

before the veto of the British authorities was received or the Crown Law Office could intervene. As for the landowners Governor Gipps reported that 'persons with colonial property as the only wherewithal to meet engagements were drawn in crowds to the insolvency court'. The condition of the newly-arrived immigrants was a keen embarrassment to the government, but far more pitiable was the lot of the town workers, who were glad to take half a crown a day when work was procurable.

It will be seen that the features of this crisis follow fairly closely the orthodox sequence of events, but a closer examination will reveal how nearly the main features agree with the movements we should be led to expect by the theory of international trade. Here was a community of small population, wholly dependent upon primary industries, and drawing its necessary developmental capital from Great Britain alone. The tendencies in finance and trade accord very fully with later movements on a larger scale in Australia and in other countries of recent settlement. It becomes of interest, therefore, to analyse in greater statistical detail the conditions that pertained in Australia for the decade between 1833 and 1843. In particular, it becomes important to trace the effects on the monetary system of the introduction of capital at a more rapid rate than it could be absorbed; and to observe the trend of overseas trade as a consequence of this expansion of capital. The small volume of trade as compared with later years and the small number of banks then operating do not in any way vitiate comparison, but rather serve, by eliminating subsidiary elements, to strengthen the conclusion that the same fundamental factors have been affecting Australian prosperity from the early days of settlement.

We may consider, first, the movement of commodities into and out of Australia for the period, and the resulting trade balance. The predominance of imports begins as early as 1828, when the capital importations begin to be noticeable. By 1833 a swelling flood of imported commodities was pouring into the colonies in a volume far greater than could be turned to economic uses. And each year thereafter saw a greater and more rapid accretion to the flood which was already choking the channels of trade. With the continuance of these conditions