

the same authority at not less than 30s. per day; but, for Victoria alone, this figure of about £40 per month is probably much too low. Wages automatically went up with a bound in every occupation, and Governor La Trobe remarked that 'the few mechanics who would work received wages from 250 to 350 per cent. higher than before the rush'.¹

A natural consequence of this sudden prosperity was a prodigious rise in prices. In Melbourne house-rents simply soared—it is the only word. A large proportion of the people had to live under canvas, or anywhere that provided shelter; and this state of things, of course, gave a tremendous stimulus to building and allied trades. A similar situation existed in Sydney, where hundreds of houses were occupied weeks before they were out of the builders' hands. Nothing illustrates the condition of industry better than the fact that houses were imported in pieces ready for assembly, and this in a country abounding in timber and at a time when steam transport was almost unknown.

A period of reckless extravagance was the immediate outcome of the discoveries, due in great measure to the mental excitement caused by trading in bullion which was the common experience of every business man and banker.² The storekeeper changed the digger's gold into goods as a favour, and this independent spirit was carried right through the whole gamut of commerce. Nor was the attitude of the diggers themselves calculated to keep prices at a reasonable level. Reckless willingness to pay higher and higher rates became the boast of miners

¹ 'The incomes of the whole working population were suddenly raised in the proportion of about 300 per cent., every man's pound became four pounds—every man's means of expenditure became four times greater than before.'—Tooke and Newmarch, *History of Prices*, vol. vi, p. 806.

² Alluvial gold of the average fineness was worth in England about 80s. an ounce. 'During this year and the next (1852-3) the banks would not advance more than 40/- to 50/- per ounce on gold shipped to England; and, as the digger usually required an immediate return, he was forced to trade it with the storekeepers from whom he obtained his supplies. The ordinary price in Melbourne was 70/- an ounce, and on the goldfields from 60/- to 65/-. These transactions in bullion, in which every storekeeper, merchant, and banker engaged, had a curious mental effect. The ordinary canons of trade were no longer thought to apply. The merchants and storekeepers stocked what it was convenient for them to handle with no thought of tempting a customer to buy. Customers were attended to as a favour; and merchants and bankers carried out business on similar lines.'—Coghlan, *Labour and Industry*, p. 805.