

ture shrinking, and, before 1890, the government was facing a deficit of nearly one and a half millions. Everything indicated that the crescendo of speculation was finished, and that the diminuendo of depression was about to commence.

Events in South Australia during the decade ran a very chequered course. There are reasons for believing that the speculation of the time originated in that state, but if so it was very soon over. This activity reached its peak as early as 1882, when it was suddenly checked by the banks closing down on all advances of a speculative character; and, to point the moral, even the government was denied accommodation. Pronounced credit shortage prevailed until the depression touched bottom in 1885. Unemployment was rife, population was trickling away to other states, most of the copper mines had stopped work on account of the low price of the metal, wheat and wool prices remained hopelessly low despite the almost total failure of the harvest and a small clip, and the government budget showed a deficit of £700,000. Such a conjunction of evil circumstances South Australia had not known since the Gawler crisis. The universal distress and the general economic situation were most reminiscent of the bad times of 1840.

The finishing touches to a picture of unrelieved gloom were given by the failure in February 1886 of the Commercial Bank of South Australia, a local institution that had become largely identified with the rural interests of the province and which had, therefore, been very severely hit by bad seasons. Even more sensational than the actual failure were the revelations of fraud and embezzlement. The resulting suspicion, under which all the banks fell, added to the general uncertainty and affected business disastrously. A crop of bankruptcies followed closely on the heels of the Commercial Bank failure, bank reserves disappeared, and the Savings Bank suffered from a run on its deposits which not even a government guarantee could stop. The straits to which the land finance companies were reduced can well be imagined, for the land boom in this state was by this time merely a matter of history.

But this proved to be the darkest hour preceding the dawn of better days for South Australia. With the breaking of the drought, the rise in the price of copper, and the wonderful discoveries at Broken Hill, confidence crept back into business;