Conclusion

The research task of this thesis has been to engage in a comprehensive analysis of the economic development of Queensland and to make a significant contribution towards broadening an understanding of Queensland’s economic and political history. This thesis is significant for addressing the paucity of economic history specific to Queensland; for its comprehensive quantitative empirical foundation; its focus on the development of Queensland’s secondary industries; and for its use of an extensive body of archival sources. Detailed empirical analysis of Queensland’s economic history is all too rare and the present study goes some way towards redressing this oversight, at least for the period under review. From another perspective, the significance of this research lies with the implications associated with an examination of the lack of social identification in Queensland with industrialism and ideals that were generally unsympathetic towards an industrial society. A consideration of this anti-industrial hegemony is crucial to any analysis of the social, political, economic, and cultural development of Queensland. Of equal importance is the contradiction between the hegemony of rural development, in both the political and public spheres, and a supportive public who, nevertheless, generally lacked a commitment to participating in these rural settlement schemes. This dichotomy is intriguing. Generally, when it is possible to identify a continuity of political economic ideology demonstrated between the apparatus of the state and across the class spectrum it would be expected that schemes developed to service this common desire would have attracted a much higher level of participation. Moreover, the populist anti-urban, anti-industrial and anti-centralist attitudes of successive Queensland governments were powerful deterrents to urban and industrial progress. Nevertheless, the broader economic dynamic associated with the industrial revolutions that occurred across the world, and the advent of a global economy, were forces that no government could hope to challenge, let alone repel. It is within this context that the patterns of economic development that have been experienced in Queensland must be understood and evaluated. This has been the primary task of this thesis.

From the arguments presented in this thesis, and from the broad and diverse body of evidence presented in support of them, the reader will be better informed about the dynamics of economic development and the political economy, how this was associated with the broader economic and demographic trends, and about the complex nature of the secondary industries.
and the significance of their contribution to the economic and social progress of the state of Queensland. The preceding chapters have analysed the economic and political economic profile of four periods: 1824-1899, 1900-1913, 1914-1919, and 1920-1930. These periods were not chosen at random. Indeed, they represent approximate turning points in the economic-political cycles that had important implications for Queensland. The turn of the century was marked by a severe drought-induced depression which was exacerbated by the altered trading relations associated with ‘free trade’ between the states after federation. The difficult years prior to 1906 were followed by a period of sustained growth that reached its zenith in 1913. Queensland’s economy was then thrown into turmoil within a matter of weeks after the outbreak of World War I in August 1914. During the war years the Queensland economy was in a state of flux. Fresh difficulties arose and old political formations buckled. The war hastened the rise of political labour into office and heralded a period of substantial social and economic change, political economic experimentation, as well as heightened social and material expectations across all classes.

Global economic relations were also in turmoil during and after the war which had significant repercussions for Queensland. The balance of economic and imperial power shifted from the United Kingdom towards the American juggernaut. Australia, with Queensland, was particularly vulnerable to the dislocation of international trade and markets being located so far from their primary export markets and which were subject to wild market fluctuations. Inflation, capital shortages, a public loans embargo and variable demand buffeted the Queensland economy in the early 1920s. This period of instability was followed by a short period of reasonable economic stability and growth, although the good years of the mid-twenties were to be but a brief respite as the instability of the late war years returned in a larger measure in the latter part of the decade. Depression came early to Queensland. It began to take effect in 1927 and worsened each year to the early 1930s. Queensland’s unbalanced economy, however, with its less than fully developed manufacturing sector, proved to be something of a minor advantage. Queenslanders tended to fare marginally better than many of their interstate counterparts, because of the resilience of the state’s primary industries, and the depression lifted somewhat sooner in Queensland than in other parts of Australia.

The period 1900-1930 was to begin and end with economic depression, market instability, conservative administration, and drought. Queensland, however, had not come full circle; history had repeated itself. Queensland’s economic foundations had experienced significant structural changes and the size and diversity of the economy had expanded considerably
during this thirty year period. During the first three decades of the century the value of all Queensland trade had increased from £16.8 million in 1900, to peak at £40.2 million in 1926, before falling to £30.3 million by 1930. The value of imports had increased from £7.2 million to £11.5 million, peaking at £13.8 million in 1926. The value of exports had grown even more strongly, from £9.6 million to £18.8 million between 1900 and 1930, with a peak of £26.4 million also in 1926. It is estimated that the total value of the production of all Queensland’s industries rose from £16.9 million in 1901 to a peak of £70 million during the zenith of the early 1920s boom in 1924, but had fallen to £54.4 million by 1930, as the shadow of the depression settled over the state. The gross value of pastoral production grew from £9.9 million in 1911 (when the first figures are available) to £26 million in 1924-25, and £16.4 million by 1930, or an increase of 65.5 per cent. The gross value of production in the agricultural sector (cropping & mixed farming) expanded from £3.2 million in 1911 to £13.9 million by 1924-25, and £12.8 million in 1930, an increase of 300 per cent. In mining the gross value of production increased initially from £3.1 million in 1901 to £3.7 million in 1911, and to a peak of £4.3 million in 1912, but had collapsed to just £1.4 million by 1930, or a decrease of 62 per cent from 1911. The gross value of dairy production, which can be split between the agricultural and manufacturing sectors, increased from £2.5 million in 1911 to a peak of £7.7 million in 1920, and £7.3 million in 1930, or an increase of 192 per cent.

The net value of manufacturing production (a crude estimate of value added) rose from £5.5 million in 1911 to a peak of £18.8 million in 1924-25, and £14.9 million by 1930, or an increase of 170 per cent. The gross value of production (output) is somewhat more impressive, climbing from £7.9 million in 1900 to £15.7 million in 1911, and to a peak of £49.1 million by 1925 and remained above £45 million until after 1930, or an increase of 469 per cent from 1901. Clearly, the productive expansion of the manufacturing sector outpaced all the other industry sectors as the manufacturing industries responded to continual shifts in trading and general economic and political circumstances.

Indeed, a number of structural changes also occurred in the industrial composition of Queensland’s economy. In terms of the overall composition of Queensland’s workforce, primary producers (as distinct from the broader primary industries workforce) accounted for approximately 38 per cent of the total workforce in 1901, but this figure had fallen to less than 25 per cent by 1933. The state’s industrial workforce increased its share from 23.6 per cent to 26.5 per cent over the same period, although this was less than the Australian averages of 26.3 and 32.1 per cent. Despite the rural worker stereotype who pervades Queensland’s historical
imagery, the statistics reveal, when non-rural occupation classifications irrespective of urban or rural location are considered, a clear dominance of non-rural employment in Queensland. In fact, Census figures reveal that the vast majority of employees and employers were involved in occupations other than those directly engaged in primary production, and that this group, as a percentage of the total workforce, increased from 68 per cent to 75.1 per cent between 1881 and 1933.

These structural changes were, in a large part, the result of demographic trends. Queensland’s population grew from approximately 490,325 persons in 1900 to 940,455 by 1930. Net migration varied considerably, and was usually linked to economic conditions, both externally and domestically, with peaks in excess of 10,000 in 1910 and 1925 and net losses between 1900 and 1905 during the drought and again during World War I with the exodus of thousands of servicemen overseas. In general, Queensland’s population increased at a steady rate of between 1.5 and 2.5 per cent per annum between 1900 and 1930. In terms of the urban-rural distribution of the population, around 42 per cent resided in urban locations in 1900, but this figure had increased to approximately 53 per cent by 1930. This trend in urbanisation and urban growth also can be seen in changes in employment demographics in primary production and the industrial sectors. Employment associated with primary production stood at 82,511 in 1901 and had increased to around 111,411 by the 1933 Census, or an increase of 35 per cent. The rate of employment growth in primary production, which was quite strong compared to national trends, was eclipsed by the dramatic expansion in industrial employment which increased from 51,472 to 118,955 between 1901 and 1933, or an increase of over 130 per cent. Moreover, the total non-rural workforce grew from 134,586 to 336,902, or an increase of 150 per cent.

These demographic changes are also evident in the manufacturing sector. The number of factories recorded in the *Statistics of the State of Queensland (Statistics/QSS)* increased marginally from 2078 to 2172 between 1900 and 1930. However, rapid and sustained consolidation was a major factor as the number of employees in these factories increased from 25,950 to 40,470 (an increase of 56 per cent), and the employee per factory average increased from 12.5 to 18.6 over the period. While the ‘Factories and Shops Reports (F&SRs)’ demonstrate a similar scale of employment figures to those recorded in the *Statistics,* a discrepancy between the *Statistics* and the ‘F&SRs’ suggests there were many more factories in operation during this period than is recorded in the *Statistics.* For example, in 1900, when employer compliance with the ‘F&SR’ census reporting procedures was unsatisfactory, the
‘F&SR’ lists 1261 factories operating in Queensland while the Statistics records 2078 factories. By 1908, when employer compliance was more satisfactory, the ‘F&SR’ figure was 1711 ($QSS - 1479$), 3292 in 1920 ($QSS - 1795$), and 4411 by 1930 ($QSS - 2104$).

While the ‘F&SRs’ figures indicate a much larger manufacturing sector operating in Queensland than is demonstrated in the Statistics, the broad assumptions made in this thesis as to the performance of the secondary industries have, nevertheless, generally been based upon the more conservative Statistics figures. When all the available performance indicators are taken into account it is apparent, however, that the overall performance and contribution of the manufacturing sector has been understated in Queensland’s historiography.

Clearly, there had been many significant changes in the economic demography of Queensland as the urban-based or linked industries gained the ascendency over the primary industries from early in the twentieth century. That three-quarters of Queensland’s workforce were engaged in non-rural occupations by the early 1930s indicates something of the scale of this trend. The relationship between urbanisation, industrialisation, and manufacturing was, however, quite different in Queensland than had been the experience nationally, especially when contrasted with that experienced in New South Wales and Victoria. The key difference has been the high degree of natural decentralisation that has occurred in Queensland compared to the extreme centralisation that is evident in the southern states. The high degree of decentralisation in Queensland is not an historical accident. The forces of international economic supply and demand, and capital (human and financial) inflows, combined with the unique geography of a state as vast as Queensland, ensured the natural decentralisation of production and heterogeneous nature of the state’s economy.

The degree of decentralisation is evident today in Queensland; there are numerous large regional urban centres located along or near the coast, including Maryborough, Bundaberg, Mackay, and Cairns, and inland centres such as Ipswich, Toowoomba, Charters Towers, and Mount Isa. Moreover, there are seventeen ports located along Queensland’s extensive coastline, the most significant of these being in Brisbane, Gladstone, Rockhampton, and Townsville, supported by several commodity specific ports such as the bulk sugar terminals at Lucinda and Mourilyan (NQ), Mackay (CQ), and Bundaberg (SQ), as well as the massive coal loading facilities at Hay Point (near Mackay) and Abbot Point (near Bowen). By contrast, in New South Wales, the two major ports outside Sydney, at Newcastle and Port Kembla, are within 160 kilometres of the metropolis, while in Victoria the ports are even
more closely clustered around Port Philip Bay and at Portland. In Queensland the closest major port outside Brisbane is Gladstone (450 km to the north), then Rockhampton (640 km), and Townsville (1360 km). The linkage of these urban centres to rural industries is of fundamental importance. Historically, these urban clusters have grown out of the linkage between external demand for rural commodities which stimulated primary production, which in turn provided the impetus for the development of urban centres to service these rural industries. Moreover, as these urban clusters grew they would generate their own internal economic dynamic and become less reliant upon the rural industries.

The Queensland Economic Development in the Nineteenth Century

Chapter One of this thesis demonstrates how and why the ‘call of the land’ was the dominant catchcry of Queensland’s economic development during the nineteenth century and that Queensland’s economic history is essentially the history of the interaction of several basic elements. These elements included its geography and environment, the land (geomorphology), and issues relating to how it was used and exploited, its resources, its people, and their ideologies, its politics, public and private finance, patterns of trade, transport links and technology, and markets. The pattern of Queensland’s economic evolution in the nineteenth century had its origins in the suitability of the geographic location of Moreton Bay for the provision of secondary prison services for the penal colony established on Port Jackson in 1788. The convicts, troops, officers, and administrators intentionally marooned at Moreton Bay from 1824 were involved in more than merely an exercise in penal servitude or duty to the Crown. They were historical agents engaged in the development of a rudimentary economy that was initially sustained by material inputs from Sydney and Britain. From this inauspicious beginning Brisbane Town evolved into the administrative and commercial hub and transhipment node for the Brisbane Valley hinterland and the eastern Darling Downs. The uniqueness 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 and agricultural development.

For the first twenty years of its existence the penal settlement at Moreton Bay remained an artificially subsistent economy, sustained by inputs from the more established penal settlements, and all private economic activity and trade was forbidden within its boundaries.
However, from the late 1830s onwards pastoral movements into the Brisbane River Valley and hinterlands, and on to the Darling Downs, generated external pressures to open the port to service the pastoral export trade. Indeed, as the Darling Downs was occupied by Europeans, and the local indigenous population dispossessed of their land, the story of the economic development of Queensland began to revolve around a sustained pattern of expansion of pastoral frontiers, and the ensuing conflict with the indigenous custodians of the land. Pastoralism was to be at the very forefront of economic development in Queensland throughout most of the nineteenth century and was, from an economic-geographical perspective, the primary stimulus for conflict between two incompatible cultural-economic systems: European mercantile capitalism and the indigenous subsistence economy. The struggle between Queensland’s indigenous peoples and the European invaders can, in one respect, be interpreted as being an economic conflict, with the Europeans using whatever force they deemed necessary to secure the factors of production to their advantage.

Up to, and including most of the 1840s, the economic geography of Queensland was limited to the Moreton Bay (extending to the Ipswich area), Wide Bay (Maryborough), and Port Curtis (Gladstone) regions. During the 1840s, the town of Ipswich grew out of the convict quarrying outpost at Limestone Hills, and other small settlements began to appear in the Moreton district and on the Darling Downs to service the pastoral trade that developed as the squatters took up runs. By the early 1840s, the townships of Ipswich, Drayton (Toowoomba) and Warwick were well established in the south-east. During the late 1840s and 1850s, economic activity gravitated northward along the coast, a process that saw the establishment of townships at Maryborough, Gladstone (after the unsuccessful attempt in the 1840s at Port Curtis) and Rockhampton. Other towns soon followed at Townsville, Mackay and Bowen, as well as to the west at Roma, Charleville, Goondiwindi and Clermont in the 1860s.

The establishment of these and other urban centres, linked to the spread of pastoral and agricultural production, provided the stimulus for the establishment of enterprises for the manufacture of essential goods, such as basic food and drink, soap, clothing, leather goods, building materials, fabricated metal and timber products, wagons, and other products. As the population grew, and the urban clusters evolved, and the domestic market expanded, the market would reach a point of critical mass when it became viable to establish ventures for the production of non-essential items, such as textiles, manchester, specialised machinery, jewellery, and chemicals, as local products were adopted or adapted to suit local conditions. The establishment of permanent settlements encouraged the growth of essential service
industries. In the townships, and along the wagon and coach trails, small manufacturing enterprises were established, including saddlers, blacksmiths, saw millers and joineries, coach and wagon workshops, coopers, tailors, dressmakers and boot makers.

By the time Queensland was formally separated from the colony of New South Wales on 10 December 1859, the pastoral frontier had advanced to the western Darling Downs, to the ranges and plains in central Queensland to the west of Rockhampton and Gladstone, to the northern savannah along the Burdekin River country west of Townsville, and throughout the south-eastern coastal plains. Increased pastoral production was fuelled by a rapidly growing demand for wool by British mills, and by export markets for preserved meat and meat extracts and tallow, leather and hides. This export trade was enhanced by domestic demand for meat products due the rapid population growth associated with the New South Wales, Victorian and Queensland gold rushes during the 1850s and 1860s. Moreover, the Crimean War of the mid-1850s also created a ready market for Queensland’s emerging preserved meat and meat extracts industry for the provisioning of British troops and for the tallow required for making explosives. At first, meat production was directed at satisfying Australian markets, principally Brisbane, Sydney, Melbourne and the goldfields. However, the combination of production surpluses and advances in manufacturing and transport technology led to the growth of exports markets to Britain and Europe. These emerging markets necessitated the establishment of pastoral produce processing works which made it possible for these raw materials to be converted into more transportable and, therefore, more valuable and marketable commodities.

Pastoralism continued to provide the essential stimulus to the Queensland economy, but by the mid-1860s the sector had over-extended itself, and the economy teetered on the brink of collapse as Europe experienced a financial crisis and markets stalled. The financial crisis of 1866 saw loans called in and banks crash in Queensland, a disaster compounded by a severe drought from 1867 to 1869, which further weakened the pastoral and infant agricultural industries. The economic shake-out of the 1860s had long-term implications on the financial structure of Queensland’s economy, and in particular the pastoral sector, where individual pastoralist were, in many instances, superseded by their creditors, principally British banks and land mortgage companies. This predominance of corporate ownership and control of the pastoral sector has remained to the present day with the top ten pastoral corporations controlling 70.1 million hectares of pastoral holdings and the top ten privately owned holdings totalling 16.8 million hectares.
By the 1860s agriculture was still fairly rudimentary in scope and scale, with maize the most common crop. The mining sector, however, was beginning to assert its importance and gold discoveries were responsible for averting a total economic meltdown in Queensland in 1866-67. By 1875 conditions had generally improved markedly and the sectoral composition of the Queensland economy was still dominated by the pastoral sector which had continued to expand despite the setbacks of the previous decade. The 1870s were a time of consolidation and witnessed the development of intimate linkages between the emerging local capitalist class and the executive wing of government that would infuse the temper of the political economy in Queensland well into the twentieth century.

Queensland’s colonial economy was indeed much more unstable than is generally assumed. For example, the late 1870s and 1880s while often cited as being boom years in Queensland, this prosperity was not universally experienced. Regional variations in market demand and climate adversely affected regional economies. Other factors, such as changes in modes of transport and technologies, fluctuations in external demand for rural commodities undermined the economic viability of various towns that had shown great promise in earlier decades; many centre, such as Drayton, Gayndah, Aramac, Cooktown and Port Douglas, declined in importance. Between the 1860s and 1880s there were numerous regionalised periods of depression. Furthermore, demographic changes challenged the political-economic hegemony of the pastoral industry, particularly the pattern of urbanisation in Queensland which accelerated from the 1870s, so that by the 1880s the urban dynamic had begun to usurp the pastoral frontier as the nexus for political, social and economic change.

The 1890s was a critical, and pivotal, decade for the economic development of Queensland. Indeed, 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 are prominent in the historiography. The threat to the political economic hegemony of the pastoral and mercantile elites developed with the growth in middle-class liberalism and the rise of organised labour into viable political formations. Perhaps the greatest defining moment in Queensland’s economic history in the nineteenth century was the depression that gripped most of the colony between 1891 and 1893. These years were marked by bank failures, a drying up of investment funds, high unemployment, industrial unrest, and social, political and economic dislocation. The depression, however, did have a significant long-term positive impact: it forced the
reorganisation of the colony’s financial and industrial bases and heralded a consolidation and restructuring of industrial organisation and ownership. The trend towards company ownership under the control of mortgage holders in the pastoral sector was intensified. In the other sectors, agriculture made slow progress except in the area of sugar cultivation, which went from strength to strength. Mining also made rapid progress, especially in the north where the pursuit of mineral wealth fuelled closer settlement. The tertiary sector gained from its contacts with all these sectors in the latter half of the decade. For the manufacturing sector the balance of the 1890s proved to be quite prosperous, and the success and expansion of the sector was quite remarkable considering the economic chaos of the early years.

**Economic Development in Early Twentieth Century Queensland: 1900-1913**

By the turn of the century Queensland’s economy once again experienced depressed conditions, owing to the economic impact of a prolonged drought that began in 1898 and continued until 1903. While the Queensland economy must be referred to in broad terms it has been stressed that it was not an homogenous economic unit. Indeed, the diffuse impact the drought had upon the regional areas is yet another example of the heterogenous nature of the economy. Federation of the Australian colonies also coincided with the peak of the drought-induced depression in Queensland. The combination of drought, the economic downturn, and uncertainty arising from the fear of a trade war with the southern states after the removal of protective colonial tariffs, created a sense of economic and social insecurity in Queensland. On balance, the evidence suggests that, after causing some initial difficulties, in general federation had a positive effect on Queensland’s economy and the negative aspects attributed to it have been somewhat overstated. Indeed, if federation had been as economically disastrous in Queensland as has been claimed, a clear pattern of greatly increased interstate imports and decreased production would be evident. The figures actually demonstrate marginal growth in imports until 1906 (after which interstate imports increased rapidly), and stronger overall growth in exports and production. In many respects the positive trends that emerged out of the 1890s depression were stalled by the 1898-1902 drought, and then re-emerged after 1903. The economic contraction in these years, while, in part, a response to inter-state free trade, was most significantly influenced by the long drought and regular fluctuations in cyclical demand and production.
From 1903-04 until World War I, Queensland’s economic development was quite rapid despite several setbacks due to financial and environmental crises. Queensland’s expanding economy began to reorganise itself with improved sectoral diversity in the agricultural, secondary and tertiary industry sectors. The primary focus of government economic and social policy was directed towards rural settlement, rural intensification and decentralisation. From the 1880s until the mid-1920s railway construction had been at the forefront of this developmental push to open up the land for the occupation of a new yeomanry class, as part of a politically and ideologically inspired program to socially engineer a predominantly agrarian society. Wholesale immigration was generally encouraged, despite the selective protestations of organised labour, with the hope of filling the empty spaces beyond the coastal urban clusters with thousands of farming families. Queensland’s political economic drive towards an agrarian utopia was also in direct conflict with the dominant economic patterns of urbanisation and industrialisation which characterise this period in Australian history. Here, the central tenets of agricultural location theory have shown that, to a large degree, the potential success of closer settlement, and the agricultural sector generally, relied upon the development of urban concentrations to provide the domestic consumer demand to underwrite rural intensification. Here within lies an explanation for much of the failure of closer settlement in Queensland. The decentralised and relatively mild density of Queensland’s urban clusters did not provide a sufficiently large domestic consumption base to support a broad-based and intensive agricultural sector on the scale envisaged by the advocates of closer settlement and the agrarian dream.

In the years between the turn of the century and World War I, Queensland’s manufacturing sector battled against drought, economic depression, import competition after federation, lack of access to capital, high factor costs (materials and labour), and governments notable for the consistency of their neglect of the sector. Queensland’s secondary industries made rapid progress after the depression of the early 1890s, but these gains were quickly whittled away by the economic repercussions of the long drought, and the changes in the winds of intercolonial trade after federation in 1901. The number of factories in Queensland declined markedly in the years to the outbreak of war and the sector was in a constant state of flux. However, what appears to be a massive regression in the fortunes of the manufacturers was, under closer examination, a combination of decline in some industries and expansion and dynamic reorganisation in others. The dominant pattern of this period was one of restructuring and consolidation: large companies became even larger, medium-sized firms expanded production, while small operations either thrived or withered away. The reduction in the
number factories was not matched in terms of employment and production. On the contrary, employment surged, as did output and the value of production. While there was a reduction in factories of 11 per cent between 1900 and 1913, manufacturing employment grew by over 63 per cent and the value of production increased by almost 200 per cent. By 1913 the value of manufacturing production was second only to the pastoral sector. Yet, in the hearts and minds of many Queenslanders, and the great majority of their politicians, the state’s secondary industries were considered of marginal importance, and were virtually ignored.

Population growth, urban expansion, and rural development provided new and improving markets for Queensland manufactures. Queensland manufacturers, who rarely were listed public companies, but rather family or privately owned companies, tended to reinvest their profits into their enterprises as a result of having only restricted access to other external avenues of investment capital. Nevertheless, they persevered, with many prospering despite the lack of support or interest of the state’s financial institutions. Demand for Queensland manufactures slowly began to overcome the inexplicable inherent prejudice of Queensland consumers, who demonstrably preferred imported items. By 1913 the sector had grown considerably since the turn of the century, but the hopes of uninterrupted expansion were dashed almost immediately after the outbreak of war in Europe in August 1914.
World War I and the Queensland Economy 1914-1919

In the years immediately preceding to World War I Queensland’s economy experienced strong growth stimulated by that all too rare combination of good seasons occurring simultaneously with high commodity prices. Good seasons had allowed the state’s primary industries to cash in on the lucrative export markets within Australia and overseas. Confidence was high within government, business, and the community at large. The outbreak of war in August 1914 came as a surprise to most Queenslanders as did the equally rapid decline in the state’s economic fortunes. Economically, the war interrupted a growth pattern that was not to remerge until the post-war years. During the war years, the pastoral sector would maintain its dominant position in the economy; manufacturing kept ahead of agriculture; dairying overtook mining, as the latter declined in importance; and the tertiary sector improved marginally.

The depth and severity of the wartime economic crisis was quite clearly beyond the political ability of the conservative Denham government. During the first nine months of the war Denham’s leadership and response to the crisis was unfocused and ineffectual. He failed to act decisively in domestic economic matters, and his continued antipathy towards the genuine reformist ideals of organised labour and the progressive liberals aided Labor’s political cause. The war demonstrated to many people the possibilities for greater state involvement in economic affairs, although it did not promote the level of political will to encourage greater industrialisation in Queensland, as it had elsewhere in the Commonwealth. The failure of the agricultural sector to intensify served only to reinforce Labor’s commitment to even more grandiose rural development schemes for the post-war years. T.J. Ryan, leading the first autonomous Labor government in Queensland, pursued an ambitious program of social and economic reforms after securing a stunning victory in the May 1915 elections. Conservative attacks from inside and outside the parliament, however, did inhibit the full implementation of these reforms. Labor was to realise the full extent of the political and economic power organised capital could bring to bear to restrict the economic intervention of the state within the political economy. Labor responded by becoming increasingly autocratic and conservative in its implementation of economic and social policy.

The war years highlighted several problems that were inherent in Queensland’s economic
structure. Queensland’s rural industries-based economy relied heavily upon foreign market demand and capital, favourable access to rail and sea transportation, low freight charges, and its vulnerability to climatic variables. The general disruption of trade patterns threw Queensland’s economy out of balance. Production in its industries at times fluctuated wildly, but generally most industries stagnated or declined as a result of the war. Moreover, Queensland’s failure to adequately diversify its economy prior to the war left the state unable to exploit the opportunities for expanded industrialisation which many of the other states were able, at least in part, to secure.

World War I had a significant impact on the performance of the manufacturing sector. Shortages of skilled labour, materials and capital, and reduced demand, all contributed to the unsettled conditions experienced in the manufacturing sector. The war effectively curtailed the strong growth trend in manufacturing activity that had occurred from 1907 onwards. The volatility of the world commodity markets, and local climatic conditions, severely affected primary processing and metals production. The outbreak of war shattered business confidence, production stalled, contracts were not renewed, productive capacity outstripped demand, and inflation increased prices which further stifled demand. Mass enlistments deprived many industries of much needed skilled labour and the loss of consumptive demand of the service personnel who left Queensland was sorely felt by local manufacturers. There was some structural change in the ratio of male to female employment in the early years as more females entered jobs vacated by enlisted men. Restricted access to raw materials and manufactured items from overseas led to acute shortages of materials, especially iron and steel, chemicals, machinery and machine tools. New opportunities to establish manufacturing ventures to exploit shortages in imported wares were retarded by shortages of labour, materials, and capital. The level of successful import replacement in Queensland was rather marginal. Nevertheless, some progress was made, and structural changes and diversification were evident. Manufacturing output and employment increased and the sector solidified its increasingly important position among Queensland’s industry base.

Perhaps the greatest problem associated with the war, in terms of its social and political cost, was the worsening of structural unemployment, exacerbated by droughts in 1915 and 1918, and the seasonal nature of its primary industries. The economic problems that beset Queensland from late 1914, no doubt, aided the political fortunes of the Labor Opposition who clearly found a groundswell of support for their state interventionist policies within the electorate in 1915. In the political economy some progress was made under Labor in the
direction of industrial and labour market reforms, and in the establishment of state enterprises. However, the limitations of what could be achieved through the apparatus of the peripheral political economy beholden to the greater political economy of Empire became apparent. After an initial surge of enthusiasm, Labor retreated from greater state ownership towards the politically popular strategy of large-scale agricultural development schemes and the corporative reorganisation of agriculture that secured the farming vote and met the aspirations of their working class supporters during the 1920s.

The 1920s

The decade that followed World War I was characterised by extremes in economic growth and depression; was economically, politically and socially, it was a period of uncertainty and instability in Queensland. From a political-economic perspective this was characterised by sustained efforts to expand the role of the state in economic affairs. The Labor government directly intervened in the Queensland economy: institutionally, through the implementation of various governmental agencies, and organisationally, in the form of industry-based organisations and commodity marketing bodies. Labor’s programs were encumbered by hostile responses from the conservative side of politics and the business community, and a general lack of funds to support the desired scale and scope of Labor’s developmental schemes. The progress made by the late 1920s was by no means universal: many of Labor’s policies proved unworkable, though the reorganisation of the agricultural sector met with some success and has continued in one form or another to the present day. The state enterprises largely proved to be failures because of bad planning, mismanagement, high levels of debt, and a lack of consideration for the greater forces of capitalist enterprise.

The 1920s proved to be a most difficult and challenging period for the manufacturing industries of Queensland. The economic dislocations associated with the war continued into the following decade. For the most part, the manufacturing sector performed reasonably well during the first half of the decade, but the peak in production achieved in 1924 was not repeated again until the late 1930s. External influences were primarily responsible for the economic dislocations, particularly the volatility of commodity markets in Europe, which had a dramatic impact on the value of Queensland’s processed primary produce and minerals exports. The strength of domestic demand for locally produced manufactures drove the sector
forward in the early part of the decade and changes in consumer tastes and access to credit further fuelled demand.

Nevertheless, Queensland manufacturers faced several major problems. Skilled labour shortages, and the success of the labour movement in securing increased wages through the award system, meant that, on average, wages were relatively higher in Queensland than they were in New South Wales and Victoria. This, combined with higher rates of taxation, high transport costs, a decentralised market, and insufficient economies of scale, significantly increased the costs of production in Queensland, and weakened the competitive position of local manufacturers against interstate and overseas imports.

Moreover, the metals, machinery, and building materials industries relied heavily on government infrastructure spending to supplement demand for their manufactures, and demand weakened as the government’s public works program was scaled back in the wake of the 1920 to 1924 loans embargo. The resulting tight fiscal policy also affected many other sections of manufacturing industry as the government would not pay, or could not afford to pay, a premium, and refused to apply a preference for Queensland manufactures in the award of government contracts. The manufacturers received little by way of state assistance or encouragement; successive Labor governments were focused on developing the rural industries and had plans to establish a wide range of state owned manufacturing enterprises. The assistance that eventually came from the conservative Moore government in 1929, was too little and too late, and was suffocated by the deepening shadows of the depression. Despite this rather gloomy picture, the manufacturers continued to survive, and indeed many thrived, under these trying circumstances, as these industries had to be more productive or innovative just to survive.

The victory of the conservative Country Progressive Nationalist Party in the 1929 elections led to the dismantling of much of the surviving state enterprises, and of many social welfare programs, a situation which was further exacerbated by the economic hardships associated with the depression. The Moore government’s inexperience, and its obvious inability to deal effectively with the large-scale social and economic problems during the depression, meant that the suffering of a great many Queenslanders was perhaps worsened, and the failure to provide support for its citizens in this time of crisis ultimately led to the Moore government’s demise in 1932. Queensland voters remembered these inadequacies and Labor was quickly reinstated and was to remain in government for the next quarter of a century. The dramatic
political circumstances of the period directly reflected the performance of Queensland’s economy where the growth in economic activity and production in the early twenties had all but evaporated by the end of the decade. For all its efforts, the Labor government could not sufficiently divorce the processes of the Queensland economy from those of the global fluctuations of industrial capitalism, for it is an economic reality that the internal dynamic of Queensland’s economy has always been stimulated by, and had been beholden to, the vagaries of market demands from beyond its borders. It is a situation that has not changed in any fundamental way to the present day.

The research undertaken in the development of this thesis has shed some light on aspects of Queensland’s economic, industrial and political history that have up until now remained relatively unexamined. The deficiencies in Queensland’s economic and industrial historiography are glaring, and it is hoped that this thesis has gone some way towards providing a model for a more comprehensive economic history of Queensland. There are vast bodies of primary source material awaiting analysis in the various repositories, sources that offer future historians, and others, many fertile and significant research opportunities. While much attention has been focused upon the manufacturing sector in this thesis, greater attention needs to be paid to this diverse sector and to its various constituent industries such as engineering, printing, automotive, clothing, footwear, and textiles, to name but a few. Moreover, the linkages between primary industries, manufacturing, and the export trade deserve a more thorough examination. Indeed, substantial research could be conducted into the pastoral, agricultural, mining, and tertiary industry sectors. Moreover, wide-ranging histories could be written on the pastoral industry, on agriculture, building and construction, transport and communications, and the commercial and services sectors. For example, the history of the development of the tertiary sector presents a significant research opportunity since it is clear that this eclectic group of service enterprises has made immense progress in the twentieth century, and the sector’s true contribution to the economic development of Queensland is even more under-researched than the manufacturing sector.

Another avenue of research which could be pursued is the evolution and contribution of Queensland’s employer associations to the economic and political development of the state. Histories could be written on the genesis and activities of groups such as the Brisbane and Queensland Chambers of Manufacturers, the Queensland Employers’ Federation, the various Chambers of Commerce that exist across Queensland (although the Brisbane Chamber of Commerce has been well dealt with by Allan Lougheed), and the numerous industry specific
employer groups. Moreover, a comprehensive study of the establishment of these associations, the process of their amalgamation and the advent of the Queensland Chamber of Commerce and Industry would be a most valuable contribution to our historical knowledge and heritage. There is no doubting the historical value that would be attached to comprehensive histories of Queensland’s industrial sectors, as indeed would the value of a broad-based economic history of Queensland from 1824 to the present day. It is obvious that there is more than one lifetime of fertile academic toil in these and related topics.

In conclusion, it is evident from the arguments and evidence presented in this thesis that a rural bias has infused the political economy of Queensland for much of the nineteenth and twentieth centuries, and this bias has limited the ability of the manufacturing sector to develop to its fullest potential. Moreover, it has been shown that despite this and other limiting factors, the manufacturing sector, nevertheless, made a much more significant contribution to the economic development of the state than generally has been acknowledged. Furthermore, this thesis has demonstrated how broader economic, demographic and geographic factors have helped to shape not only the main features of Queensland’s economy and its industrial structures, but also the economic and social processes that have dominated the political economy, and in turn underpinned the importance of the ruralist hegemony with the political economy to the direction and diversity of economic development. Indeed, economic development cannot be divorced from the context of these broader factors, and in Queensland’s case, its position within the political economy of the British Empire and the Australian federation are also fundamental.

The materialist ideological underpinnings of the processes of the political economy and the contradictions inherent within are also important factors. The developmentalist ethic and zeal of successive Queensland governments demonstrate the validity of the materialist theoretical underpinnings of this thesis. Clearly, Queensland governments and the general population have been driven by a common, although often conflicting, desire to secure greater material progress, and this is the primary, but not the only, motivation that has shaped the historical dynamic in Queensland.

From another perspective this thesis has, in a most comprehensive manner, outlined the central features of Queensland’s economy and economic development, and its various industry sectors, during the nineteenth century, and more intensively between 1900 and 1930. Moreover, the thesis has detailed something of the broad demographic patterns over this
período, e, em particular, as patalogias de rural e urban settlement linked to external and
domestic influences. Finalmente, este tesi has endeavoured to fairly and comprehensively assess
the structure, development and performance of the manufacturing sector and to move some
way towards addressing the historiographical inadequacies of studies featuring the
development of manufacturing in Queensland.

The ascendancy of the manufacturing sector to its present prominent position in Queensland’s
economy is something of a triumph when one fully considers the constant hurdles the sector
has had to overcome. The active encouragement of the state is fundamental to the initial
development of secondary industries, particularly in an economy dominated by rural
industries, and where sustained support is also crucial to its longevity. In this respect it is
clear that successive Queensland governments had paid only lip service to the needs of the
manufacturers and to the workers relying upon these industries for their livelihoods, until at
least the decades immediately after World War II. In many respects the fiscal burden of
successive rural development and public works programs has been unfairly borne by the
manufacturing sector by militating against the possibility of reductions in their tax burden,
and also by encouraging governments to seek out the cheapest tenders outside Queensland,
rather than support local manufacturing. The manufacturers persevered under the weight of
increasing factor costs (raw materials, labour, equipment, taxes and charges) and were caught
in a restrictive trading cycle that limited their avenues for expansion due to insufficient access
to investment capital. The manufacturers were, for the most part, forced to commit a large
proportion of their profits back into these enterprises in order to expand, maintain production,
or, indeed, just to survive. Exogenous economic forces, particularly the volatility of
commodity markets in Europe, constantly buffeted the Queensland economy, but fortunately
relatively strong domestic demand for locally produced manufactures provided sufficient
demand for the manufacturers to often overcome the endemic problems they faced. Labor’s
fiscal policy and lack of motivation to materially assist the state’s secondary industries, and
the government’s apparent resolve to throw money into state enterprises of questionable
economic viability also contributed to the difficulties that Queensland’s manufacturers had to
face. Nevertheless, it is a tribute to the employers and employees in Queensland’s secondary
industries that the sector made as much progress as it did. It was during the early decades of
the twentieth century that the foundations were laid for the manufacturing sector to eventually
take its place as the single most important industrial sector in the Queensland economy in the
latter half of this century. It is abundantly evident that the efforts of the thousands of
employees and their employers in building up these secondary industries have made a
significant and valuable contribution towards the continued prosperity, employment, and material progress of the people of Queensland and Australia as a nation.