

respect it can again be compared with the later crises; and it affords one more reason for concluding that the essential causes of our business troubles have not changed throughout the years. The gradual approach of the first great financial crisis in our history can be clearly discerned in the trend disclosed by these figures, and they are sufficient ground for assuming, in the light of later business disasters, that there was at this time an inflation of credit at a greater rate than that of the increase in reserves, which were, in fact, almost stationary for most of the period.

TABLE II<sup>1</sup>  
*Population and Bank Reserves of New South Wales*

Year.	Population.	Coin and Bullion in Treasury and Banks.	Reserves as Amount per head.
		£	£ s. d.
1836	78,929	420,720	5 9 1
1837	86,482	427,432	5 0 3
1838	98,176	520,127	5 6 2
1839	113,437	516,069	4 10 2
1840	127,468	(a) 397,581	3 1 5
1841	145,303	462,624	3 1 9
1842	162,317	475,389	3 0 0
1843	169,315	423,972	2 11 4
1844	178,460	559,923	3 2 9
1845	187,918	855,166	4 11 0

(a) To cover the shortage of currency in this year debentures to the amount of £49,500 were issued.

It is impossible to close this brief survey of the vicissitudes of the early years without some further reference to the course of events in South Australia.<sup>2</sup> This model colony, founded on the theory that the sale of land would pay the primary expenses of development, had, under Gawler, gone far towards proving the essential soundness of the theory; but the requests for assistance from the Imperial Government had led to a drastic change in the administration. In this way the province had provided the initial impulse which led to suspicion and distrust in the mind

<sup>1</sup> From the official *Statistical Abstract for Colonial Possessions* for the years concerned, and for previous table.

<sup>2</sup> An excellent account of the crisis and of the curious circumstances from which it arose is given by A. G. Price in *The Foundation and Settlement of South Australia*.