mt. Perry in the Burnett Valley in the early 1870s.<sup>53</sup>



There was growth in the services sector too, especially those services associated with stock and station agencies, mercantile activities in the urban centres, and in public administration. A general expansion in trade occurred during the 1860s, despite the set-backs between 1865 and 1867, which provided an economic base sufficient to foster a local manufacturing sector.

### Secondary Industries in the 1860s

Industrial statistics specific to Queensland were first offered in the inaugural Registrar-General's report of 1860, albeit in a somewhat *ad hoc* manner. The report revealed that there were four machine powered sawmills, two tanneries, two salting and meat preserving works, two soap and candle works, one steam flour mill, one pottery, one salt works, and two boiling-

of the History of the Etheridge Shire and Goldfield 1845-1960, B.Ed. Hons., James Cook University, 1980.

<sup>53</sup> Johnston, *The Call of the Land*, pp. 65-74. & Eric Rolls, *Sojourners: Flowers and the Wide Sea - The Epic Story of*

down works (one each at Ipswich and Wide Bay), officially recognised as operating in Queensland. The Registrar-General commented that in terms of manufacturing activity:

There is little or nothing to allude to. Both capital and labour are far too valuable to be employed with advantage or profit in manufactures ... exposed to the active and infallibly destructive competition of the older communities possessed of both in superabundance.<sup>54</sup>

The Registrar's comments, perhaps, reflect the low opinion held of the manufacturing sector in general. The manufacturing that did exist was classified, in the Registrar's view, as a component of primary production and, as such, did not warrant classification as manufacturing activity.

Commenting on these statistics, industrial geographer G.J.R. Linge noted that most of these enterprises had sprung up in the previous decade which indicates that manufacturing activity was evident but had been judged against the rather unfair benchmarks of sophistication in the southern capitals and Britain. These early manufacturing enterprises were quite diverse, including blacksmithing, printing, cabinet-making and joining. A Newcastle (New South Wales) firm had, in fact, established a shipyard on the river bank at South Brisbane where a number of paddle-steamers were built for the Brisbane-Ipswich river trade. Commenting on the metal trades industries, Linge claims there was little activity and that the first iron casting was not carried out until 1862.<sup>55</sup>

The 1861 Report of the Registrar-General is equally pessimistic:

Manufactories can hardly be said to have any existence in Queensland, nor does it seem in the least probable that the attention of its inhabitants will be turned to them for many years to

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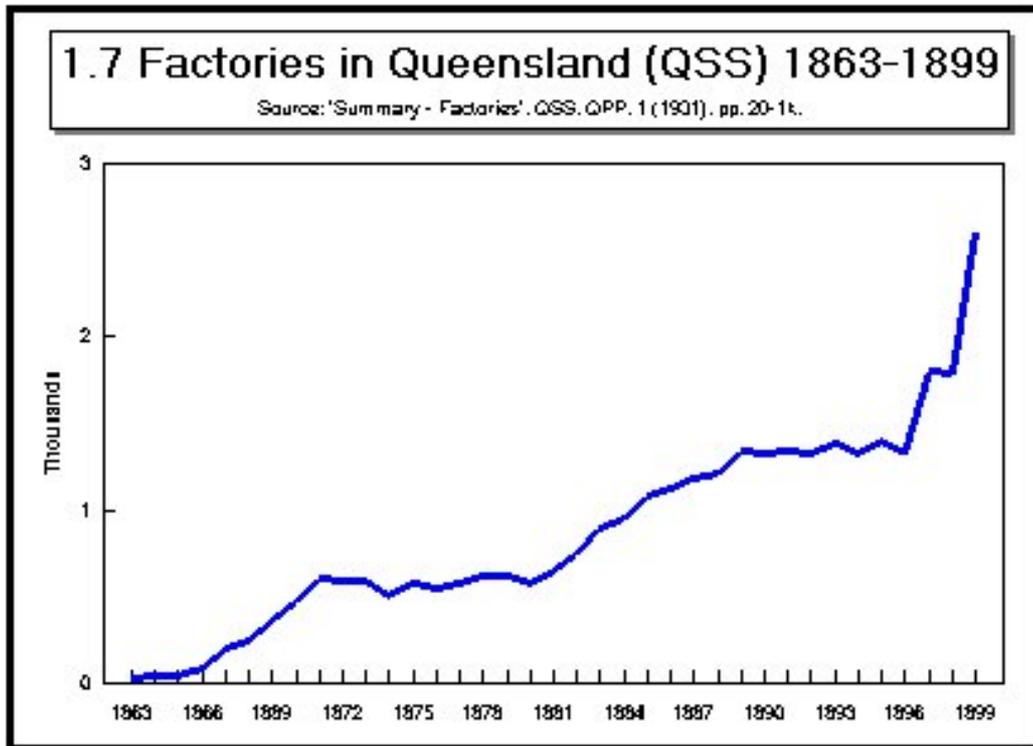
*China's centuries-old relationship with Australia* (Brisbane: University of Queensland Press, 1993), p. 177.

<sup>54</sup> Stubbs-Brown, *Secondary Industries*, p. 9. and see the 'Registrar-General's Report for 1860', *Queensland Parliament Votes & Proceedings (QVP)*, 1861.

<sup>55</sup> Linge, *Industrial Awakening*, pp. 155-156. This operation is believed to have been carried out first by Alexander Cameron at his works in Adelaide Street near the Brisbane GPO. See E. J. T. Barton, ed., *Jubilee History of Queensland: A Record of Political, Industrial, and Social Development* (Brisbane: H.J. Didamms & Co, 1909), p. 261.

come; the production of raw materials and the occupation of its vast unreclaimed territory will, for a long time, be more than sufficient to employ all their capital and energy.<sup>56</sup>

Yet exist they did and not only did they provide valuable employment opportunities, they were also vital to the successful marketing of Queensland's primary export commodities and to the overall growth of the colony's economy (see Fig. 1.7).



<sup>56</sup> 'Registrar-General's Report for 1861', *QVP*, 1862.

In 1862, the Registrar-General's Report with this pessimistic theme stating that 'there is little to be said on this subject [secondary industries]. A slight increase has taken place in the number of sawmills, but no manufactures properly called have been, or are at all likely to be commenced'.<sup>57</sup> The statistical series over the next few years do, however, demonstrate a clear advance in the secondary industries sector, especially in building materials and pastoral products. The importance of processing pastoral products, that is in value adding to these commodities, is shown in their prominence in the table of exports, (principally to the southern colonies) during this period. These goods included processed arrowroot, bacons and hams, beef and tongues, biscuits, candles, cheese, horns, hooves, hides, sheepskins, lard, soap and tallow.<sup>58</sup> The development of the manufacturing of non-essential goods was fairly restricted, but by 1869 more sophisticated industries began to emerge; among these were 'boat-building and sail making, smelting works, and iron, brass and copper foundries'.<sup>59</sup> Moreover the changes made to the classification and tabling of statistical data confirm the growth in the scope and scale of importance of the secondary industries. There was, apparently, sufficient surplus capital, labour and energy to pursue these industries, despite the Registrar's rather gloomy evaluation.

From 1870 the Registrar-General adopted a more comprehensive methodological approach to recording industrial statistics. The tables were reorganised into a new series of classifications that were to continue until 1894.<sup>60</sup> In 1870 a 'Mills and Manufactories' table was introduced which provided information about the number and type of secondary industries grouped within six broad classifications. These were:

- Connected with, or dependent upon agriculture.
- Working on raw material, the production of pastoral interest.
- Manufacturing of articles of food of which the raw material is not the product of agriculture, and articles of drink.
- Building materials and plastic manufactories.

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<sup>57</sup> 'Registrar-General's Report for 1862', *QVP*, 1863.

<sup>58</sup> Stubbs-Brown, *Secondary Industries*, p. 10. The number of boiling down works for example had grown from 2 in 1860 to 22 by 1864 spread out across Queensland, 15 in or to the west of the Rockhampton district, 2 in Brisbane, 2 at Ipswich, and 1 at Gladstone, Toowoomba and Drayton.

<sup>59</sup> *Ibid.*

<sup>60</sup> Manufacturing was divided into six sub-groups; 1) Connected with, or dependent upon agriculture. 2) Working on raw materials, the production of pastoral interest. 3) Articles of food (not from raw materials from agriculture), and articles of drink. 4) Building materials and plastic Manufactories. 5) Machine Manufactories, copper, brass, iron & lead works. 6) Misc. Manufactories.

- Machine manufactories, copper, brass, iron and lead works.
- Miscellaneous manufactories.<sup>61</sup>

New industries were added to these classifications from time to time to reflect the changing structure of the sector. By 1875 industries such as tanneries, soap and candle making, sugar and rum distilleries, and arrowroot processing had been added, followed by breweries, brick-making (1876), rope and twine-making (1877), wine-making (1883), sawmills (1886), butter/cheese-making (1892), jam, sauces and condiment-making (1894), and boot and shoe-making (1897).

This basic framework remained in place until the whole system was reorganised when the colony's first *Factories & Shops Act 1896* was enacted. The changes apparent between 1870 and 1896 relate to the creation of new police districts and consolidation of existing districts, the re-drafting of the geographical boundaries of the statistical districts and the expansion or consolidation of these districts. In 1875 there were 28 police districts; 27 districts in 1880; 56 in 1883; 68 in 1890 and 88 in 1895. Under the sweeping reorganisation in 1896 the number of police districts was rationalised and reduced to 11 large districts — Metropolitan Brisbane, Bundaberg, Charters Towers, Gympie, Ipswich, Mackay, Maryborough, Rockhampton, Toowoomba, Townsville, and Warwick (an Elsewhere classification was also included).<sup>62</sup> Queensland, in its reorganisation of the statistical system, was quite advanced; it was the first colony to publish estimates of the gross output of manufacturing in 1895. The 1895 figures are incomplete, but from 1896 onwards the figures are more consistent and reliable. Similar data is not available in New South Wales and Victoria until 1903, South Australia in 1907, Western Australia in 1908, and Tasmania in 1914. Factory employment figures are available for Queensland from 1892, but as Butlin points out this data is seriously deficient until the turn of the century.<sup>63</sup>

The detail in these new classifications is most valuable in assessing the type of industrial activities that were operating, it does not, however, provide details about production values, or about numbers employed in each industry or enterprise. The Census material is also of limited

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<sup>61</sup> Stubbs-Brown, *Secondary Industries*, p. 12.

<sup>62</sup> *Ibid.*, pp. 29-31.

<sup>63</sup> N.G. Butlin, *Australian Domestic Product, Investment and Foreign Borrowing, 1861-1938/39* (Cambridge: Cambridge University Press, 1962), pp. 155-6.

value in this respect, as the occupational classifications differ methodologically from those used in *The Statistics of the Colony of Queensland* (*Queensland Statistics* or *QSS*).<sup>64</sup> Essentially, the assumptions made in this study must be drawn from data limited to the number and type, and, perhaps, the location of various industries. The uncritical reliance on these base statistics has resulted in a general under-estimation of the contribution of the secondary industries sector in Queensland by historians and other researchers.

As will be discussed in detail in later chapters, the historiographical accounts drawn from these statistics can be misleading and interpretations can prove to be inaccurate. An example of this type of inaccuracy occurs when it is assumed that manufacturing activity has regressed because the *Queensland Statistics* record the total number of factories as declining rapidly between 1899 and 1909. The first problem with this interpretation relates to the accuracy and comprehensiveness of the official statistics. There are significant inconsistencies between factory numbers published in the *Queensland Statistics* and the figures outlined in the 'Factories and Shops Reports' ('F&SR'). Moreover, Stubbs-Brown notes similar inconsistencies between the 'official' *Queensland Statistics* figure and a comparison with listings in *Pugh's Almanac* in the late nineteenth century.<sup>65</sup> It can generally be proved that there were more factories in operation than were accounted for in the *Queensland Statistics*. Nevertheless, taking the decline in factory numbers at face value a second problem arises when the decline in factory numbers is not assessed within the context of statistical data available which provide figures for the quantity and value of output and production and manufacturing employment. For example, if it is shown that there was a reduction in the total number of factories this could be the result of market trends and/or the introduction of new technology, linked to an expansion in output and associated with a consolidation of production and employment. That is, changes in market demand and the introduction of new manufacturing processes can lead to a reduction in the number of factories operating in a particular industry because smaller, less efficient factories are forced out of the market by larger operations which employ more workers. In this case, while the total number of factories is reduced there occurs a simultaneous expansion in the quantity and/or value of

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<sup>64</sup> *The Statistics of the Colony of Queensland*, later renamed *The Statistics of the State of Queensland*, were published annually in the *Queensland Parliamentary Papers*, as an independent series under its own title, and also reproduced in the *A.B.C. of Queensland Statistics*. Throughout this thesis *The Statistics of the Colony/State of Queensland* series referred to in the abbreviated forms *Queensland Statistics* or *QSS*.

<sup>65</sup> Stubbs-Brown, *Secondary Industries*, p. 21. Stubbs-Brown argues that *Queensland Statistics* understates actual number and range of factories in operation.

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production and in total employment. This, it will be argued in the following chapters, is what occurred in Queensland's manufacturing sector in the early decades of the twentieth century.

## **The 1870s: Politics of Progress, Pastoral Reorganisation and Decentralisation**

By 1875 the industrial composition of the Queensland economy was dominated by the pastoral sector, which, despite the setbacks of the previous decade, had grown along with strong secondary processing industries linked to it. The 1870s were years of consolidation and advancement, with a corresponding development of close linkages between the emerging local capitalist class and the executive wing of government. Two prominent politicians, Thomas McIlwraith and Arthur Palmer<sup>66</sup> were involved in questionable public and private business dealings through the Queensland National Bank (QNB) established in 1872. Palmer was a director of the QNB and McIlwraith, as Queensland Treasurer from 1879, conducted all of the government's banking business through the QNB. The activities of the QNB were influenced considerably by the advice of the financial community in the City of London and particularly by the principal investors behind the Queensland Investment and Land Mortgage Company based in London. The financial establishment in London, and Scotland, became

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<sup>66</sup> McIlwraith was Treasurer under Palmer as Colonial Secretary in 1879-1881, and succeeded Palmer as Colonial Secretary and Treasurer in 1881. McIlwraith was Minister for Mines and Public Works in 1874, Treasurer 1879-1882, 1888, 1890-1893, Colonial Secretary during 1879-1882, 1888, 1893-1895, Minister for Railways in 1893-1895. Palmer was Colonial Secretary between 1867-1868, 1870-1874, 1879-1881, Minister for Public Works, 1867-1868, 1873, and Minister for Public Instruction, 1879-1883.

major forces in Queensland's pastoral sector after progressively securing the pastoral holdings of many of their bankrupted pastoral clients in the colony.<sup>67</sup>

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<sup>67</sup> Johnston, *The Call of the Land*, p. 87.

The 1870s were critical years for the pastoral sector in Australia. The effect of the *Land Acts* throughout the colonies created an unsustainable cycle of debt. Governments coerced pastoralists into investing in more land and improving existing runs and used the revenue generated from these investments to service the loans accumulated from the construction of railroads. These developmental railways were required to provide access to the expanding pastoral frontier; the alienation of this land in turn provided more government revenue. This, at least, was the plan. The Queensland government increased its borrowing to finance the developmental railways in an increasing cycle of accumulated public debt. This whole process was structured around the price of wool, and the bulk of this private and public debt was created while wool prices peaked during the 1870s and early 1880s.<sup>68</sup> Indeed, the value of pastoral exports was virtually the same in 1880 (£1.9 million) and it had been in 1870 (£1.8 million).<sup>69</sup> The British market for wool, however, contracted in the late 1880s and the price of wool plummeted by approximately 37 per cent by 1894. Pastoralists, burdened by heavy debt, had little option but to drive down costs (principally by cutting wages) and increase production in a futile attempt to counteract the falling prices with predictable results.<sup>70</sup> The effective value of the land under pastoral conditions did not match the debt and thus the sale of pastoral land for more intensive forms of agriculture would realise a return more in line with its mortgaged value.

The pastoralists also found themselves in deeper conflict with the middle-class town liberals and small acreage selectors determined to break the political-economic power of the squatters through closer settlement. The conflict was particularly intense on the eastern Darling Downs where the ‘store keepers and selectors’ were successful in usurping the ‘Pure Merinos’ during the 1870s.<sup>71</sup> The Queensland government attempted to ‘revalorize investments’ through closer settlement schemes and in direct intervention in the sugar industry through central mills and land purchase subsidies for small holdings.<sup>72</sup> The sugar industry was partially successful in this, although it too was dominated by heavily capitalised plantation style operations. The major result of all this reorganisation was the consolidation and expansion of decentralised

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<sup>68</sup> Herman Schwartz, ‘Foreign Creditors and the Politics of Development in Australia and Argentina 1880-1913’, *International Studies Quarterly [ISQ]*, 33, 3, (1989), pp. 285-7.

<sup>69</sup> ‘Summary - Value of Principal Exports’, QSS, *QPP*, (1931), p. 22k.

<sup>70</sup> Schwartz, ‘Foreign Creditors’, pp. 285-7.

<sup>71</sup> Fitzgerald, *From the Dreaming to 1915*, p. 188.

<sup>72</sup> Schwartz, ‘Foreign Creditors’, pp. 290-1.

urban clusters with their associated service and secondary industries.

One interesting facet to the shape of Queensland's economy was its decentralised nature, which was in stark contrast to the heavy concentration of economic activity in the developing metropolises of Sydney and Melbourne. This, of course, relates to Queensland's unique geography of a long, mostly shallow coastline, two-thirds of which is hemmed in by the Great Barrier Reef, and backing on to the extremely rough terrain of the Great Dividing Range. The difficulty in gaining access to the vast western plains from the coastal ports created enormous transport problems. The eccentric location of Brisbane guaranteed the development of ports further north, such as Maryborough, Bundaberg, Gladstone, Rockhampton, Mackay, Bowen, Townsville, Cairns, Port Douglas and Cooktown. Rockhampton and Townsville were eventually successful in becoming the dominant ports of central and northern Queensland respectively.<sup>73</sup> This also meant that smaller towns were encouraged to develop in the hinterlands and many had grown sufficiently to be recorded in the district population figures by the mid-1870s.<sup>74</sup> While this decentralisation meant that manufacturing activity could be found across the colony, it was nevertheless true that in terms of numbers and output the south-east corner was dominant, with Brisbane followed by Ipswich, Toowoomba and Maryborough in order of importance.<sup>75</sup>

Geographic factors are vitally important in any attempt to understand the nature of economic development. The morphology, of Queensland and Australia, was the greatest single factor influencing the dynamics of economic development. The modes of identifying, accessing and exploiting the natural resources of Queensland has always been a confluence of geography with available labour, transport, technology, market demand, and commodity prices. The ports and later the numerous places of settlement in their hinterlands acted as bridgeheads and then conduits for the dual flow of commodity exports and imported labour and manufactures. Australia's trading relations within the British Empire and to Europe allowed a high degree of urbanisation based on servicing this trade. The supply of imported manufactures fuelled the

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<sup>73</sup> For a comprehensive analysis of the economic development of the coastal ports and their relationships with their hinterlands and Brisbane see Glen Lewis, *A History of the Ports of Queensland: A Study in Economic Nationalism* (St. Lucia: University of Queensland Press, 1973).

<sup>74</sup> Stubbs-Brown, *Secondary Industries*, pp. 13-14. By 1875 these towns included Brisbane - 20,000; Ipswich - 4821; Toowoomba - 3700; Drayton - 960; Warwick - 3000; Gayndah - 500; Maryborough - 6000; Gladstone - 427; Rockhampton - 5500; Mackay - 1200; Bowen - 800; Townsville - 850 (2500 in 1876); Dalby - 1500; Roma - 1000; Clermont - 450. Other towns with no population figures quoted but significant enough to mention were Springsure, Copperfield, Stanthorpe, and Gympie.

development of the frontiers and sated the consumers' taste for the trappings of 'home'. But the local conditions worked in favour of the eventual development of local manufacturing to service local needs and changing tastes. The rise and fall of numerous bases of settlement have hinged upon questions of access and transportation, along waterways, trails, tracks and, eventually, railways.<sup>76</sup> The colony was so large that the growth of the metropolis and its numerous feeder towns concentrated in the south-east did not prevent the development of large urban centres in the north.<sup>77</sup> The paradox of decentralisation and urbanisation was one central to the development of Queensland in all senses: the economic, political and social.

### **The Political Economy of Secondary Industries in the 1870s**

The attitudes of successive governments to the role of secondary industries in the economic and social development of the young colony were forged in this early period. While the colonial administrations became increasingly involved in the affairs of the pastoral and agricultural sectors, despite this being at odds with the *laissez faire* hegemony in Britain, the manufacturing sector was generally left to fend for itself.<sup>78</sup> Pastoral activity and the cycle of trade and investment, however, did correspond with the hegemony of the political economy of Empire, an hegemony that did little to encourage manufacturing competition in the antipodes. After just one decade of limited self-government, however, the Queensland parliament passed two Acts, both aimed at promoting manufacturing activity in the colony. *The Encouragement to Manufacturing Industries Act 1869* offered a bounty of £1000 for the first local production of woollen cloths to the value of £2000 (by a factory valued in excess of £2000). A £1500 bounty was offered for the manufacture of cotton cloth to the value of £1500 (from a works

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<sup>75</sup> Lewis, *History of the Ports*, p. 24.

<sup>76</sup> This interaction between geography and economic development is discussed in more detail in Chapter 2. See M. I. Logan, J. S. Whitelaw, & J. McKay, *Urbanisation: the Australian Experience* (Melbourne: Shillington House, 1981), p. pp. 22 & 32. and I. H. Burnley, *The Australian Urban System: Growth, Change and Differentiation* (Melbourne: Longman Cheshire, 1980), p. 108.

<sup>77</sup> Stubbs-Brown, *Secondary Industries*, pp. 84-85. For some insights on the interaction of transportation and geography on economic development and settlement patterns in a regional context see J. Kerr, 'North Queensland Mining Railways', in K.H. Kennedy, ed., *Readings in North Queensland Mining History Vol. 1* (Townsville: James Cook University of North Queensland, 1980), pp. 273-298; P. Bell, 'Houses in North Queensland Mining Towns, 1864-1914', in Kennedy, ed., *Readings in North Queensland Mining History*, pp. 299-328; & P. Bell, 'North Queensland Mining Settlement', in K. Kennedy, ed., *Readings in North Queensland Mining History Vol. 2*, (Townsville: James Cook University of North Queensland, 1982), pp. 1-45.

<sup>78</sup> Stubbs-Brown, *Secondary Industries*, pp. 22-23.

valued in excess of £3000).<sup>79</sup> *The Encouragement of Native Industries Act 1869* allowed the government to grant parcels of ‘waste’ Crown Land for the establishment of ‘industrial pursuits’.<sup>80</sup> As Queensland political commentator Charles Bernays noted, these Acts, while faultless in their intent, provided only limited means of encouragement and were of marginal practical value. Indeed, he mused that it was unfortunate such ideals of encouragement were not applied with more commitment and consistency.<sup>81</sup>

These legislative measures can be seen as examples of early protectionist sympathies of the Queensland government, but should not, however, be cited as proof that these governments were avowed protectionists during the late 1860s and 1870s. As economic historian Glen Lewis has shown, the temper of Queensland colonial attitudes to protectionism were at best ambivalent. The tariff debates of the 1870s reflected the difficulty in appeasing a loyalty for ‘home’ and the emergent economic nationalism of the dependent (as opposed to independent) colony. Free trade had its merits, but the provision of means to protect fledgling industries were deemed necessary for the growth and the well being of Queensland, and the colonies as a whole. Indeed, one of the central assumptions to which the protectionists subscribed was the belief in the moral duty to seek the successful development and progress of the young colony. Tariffs were seen as both a tool to this end and as lucrative source of government revenue.<sup>82</sup>

Lewis argues that this moral duty to pursue economic progress found its practical expression in a tripartite economic development strategy he calls the ‘Trinity of Hope’. This strategy involved the alienation of the land for settlement, the encouragement of immigration, and the construction of developmental railways. From Separation through to the mid-1880s the trinity remained unquestioned as the primary means with which to fulfil the dual task of promoting economic development and encouraging a morally superior antipodean society. By 1900 it had become clear to the prophets of the trinity, however, that the social ideal of this strategy was not fiscally sustainable. The role of the railways was redirected towards generating revenue and to service more effectively the needs of closer settlement, funded in part by a

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<sup>79</sup> *Queensland Parliamentary Debates [QPD]*, 20 May 1875, p. 220.

<sup>80</sup> ‘The Encouragement of Native Industries Act of 1869’, *Queensland Statutes (Collected)*, Vol. III, (Brisbane: Government Printer, 1874), p. 1588.

<sup>81</sup> C.A. Bernays, *Queensland Politics During Sixty (1859-1919) Years* (Brisbane: Queensland Government Printer, 1919), p. 52.

<sup>82</sup> Glen Lewis. ‘Australian Nationalism and the Queensland Tariff Debate’, *JRAHS*, 62, 3, (1976), pp. 169-176.

financial contribution from those who would most directly benefit. This reflected the shift in the political balance of power towards the farmers, middle-class liberals and the emerging working class political formations.<sup>83</sup>

Despite the political antipathy, by the mid-1870s, some fifty years after the first European settlement at Moreton Bay, the composition and distribution of secondary industry had achieved reasonable levels of development in terms of scope, scale and decentralisation. Of those industries directly linked to the pastoral sector, the boiling-down, meat-preserving, and woolscouring works were spread relatively evenly about the colony, with the latter perhaps more concentrated in central and northern Queensland. Tallow-rendering for the manufacture of soap and candles, for example, was equally well decentralised, including many very small and isolated communities which reflected the necessity of these products to daily life. On the other hand, tanneries (hides, skins, leather and hair) were definitely more concentrated in the south-east, especially in Brisbane. This concentration reflects the location of markets for these products; for example, animal hair was used in the manufacture of bedding, an industry based in Brisbane. In agricultural linked industries there was also a clear preponderance for consolidation in the south-east. This occurred in cheese and butter manufacture and also in sugar cultivation, which gradually moved north. Also the important arrowroot processing industry was wholly conducted in the south-east, mostly around Logan and Nerang, and also in Brisbane. Cotton-ginning was carried out at Ipswich and malting at Toowoomba which demonstrate two examples of industries that needed to be within easy reach of their end-user market (Brisbane). In these instances it made economic sense to process the cotton and malting grain close to the area of cultivation and then transport the processed commodities to Brisbane. A similar situation was apparent in flour milling which was initially concentrated in Brisbane where imported grain was milled. Later when grain production advanced, mills also began to appear around the south-east region, closer to the areas of domestic cultivation. Bread and biscuit-making was also mostly concentrated in the south-east. Tobacco and cigar-making, although located predominantly in Brisbane, there were also works at Logan, Mackay and Stanthorpe.<sup>84</sup>

The industrial geography of the more sophisticated manufactures demonstrates a diffusion of

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<sup>83</sup> Lewis, *History of the Ports*, pp. 6, 76 & 83.

<sup>84</sup> Stubbs-Brown, *Secondary Industries*, pp. 88-92.

activity spread wide across the colony by 1875. Some non-essential items, such as aerated waters, were common across the state, as were breweries, albeit with a concentration in the south-east, whereas confectioners were more specialised and were consequently limited to the major population centres. A footwear industry was established relatively early in the colony's development; first at Brisbane and then at Ipswich, Gympie, Maryborough and Toowoomba. The manufacture of clothing had developed by the 1870s, however, strong import competition from the southern colonies and Britain was a significant impediment to the growth of this sector until the late 1880s. Hat and cap making was restricted to small operations spread about the colony close to their local markets. In the building materials sector the distribution was more wide-spread and by using locally available raw materials for local construction (especially timber), these localised enterprises were made viable because of the high cost of transportation. Facilities for the production of other building products were not uncommon, such as brick-works, potteries, and lime kilns. Sawmills and small joinery works were very common. Indeed, timber-getting and saw milling was critically important to the development of both rural and urban industries. Timber-getters were often the first European's to move into new districts, and saw milling and timber structure production was one of the first manufacturing activities to occur at any given location. The production of timber for shelter, stockyards, fencing, transport equipment and fuel was paramount to the development of primary industries. One of the more significant aspects of the timber industry was its association with railway construction, for example, supplying timber sleepers and bridge timbers. Other trades such as coopering were widespread by 1875 with operations at Brisbane, Ipswich, Toowoomba, Bundaberg and Maryborough, and later at Warwick, Rockhampton, and Townsville. Industries such as furniture, box, bag, basket, brush, bicycle, dye, and rope-making, however, were almost totally concentrated in Brisbane. This was partly because these new enterprises were established to service associated metropolitan-based industries in a process of horizontal and vertical integration.<sup>85</sup>

In the metals and engineering sector, the level of sophistication was quite advanced because of its linkage to the rapidly developing mining and sugar industries, and the railways. For the engineering companies the existence of both mining and sugar industries was most fortuitous; these industries required heavy equipment of a similar type, such as bulk-handling and crushing plants. The large investment necessary therefore for a heavy engineering workshop,

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<sup>85</sup> *Ibid.*, pp. 93-94 & 99.

and its machinery and skilled workforce, were easily switched from the production of one industry to the other. Walkers of Maryborough has through the years developed a strong association with the manufacture of sugar mills throughout Queensland, but the company originally specialised in the manufacture of mining plants at Ballarat in Victoria, and in 1868 was established at Maryborough to supply machinery for the Gympie gold mines.<sup>86</sup> There were several other large engineering works located outside Brisbane; some are still in operation today (for example, Walkers Ltd - EDI at Maryborough and the Toowoomba Foundry). By 1875 copper, brass and iron foundries had been established at Brisbane, Ipswich, Maryborough, Toowoomba, Rockhampton, Mackay, Townsville and Cairns. Foundries were later established at Bundaberg and Gympie. Similarly, blacksmithing, tin and iron works were wide-spread servicing local markets, particularly for the manufacture agricultural implements. Various smelters operated from time to time on or near the mining fields, but this activity was sporadic throughout the late nineteenth century, and was located mainly in the north and north-west of the colony.<sup>87</sup>

Industries related to transportation were significant throughout the nineteenth century. With the opening up of trade routes, saddlers, coach and wagon builders, wheelwrights and blacksmiths set up business everywhere. The lighter types of coaches and wagons were built locally but the fabrication of heavier wagons, drays and coaches was concentrated in large centres, such as Brisbane, Ipswich, Rockhampton, Mackay and Townsville. The railways provided a massive boost to local engineering and timber trades. Railway carriage workshops were first established at Ipswich, which was linked to Grandchester by Queensland's first railway line in 1865 and then to Toowoomba by 1867. There were other private and government works at Brisbane, Toowoomba, Maryborough, Rockhampton and Townsville,<sup>88</sup> and later at Bundaberg and Charters Towers, where heavy machinery, rolling-stock and locomotives were assembled and/or manufactured. Shipbuilding and boatbuilding were common to all Queensland ports. Larger vessels, however, were built for the most part at yards located at Brisbane and Maryborough.<sup>89</sup>

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<sup>86</sup> *Ibid.*, p. 106. Walkers Limited at Maryborough was a branch of John Walker and Co. of Ballarat and is now a part of the Evans Deakin Industries conglomerate.

<sup>87</sup> *Ibid.*, p. 96.

<sup>88</sup> A. L. Lougheed, *The Provision of Railway Rolling Stock and the Queensland Engineering Industry, 1881-1914: Working Paper in Economics No. 42* (Brisbane: Economics Department University of Queensland, 1983), p. 25. & Fitzgerald, *From the Dreaming to 1915*, p. 268.

<sup>89</sup> Stubbs-Brown, *Secondary Industries*, pp. 97-98, and Fitzgerald, *From the Dreaming to 1915*, p. 268.

## The 1880s: Pastoralism and the Demographics of Settlement

The late 1870s and 1880s are often cited as being Queensland's boom years of the nineteenth century. This prosperity, however, was not universal. As changes in transport and demand for commodities fluctuated, towns, such as Drayton, Gayndah, Cooktown and Port Douglas, which had shown great promise, began to decline.<sup>90</sup> Moreover, there were a number of general and regionalised periods of depression.<sup>91</sup> For the pastoralists who survived the economic reorganisation of the 1860s and early 1870s, the 1880s were the proverbial 'good times'. The value of pastoral exports recovered significantly during the 1880s, from £1.9 million to £4.9 million by 1890.<sup>92</sup> The value and output of Queensland's wool clip grew at similar rates during the 1880s except for a marked increase in production in 1885 that accompanied a sharp downturn in the value of the clip. The slow growth in production of the late 1870s and early 1880s increased markedly in 1883, then faltered before regaining the 1883 level in 1885. Production then declined by the following year but was then followed by a sharp rise to 1887 before peaking in 1889. Wool values showed a similar overall pattern of disjointed growth but while output increased between 1883-1887, the value of production declined. Prices recovered to peak along-side output in 1889.<sup>93</sup> During the 1880s, the market fluctuations that impinged on the viability of the pastoral and agricultural sectors were once again exacerbated by severe droughts between 1882 and 1886 and from 1887 to 1888, which further destabilised Queensland's rural industries.<sup>94</sup>

During this period a process of consolidation and restructuring occurred in both the ownership structure and industrial geography of the pastoral sector. The trend toward investment group

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<sup>90</sup> Stubbs-Brown, *Secondary Industries*, pp. 26-27.

<sup>91</sup> John Kenneth Galbraith, *The World Economy Since the Wars: A Personal View* (Cambridge: Sinclair-Stevenson, 1994), pp. 6-7. It must be noted here that the term "depression" is used throughout this thesis in preference to other terms such as recession. The latter, and other limiting terms such as 'growth adjustment' and 'enduring underemployment equilibrium', is rejected in favour of the original and more correct usage of depression. The variations in intensity are indicated by the attached adjective (i.e. great, short, deep etc). Depression is used to describe periods of economic retardation or stagnation which in themselves are not considered economic aberrations, rather they are seen as part and parcel of the normal cyclical patterns of industrial capitalism.

<sup>92</sup> 'Summary - Value of Principal Exports', QSS, *QPP*, (1931), p. 22k.

<sup>93</sup> 'Statistics of the Colony of Queensland' [QCS], *QVP/QPP*, 1860-1900.

<sup>94</sup> Dan Daly, *Wet as a shag, Dry as a bone: drought in a variable climate* (Brisbane: Department of Primary Industries

ownership and the pressure to release land for intensive agriculture led many pastoralists to shift operations further to the west and to the north.<sup>95</sup> Statistical returns citing the number of pastoral runs subject to pastoral leases clearly demonstrate consolidation in this sector. The number of individual runs in Queensland peaked at 9542 in 1884, but the number declined rapidly from this point, particularly between 1885 and 1893, to 2272 runs by 1900, and a low of 1105 in 1906.<sup>96</sup>

These pressures were encapsulated in the *Land Act of 1884* which clearly expressed the liberal yeomanry ideology of its supporters. The 1884 Act reflected the popularity of the American economic theorist Henry George's 'Single Tax' ideal<sup>97</sup> among some of the colony's most prominent politicians, including Colonial Secretary Samuel Griffith and Lands Minister Charles Dutton. The Liberals' quest encourage small-scale family farming largely failed because of the unsuitability of many would-be farmers and a general lack of understanding of land management practices that would suit Queensland's diverse environment. The *Land Act* also failed because the pastoral lobby was economically and politically strengthened by the 1880s boom and also because the fiscal limitations that the government faced during the economic collapse of the early 1890s made it increasingly difficult to fund rural settlement schemes.<sup>98</sup>

The closer settlement dream continued unabated even in the depths of the 1890s depression. The passage of the *Co-operative Communities Land Settlement Act of 1893* was another government initiative intended to promote the re-settlement of urban workers onto farms. This particular scheme was prompted by the high level of urban unemployment that occurred during the 1890s depression and reflected the rise in interest in cooperative farming and communities. The Cooperative Communities scheme, based upon the New Zealand village settlements scheme, involved the establishment from 1893 of twelve communities with 485

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Queensland, 1994), p. 117.

<sup>95</sup> Herman Schwartz, 'Foreign Creditors', pp. 285-8.

<sup>96</sup> 'Production - Table IV, Area of Crown Lands Leased for Pastoral Purposes and Amount of Rent Received, 1860-1913', QSS, *QPP*, 1 (1914), p. 4k.

<sup>97</sup> Henry George advocated that in order to alleviate poverty the abolition of all taxes that inhibited industrial development, savings and investment to be replaced instead by a single tax levied on unimproved land values. This was popular with many liberals and social progressives as a way to combat monopoly capital and promote the cause of closer settlement. George's two most important works on this subject are *Our Land and Land Policy* (1871) and *Progress and Poverty* (1877-1879).

<sup>98</sup> Johnston, *The Call of the Land*, pp. 53-55.

male members. Three each were started in the Roma district, the Deepwater settlements, and in the Chinchilla district at Mizpah, Monmouth and Mulga. Unfortunately, all of the communities failed and were abandoned by 1896.<sup>99</sup>

The general pattern of urbanisation in Queensland accelerated from the 1870s so that by the turn of the century urban employment opportunities and infrastructure were falling well behind demand.<sup>100</sup> Brisbane, despite being the colony's capital city, did not dominate the colony's economic structure to the extent Sydney and Melbourne dominated the economies of their colonies. In fact, Brisbane was not the location of most urban expansion in the 1860s and 1870s. The growth of the metropolis did surge in the 1880s, this trend, however, was temporary and was reversed in the 1890s.<sup>101</sup> Pastoral, mining, and sugar cultivation accounted for much of the decentralised growth that occurred outside Brisbane.<sup>102</sup>

## Industry Development in the 1880s

The rapid expansion of the sugar industry from the 1870s and the huge investment made in this sector in the 1880s was significant to the overall development of the colony's economy. The area under sugar cultivation increased from 6341 acres in 1870 to 20,224 acres, in 1880, and to 50,922 by 1890, while production rose from 2854 tons to 15,861 tons, and 68,924 tons by 1890. The value of sugar exports grew from a mere £41 in 1870 to £292,041 in 1880, and to £699,494 by 1890.<sup>103</sup> As sugar industry historian Adrian Graves suggests, the sugar industry made a significant contribution to the overall development of the Queensland's

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<sup>99</sup> Bernays, *Queensland Politics*, pp. 325-6; Colin A. Hughes, 'Land and Settlement', in D.J. Murphy, R.B. Joyce & Colin A. Hughes, eds., *Labor in Power: The Labor Party and Government in Queensland 1915-1957* (Brisbane: University of Queensland Press, 1980), p. 224; C. Black, E. Stewart, & S.A. Blanchard, eds., *Chinchilla Centenary 1878-1978 Souvenir Booklet* (Chinchilla: Chinchilla Centenary Celebrations Committee and Chinchilla Historical Society, 1978), pp. 13-5. & Tony Barker & Ian Byford, eds., *Harvests & Heartaches: Images and Stories of Queensland's Agricultural Past* (Brisbane: Queensland Department of Primary Industries, 1988), p. 103.

<sup>100</sup> Stubbs-Brown, *Secondary Industries*, p. 28.

<sup>101</sup> D.P. Crook, 'Occupations of the People of Brisbane: An Aspect of Urban Society in the 1880s', *JHSANZ*, 10, 37, (1961), pp. 50-64.

<sup>102</sup> N. G. Butlin, *Investment in Australian Economic Development 1861-1900* (Canberra: Department of Economic History, ANU, 1976), p. 193.

<sup>103</sup> 'Summary - Produce of Crops and Land under Crop, 1870-1890' & 'Value of Principal Exports', QSS, *QPP*, (1931), pp. 22k, 36k & 38k.

colonial economy.<sup>104</sup> In terms of value in the growth of the agricultural sector, the sugar industry was the most significant. Positive growth also occurred in the production of maize, sugar, pineapples, tobacco and bananas. Wheat and cotton production, however, declined; wheat production by 7 per cent and cotton production by 96 per cent during the 1880s. Overall, there was a 97 per cent increase in the area of land under crop between 1870 and 1880. During the 1880s this trend intensified with crop acreages growing by 197 per cent, increasing from 113,978 acres in 1880 to 224,993 acres by 1890. This occurred primarily because of the expansion in maize and sugar-growing.<sup>105</sup>

In the mining sector the value of production had grown steadily from £484,031 in 1870 to £1.1 million in 1880 and to £2.6 million by 1890. Gold led the way; production increased from 92,040 fine ounces to 513,819 fine ounces between 1870 and 1890 with a corresponding increase in value from £390,925 to £2.2 million. Coal production also increased, while copper declined and tin remained stable. Mining had proved its worth, particularly gold mining, providing a significant revenue stream to government, providing employment opportunities, and aiding in opening unsettled lands, thus paving the way for future intensive agriculture.<sup>106</sup>

## Secondary Industries in the 1880s

During the 1880s Queensland's secondary industries experienced a period of significant growth, yet it is fair to say that Queensland's manufacturing base was not as sophisticated or on a scale with the southern colonies. Some historians, such as John Lavery, have emphasised Queensland's industrial deficiencies during this period. Lavery does acknowledge, however, that the rate of industrial growth in Queensland in the nineteenth century was quite rapid.<sup>107</sup> In fact, between 1880 and 1890 there was a considerable expansion in the number of factories operating in Queensland: from 571 in 1880 to 1322 by 1890, an increase of 132 per cent over the decade. By 1885, the estimated value of production in the

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<sup>104</sup> Adrian Graves, *Cane and labour: the political economy of the Queensland sugar industry, 1862-1906* (Edinburgh: Edinburgh University Press, 1993), p. 219.

<sup>105</sup> 'Summary - Produce of Crops and Land under Crop, 1870-1890', QSS, *QPP*, (1931), pp. 36k & 38k.

<sup>106</sup> 'Production - Summary of the Statistics of Queensland', *QPP*, (1931), pp. 34-40k.

<sup>107</sup> J. Lavery, 'The Queensland Economy 1860-1915', in D.J. Murphy, R.B. Joyce, C.A. Hughes, eds., *Prelude to Power: The Rise of the Labour Party in Queensland 1885-1915* (Brisbane: Jacaranda Press, 1970), pp. 31 & 37.

manufacturing sector was £4.2 million, which increased to £5.3 million by 1890 and to £5.8 million in 1895 despite the economic downturn associated with the 1890s depression. The estimated number of manufacturing employees grew from 11,869 in 1885 to 18,728 by 1895. Indeed, these figures show quite a turn-around in the performance of Queensland manufacturing in terms of hands employed and of output per capita. In 1885 Queensland lagged behind New South Wales and Victoria in both these criteria. Within ten years, however, this situation was reversed with the exception of a slightly higher value of production per capita in New South Wales by 1895.<sup>108</sup>

### **The 1890s: Economic and Industrial Turmoil**

The economic, political and social upheavals experienced in Queensland during the 1890s have received much attention from historians; the depression, the shearers' and maritime strikes, and the birth of the Labor Party. Indeed, the 1890s saw the first sustained threat to the political economic hegemony of the pastoral and mercantile elites by the growth in middle-class liberalism and the rise of organised labour into viable political formations. The urban dynamic that emerged in the 1880s began to challenge the frontier as the nexus for political, social and economic change: a period one historian describes as '... herald[ing a] new era of suburbia' and a time '*par excellence* of idealists and extremists', where out of economic and political turmoil the tenants of pragmatism and compromise rose to the fore.<sup>109</sup> The political mores and values of this period, however, were to be dominated by a rural bias, from both the right and left, that continued well into the twentieth century.

The greatest defining moment in Queensland's economic history in the nineteenth century was, perhaps, the depression that affected most of the colony between 1891 and 1893. By 1890 Britain had begun to shift from being the workshop to the world to being the centre of world finance. Australia's reliance on British finance was such that, by 1890, 40 per cent of its export income was required to service its debt to Britain compared to just 15 per cent ten

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<sup>108</sup> Glen Lewis, *The Crisis Years: Economic Development in Queensland 1885-1895*, B.Ec. Hons., University of Queensland, 1964, pp. 142-143.

<sup>109</sup> J. Fowler, *The 1890s - Turning Point in Queensland History?*, in D.J. Murphy, *et al*, eds., *Prelude to Power*., 1970, p. 48.

years earlier.<sup>110</sup> Queensland was responsible for a sizeable chunk of this debt. The depression, which was a global one, was largely caused by over production in Europe that led to decreased prices for commodities which reduced export earnings and undermined Australia's capacity to service its public debt. The economic crash was touched off by the collapse of Baring Brothers Bank in London after its Argentinean debtors defaulted on their loans. The money men of the 'City' panicked, quickly called in their paper and withdrew from various markets, including Queensland, effectively cutting off Australia's access to foreign investment capital.

The economic collapse in 1891 followed an expansionary period from 1887 to 1889, the recovery out of depression occurred between 1895 and 1897. Unfortunately, the recovery was weakened considerably by the loss of production caused by the long drought between 1898 and 1903.<sup>111</sup> In terms of its sectoral impact on Queensland's economy it has been claimed that the pastoral sector suffered a major reversal by 1893, with the financial crisis leading to the collapse of the Queensland National Bank in the same year because of non-performing loans and bad speculative investments in the pastoral sector.<sup>112</sup> Ross Fitzgerald has claimed that the 1890s were a 'nightmare' decade for the pastoralists. The mild recovery in the pastoral sector that occurred in the mid-1890s was set back, first, by the spread of tick fever to large numbers of livestock, and then, as the decade came to a close, by the most devastating drought experienced in Australia's post-contact history.<sup>113</sup> These difficulties are, in part, reflected in the fact that, between 1890 and 1900, only a marginal increase in the value of pastoral exports is recorded, from £4.9 million to £5.2 million.<sup>114</sup> It was not until after 1907 that real incomes in Australia reached their pre-1891 levels.<sup>115</sup>

The depression years of the early 1890s were accompanied by a period of intense dislocation in Queensland's labour market, characterised by the bitter shearers' strikes of 1891 and 1894.

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<sup>110</sup> J. Todd, *Colonial Technology: Science and the Transfer of Innovation to Australia* (Melbourne: Cambridge University Press, 1995), pp. 4-5.

<sup>111</sup> Lewis, *History of the Ports*, pp. 81-82.

<sup>112</sup> G.P. Taylor, 'Business and Politics in Queensland, 1859-1895', *NZJH*, 1, 1, (1967), p. 87.

<sup>113</sup> Fitzgerald, *From the Dreaming to 1915*, pp. 151-152.

<sup>114</sup> 'Summary - Value of Principal Exports', QSS, *QPP*, (1931), p. 22k.

<sup>115</sup> Todd, *Colonial Technology*., pp. 4-5. & A. G. Kenwood & A.L. Lougheed, *The Growth of the International Economy 1820-1990: An introductory text* (London: Routledge, 1992), p. 20. They date this recovery from 1909 rather than 1907.

The accepted historical orthodoxy suggests that the shearers' strikes occurred because the economically strained pastoralists were forced into a conflict with the newly organised shearers in an attempt to reduce wages in the hope of offsetting lower wool prices. However, research by Stuart Svensen into the background of the shearers' strikes challenges this view. Svensen argues that the conflict was an ideological one based on the pastoralists' desire to enforce 'freedom of contract' and to marginalise, if not destroy, unionism in the pastoral industry.<sup>116</sup> Svensen supports this thesis with empirical evidence which shows relative weighted average values of clean and greasy wool exports remained steady between 1888 and 1890, but by 1891 the pastoral economy was booming and the general economy was 'buoyant'. Svensen dispels the myth of the 'hard-up squatter' thesis and demonstrates that while the depression of 1891-1893 did impact harshly upon the Queensland economy, most pastoralists tended to continue to prosper throughout the decade. Svensen argues also that the pastoralists had no immediate economic motive to take on the unions as the savings to be realised from reduced wages were quite marginal in relation to the overall profitability of pastoral production.<sup>117</sup>

When one considers the timing of the formation of the pastoral workers' unions and the subsequent establishment of pastoral employer associations it is clear the latter was formed to counter the former.<sup>118</sup> While the origins of organised labour's participation in the political sphere precede the 1890s depression and strikes, and were associated with the emergent

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<sup>116</sup> Stuart Svensen, *The Shearers' War: The Story of the 1891 Shearers' Strike* (Brisbane: University of Queensland Press, 1989), pp. 27-30. Ruth S. Kerr, in *Freedom of Contract: A History of the United Graziers Association of Queensland* (Sydney: United Graziers Association with Boolarong Press, 1990), pp. 12-44, shows that the United Pastoralists' Association's adherence to the principle of freedom of contract was fundamental to the pastoralists intransigent position in the 1891 and 1894 disputes.

<sup>117</sup> Svensen, *The Shearers' War*, pp. 27-30

<sup>118</sup> *Ibid.*, pp. 32, 49-51, 56-60, 67-8 & 209-10. & 'Constitution and Rules of the Federated Employers' Union of Queensland, as adopted at a Conference of Employers Associations, 27 October, 1890', *QEF Minutes*, Film 0090, V1/C1, Reel 1, 1886-1914, JOL. In Queensland effective employee unions were not legalised until Samuel Griffith secured passage of the *Trade Union Act 1886*, in the following year the Queensland Shearers' Union [QSU] was formed after a conference of shearers at Blackall (with failed attempts made at forming unions in the Darling Downs and Leichhardt districts in 1874) and in October 1888 the Central Queensland Labourers' Union [QLU] was formed. The QSU and QLU worked in tandem. The QSU and the QLU amalgamated to form the Amalgamated Workers' Union of Queensland [AWUQ] in 1891, and the AWUQ and the Australian Workers' Union were eventually fully amalgamated by 1906. The pastoralists first organised themselves into an official association in Queensland in April 1889 when twenty-one pastoralists met at Barcaldine to form the Central Queensland Employers' Association [CQEA], which was renamed the Queensland Pastoral Employers' Association [QPEA], which took in the Mitchell, Leichhardt, Burke and upper Warrego districts. Several smaller associations were also formed shortly afterwards in the Warrego [Warrego District Employers' Association], Maranoa [Maranoa Pastoralists' Association] and Darling Downs districts [Sheep Owners' Association of the Darling Downs or SOAD]. The four pastoralists unions eventually merged into a federated employers' union called the United Pastoralists Association [UPA] in December, 1890, and the UPA changed its name to the United Graziers' Association [UGA] on 7 August 1918. All four of these employer unions were foundation members and affiliates of the Federated Employers' Unions of Queensland [FEUQ], the original name for the Queensland Employers' Federation [QEF].

liberalism of politics in Queensland during the 1880s, it is nevertheless evident that this incipient phase was hastened along by employer intransigence and the economic crisis of the early 1890s.<sup>119</sup> The organised pastoralists (representing an industry dominated by British capital) and other employers sought to usurp the emerging power of the rural unions; the issue of 'freedom of contract' provided the means and the moment to check the growth in power and purpose of the labour movement in Queensland.<sup>120</sup> The economic upheavals also signalled the rise of a more vocal urban constituency and the promotion of new and radical political formations from which a pragmatic political compromise was reached.<sup>121</sup> The well-organised repression of the emergent rural and maritime unions by the state and by capital interests put paid to any lingering doubts that labour must participate in the political arena if the labour movement was to have any real chance of utilising the instruments of state power to its advantage. Indeed, the humiliation of defeat promoted a steely resolve that enjoined the labour movement to enter wholeheartedly into the parliamentary political arena and to pursue its rightful place in the pantheon of government.

## Development of Industry Sectors in the 1890s

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<sup>119</sup> A seaman and labour activist William Galloway ran as a Labour candidate in the Fortitude Valley bi-election of May 1886. The first endorsed Labor candidate to win a seat in the Queensland parliament was Thomas Ryan (as distinct from the later Labor premier T. J. Ryan) who won the seat of Barcoo in a bi-election in early 1892. D.J. Murphy, 'Queensland', in D.J. Murphy, ed., *Labor in Politics: the state Labor parties in Australia 1880-1920* (Brisbane: University of Queensland Press, 1975), pp. 129-67.

<sup>120</sup> Murphy, 'Queensland', pp. 144-5. & Johnston, *The Call of the Land*, p. 130.

<sup>121</sup> J. Fowler, 'The 1890s', p. 48.



The 1890s were a critical and pivotal decade for the economic development of Queensland. The depression had a positive impact forcing the reorganisation of the colony's financial and industrial bases which resulted in a consolidation and restructuring of industrial organisation and ownership. In the pastoral sector there was, for example, a shift towards company ownership under the control of mortgage-holders. In other sectors, agriculture made slow progress except in wheat-growing and sugar cultivation. The total area of land under crop increased from 224,993 acres to 457,397 acres between 1890 and 1900, with wheat growing expanding from 10,294 acres to 79,304 acres (207,990 bushels to 1,194,088 bushels) and maize cultivation increasing from 99,400 acres to 127,974 acres. Sugar cultivation went from strength to strength with the area under crop increasing from 50,922 acres to 108,535 acres and the amount of cane crushed increasing from 92,554 tons to 184,337 tons during the 1890s.<sup>122</sup> This impressive result occurred because of the introduction of the central milling system from the late 1880s which lowered production costs, boosted grower returns and production.<sup>123</sup> By the 1890s, the sugar industry started to demonstrate its true and lasting value to the Queensland economy. In terms of its industrial geography there was a diffusion of the centralisation of the sugar industry in the south-east and a general movement along the coast to northern areas where rainfall was generally reliable and irrigation established. Sugar refining remained centralised in the south, however, with the Millaquin Sugar Company refinery established at Bundaberg in 1882 and the larger Colonial Sugar Refinery Company establishing its Brisbane refinery in 1893.<sup>124</sup>

Mining also made rapid progress, especially in the north where the pursuit of mineral wealth encouraged closer settlement.<sup>125</sup> The total value of mining production increased from £2.6 million to £3.2 million between 1890 and 1900, riding on the back of gold production which increased from 513,819 fine ounces to 676,027 fine ounces with corresponding values of £2.2 million and £2.9 million in the same period. Coal production accounted for 338,344 tons in 1890 and 497,009 by 1900 with the value of production growing from £157,071 to £173,705 over the decade. Copper made a comeback with the value of production growing from £3000

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<sup>122</sup> 'Summary - Produce of Crops and Land under Crop, 1890-1900', QSS, *QPP*, (1931), pp. 36k & 38k.

<sup>123</sup> Graves, *Cane and Labour*, pp. 44-8. & Lund, 'The Origin & Development of Co-operative Sugar Mills in Queensland', pp. 1105-9.

<sup>124</sup> Stubbs-Brown, *Secondary Industries*, pp. 90 & 138. & Barton, *Jubilee History of Queensland*, p. 272.

<sup>125</sup> Johnston, *The Call of the Land*, pp. 65-78 & 134-6. & Ruth Kerr, 'Mines Department and Mining Legislation to 1900', in Kay Cohen & Kenneth Wiltshire, eds., *People, Places and Policies: Aspects of Queensland Government Administration 1859-1920* (Brisbane: University of Queensland Press, 1995), pp. 116 & 128-9.

to £23,040.<sup>126</sup> Great expectations were held for this industry with many connected to the industry believing that mining would drive the Queensland economy well into the twentieth century.

The tertiary sector gained from its contacts with all these sectors in the latter half of the decade as did the secondary industries sector, the quiet achiever of Queensland's economy.<sup>127</sup> In contrast to the pastoral sector, manufacturing, which will be discussed in some detail in the next chapter, performed well and was the outstanding success of the decade. There were also changes in the employment demographic. The majority of Queensland's workers resided in the south and employment in north Queensland overtook that in central Queensland in response to the rapid growth of the sugar industry in the northern tropics.<sup>128</sup>

## Secondary Industries in the 1890s

The financial crisis of the early 1890s heralded a change in the patterns of investment in Australia. Foreign investment began to move out of the pastoral sector and into the mining and manufacturing sectors. The void left by the exit of British capital from the sections of the pastoral sector was, however, filled by Australian-based banks and financial institutions who remained largely unconvinced of the potential of secondary industries. Australian financiers had consistently refused to enter into long-term financing of capital equipment for manufacturing. This encouraged a culture of investment self-reliance among Australia's manufacturers who routinely re-invested profits back into their businesses as a matter of necessity. Even the entry of public sector financial institutions in the twentieth century failed to resolve this discrimination. Perhaps a more enlightened financial system would have led to an even more diversified and sophisticated secondary industry sector much earlier than was the case.<sup>129</sup>

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<sup>126</sup> 'Summary - Mining', QSS, *QPP*, (1931), pp. 34-5k.

<sup>127</sup> P.A. McGavin, *Towards an Alternative Understanding of the Pattern of Urbanisation in Australia during the Late Colonial Period* (Brisbane: Department of Economics, University of Queensland, 1981), pp. 5-17.

<sup>128</sup> Stubbs-Brown, *Secondary Industries*, pp. 40-1.

<sup>129</sup> Todd, *Colonial Technology*, pp. 22-23.

The expansion of the sugar industry promoted increased activity in the manufacture, assembly and erection of sugar mills. There was, however, some controversy about the volume of mill plant and equipment that was being imported and the amount of work being lost to Queensland engineering firms.<sup>130</sup> In the footwear trade, Brisbane and the south-east clearly dominated the trade by 1895. With the exception of one factory in Rockhampton, all of Queensland's thirty-four footwear factories were located in the south-east corner of the colony; of these, twenty were located in Brisbane. The clothing sector flourished, concentrated in Brisbane, Ipswich and Townsville. In the metals sector, tin and iron works were reasonably decentralised, servicing local markets, and also supplying light equipment for the mining sector. Metals smelting peaked and troughed with prices paid on the overseas metals exchanges. Notwithstanding this, the number, and distribution, of smelters and their attendant crushing batteries and separation plants was astonishing, and is probably one of the greatest stories in the economic development of Queensland. The establishment of the gold and copper smelter at Aldershot in the early 1890s was significant as the works treated metals from all over Queensland.<sup>131</sup>

## Depression and Reconstruction

A number of Queensland's industries firmly established themselves in the 1890s despite the dramatic impact of the depression. The agricultural sector, which was stimulated by rapid urbanisation and economic development in the 1880s, fared well during the 1890s in the face of the ravages of the depression and the long drought. In the last decade of the nineteenth century conditions converged, with the growth in domestic and foreign demand and the availability of new technologies encouraging many industries to become more productive. This allowed the dairy industry, for example, to meet domestic demand and export its surplus production to Europe in refrigerated ships. Butter and cheese production statistics first appear in 1891 and from this record it is clear that this industry became 'essential' to the Queensland economy by the turn of the century.<sup>132</sup> In the pastoral sector, however, the effects of the depression and long drought were more severe. Nevertheless, production increased and there

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<sup>130</sup> Stubbs-Brown, *Secondary Industries*, p. 33.

<sup>131</sup> *Ibid.*, pp. 93 & 96.

<sup>132</sup> 'Production - Summary: Butter and Cheese', QSS, *QPP*, (1931). P. 30-1k.

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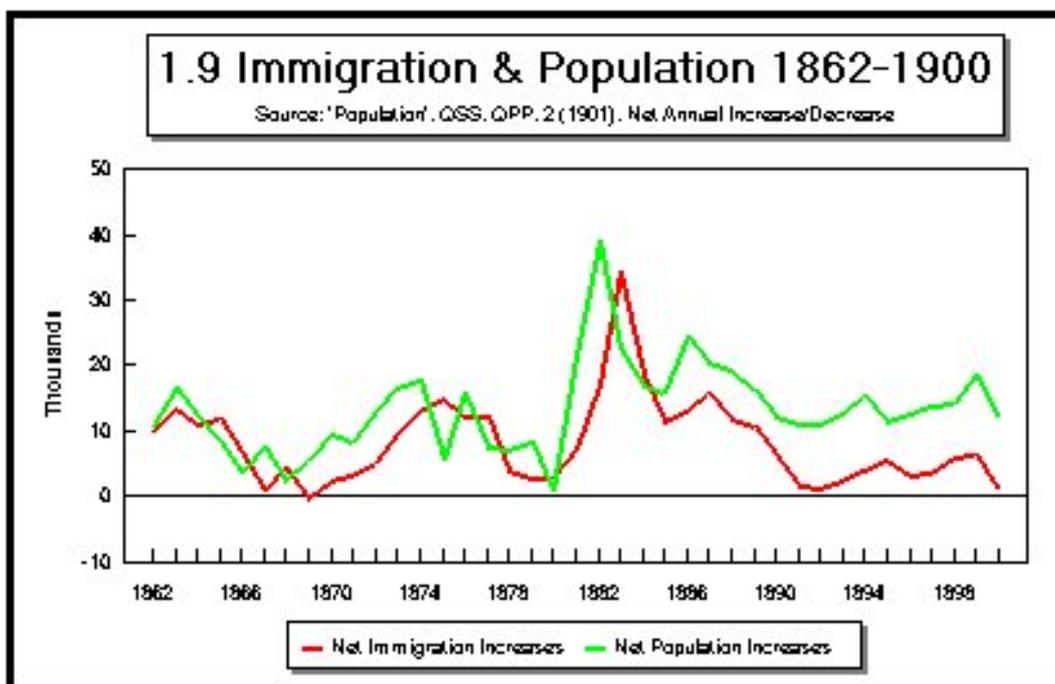
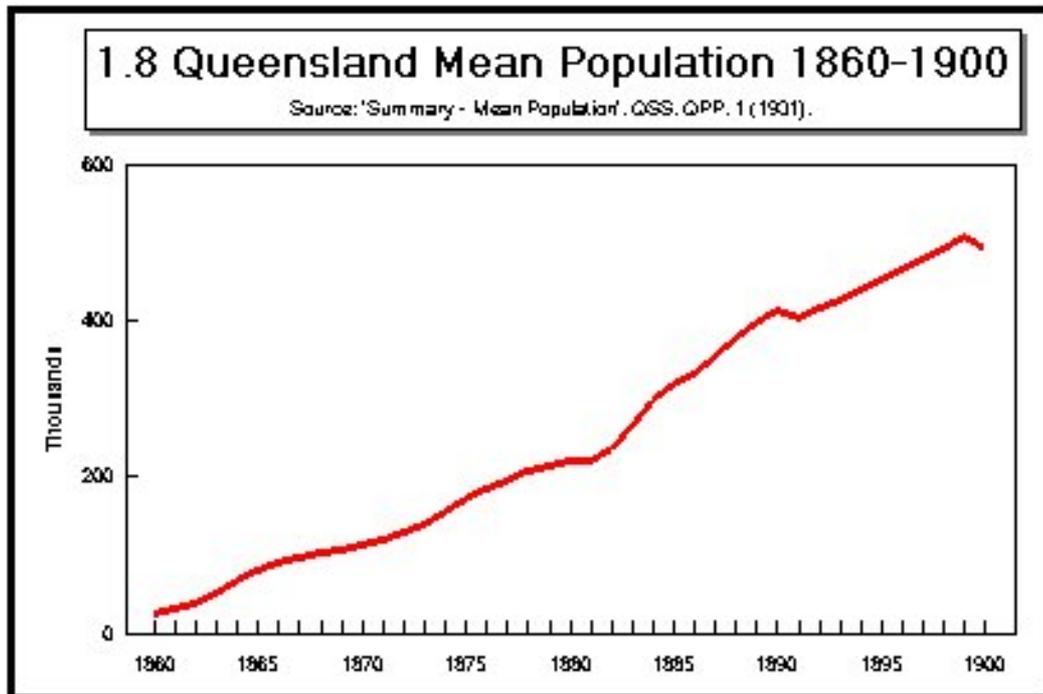
was a marked expansion in the number of boiling-down and meat preserving works in the first half of the decade. The decade saw the consolidation of manufacturing concerned with the value-adding to commodities due to the depression and accompanied by growth in both domestic and foreign demand for these goods. Indeed, the preserved meat trade proved to be among the ‘most profitable export commodities’ of the colony.<sup>133</sup>

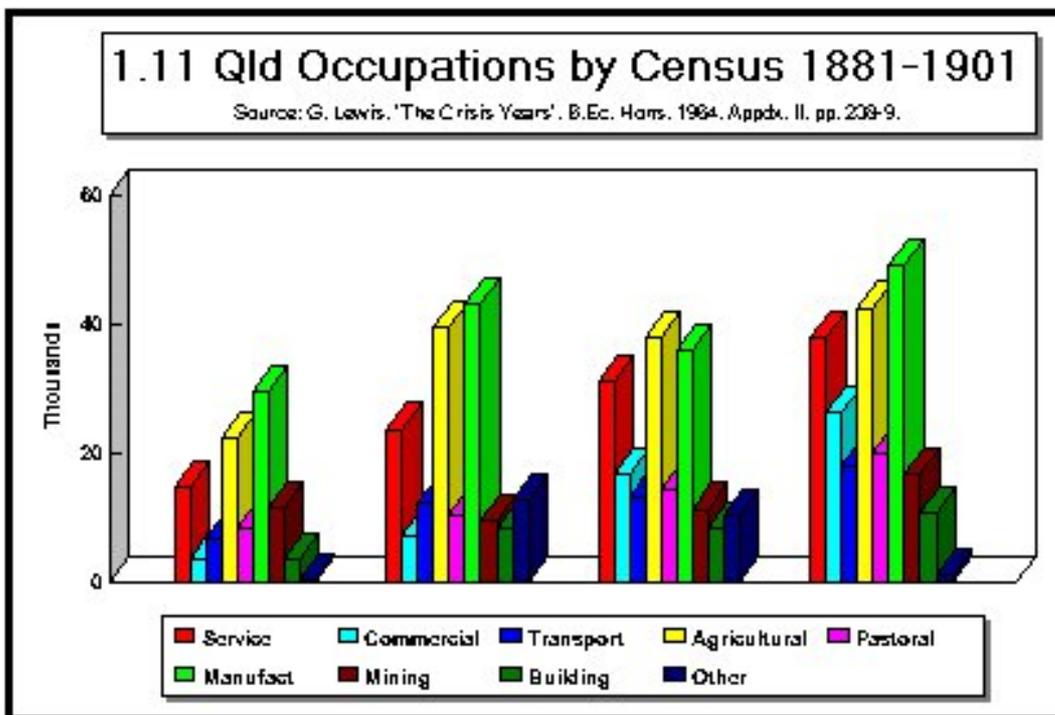
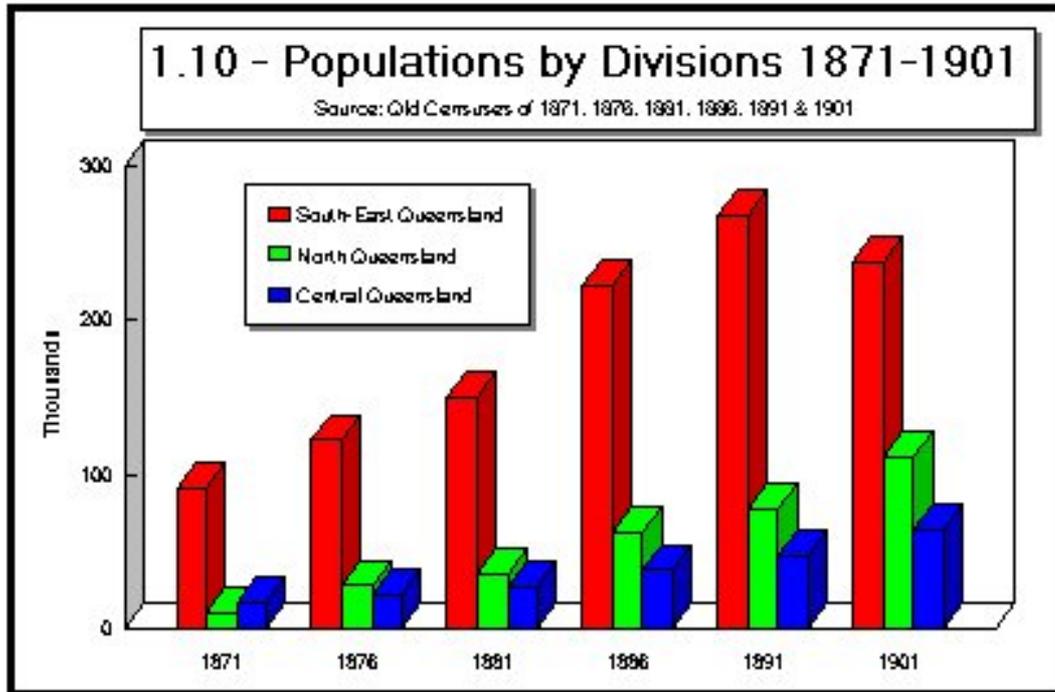
The 1890s was a dramatic decade in Australia’s economic, social and political history. The confluence of rapid economic growth, increased immigration, population growth, urbanisation and industrialisation saw a unique set of circumstances unfold with tumultuous consequences. The economy’s dependency on the pastoral sector reached a point where it came into contradiction with the economic dynamic of the rapidly urbanised society. In essence, the colonial economies had become unbalanced, resulting in an economic crisis that caused the depression of the early 1890s. Economic historian W.A. Sinclair argues perhaps this depression was a necessary precursor to the process of industrialisation in the early decades of the twentieth century. This decade can be seen as one of economic transition where the economy was forced to diversify and where manufacturing, mining and primary processing (especially dairying) became leading edge industries.<sup>134</sup> The impact of the 1890s depression on Queensland was, on the whole, quite devastating. The years 1891 through to 1893 were the worst, marked by bank failures, a drying up of investment funds, high unemployment, and social and political dislocation. The trauma of the 1890s set the economic scene and context that would help shape the form and function of the Queensland economy well into the twentieth century.

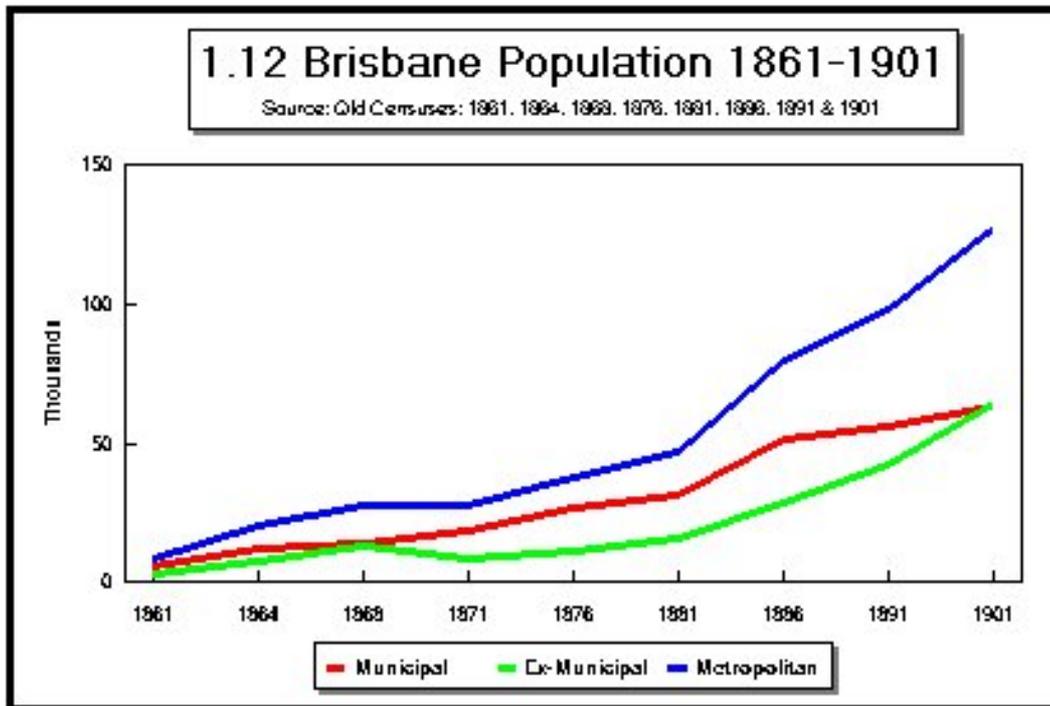
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<sup>133</sup> *Ibid.*, pp. 33-34.

<sup>134</sup> W.A. Sinclair, ‘Aspects of Economic Growth 1900-1930’, in A.H. Boxer, ed., *Aspects of the Australian Economy* (Melbourne: Melbourne University Press, 1969), p. 105.







## Conclusion

The dominant feature of the economic evolution of Queensland in the nineteenth century was the development of its rural industries, the hegemony of the pastoral sector in both the economic and political spheres, and the agrarian push that originated in the 1860s and which began to present itself as a serious challenger to the pastoral sector from the 1880s onwards. While agriculture asserted itself, particularly the sugar industry, which itself underwent a significant process of restructuring from plantation to small acreage farming — somewhat mirroring the structural changes made with break up of many large pastoral runs for closer settlement — other industries began to emerge. Mining became an increasingly important staple in the Queensland economy, likewise the manufacturing sector responded to the needs of the rural sector for more marketable processed commodities to satisfy foreign export markets and other demands associated with urban growth. The financial and general economic crises of the mid-1860s and the early 1890s dealt severe blows to Queensland's emerging colonial economy. These crises, however, had the positive effect of forcing fiscal and

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industrial restructuring and reorganisation that were both necessary and of long-term benefit to the economic development of Queensland. During the nineteenth century Queensland experienced great changes in its social and economic demography. Urban and rural populations increased and employment diversified (see Fig. 1.8, Fig. 1.9, Fig. 1.10, Fig. 1.11 and Fig. 1.12). Demographic patterns of immigration and settlement were closely linked to the exploitation of the state's resources and the exogenous conditions in Queensland's export markets. Moreover, the close linkage between the source of investment capital and the end-user markets that shaped the dominant patterns of trade were fundamental to the type of industrial and economic development that was suitable within the context of the broader constraints of the political economy of Empire. The colonial political economy was dominated by these same forces, and the extent of state involvement in economic affairs and, in particular, the direction of economic development was significant and, indeed, fundamental to it. The rural bias, infused within the processes of the political economy, in essence, worked to the advantage of the pastoral sector, the sugar industry, and to a lesser extent the development of agriculture generally, while effectively marginalising the manufacturing sector. This ruralist hegemony over the political economy was to continue throughout the first half of the twentieth century.