BRIDGEHEADS, ‘COLONIAL PLACES’ AND THE QUEENSLAND FINANCIAL CRISIS OF 1866

This article provides a new perspective on the links between British imperialism and metropolitan finance by showing how formal power reinforced ‘money power’ at a formative stage in the political development of the colony of Queensland. In 1866, despite the contraction of the bridgeheads of formal British authority in eastern Australia, local imperial representatives quickly aligned with private interests when British investments appeared to be threatened by a proposal to introduce a fiduciary note issue.

Subsequently, Queensland politicians continued to contest the control of money and the scope of government intervention in the colonial economy. Ultimately, however, the inflow of British capital created new bridgeheads of British power in Queensland, reconstituting it as a ‘colonial place’ in the informal empire of investment and influence.

The early decades of responsible government in eastern Australia were marked by a series of deep crises in public finance which were often associated with the colonists’ growing involvement in the British capital market. The mid-1860s were a particularly unstable period. In Victoria, a reforming government attempted to face down the Legislative Council’s opposition to its tariff increases by carrying on without supply; in New South Wales, a large deficit and the failure of a London loan forced the colony into emergency local borrowing and sharp increases of taxation; in Queensland, the Macalister ministry resigned when the governor refused to sanction an issue of inconvertible paper money intended to save the colony from insolvency. Each of these episodes is a reminder of the different ways in which ‘money power’ had already become an issue in colonial politics, as well as of how far some colonial politicians were prepared to test the limits of parliamentary convention and orthodox financial practice. Nevertheless, while communications with Europe remained slow and underdeveloped, the main disputes over
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fiscal and monetary orthodoxy in eastern Australia were settled for the most part by actors within the colonies themselves, without direct intervention by metropolitan agents or actors from outside, even though the disputes themselves frequently had significant transnational dimensions.⁶

Amongst all the crises of the 1860s, the events in Queensland were particularly notable because of the prominent involvement of official and quasi-official British representatives who were concerned to protect the interests of British investors outside the colony. The Macalister ministry’s proposal to issue inconvertible paper was countered with the assertion by the governor, Sir George Bowen, of a continuing imperial interest in the control of colonial monetary arrangements; and the ensuring deadlock was broken by the deployment of a combination of formal power by Bowen himself, and informal influence by his colonial secretary for much of the period, Robert Herbert, who quickly replaced Macalister as premier. In sum, the Queensland crisis showed how imperial, commercial and inter-colonial interests might swiftly align when the rights of property appeared to be threatened. *Prima facie*, the episode is striking evidence in support of Cain and Hopkins’ thesis about the dynamics of gentlemanly capitalism and British imperialism in the settler world. It is a remarkable instance of the ways in which gentlemanly political actors in a colonial setting reacted to a financial crisis on the basis of assumptions about monetary orthodoxy, fiscal probity, and the priority of the rights of British investors, which Cain and Hopkins argue were characteristic of the broader gentlemanly order and which—even if we discount the influence of gentlemanly capitalism as some historians wish—were important elements in the new political economy of the liberal state that emerged in England during the 1840s.⁷

From this viewpoint, the Queensland crisis is another example of the ways in which societies everywhere during the nineteenth century were subject to powerful pressures to conform to the universal norms of an expanding British liberal capitalism.⁸ Yet the crisis can also be considered from a variety of perspectives which, each from very different intellectual starting points, emphasise how the influences emanating from metropolitan
places—whether political, commercial, religious or ideological—were conditioned, and often transformed, by local and particular circumstances. Donald Denoon argued some time ago that the compromises made in the settler world between the expectations of metropolitan investors and the interests of local political constituencies depended on very specific combinations of political, economic, social and institutional forces in each separate settler society. Denoon had in mind the more fully developed settler polities in Australasia, southern Africa and the southern cone of South America during the 1890s, but his point is equally valid in earlier periods when the institutions of the settler states themselves were embryonic and formal imperial authority still had a considerable role to play. Somewhat later, John Darwin also emphasised the contingency of local outcomes when trying to account for ‘the baffling shape of the Victorian empire’. For him, conditions inside the initial zones of influence created by British interests in the extra-European world—zones Darwin described as ‘bridgeheads’—were an important part of the explanation.

The bridgehead was the hinge or ‘interface’ between the metropole and a local periphery. It was the transmission shaft of imperialism and the recruiting sergeant of collaborators. … Whether British influence grew, or was transformed into formal or informal empire, largely depended upon the circumstances and performance of the bridgehead.

Finally, and most recently, David Lambert and Alan Lester have noted the parallels between Darwin’s notion of the ‘bridgehead’ (and especially, the plurality of interests and interactions encompassed by it) and the concerns of post-colonial writers with the multiple and sometimes incompatible ‘projects’ of colonialism, ‘contact zones’ in specific local societies, and ‘networked or webbed’ conceptions of ‘imperial space’. More particularly, Lambert and Lester link the dynamics of the colonial ‘bridgehead’ with the ways in which individuals, objects, texts, ideas and organisational networks
interacted to create highly specific, and often quite contrasting, ‘colonial places’. Their approach draws heavily on the ideas of the distinguished social scientist and geographer, Doreen Massey, for whom the unique identity of each ‘place’ emerges from ‘the specific constellations of interrelations within which that place is set’. For Lambert and Lester, the meetings of metropolitan and colonial places are conceived of ‘as the throwing together of a set of diverse and complex trajectories that were already spatially extensive, even if in other directions’. When they intersected, these trajectories—which are to be understood as the spatial movements of individuals, ideas, capital and so on—came into particular relationship, creating ‘colonial’ places, but also making the connections between colonial places, as well as with the metropole, which constituted ‘imperial space’. In practice, however, even Lester and Lambert refer in more mundane terms to the local ‘political configuration’ and ‘structures’ of colonial societies when seeking to explain particular historical episodes.

The argument here is that local and particular circumstances conditioned both the outcomes and the long-term consequences of Queensland’s financial crisis; in particular, they created an environment in which imperial, commercial and inter-colonial interests might quickly come together when British capital and the monetary regime underpinning it were at risk. Thus the crisis also provides insight into a much wider phenomenon that transcended the local and particular, a set of interlocking interests which emerged as a result of British commercial expansion from the early nineteenth century, and which created a new kind of ‘imperial’ space that co-existed, and often overlapped with, the domain of formal power. As far as George Bowen and Robert Herbert were concerned, the issues at stake in Queensland were the colony’s adherence to a metallic monetary standard, the maintenance of public credit, and the protection of the property of British investors. Since the publication of Gallagher and Robinson’s seminal article about the imperialism of free trade in 1953, historians have emphasised the roles of informal influences located within the metropolis itself—the ‘money power’ of metropolitan bankers, financial agents, investors, underwriters, businesses and the Stock Exchange—in
securing these objectives in the settler world.\textsuperscript{20} Typically, and often because of the actions of the colonists’ themselves, informal empire expanded from local bridgeheads of commercial activity at precisely the same time as the zones of formal British power sharply contracted following the granting of responsible government. In Queensland, however, the underdeveloped state of the colony’s political institutions, combined with technological conditions that severely hampered the flow of information between London and the Australasian colonies, created circumstances in which formal power itself took the initiative locally to protect the rights of ‘money power’. The actions of Bowen and Herbert showed the extent to which, from as early as the 1860s, members of the imperial administrative class recognised the importance of protecting British financial interests and justified this in terms of an emerging political culture based on free trade and the gold standard. Just as significantly, Bowen’s intervention also demonstrated where formal imperial authority drew the line in the settler colonies as far as local experiments with monetary arrangements were concerned.

This article, then, seeks to make a new contribution to our understanding of the interaction between ‘money power’ and settler society in a number of ways. Most obviously, it offers a fresh perspective by showing how formal power might be used to reinforce informal power at a formative stage in the political development of one colony. From this point of view, the Queensland episode can be regarded as a near paradigmatic case of the dynamics of gentlemanly influence on the economic frontiers of empire which illustrates the continuity of outlook amongst the different parts of the gentlemanly order. Yet the article also shows that the crisis’s resolution depended upon very specific circumstances within the colony itself. The article thus seeks to examine the relations between power, settlers and finance by drawing on ideas which emphasise the contingent nature of outcomes in colonial bridgeheads, networked spaces, and the reciprocal influences of metropolitan and colonial places. In 1866, Bowen and Herbert based their actions on implicit assumptions about the proper relations between state and market. Yet, colonial circumstances in eastern Australia had already led them to acknowledge, justify
and even actively pursue departures from those assumptions. Moreover, the reassertion of monetary orthodoxy in Queensland did not end the colonists’ experiments with currency arrangements, or attempts to limit the influence of outside banking institutions; rather, they provided the occasion for the Colonial Office to affirm a doctrine of official disinterestedness which marked out the limits to the appropriate uses of formal power within the colony. Finally, therefore, by showing how imperial authority, financial power, and political culture in Queensland were contested and re-defined the article provides some insight into the transition from formal to informal power in eastern Australia, the transformation of bridgeheads, and the re-constitution of colonial places.

The article is in three parts. The first deals with contextual matters: the personal backgrounds and outlooks of Sir George Bowen and Robert Herbert, the roles of both men in Queensland government during the 1860s, and the economic and political origins of the crisis itself. The second part provides a brief account of the crisis itself. Finally, the concluding section considers the actions of Bowen and Herbert, as well as the broader significance of the Queensland crisis, in the light of the issues discussed above.

I

The new colony of Queensland was formed from the northern districts of New South Wales on 10 December 1859, in an act of what one historian has described as ‘functional imperialism’: the wish (or, more precisely in Queensland’s case, the reluctant yielding to the wishes of others) to extend self-government to a remote zone of colonial occupation.21 For almost a decade, and often for opposing reasons, the pastoralists and small urban populations of the region had agitated for separation from the distant government in Sydney, some one thousand kilometres to the south.22 Given the colony’s enormous size and the tiny number of colonisers (some 25,000, of whom 6,000 lived in the capital, Brisbane),23 one secretary of state wondered whether Crown administration would not be the most suitable form of governance.24 In the end, responsible government was
inevitable because the colonists already enjoyed this privilege when they belonged to New South Wales. Nevertheless, ‘the utterly unformed condition of a specifically Queensland body politic’ meant that the colony’s first governor would be an important influence on the new colony’s politics.25

The man selected to fill the post, Sir George Ferguson Bowen (1821-99), was the son of an Anglican clergyman. A descendant of ‘an old Pembrokeshire family’, he was also, it was later observed: ‘one of the many illustrations of colonial governors who have been of Irish birth and Celtic race.’26 His training, however, ‘was purely English’.27 Bowen was educated at Charterhouse School and Trinity College, Oxford, where he was twice president of the Union and graduated in 1844 with a first in classics. After reading for the bar and serving four years as president of the Greek University of Corfu, he returned to the Ionian protectorate in 1854 as chief secretary to the lord high commissioner. There, his chances of becoming minister in Athens were spoiled by his strong views over constitutional reform and marriage to the Countess Diamantina Roma, the daughter of a prominent local aristocrat and politician. Finally, he decided to join the colonial service and, with the assistance of Gladstone and ‘his “official friends”’,28 was eventually offered the governorship of Queensland. Bowen, in short, was a mildly exotic example of the rising British administrative class, ‘perhaps the most notable example of the professional governors who became the rule rather than the exception in the colonial empire in the second half of the nineteenth century’.29 A punctilious, self-congratulatory and often exasperating man, he was fond of classical allusions and prone to write long-winded despatches burdened with references to constitutional authority and colonial precedent. He was also particularly mindful of his duties in a new colony created fully-formed with all the appurtenances of responsible government.30 In February 1861, he explained to Hercules Robinson, then governor of Hong Kong:
If an Australian Governor has a strong will and popular manners, and professes sufficient knowledge & experience to lead the deliberations of his Executive Council, he can not only exercise a more genuine and lasting influence, but also occupies (to my mind,) a more independent and agreeable position than the Governor of a Crown Colony. He is, practically, emancipated from the control of Downing Street. The Colonists are up in arms at once against any interference from home in their internal affairs; but they will stand a great deal from a Governor, who identifies himself with their interests, and who is actively zealous for their welfare.31

His moral authority would be preserved, as he elaborated in a later despatch to the secretary of state, by scrupulously avoiding partisanship and deferring to his ministers and the legislature; thus: ‘by a judicious use of the influence rather than of the authority of his office, a Governor may exercise a powerful control over the entire course of affairs’.32 The preservation of moral authority, however, also entailed a jealous observance of the rights of the Crown. In practice, this meant (as Bowen insisted when dealing with the Catholic bishop of Brisbane over matters of precedence): ‘he was bound “to obey his Instructions”’ as the imperial representative.33

ILLUSTRATION TWO ABOUT HERE

Bowen’s closest associate in Queensland was the colonial secretary, Robert George Wyndham Herbert (1831-1903).34 Ten years Bowen’s junior, Herbert could easily have stepped from the pages of one of the novels of his great contemporary, Anthony Trollope. The son of a younger son, and a second cousin and friend of the fourth earl of Carnarvon, he was educated at Eton and Balliol College, Oxford, before being elected a fellow of All Souls in 1854. Unsurprisingly, given his antecedents and social connections, he was conscious of his personal lack of wealth. The new colony, he hoped, would make his
fortune, and ‘after that,’ he confided to his mother, he ‘may be rich enough to marry’ (although he never did). His outlook was essentially that of a rentier; sadly, he was disappointed in most of his colonial investments. In Queensland, he put his money into real estate, an insurance company, a failing cotton plantation, and a pastoral run called the Valley of Lagoons in the far north, which was soon heavily indebted to the bank. His interest in the rising value of suburban land was unflagging, but he also clearly appreciated the security afforded by an official salary. In 1854–55, he served very briefly as one of Gladstone’s private secretaries at the Exchequer, before reading for the bar and finally accepting the position of Bowen’s private secretary, with a commission also as Queensland’s colonial secretary until the colony’s first elections could be held. In the event, he unexpectedly accepted nomination for a seat in the Legislative Assembly, was returned unopposed, and took office himself as vice-president of the executive council and premier in the first responsible ministry.

Herbert had obvious intellectual gifts, but the ‘aristocratic interloper’ appeared to owe his position as much as anything else to the rights of prior occupation and the deference of the few individuals who might have wanted to take his place. From 1860, he was virtually unchallenged until he finally decided to leave the colony six years later. Apart from ‘a rough and vacillating town versus country interest’, especially over access to crown lands, politics was largely a matter of brokering deals over public expenditure. Restraints on the executive were few. With short parliamentary sessions, few elected politicians (fewer with any experience), and no organised opposition, ‘occupants of the Treasury benches constituted the only party’, and Herbert’s preferred mode of government was by executive order. Until early 1862, when the post of secretary for land and works was created, Herbert’s only ministerial colleagues were the colonial treasurer and the attorney-general. No further ministerial position was added for another four years. As late as 1866, the Colonial Office’s permanent under-secretary expressed the essential ambiguity of Herbert’s situation, describing him as ‘one of the young men in the Colonial Service (if a Responsible Minister can be said to be in that service).’
Arguably the same ambiguity extended to the colony’s mode of government itself, for as one historian has already noted, Herbert’s political career in Queensland ‘may be interpreted as a kind of grafting—not wholly accidental—of some of the benefits of Crown Colony government upon those of responsible government.’ It did not mean, however, that either Herbert or Bowen was capable of restraining the colony’s legislators when it came to sharing the spoils of government patronage.

In the first half of the 1860s, Queensland exhibited all the hectic characteristics of a ‘booming newland economy’ swept along by what Belich has recently described as the ‘progress industry’. Inevitably the chief booster was the colonial government itself. The boom proper took off in late 1863, when Herbert obtained parliamentary approval for an ambitious programme of public works financed by loans in London. The distinguished colonial statistician and economic historian T. A. Coghlan later concluded: ‘The works … were for the most part ill-designed, and their immediate or prospective utility was less considered than their geographical distribution.’ Most effort went into three railways. Two served the needs of the south Queensland pastoralists, commencing at Ipswich—the colony’s second town and highest navigable point on the Brisbane River—and branching at Toowoomba to Dalby and Warwick on the Darling Downs. The third, known as the Great Northern Railway, began at the port of Rockhampton, about 500 kilometres north of Brisbane, with the purported object of servicing pastoral and mining districts further inland. According to one newspaper in 1866:

[T]he random manner in which it was determined which lines should be constructed … was done, not by Parliament, but by one-half of the members of the Legislative Assembly at a private meeting in the Colonial Secretary’s office, and the ground on which the question was decided … was simply this, “You vote for my line, and I will vote for yours.”
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In December 1865, the governor himself expressed his concerns about the blatant log-rolling and regionalism that dominated the allocation of works. Characteristically, he commended his own ‘jealous and to a large degree successful efforts … to avert this evil’. But by then it was already too late.

Between 1861 and 1866, the legislature authorised four loans to raise just over £3 million. The first, a relatively small issue for just under £124,000, was sold in eastern Australia. Most of the debentures were eventually remitted by the purchasers for resale in London, and Herbert returned from a visit to England in 1863 convinced that the colony would have no trouble raising more money in the City for railway construction. Three further loans followed in quick succession. The total sum of £2.5 million required in England was relatively modest; no less than The Times believed Queensland could ‘fairly claim to be at this moment the model among all our settlements’; and the colony’s banker and loan agent, the Union Bank of Australia, was a respected London-based institution. Herbert himself was not averse to giving the debentures a gentle puff, telling his mother shortly before the first English loan: ‘You may say that I confidently consider it as a safe investment.’ By June 1866, some £1.3 million of the colony’s debentures had been sold in London and the Union held a further £446,000 as security for its advances.

Inevitably, the effects of swollen public expenditures and a net immigration into the colony of almost 60,000 by the end of 1866 (much of which was government-sponsored) were swiftly felt throughout the local economy. The boom, moreover, was superimposed over the continued steady expansion of the pastoral industry. As a result, enormous amounts of additional capital were drawn into Queensland. Some took the form of personal wealth, introduced directly by sleeping partners like Herbert himself with his interest in Valley of Lagoons. Even more was borrowed. On the basis of the most recent statistical returns (presumable liens on wool and mortgages on livestock), Bowen observed in 1866 that ‘nearly the whole of the pastoral property in Queensland is
mortgaged, and the lenders are mostly absentee capitalists.\footnote{\textsuperscript{54}} According to Coghlan, a good deal of this lending was by Sydney and Melbourne merchants.\footnote{\textsuperscript{55}} Ultimately, however, the main source of finance for squatters, contractors, merchants and small traders were the banks.\footnote{\textsuperscript{56}} By the mid-sixties, six of these were operating in Queensland (table one). Three were London-based institutions, although operational control of the two most important Anglos, the Union and the Australasia, was vested in general managers based in Melbourne. The third, the Bank of Queensland, operated solely in the colony. The three other banks were colonial companies with their headquarters in Sydney. All six banks, therefore, came from outside Queensland and most of the funds they employed originated elsewhere in the form of the banks’ own capital, London funds, or deposits accumulated in other parts of Australia.\footnote{\textsuperscript{57}} At the peak of the boom, advances in Queensland were almost three times local deposits (table one), more than double the ratio of advances to deposits in the Australian colonies as a whole.\footnote{\textsuperscript{58}}

**INSERT TABLE ONE ABOUT HERE**

The apparently steady inflow of capital disguised the fact that, from start to finish, the colony’s financial operations in London teetered perilously on the brink of failure. In the three years from February 1864, only one of the Union’s nine publicly advertised offers to sell debentures by tender was successful, and the bank off-loaded most of the bonds privately to stock exchange traders when it suited the latter to bid.\footnote{\textsuperscript{59}} The first 6 per cent debentures had been offered in 1864 at a minimum price of £106 (exclusive of accrued interest) per £100 bond to yield about 5½ per cent interest; by March 1867, the sale price of Queensland debentures was around £86½ per £100 bond and they were yielding around 7 per cent, more than double the return on British consolidated stock—the safest security in London—which had barely changed over the period.\footnote{\textsuperscript{60}} Anyone who had purchased Herbert’s ‘safe investment’ in 1864 and was imprudent enough to hang on would have lost almost a fifth of the purchase price.
There were several reasons for the debacle, some beyond the colony’s control. Yet even allowing for a difficult market in the City, as well as slow communications between Brisbane and London, Queensland’s politicians were largely responsible for the financial crisis that eventually overwhelmed them. Ministers assumed too readily that investors would be willing to supply funds in London whenever they were required. They rushed into financial commitments before their bonds were sold, and persisted long after it was clear that money could never be guaranteed in London. As early as February 1864, the government had spent nearly the entire loan for £707,500 that had been authorised by parliament only two months before, even though only a fraction of the debentures had actually been sent for sale to London. A cycle thus emerged in which the colony rapidly pressed to the limits of the advances allowed by the Union, then anxiously awaited news of further bond sales in the City, before once again borrowing to the limit on the security of the next tranche of bonds remitted to England. Eventually it was unable to borrow any more. Thus the events of 1866 were neither sudden nor unforeseen. They were the inevitable conclusion to a period of over two years when the colony’s solvency had frequently depended on the additional credits to be squeezed from its reluctant financial agent, and when the ‘money power’ that mattered most to Queensland’s politicians came to be represented in the first instance, not by British bondholders or stock exchange operators in the City, but by bank managers in Sydney and Melbourne.

II

The immediate cause of the financial crisis was the suspension in London of the colony’s new loan agent, the Agra & Masterman’s Bank, in May 1866. This was, however, merely the concluding disaster in a sequence of events that led back twelve months to when the colonial legislature agreed to the commencement of the railway extension from Toowoomba to Warwick. The cost was not covered by the most recent public works loan, but Arthur Macalister, the minister for public lands and works, assured members that at
the current rate of progress the loan money ‘would be sufficient to carry on all the railways for the next eighteen months.’ Macalister was an Ipswich solicitor and one of the few local politicians with parliamentary experience in New South Wales before separation. The son of a Glasgow cabinet maker of limited means, he had immigrated to Australia in 1839 and eventually settled in the north. The frequency with which he broke promises to colleagues and constituents earned him the sobriquet ‘slippery Mac’. He was, however, a competent administrator, and after joining the government in March 1862, became the driving force behind the construction of the colony’s railways. When Herbert resigned in February 1866 to take a long holiday in England, Macalister was the obvious man to replace him.

By then the expenditure of Macalister’s department was already out of control and it was clear that a new loan would be needed. When this was duly authorised, neither the Union, nor the other Brisbane banks, were willing to act as the loan’s agent. Finally, on 19 June, the Agra & Masterman’s Bank, an Anglo-Indian concern which had recently extended its operations to Australia, agreed to take the agency on at more than twice the commission previously paid to the Union. The Agra was also willing to advance £50,000 a month up to £300,000. Remarkably, the telegraphed news of a ‘great financial panic’ in London, including the Overend Gurney smash in May, had already reached Brisbane. A cheque for £50,000 was drawn on the Agra, but the money was exhausted within weeks and the treasurer again went cap in hand to the Union asking for an advance on September’s pastoral rents, which was refused.

One way or another, a crisis in public finance had almost become the normal state of things in Queensland long before the afternoon of Tuesday 10 July, when telegraphed advice reached Brisbane that the Agra & Masterman’s Bank had suspended in London. As early as the previous September, the Union’s Brisbane manager, James Sargeant Turner, had warned that there was ‘reason to apprehend that the Government may … ere long, be placed in a position of embarrassment’. The colony’s politicians had learnt nothing and, if anything, become even more reckless. Despite the repeated lesson that
sales of colonial debentures could never be relied on in the City, they not only continued to anticipate receipts, but committed themselves to even greater expenditures. All the while, the costs of public works kept increasing. Inevitably, the only way to carry on was by borrowing more. It was remarkable only that Macalister and his colleagues had managed to find a bank willing to lend.

Turner in Brisbane was already under strict instructions from Melbourne not to give the government any more money. When the news of the Agra’s suspension arrived on 10 July he informed the Treasury that he ‘had no alternative but to dishonour all Government cheques’. The colonial treasurer, Joshua Bell, a successful Darling Downs pastoralist who had emigrated with his parents from Ireland as a child, summoned all the Brisbane bank managers to a meeting on the morning of Thursday 12 July. On the preceding afternoon he announced in parliament that if the negotiations were unsuccessful he would seek immediate authority to issue up to £200,000 of government notes, which would be made a legal tender. If Bell intended to intimidate the bankers, he failed. Without instructions from their superiors in the southern colonies, they refused to take over the agency of the new loan from the Agra, either separately or in consortium. Moreover, they were only prepared to advance £90,000 for one month on condition that the government immediately issued treasury bills (short-term securities equivalent to exchequer bills used to finance temporary deficits in England) and increased taxation. They also wanted most of any advance used to repay existing government debts owed to them. Bell did not even bother to consider the offer. He at once gave notice in the Assembly that he would ask for leave to pass a note issue bill through all stages on the following day.

Since the 1850s, British gold coin had been legal tender in the Australian colonies. Notes were issued by the banks and freely convertible by them into specie. By printing its own inconvertible paper and making it a legal tender, the government proposed—as Macalister himself declared—’to place them in an independent position as regards the banks or their financial agents.’ They promised instant release from the money power of private financial institutions. The notes were quickly likened to the ‘greenbacks’ issued
by the American North during the recent Civil War. The bankers immediately regarded them as a direct threat to the capital locked up in their own convertible note circulation in Queensland (table one), as well as to the colony’s economic stability. George Raff, a merchant, sugar planter and the local director of the Union Bank, painted an apocalyptic scenario:

[I]f the banks were bound to accept the greenbacks in payment of bills, in a very short time, of course, there would be a run on them, the gold would be abstracted from the banks—for they could not refuse to take up their own notes;—and consequently the whole of the capital held by the banks for the accommodation of trade—for the accommodation of squatters, and others requiring capital—would be gone, and universal ruin would follow.\(^82\)

The result, as far as Edward Drury of the Australasia was concerned, would be no less than ‘a forced loan’ to the government; worse, the inconvertible notes would soon depreciate against gold leading to inflation in the colony and the ruin of its credit abroad.\(^83\)

The response of the governor, Sir George Bowen, was determined by two considerations. First, and most obviously, his royal Instructions required that any bill making paper, or any other currency except gold or silver, a legal tender should be reserved for approval in London. Second, his Instructions also required him to protect ‘the rights and property’ of British subjects living outside the colony. This he interpreted as extending to the rights and property of British investors, for, as he explained to Macalister: ‘a large proportion of the capital now in Queensland belongs to British subjects resident in the United Kingdom and in other British Colonies, and their interests (as well as the Credit of the Colony) may be gravely compromised by the proposed measure.’\(^84\) What he specifically had in mind, as he reported to London, was the Brisbane bankers’ view that the issue of the inconvertible notes ‘would be equivalent to a forced
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loan on the British capital in the Colony’. For both reasons, therefore, when Bell advised him of his proposal on 12 July he wasted no time in making it absolutely clear that he would ‘in no event … give the Royal Assent to the proposed Bill.’ He also refused to reconsider, even though his Instructions allowed him to approve the measure if an ‘urgent necessity’ could be shown.

Macalister put the case as eloquently as he could. The government’s account was overdrawn, its credit stopped and cheques refused; assisted immigrants were being landed whom the government lacked the means to employ or support, nor could it pay its contractors; there was even the prospect of civil disorder, for: ‘If these works are stopped, we are equally unable to support the laborers [sic], while the possibly dangerous consequences to stations and property along our lines cannot be estimated.’ Bowen was unmoved. Despite Macalister’s urgings, he insisted that it could not be ‘seriously argued in any quarter that there exists an “urgent necessity” for the adoption of expedients of an “extraordinary” and questionable nature before the financial position of the Colony has been fully examined … and the simple, ordinary, and legitimate measures usually adopted during financial emergencies elsewhere have been tried here, and found to be failures’. Like the bank managers, he urged the government to consider issuing treasury bills and raising taxation.

Unable to break the deadlock, Macalister decided to resign on what Herbert later described as ‘a false issue’. Bowen finally accepted his resignation on 19 July, and asked to see Herbert and Raff. At first, the latter two proposed to remain private members and to see legislation through parliament authorising an immediate issue of treasury bills, while Macalister and his colleagues stayed in office until a new ministry could be formed. When they announced their plan in the Assembly, Macalister accused them of forming ‘a sort of “Committee of Public Safety”’ and even their potential supporters appear to have baulked at such an extraordinary proceeding. Herbert then took office as vice-president of the executive council and premier, but without holding any ministerial position. According to normal practice, new ministers would have to be
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appointed and parliament adjourned so that they could face re-election. Instead, Herbert suggested ‘that, while nothing unconstitutional is desired, a slight deviation from the usual practice should be permitted by this House’ to allow the treasury bills legislation to be enacted before parliament adjourned. Macalister thereupon walked out of the assembly with nine of his followers, declaring he would not return until a responsible ministry was ‘actually in existence’. Herbert still had the support of 18 of the 32 members, and those remaining in the house passed his bill. When the dust had finally settled, the South Australian Register dryly observed: ‘The oldest spider in Downing street [sic] can have rarely seen so ravelled a cobweb of colonial politics.’

The following evening John McMullan, the inspector and general manager of the Union Bank, arrived in the colony on the paddle steamer Florence Irving, bringing the superintendent of the Bank of Australasia in tow. En route from Melbourne, he had consulted the senior managers of the colonial banks in Sydney, but it was soon apparent that they did not wish to become mixed up in Queensland’s dubious finances, and McMullan himself finally took responsibility for supporting the Treasury. To protect the bank, he accepted the agency of the loan originally entrusted to the Agra and, with it, the Agra’s original advance of £50,000. In a short time, he had placed the colony’s treasury bills in Sydney and Melbourne.

From mid-1866, Queensland experienced a lingering depression caused by government retrenchment, the sudden closure of the Bank of Queensland on 24 July, and a widespread contraction of credit. Bankruptcies were particularly heavy during 1866–67, and pastoralists, who were already suffering the effects of a prolonged drought, continued to have difficulties until the end of the decade. Everywhere ‘the brute realities of a mortgaged economy and an intractable environment were painfully registered.’ But the immediate crisis in public finance was over less than three weeks after it had begun, and McMullan, who had played the role of deus ex machina so effectively, reported to London: ‘unless the news from Home by the next mail be altogether disastrous we may hope that it has been permanently surmounted.’
Finally, two aspects of the political denouement in Queensland need to be noted. With Herbert about to make his planned departure from the colony, Bowen apparently had no trouble in forming ‘a fusion of parties, and a strong Gov[ernment]t composed of men from both sides, who have united for the good of the Colony, and on the basis of “no Greenbacks”.’ The new ministry took office on 7 August, with ‘Slippery Mac’ himself restored as premier. The popular reaction to the events of July, which had been expressed through public meetings, some minor disturbances of the peace, and a petition for the governor’s recall, soon dissipated with swift Macalister’s return. But the July crisis continued to cast a long shadow. At the start of the new session in September, the ministry proposed ‘to do a little financial business on their own account’ by making another attempt at creating a government note issue. The proposed legislation authorised a circulation of up to £300,000 treasury notes, ‘solely for the purpose of carrying on the public works of the colony’. It passed without division. Even Raff, the Union’s local director, saw the writing on the wall and chose not oppose it.

Unlike the issue rejected by Bowen in July, the new treasury notes were convertible into specie on demand at the Treasury and were not a legal tender. They also never had a wide circulation and were soon withdrawn. Nevertheless, despite the governor’s objections to the earlier measure, the legislation signified the desire of a large majority of Queensland’s politicians to assert their independence from outside (i.e. non-Queensland) financial organisations. Some radicals had even welcomed the measure as the first step towards the creation of a colonial bank of issue. During the 1870s, the same determination to challenge outside capital was expressed by the promotion (by Joshua Bell, amongst others) of the appropriately-named Queensland National Bank, and the subsequent transfer of the government account to the new institution. If the established financial and monetary order prevailed after 1866, it was not by default or for want of imagined alternatives.

III
Many factors influenced the outcome of the Queensland financial crisis. It has only been possible here to suggest the variety of individuals and interests, each with separate personal, business and bureaucratic connections with other colonial centres—Melbourne and Sydney—and much farther afield in England, Scotland and Ireland. The trajectories of different individuals, ideas, institutions, organisations, networks and material interests—each with their separate spatial connections outside the colony—came together ‘in specific ways at a specific time’ to make a particular ‘colonial place’.\textsuperscript{110} Our particular concern here is with the attitudes and actions of two of the main protagonists, Sir George Bowen and Robert Herbert, and with what we can learn about the shifting balance between formal and informal power in eastern Australia in the mid-nineteenth century.

What mattered most in Queensland in 1866 was the availability of formal imperial power and its willingness to assert a continuing imperial interest in colonial currency arrangements and the protection of British investors. There is no question that Bowen himself was personally concerned in the outcome of the crisis, even though after leaving Queensland he did add some of the colony’s securities to his own private portfolio.\textsuperscript{111} As we have seen, as the governor of a new colony with barely the resources to assemble a legislature, he self-consciously fashioned a role for himself as the non-partisan mentor of Queensland’s politicians, punctilious in his regard for the rights of the executive and legislature, but equally strict in his observance of his Instructions, and assiduous in his stewardship of imperial interests. These were the qualities he brought to bear during the crisis in his own colony, and the reasons why he compared himself so favourably to Sir Charles Darling of Victoria, who had failed in his eyes to be impartial and hence had been ignominiously recalled.\textsuperscript{112}

Bowen objected to the proposal to issue inconvertible notes in Queensland because, as he told Macalister, it was ‘a case in which Imperial interests are concerned.’\textsuperscript{113} Critically, he interpreted his duty to protect British ‘rights and property’ as extending to the owners of capital invested in the colony. For the same reason, when Macalister’s new ministry introduced its more modest note issue legislation in September, he wondered
whether a future government monopoly of the note issue might also affect imperial
interests, for, as he explained to the secretary of state: ‘It is well known that several of the
Banks now established in Australia have English Boards of Directors and English
proprietors; and that a large proportion of the capital invested in all the Australian Banks
belongs to British subjects resident in the United Kingdom.’ Yet, just as significantly,
he also believed that the potential consequences of paper currency were so disastrous that
he would have been justified in acting ‘even if there had been no imperial interests at
stake.’ He reiterated to Robert Lowe, a future chancellor of the exchequer and former
New South Wales legislative councillor: ‘It appeared that this was one of the extreme
cases in which the Governor of a Colony possessing parliamentary government would be
justified in interfering to save the Colony from itself.’ Prudently, however, he had
based his ‘objections on Imperial not Colonial grounds’ to avoid ‘even the appearance’ of
becoming involved in political controversy.

Robert Herbert was far less expansive about his objections to the inconvertible notes,
but he immediately told his cousin Carnarvon—who had just been appointed secretary of
state for colonies in a new Conservative ministry—that he agreed with ‘the views
expressed in Sir G. Bowen’s despatches, and in the action taken by him’, as did ‘all the
more respectable and educated colonists’. In parliament earlier in the year, he insisted
that probity in the management of public borrowing was a duty owed to ‘[t]he public
creditor’; Bell’s scheme was judged by the same standard and was objectionable
precisely because it would be ‘ruinous to the reputation and credit of the Colony’. By
contrast, the established practice of the British exchequer already indicated exactly what
was required: the ‘temporary crisis needed only the ordinary remedies’.

In their separate ways, then, Bowen and Herbert were imbued with the notions of
liberal political economy that have been explored most recently by Martin Daunton. As
members of the gentlemanly hierarchy, they professed them in colonial settings. With the
rest of the new gentlemanly order fashioned from the mid-nineteenth century by the
reformed public schools, ancient universities and professions, they shared ‘a common
view of the world and how it should be ordered’; and like imperial functionaries elsewhere, they ‘expressed and reinforced the new forces emerging at home’, most notably ‘the reforming principles of political economy … applied to distant lands: approved property rights, individualism, free markets, sound money and public frugality.’\textsuperscript{123} Those principles, however, could never be applied in self-governing settler communities by administrative fiat alone, and neither Bowen nor Herbert adhered to them rigidly when imperial interests were unaffected, or departures may have been necessary for the furtherance of a colonial developmentalism financed by British capital.\textsuperscript{124}

The argument applies most obviously to Bowen, who came to maturity during the 1840s, the decade of the Bank Charter Act and repeal of the Corn Laws, and who campaigned in Oxford in the early 1850s for Gladstone over university reform. His outlook was formed by a new political culture based upon free trade and the gold standard which would serve the Victorians as an ethical basis for the state at home and a universal force for civilisation abroad.\textsuperscript{125} This was clear enough from the need he felt in Queensland to justify public borrowing to build railways in terms of the ‘exceptional position’ of governments in Australia ‘with regard to industrial concerns of this kind’; as well as his later assurance that the purpose of new colonial customs duties ‘was, not the “protection of native industry”, but the increases of the public revenue, with the purpose of maintaining the credit of the Colony, and of completing the Railways and other reproductive public works’.\textsuperscript{126} Most of all, it was evident in the approval with which he quoted Adam Smith’s condemnation of paper currency as ‘a scheme of fraudulent debtors to cheat their creditors’.\textsuperscript{127} In this ethical system, the state had duties to its creditors as well as to the owners of real property, and there could be no conflict between the position of the governor of a self-governing colony and his obligation to protect the rights of British shareholders.

Herbert, the ‘genial’ cynic, aspiring rentier and collector of company directorships, was a quite different man.\textsuperscript{128} A staunch Conservative like his cousin Carnarvon, in Queensland he looked forward to passing ‘some valuable conservative constitutional
acts’, and later in life was a supporter of tariff reform. Yet he too was subject to the same social and cultural forces as the more liberal Bowen. A member of a generation of Etonians which ‘was to capture the civil service “by storm”’, after leaving Queensland he had a brief spell at the Board of Trade before transferring to the Colonial Office, where he became permanent under-secretary in 1871. There is little reason to doubt that by the late 1850s, he, like other conservatives, had accepted the new political economy; it would have been impossible otherwise to fill a senior administrative office in the Victorian state. The most important lesson he drew from the Queensland crisis was the importance of not yielding to ‘engineers, speculators, & sections of the community, who will hope to get some pecuniary advantage out of … the Constitution.’ Only thus could the government resist the pressures from sectional interests.

Through the ‘imperial careerings’ of men like Bowen and Herbert the universal values of the Victorian liberal state were transmitted well beyond Britain. By seeking to uphold them in distant colonial societies, Bowen and Herbert were fulfilling the same ‘imperial mission’ that Cain and Hopkins assigned more typically to colonial governors in India, south-east Asia and Africa, with whom, of course, they were interchangeable. In important respects, however, neither Bowen nor Herbert was unfettered; clearly, both were incapable of preventing the capture of public works by a variety of local interests. In practice, they also accepted that that the colonial state should take a leading role in sponsoring economic development. Herbert himself initiated the loan-financed programme—presumably on the basis of colonial precedents—and Bowen justified it on the same grounds. Thereafter, Herbert surrendered control to Macalister, with the consequences we have seen. When a more fundamental threat to acceptable political economy appeared, however, Herbert retained sufficient authority to act swiftly in support of Bowen and to form a majority in the legislature, where a significant number still automatically accepted his leadership. As early as April, a deputation had asked him to stay in the colony and join a new ministry. In July, with the availability of ‘a local political … infrastructure into which imperial power could be readily injected’, Herbert
and Bowen combined to ensure that ‘local economic ideologies were shaped by British standards’.  

The issue ever since the publication of *British Imperialism* has been the extent to which those standards were ‘particularly City ones’.  Historians like Daunton have been deeply sceptical of the particular influence of gentlemanly capitalism over the British state.  What matters most from our perspective, however, is the extent to which a political culture which apparently offered universal ‘visions of peace and prosperity, of providence and harmony’ could be used to legitimise actions taken to protect financial interests on the economic frontiers of empire.  In 1866, the colonial bankers clearly recognised their dependence on formal imperial authority, and were quick to reinforce it.  In the midst of the deadlock with Macalister, the Brisbane managers addressed a joint letter to Bowen: ‘Having reason to believe,’ as Turner of the Union explained to his London superiors, ‘that such a course would gratify the Governor, and tend to strengthen his position with regard to the steps taken by the late Treasurer’.  McMullen, en route to Brisbane and fearful for Queensland’s credit, could ‘only hope that the Governor will be firm in his resolve.’  In such ways, commercial and inter-colonial interests aligned with official and quasi-official authority in defence of British property.  Nevertheless, the re-configuration of the relationship between state and market in Victorian Britain, as well as the obvious fact of settler self-government itself, inevitably affected how far imperial authority might be drawn into local economic controversies.  Arguably, the imperial control of colonial monetary arrangements, which Bowen had asserted so effectively in Queensland in 1866, underwrote for a time a residual imperial influence over at least one economic institution of vital importance to British financial interests.  Bowen’s biographer, the historian Lane-Poole asserted: ‘What one Governor had successfully accomplished, another could do; and so Australia heard no more of the legal tender note’, at least until the Australian banking crisis of 1893.  The Colonial Office itself offered somewhat distant support (‘[u]nderstanding these to be the circumstances of the case’).  Its continued confidence in Bowen, however, was shown
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by the his next postings to New Zealand and Victoria. Yet when Bowen worried that the creation of a colonial bank of issue might again prejudice the rights of British investors, the permanent undersecretary, Sir Frederic Rogers, was adamant that ‘the Gov[ernmen]t here has no desire whatever to impose any particular policy on the Australian Colonies in respect to the creation of a Gov[ernmen]t Bank of Issue—the matter being one on which, subject to any considerations of equity which the circumstances suggest, the colonists must judge for themselves of their own interests.’ It was the clearest possible expression of official disinterestedness applied to colonial affairs.

In this, as in other ways, the sphere of formal imperial power in eastern Australasia contracted to an even narrower bridgehead. In its place, a quite different sphere of authority and influence emerged. After 1866, an accelerated inflow of capital, associated with new patterns of business organisation, new careers, and new connections of many kinds in Britain and eastern Australia, successively re-created Queensland as a ‘colonial place’ and attached it even more securely to Britain’s great ‘commercial republic’ of enterprise and investment. In this space, new tensions and conflicts over the economic order also arose. The assertion of the interests of colonial capitalism, however, now relied for the most part on informal means, even though this ultimately may have also implied ‘a pragmatic acceptance of [more] limited power.’
Endnotes


[4] The term ‘money power’ is used here in the same descriptive sense in which it is used by John Darwin when referring to Latin American borrowers in the early twentieth century: ‘They dare[d] not offend the money power in London: the consequences of an investment famine were too dire’, Empire Project, 279.

[5] From March 1865 the Australian mail connected with the Indo-European route at Galle in Ceylon, bringing English news to within 23 days of Melbourne if the connecting links worked properly. Until then, the nearest European telegraph connection had been successively at Malta, Alexandria and Suez; The Argus, 19 April 1865, 4; 26 April 1865, 4; Butlin, Australia and New Zealand Bank, 191–93.

[6] The important exception to this was the recall of the governor of Victoria, Sir Charles Darling, in 1866; Clarke, ‘Colonial Office’, 162–63.
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[22] For the origins of the new colony see Knox, ‘Moreton Bay Separation’; Fitzgerald, *From the Dreaming*; Evans, *History of Queensland*; for a recent perspective which emphasises ‘the vital dynamic between racial politics, the development of the state and struggles with the south in the growth of early Queensland’, Mitchell, ‘Early colonial Queensland’, 69.2.

[23] The ‘Supposed Number of Aboriginal Inhabitants’ was guessed at 12,000. Queensland, *Statistical Register 1859*, 46; Fitzgerald, *From the Dreaming*, 113; Knox, *Herbert*, 12, 18


[26] *The Times*, 22 Feb. 1899, 11. The following is based on Knox, ‘Bowen’; Lane-Poole, *Thirty Years*, vol. 1.


[31] Bowen to Robinson, 15 Feb. 1861, OM72-26, Sir George Ferguson Bowen Papers, John Oxley Library, State Library of Queensland, Australia; also see Bowen to Secretary of State, 18 December 1862, quoted in Joyce, ‘Bowen and Herbert’, 16.

[33] Bowen to Secretary of State, 14 October 1863, quoted in Joyce, ‘Bowen and Herbert’, 22. Emphasis in the original.

[34] The following paragraph is based on, Trainor, ‘Herbert’; Knox, *Herbert*.


[36] For the latter, Bolton, ‘Valley of Lagoons’.


[38] Evans, *Queensland*, 79.


[40] Minute, F. R[ogers], 20/4 [1866], CO 234/15, ff. 108, The National Archives, Kew (henceforth TNA).


[43] The timing is based on the acceleration of the rate of growth of bank advances and deposits, Butlin, Hall and White, *Australian Monetary and Banking Statistics*, 140–43, table 12.


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[50] To Mrs Herbert, 18 December 1863, no. 14 in Knox, *Herbert*.

[51] This excludes the debentures of the loan of 1861 which had been remitted to England; ‘Register–bonds, securities etc.’, item ID267469, Queensland State Archives, Brisbane (hereafter cited as QSA).

[52] *Statistical Register, 1866*, 22.


[56] For the banks and lending to the pastoral industry in general and the Queensland squatters in particular, Butlin, *Australia and New Zealand Bank*, 213–15, 218; Holder, *Bank of New South Wales*, 217–20, 270–73, 365–69. The Bank of Australasia’s main Queensland account was that of the railway contractor, Peto, Brassey and Betts, and according to the superintendent the other banks were under large advances to storekeepers, publicans and wholesale dealers and merchants, J. J. Falconer to secretary, London, no. 1364, 14 July 1866; no. 1365, 3 Aug. 1866, A/8/42, ANZ Group Archive, Melbourne (hereafter cited as ANZ).

[57] The previous sentence is impressionistic because there are no analyses of the ways in which individual banks or the banking system generally managed the flow of funds between ‘surplus’ and ‘deficit’ areas; for the use of capital, Butlin, *Australian Monetary System*, 58 (referring to the Bank of Queensland); for London cash account (‘London funds’), Butlin, *Australia and New Zealand Bank*, 121–23; 217–18, 222; for ‘big accounts’


[59] E.g. Cummins to McMullen, no. 964, 26 Sept. 1864, U/120/21, ANZ. Details of these public offers are included in Attard, Database.


[63] The Queensland Treasury records for this period are limited and the previous account is based on correspondence between the London, Melbourne and Brisbane managers of the Union Bank in U/120/17–29 and U/35/3; also see Butlin, *Australia and New Zealand Bank*, 178–80.


[66] Knox, Herbert, 23; Cameron, Public Works in Queensland, 38.


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[69] Turner to manager, London, no. 313, 11 June 1866, U/35/3; Butlin, The Australian Monetary System, 55, which incorrectly states that the Agra ‘successfully tendered for the banking business of the Queensland government’.

[70] Brisbane Courier, 14 June 1866, 2; 20 June 1866, 2; McMullen to Saunders, no. 360, 28 June 1866, U/118/4.

[71] Turner to manager, London, no. 313, 11 June 1866, U/35/3; McMullen to Saunders, no. 360, 28 June 1866, U/118/4.


[74] The Queenslander, 19 May 1866, 4.


[77] QPD, 3 (1866): 496.


[80] Butlin, Australian Monetary System, 28; Coghlan, Labour and Industry, 852–53.

[81] QPD, 3 (1866): 516.

[82] QPD, 3 (1866): 509.

[84] Bowen to Macalister, 14 July 1866, in Queensland, ‘Correspondence’; also Bowen to Cardwell, no. 43, 20 July 1866, CO 234/15, ff 394–99.

[85] Bowen to Cardwell, no. 43, 20 July 1866, CO 234/15, ff 398.

[86] Bowen to Macalister, 13 July 1866, in Queensland, ‘Correspondence’; emphasis in original.

[87] Macalister to Bowen, 14 July 1866, and Bowen to Macalister, 14 July 1866 in Queensland, ‘Correspondence’.

[88] Macalister to Bowen, 14 July 1866, in Queensland, ‘Correspondence’.

[89] Bowen to Macalister, 14 July 1866, in Queensland, ‘Correspondence’; also Bowen to Cardwell, no. 43, 20 July 1866, CO 234/15, ff 394–99.

[90] Memorandum, RGW Herbert, 18 Aug. 1866, CO 234/16, f. 156.


[95] QPD, 3 (1866): 564–65.


[97] South Australian Register, 16 Aug. 1866, n. p.

[98] Brisbane Courier, 23 July 1866, 2; McMullen to Saunders, 28/31 July 1866, U/118/4.
McMullen to Saunders, 28/31 July 1866; McMullen to Saunders, no. 363, 23 Aug. 1866, U/118/4; Falconer to secretary, London, no. 1365, 3 Aug. 1866, A/8/42.


McMullen to Saunders, 28/31 July 1866, U/118/4.

Bowen to Cox, 20 Aug. 1866, CO 234/15, f. 409; *Brisbane Courier*, 8 Aug. 1866, 2; Coghlan, *Labour and Industry*, 1181.

QPD, 3 (1866): 633, 634; Queensland, *Votes*, no. 46.

QPD, 3 (1866): 637.

Butlin, *Australian Monetary System*, 60.

Butlin, *Australian Monetary System*, 60.

Forbes in QPD, 3 (1866), 634; also see the earlier argument in favour of a national bank by ‘One who wishes well to his kin’ in *Brisbane Courier*, 20 Aug. 1866, 5.


There is no evidence that Bowen purchased Queensland debentures while he was in the colony, but in 1870–after moving to New Zealand—he acquired £2,000 of Queensland Treasury Bills; ‘Register–bonds, securities etc.’, item ID267469, QSA.
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[113] Bowen to Macalister, 14 July 1866, in Queensland, ‘Correspondence’.

[114] Bowen to Carnarvon, no. 59, 3 Nov. 1866, CO 234/16, f. 231.


[116] Bowen to Robert Lowe, 21 Aug. 1866, in Lane-Poole, Thirty Years, 261.

[117] Bowen to Robert Lowe, 21 Aug. 1866, in Lane-Poole, Thirty Years, 261.


[119] QPD, 3 (1866): 244.


[121] Herbert to Carnarvon, 20 Aug. 1866, in Knox, Herbert, 246.


[124] Despite its unhelpful title, the best account of the development of Australian political economy during the nineteenth century is, Goodwin, Economic Enquiry; also see, Macintyre, Colonial Liberalism.


[126] Bowen to Newcastle, 18 Oct. 1863, quoted in Knox, Herbert, 32; Bowen to Carnarvon, no. 59, 3 Nov. 1866, CO 234/16, f. 234.

[127] Bowen to Cardwell, separate, 20 August 1866, CO 234/16, f. 58.

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[131] The gold standard was sacrosanct even to ultra-Tories; the Bank Charter Act (1844) was a Conservative measure; while Disraeli’s budget in 1852, which reduced tea duties, signified ‘the effective burial of protection’ as far as the Conservative party were concerned, Boyd, *Mad, Bad*, 410; Hoppen, *Mid-Victorian Generation*, 137, 150.

[132] Minute, RWGH[erbert], 19 October 1870, CO 18/166, f. 202, TNA.

[133] In Bowen’s case, literally so; he later served as governor of Mauritius and Hong Kong, as well as New Zealand and Victoria. After Queensland, Herbert’s ‘careering’ was more of the ‘virtual, imaginative kind’; Cain and Hopkins, *British Imperialism*, 47, 121; Lambert and Lester, ‘Introduction’, 1–2, 15, 23–24.

[134] Herbert to mother, 17 April 1866, no. 65 in Knox, *Herbert*.


[138] Most recently in *State and Market*, which also reprints earlier criticisms.


[142] Lane-Poole, *Thirty Years*, 267.

[143] Secretary of state to governor, no. 8, 26 September 1866, in Queensland, ‘Despatches’, 83.


[145] Bowen to Carnarvon, no. 59, 3 November 1866, CO 234/16, f. 231; minute, F. Rogers, 29/1 [1867], ibid., f. 240.

[146] Daunton, *State and Market*, 6. This, of course, is a theme that has been explored at length in Platt, *Finance, Trade*.


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