

NOTES ON THE CURRENCY OF EARLY TASMANIA
(1803-25).

By

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Plates XXII. and XXIII.

(Read 14th December, 1925).

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A. INTRODUCTION.

(a) INTRODUCTORY REMARKS.

The economic history of Tasmania has yet to be written. This paper is offered as an introduction to that section of the subject which embraces the currency and the exchange relations of the early colonists. The period covers the years of governmental dependence of Tasmania upon New South Wales. These years stand out distinctly when we

survey the growth of the State. Two reasons sufficiently account for this fact. Firstly, the young Colony was ultimately ruled by the Governors of New South Wales, who, with one exception, were little acquainted with the island's affairs. Secondly, the local Lieut.-Governors were responsible only to their superiors at Sydney, often a fortnight's sail away. Until the closing years of the period, any form of constitutional government was impracticable, and the Lieut.-Governors exercised their wide powers unchecked. Owing to the nature of the Tasmanian settlements the Government entered very largely into the life of the community. As well as exercising all those functions with which we are to-day familiar, it was the chief purchaser of the products of the soil, it sold settlers' requirements, and it regulated conditions of labour at its pleasure. After 1825 this state of affairs rapidly changed as a result of separation from New South Wales, the beginnings of responsible government, and the great influx of free settlers from Great Britain. Owing to the Colony's intimate connection with New South Wales, it is from the history of that State we must seek to gain a clear understanding of many aspects of life in early Tasmania. This is most necessary in the case of the currency.

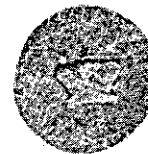
Our knowledge of the first decade of this State's existence is unfortunately very limited; apart from official documents and a few private papers of early settlers, we have no sources of information. The diary of that worldly chaplain, the Rev. Robert Knopwood, provides a certain amount of interesting information, but it is of little assistance for the present study. More records have come down to us from the later years of the period. The *Hobart Town Gazette*, a newspaper under official control, provides us with a useful quarry of facts. The official papers are greater in numbers, and become more informative. The House of Commons, in 1821, sent out a commissioner in the person of J. T. Bigge, to inquire into all branches of administration of the colonies. His inquiries were searching, and his report is invaluable to the student of the times. But the greatest want felt is the private papers and letters of colonists to give us a peep behind the scenes, and enable us to understand what they thought of all the gubernatorial wisdom. No doubt a future generation, by the discovery of some papers now hidden, will be better informed than we are to-day.

(b) THE CURRENCY OF EARLY NEW SOUTH WALES
(1788-1803).

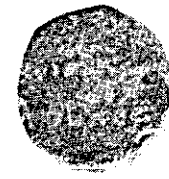
From the earliest days there was at Sydney a lack of



SPANISH DOLLAR.

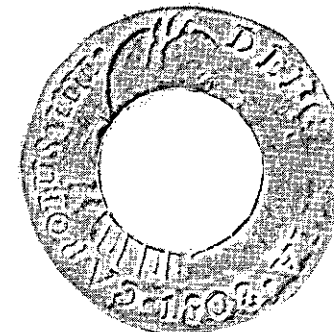


Obverse.



Reverse.

DUMP DOLLAR.



HOLEY DOLLAR.

British coin, or any other reliable metallic money. The Home Authorities had only sent out a few chests of coin with the First Fleet. This amount they considered ample for a small penal settlement. As early as June, 1789, Phillip found himself unable to pay wages in coin. His request for another remittance of specie was not complied with for over two years. Late in 1792, £2,500 of British silver arrived at Sydney. Nearly ten years were to elapse before another supply of coin was despatched to the Colony. The reason is not hard to find. The British nation was fighting abroad in a death struggle with Revolutionary France. At home, famine and dissatisfaction walked hand in hand. In 1797 the Bank of England suspended gold payments. It is not difficult to understand the unwillingness of Ministers to send coin to a small penal settlement on the Pacific coast of an almost unknown continent.

[Phillip to Nepean, 20/6/1789, 1 (a).]

In New South Wales, matters went from bad to worse. With no export trade there was a continual drain on the scanty supply of coin to pay for imports. The ships which made purchases of supplies left behind them a great assortment of coins, the currencies of many nationalities being represented. The shortage of coin and general conditions produced a state of affairs that had been experienced in the American colonies, particularly Massachusetts, a century before. The official receipts given by the Government Stores for produce passed immediately into circulation. They were really official promissory notes. Private promissory notes were also issued in great numbers, and became a menace to credit. Spirits bearing the general designation of rum entered into colonial life to an almost incredible degree; a gallon of rum became an accepted value, which even the authorities were forced to recognise.

In 1800, Philip Gidley King became Governor of New South Wales. Despite difficulties arising from the insubordination of the New South Wales Corps, his only military force, and an Irish insurrection, he made great efforts to place the currency on a satisfactory basis. He drew up a table of specie which contained the values at which the various foreign coins then circulating would be recognised. In this list, with the British coins are found the Dutch Guelder,

NOTE 1.—The numbers refer to the source of reference, see Bibliography.

Letters in brackets refer to the volumes of the Historical Records of Australia.

the Spanish Dollar, the Venetian Ducat, the Portuguese Joana, and the East Indian Rupee. King suggested that a special coinage be made for the Colony, and he cut down the Spanish dollar to provide small change. These efforts met with no success, but he did succeed in inducing the British Government to send out £2,500 worth of copper pennies, which he ordered to circulate at twice their nominal value.

[Table of specie, 19th Nov., 1800. 1 (c), p. 39. King to Hobart, 20th Dec., 1804. 1 (e), p. 206.]

Another serious matter was forcing itself upon King. The presence in Australian waters of a French expedition, ostensibly engaged in scientific research, the unoccupied island of Tasmania, and the disquieting rumours of French colonial aspirations caused him grave concern. He resolved upon immediate action. Under his direction two parties were despatched to form settlements in Tasmania. The first party, commanded by Lieut. Bowen, was sent to the Derwent, the other, under the command of Colonel Paterson, went to Port Dalrymple, on the northern coast. Between the arrival of these small parties, an expedition despatched by the Home Authorities arrived at the Derwent. This expedition was commanded by Lieut.-Colonel David Collins, who had previous experience in New South Wales, and was a man in every way suited for the task of founding a new colony. Bowen's party achieved practically nothing beyond occupation. Paterson was more successful, but Collins started the real work of colonisation.

The records which are of use in the present study refer almost entirely to the settlements which were under the guidance of him and his successors.

B. THE TASMANIAN CURRENCY.

(a) COINAGE.

(i) The Early Years, 1803-13.

From our meagre information there is no evidence to show that either Bowen, Collins, or Paterson brought any coin with them to Tasmania. However, we do know that before Collins had been six months at Sullivan's Cove he was unable to pay official salaries in coin. His predicament was similar to that of Phillip at Sydney, sixteen years before. (See Section A.) The immediate liabilities of the Government he met by an issue of official promissory notes, hoping to receive a supply of coin from Sydney. However, it was useless to expect help from that quarter. The passage of

time had not mitigated Governor King's difficulties. After the insubordination of the New South Wales Corps, the currency was among his worst worries. In his despatches to the British Ministers, he vividly describes the evils arising from the scarcity of coin. The few persons who possess Spanish dollars, he tells the Earl of Camden, engage in a usurious and ruinous traffic in spirits. His ill-fated successor, Bligh, was less fortunate. Dollars, he informs Windham, are hoarded for sinister purposes. In such circumstances it is not difficult to understand that the Tasmanian settlements in all probability received no remittance of coin from New South Wales during these years.

[Collins to Sullivan, 3rd Aug., 1804. 1 (l) p. 261. King to Camden, 1805. 1 (e), p. 671. Bligh to Windham, 1807. 1 (f), p. 156.]

(ii) The Colonial Coinage (1813).

A new era commenced when Colonel Lachlan Macquarie became Governor-in-Chief of the Australian Colonies late in 1809. With characteristic energy he applied himself to settling the currency troubles once and for all. However, he soon found that with all his veering and tacking he was only following the course of his predecessors. His despatches to Lord Castlereagh on the subject were couched in strong terms, but still he failed to get a remittance of specie for some years. Fortunately for the colonies, and the Governor's peace of mind, the British Government at last, after nearly twenty years, sent another supply of coin to Australia.

[Macquarie to Castlereagh, 1810. 1 (g), p. 242.]

By an arrangement with the Directors of the East India Company, in 1812, £10,000 worth of Spanish dollars were shipped to Sydney.

It may appear strange that the British Government should issue Spanish coin for circulation within its own dominions; but the Spanish dollar was then almost a universal coin, and was already well known in Australia.

Macquarie held strong and often very original views upon finance and economy. In order to prevent the new dollars' inevitable disappearance by export, he took a curious measure. A circular piece measuring 11/16ths of an inch was struck out of each dollar. The remaining ring was stamped with the words "five shillings" on the obverse, and "New South Wales" on the reverse. The disc that had been struck out was also subjected to the following impressions:—

Obverse—A crown in centre; New South Wales above, 1813 below. Reverse—Fifteen pence in two lines. The edge being roughly milled with dies.

[Proclamation re issue of Holey and Dump dollars, 1813. 1 (a), p. 750-6. Also Chitty, 26.]

The first coin, the Holey or Ring dollar, was issued at the value of the original coin, five shillings. The centre piece, or Dump, became officially valued at fifteen pence. Thus the dollar was enhanced in value to the extent of 25 per cent. So by a few simple operations, Macquarie gave the Colony a currency which had at least some useful properties. The proclamation which announced the issue of what may be called the Colonial coinage, imposed severe penalties for clipping or otherwise mutilating these coins. Seven years' confinement, within the beneficent precincts of a Colonial prison, seems to have successfully overcome the temptation to clip an occasional handful of dollars, in Tasmania; at any rate.

Colonel Thomas Davey was now in command of the settlements of the island. His four years' administration is chiefly remembered from the prevalence of bushranging, and other lawlessness. Nevertheless, the Colony progressed. All food supplies were now locally produced, and the days of famine and dependence on New South Wales had passed away. Strangely enough, in all the correspondence between Macquarie and Davey, no reference can be found relating to a remittance of the Colonial coinage to Tasmania. It certainly circulated in the island, and if the reports of persons still living may be credited, it lingered in use late in the forties, long after its official withdrawal. Even to-day an occasional Dump is found in old houses. As the proclamation ordering withdrawal from issue was published in the *Hobart Town Gazette*, it is certain that it circulated in Tasmania.

West and Fenton, in their histories of Tasmania, mention the Colonial coinage, but they both state it was issued in the year 1810. We can positively assert that no such coins were issued before 1813. It is probable they were not as well informed about the matter as we are to-day.

[West (13), p. 76. Fenton (14), p. 54.]

Samuel Mossman, in his work *Our Australian Colonies*, says that in Tasmania, pieces the size of a shilling, at which value they circulated, were cut from the Spanish dollar. The ring left circulated at four shillings. Further, he says, that this money was scarce, being issued from the Government

Stores to the Contractors in provisions who held a monopoly; very little actually passing into circulation. From this it would appear that a separate coinage was issued in Tasmania. Absolutely no evidence can be found to support these statements. In a letter to the writer, Mr. Alfred Chitty, the well-known Australian numismatist, says:—

“As these two coins have never been met with, numismatists consider that Mossman is in error, and that he is confusing them with the Holey and Dump dollar. For all that, there might be two such coins struck in Hobart; if they could be found, they would be a prize. Some of the dollars were freely stamped with the head of George III., and many reached Australia and were cut down. One thing I am pretty certain about is that some half and quarter dollars were stamped with the King's head in Tasmania.”

[Mossman (15), p. 142.]

It seems possible the authorities at Hobart or Launceston stamped some dollars to suit their convenience. For ten years the Colonial coinage remained in circulation, and it appears to have been, and probably was, a benefit to the colonists.

In 1816, a small quantity of copper coin (£105 worth) was sent by Governor Macquarie to Tasmania, to supply the want of small change. Next year the enhanced value of copper coin, which had been unchanged since 1801, was reduced to its face value.

[From Summary of letters to Asst. Commissary General, Hobart, from Sydney, 23/6/1816. 1 (m), p. 605.]

Colonel William Sorell, who became Lieut.-Governor of Tasmania in 1817, carried into effect a policy which added materially to the prosperity of the Colony. He restored order, stimulated wheat growing, laid the foundations of the wool industry, and organised public finances. His administration left a lasting impression on the Colony.

The scarcity of specie was still an annoyance in small transactions, and an obstruction in the larger business relations of the colonists. It appears that Sorell made the best of the position, working as well as possible with the small supplies of coin in circulation. He constantly endeavoured to keep all official values expressed in sterling, despite the fact that the Spanish dollar was the commonest coin. The official notices in the *Hobart Town Gazette* are a contrast to the

private notices, advertisements, sales, and offers of reward. In the latter cases, when coin is mentioned at all, it is most often expressed in dollars.

(iii) Brisbane's Reforms.

More troubles lay ahead for those in authority in New South Wales and Tasmania. For twenty years, through the exigencies of the French Wars, the Bank of England had suspended gold payments. These were resumed in 1817, and had the effect of lowering the value of the Spanish dollar. The depreciation in England was considerable, the value falling to 4s. 2d., whilst in New South Wales and Tasmania, the dollar still circulated at five shillings. Hence it became extremely profitable to ship dollars to New South Wales. And this was what actually happened. Coghlan states that in 1822 two ships alone brought 80,000 dollars to Sydney. Goodwin, who wrote a little guide book for intending emigrants to Tasmania, very rightly advises them to invest in dollars before leaving England. Such a state of things could not continue, and Sir Thomas Brisbane, who succeeded Macquarie in 1822, resolved to settle the question at once by the quickest method possible, regardless of any hardship that might then result.

[Coghlan (22), p. 257. Goodwin (8), p. 37. Curr (7), p. 5.]

Brisbane held two views regarding the currency of the colonies. Firstly, that the Spanish dollar, and not sterling, was the best medium of exchange. Secondly, that the value of the dollar must be reduced (in terms of the British pound), and the colonists must bear the burden of this devaluation. He immediately set to work to put these views into practice. The steps taken were drastic, and the immediate results caused much hardship in New South Wales and Tasmania. Merchants found that they now had to pay nearly five dollars to the pound, where formerly they paid four, when purchasing Treasury Bills for remittance to their London Agents and creditors. The settlers that season discovered that the Government Stores only paid them for their crops in dollars at 4s. 2d., in place of the customary five shillings. As many had obtained credit, often at high rates, right up to the full value of their crops at the old rate, great suffering was caused. In the elder colony, Brisbane's policy was met with strenuous opposition from the Directors of the Bank of New South Wales, who championed the colonists' cause. A bitter controversy was waged. The

Secretary of State for the Colonies, the Earl of Bathurst, was appealed to by the Directors, but in vain, Brisbane's actions being generally upheld.

[Coghlan (22), p. 258-66. Memorial of Bank of N.S.W. to Brisbane. 1, (j), p. 730-2.]

In Tasmania, the results of these changes were disastrous to Sorell's careful administration, and caused considerable suffering. We are fortunately well informed of these events, as Sorell gave a very full account of them in a report he wrote to his successor, Colonel George Arthur, on leaving office in 1824. On the 31st May, 1822, Sorell says that the value of the Spanish dollar was suddenly reduced about 20 per cent. It is not difficult to imagine the hardship caused to the many new Tasmanian settlers by this sudden reduction in the value of their crops and other produce. On 27th June, sterling ceased to be the official coinage, and from that date all accounts were to be kept in dollars. Whether this order was entirely put into force is not at all clear. On 15th October of the same year, Sorell issued a General Order, fixing wages, all in sterling, dollars not being mentioned. Neither is it at all clear as to what had happened to Macquarie's Holey and Dump dollars of 1813. Official papers make no mention of their existence after 1814. The next fact known is that Brisbane declared the official value of the Holey dollar to be 2s. 9d., that is slightly more than half its 1813 value. Early in the next year, 1823, Government dues and salaries were paid in dollars. The dollar, it would seem, had become the current coin of the colonies. It is not known whether the confusion resulting from the Government in New South Wales being forced to recognise several values for the dollar existed in Tasmania. Coghlan states that in the Mother Colony the Commissariat paid for its supplies in dollars at 5s., the civil officers were paid in dollars at 4s. 4d., and the military in dollars at 4s. 8d. Certainly the introduction of dollars must have greatly complicated book-keeping. The writer has seen account books of the period ruled with two sets of figure columns, one for sterling, the other for dollars.

Sorell's remarks to Arthur on the reforms of the two preceding years furnish us with a contemporary view of the position. He says:—

“Upon the subject of the Exchange, I confess I did “not consider the Dollar System in itself alone a subject “of complaint, though it might even be a question how

"far it was applicable to these Colonies, and how far they could yet bear it, for it exists in most, if not all, the British Colonies, and I believe upon the Same Principles. It is, however, to be considered that other Colonies have an established and Native Commerce, and that these young colonies, affording yet but little in the way of export, must consequently discharge a large portion of their obligations and expenses in money remittance, the means of doing which must depend mainly on their agriculture and the fostering encouragement of the Mother Country. But the treble operation of the Exchange, the reduction of prices, and the termination of the relations between the Government and the Grower, and the diminution of the quantity purchased, is attended by other effects, resulting from the present State of the Currency."

The clamour against the dollar system and subsequent events evidently made the British Government pay more attention to the New South Wales currency. A large amount of British coin was sent out, and many of the old troubles disappeared.

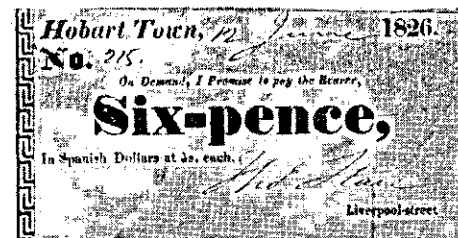
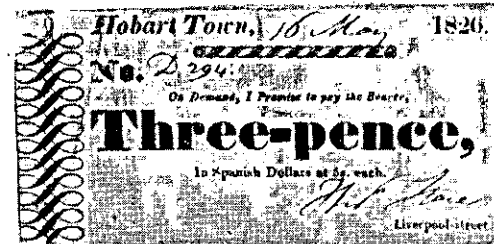
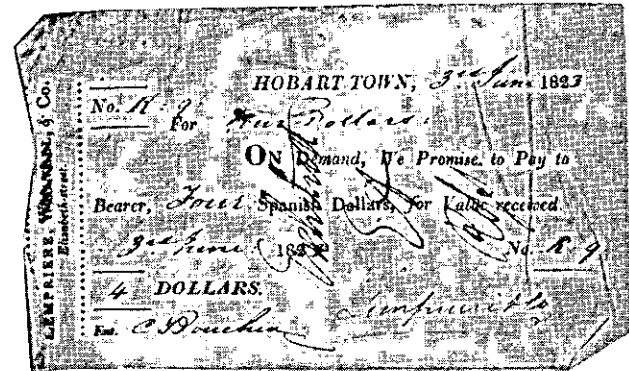
The story had not such a happy ending in the case of Tasmania for many years. In 1826, a year later than the end of the period covered by this paper, an article appeared in the *Colonial Times* (6th October, 1826), in which the writer deplores the lack of specie owing to exportation. He sighs for the good old days of Holey Dollars and Dumps.

[*Colonial Times* (11).]

(iv) McIntosh-Degraves Tokens.

The lack of metallic money induced two enterprising immigrants to bring a small quantity of silver shilling tokens with them from England. This token, originally issued by the firm McIntosh and Degraves, sawmillers, Cascades, Hobart, passed into circulation in 1823. It was the first token to be issued in Australia, and specimens are now highly prized by coin collectors. The actual number of these tokens that was issued is unknown, but it is considered that their value did not exceed £100.

We must now pass on and view the expedients that Colonists were driven to employ through the inadequate supply of coin during these days.



(b) PAPER MONEY.

(i) Official Notes.

The issue of official promissory notes by Collins has already been mentioned. The circumstances which forced him to adopt that course are easily understood from a despatch he wrote to his official superiors in England:—

“For the want of specie in the colony to pay the “superintendents and overseers their respective salaries, “by means of which they found themselves unable to “purchase several articles of use and comfort which had “been brought hither in vessels from Sydney, I have “directed the Commissary to issue small Promissory “Notes, not less than £1 sterling in value, which have “proved a great accommodation to these people.”

[Collins to Sullivan, 3rd Aug., 1804. 1 (1), p. 261. King to Collins, 30th Sept., 1804. 1 (1), p. 284.]

Only £615 worth of these Colonial Notes were issued, the shipmasters then lying in the Derwent receiving them in payment for the sales of goods they had effected. These notes were then consolidated with Treasury Bills on presentation. Governor King, at Sydney, quite approved of the course taken by Collins in this instance. But King had learnt from bitter experience to appreciate the abilities of the note forgers at Sydney. He particularly enjoined Collins to keep the issue within the limits of Tasmania. “I am “sorry,” says King, “means are now used here to counterfeit “them, which may lead to a complicated and extensive evil.” When we remember the privations endured by the first settlers, the truth of Collins’s remarks concerning these notes becomes apparent. “They would greatly tend,” he says, “towards smoothing difficulties that must ever present themselves in the Infancy of a distant settlement like this.”

[Collins to Hobart, 20th Feb., 1805. 1 (1), p. 305.]

The earliest attempts to raise crops gave the most discouraging results. The settlers were in many cases inexperienced in any form of agriculture, their labour was inefficient, and their implements often faulty. Years had to pass before they understood the climatic conditions and the specific properties of the soil. When a settler succeeded in harvesting a crop, he took it to the Government Stores at Hobart or Launceston. As he could not be paid in coin, he received a receipt on which was stated the quantity of wheat he had sold, and the amount the Government owed him. This sum.

the authorities undertook to pay on presentation of the receipt in the near future, generally three months hence. Now the settler had debts to pay, and other business to transact with the town merchants and traders. Unless he had enough money in coin, which was very unlikely, he was forced to make these little adjustments with his Stores Receipts. Naturally enough, the receipts accumulated in the hands of the importing merchants, who presented them at the Government Stores when the time for consolidation fell due. The merchants received drafts on the British Treasury for their bundles of receipts, which enabled them to pay their London agents for the goods sent out on their account.

In a colony where good coin was scarce, and had paper abundant, these Stores Receipts formed a most important part of the currency. But it was essential that the authorities entrusted with their issue should be careful in their methods, and keep their eyes continually on the watch for forgeries. There were, during the period, one or two instances of fraud on the part of officials. Nevertheless, when Commissioner Bigge issued his report, pleasing facts became known. It transpired that one official, who had been responsible for some years for issuing Stores Receipts, passed £180,000 worth through his hands, and had not seen one forgery. The chief trouble, the authorities found, was getting the holders to present the receipts they held at the right time, when they were due, not six months after that date.

[Bigge's Report, 3. Account of Bigge's examination, see 1 (n).]

Below is a copy of the form of Stores Receipts issued in 1820.

£0 0s. 0d. Sterling.	December, 1820.
No.	Hobart Town.
I promise to pay.....or Order, the	
Sum of.....Pounds.....	
Shillings and.....pence sterling for....	
Bushels of Wheat delivered by him into His	
Majesty's Stores at this place, at the rate of	
.....per bushel.	
	Per
	G. Hull.
<i>To be brought in for consolidation on the 25th.</i>	

NOTE 2.—The word consolidation was used in reference firstly to the redemption of official promissory notes, passing then into general use. It appears to have originated from its use in public finance in the eighteenth century, e.g., Consolidated Fund, both, in Great Britain and America.

To a much less extent the Military and Police Departments, who arranged their own Commissariat, issued receipts in a similar manner to the Government Stores. These notes likewise passed into circulation.

Hobart Town,
24th April, 1822.

No. 122.

I promise to pay bearer the sum of One Pound
Sterling for subsistence of the 73rd Regiment.

(Sgd.) MAJOR GEILS.

(ii) Private Promissory Notes.

Where the Government had shown the way, the colonists were not slow to follow. As in New South Wales, persons of all degrees of wealth issued their own promissory notes. The value of these notes depended, of course, on the ability and the willingness of the persons who issued them to honour them on demand. Notes of all values from pounds to pence were current. Such values as 5s. 8d., 7s. 10d., 9s. 6d., and 15s. 2d. are characteristic examples. To-day it would appear decidedly humorous for a Hobart citizen to give a note promising to pay threepence in Spanish dollars at five shillings. Obviously many notes were merely artifices to obtain credit. The crudity of a great number of notes left their issuers exposed to all the acts of the fraudulently inclined. Still, the colonist of that day dare not be over-fastidious in rejecting the note of a neighbour, for retaliation might some day be highly embarrassing. West in his history of Tasmania gives us a good idea of this part of the currency:—

“The credit of these notes depended largely on the
“Naval Officer; a sort of collector; if admitted in the
“payment of duties they were current everywhere.”

[Hyman (25), p. 38. West (13), p. 76.]

The writer has not seen any specimens of notes bearing a date earlier than 1810. They were certainly issued before that year, as in the General Orders for 2nd February, 1808, appears Bligh's proclamation commanding all persons to affix sterling values on their notes.

[General Orders, 1808. 1 (1), p. 561.]

Merchants and tradesmen with a high standing in the community issued notes which had been prepared with a certain amount of engraver's skill, making forgery difficult. The notes of Lempriere & Co. furnish an example. There is a striking contrast in the elegant notes of this firm to many of the miserable rags that passed in circulation. Sorell in his report to his successor in office, Arthur, to which reference has already been made, stated:—

“A spurious paper currency here has tended materially to aggravate the pressure. Some few responsible houses had issued paper greatly to the public convenience and advantage; but numerous speculators followed till the usual consequences ensued, inability in many cases to pay.”

A little insight into the manner in which business was carried on is revealed by an advertisement in the *Hobart Town Gazette*, 4th January, 1817.

GENERAL GOODS—Richard Lewis.

Prompt payments to be made in Mr. Hogan's Notes, Stores Receipts, Police Fund Bills, Captain Nairn's, Mr. E. Lord's, Mr. Abbott's, Mr. Gatehouse's, or Mr. Ingles' Notes or good wheat at Stores Price.

(c) PRIMITIVE METHODS OF EXCHANGE.

(i) Barter with Produce.

A settler coming to town with a bullock waggon of wheat generally wanted to get his business done as quickly as possible. He may have become impatient by the endless haggling with the buyer of his produce over the doubtful value of the promissory notes offered in payment. For this man, custom provided a swifter method for settling his business. It was quite usual from the earliest days for wheat and other produce to be exchanged for goods. Again, if Hull's authority is to be accepted, the Government led the way in 1808, by allowing settlers to pay their debts to the Crown in wheat. During the span of two decades for which the Dependency Period lasted, the transaction of business by means of barter was an every-day occurrence. It is

the one fact upon which all authorities agree. Persons at either end of the scale of wealth resorted to this method of satisfying their wants. Numerous examples can be cited. The two below are taken from that invaluable source of information, the *Hobart Town Gazette*:—

August 10th, 1816.

To be sold at the Warehouse of Mr. Lord, Macquarie-street—7 casks of Virginia Leaf Tobacco, 3 years' credit will be given. Payment to be made in Wheat or Meat at the Storehouse Price.

In the same year, 16th November, wheaten bread is advertised at ten pence for a four-pound loaf, or four pounds of wheat taken in payment. Later in the period, the next advertisements are characteristic of those which appeared in almost every issue of the paper.

August 6th, 1824.

FOR SALE—Wrought Iron Hurdles. Sheep, Cattle, or Wheat will be taken in exchange.

On 13th August, 1825, Mr. Thomas Atkinson, of Campbell Street, Hobart, offers, amongst other goods, tea, per ship *Phoenix*—“For which,” he says, “Wheat, barley, oats, wool, or any other Colonial produce will be taken in payment.”

There is a doubtful story which has appeared in print that the first cargo of Tasmanian wool exported was sold in exchange for merchandise to the skipper of a British Ship at Hobart, in 1819. As Sorell, who took particular interest in the wool industry, makes no mention of it in his papers, the story cannot be accepted. No doubt, however, large quantities of provisions were sold to ships in port in exchange for settlers' requirements. The widespread practice of barter of goods in the Colony helps us to realise how totally inadequate was the supply of coin, and how unreliable were the paper substitutes. Before leaving the subject, it will be of interest to briefly touch on one of the results brought about by this state of affairs.

(ii) The Rum Currency.

Naturally enough an article which was at once easily recognisable, readily transported, and in universal demand

attained almost the dignity of currency, and spirits bearing the general designation of rum came to play this important part in Colonial life. This statement is not the outcome of magnifying small isolated facts. The rum currency existed in Tasmania well on into Sorell's days (1817-24), but it does not seem to have reached the proportions it did in New South Wales. In the Mother Colony, Hunter, King, and Bligh used every means in their power to suppress it, but with little success. Macquarie found himself forced to recognise it in the payment of wages.

Collins found that by paying part of the wages of his workmen in rum, the community was got under shelter far more quickly than it would have been otherwise. Davey, his successor, did not appear to be impressed with the evils arising from the rum currency. However, in a despatch to the Earl of Bathurst, he bitterly complains of the effects of Rum Monopoly granted to a group of Sydney Speculators by Macquarie. He points out that, owing to the right of importing spirits into the Colonies being given to three persons, the revenue of Tasmania, which was largely derived from the duties on spirits, fell considerably. The justice of the complaint cannot be discussed here, but it shows the importance of rum on affairs of administration.

[Davey to Bathurst, 30th April, 1816. 1 (m), p. 147.]

Sorell gave no encouragement to the use of spirits for making payments. In the General Orders for 17th November, 1821, he reminds colonists of a Proclamation given by the Governor-in-Chief in 1815, absolutely prohibiting the barter of spirits, and particularly their use in paying wages. In this Order, Sorell declares it "a practice pregnant with injurious effects, and known to have increased of late in the country districts." He proceeds, "His Honour feels it his duty, at this time, to caution all persons for selling, paying, or bartering with spirits that they are alike subject to the law, which imposes a penalty on such retailing of spirits, and it is the determination of the Magistracy to enforce the law in every case brought before them after December 31st, 1821."

[H. T. Gazette, 17th Nov., 1821.]

It can hardly be expected that goods would be advertised for sale with spirits demanded in payment, but that rum was offered for rewards, if we are to believe a writer in

the *Gazette*, and was used in part payment for a wife, is shown by the following:—

"1 Bottle of Rum.

"Strayed on Thursday night, late, from the premises "of Mr. Kennedy, in Collins Street, a small kangaroo. "Whoever may find same, and bring it to its owner at "Mr. Kennedy's, will receive the above-named."

"Some time ago, an inhabitant of this settlement "sold his wife to another for 50 ewes, within a few days "another husband, bent on raising the wind, brought his "spouse to market, but the sale being dull only procured "for him £5 and a gallon of rum."

The writer cannot vouch for the reliability of this report.

On 3rd December, 1825, the Government of Tasmania was separated from New South Wales. Development during the dependency period had been rapid. From the little community of 400 people, who landed with Collins in 1804, in the wooded cove on the west shore of the Derwent, it had grown to a prosperous colony, boasting a population of over 14,000 persons. Every year more emigrants were arriving, and more soil was cultivated. Progress in commerce was assisted by the foundation of the Van Diemen's Land Bank in 1824, by a group of local capitalists. Although the Bank issued notes, the subject of early banking could not be adequately dealt with within the limits of this paper. Although the currency was not in a state which we could term satisfactory to-day, when the period ended, the worst days were passed, and the forces were working which were to wipe out for ever the troubles of the earlier years.

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