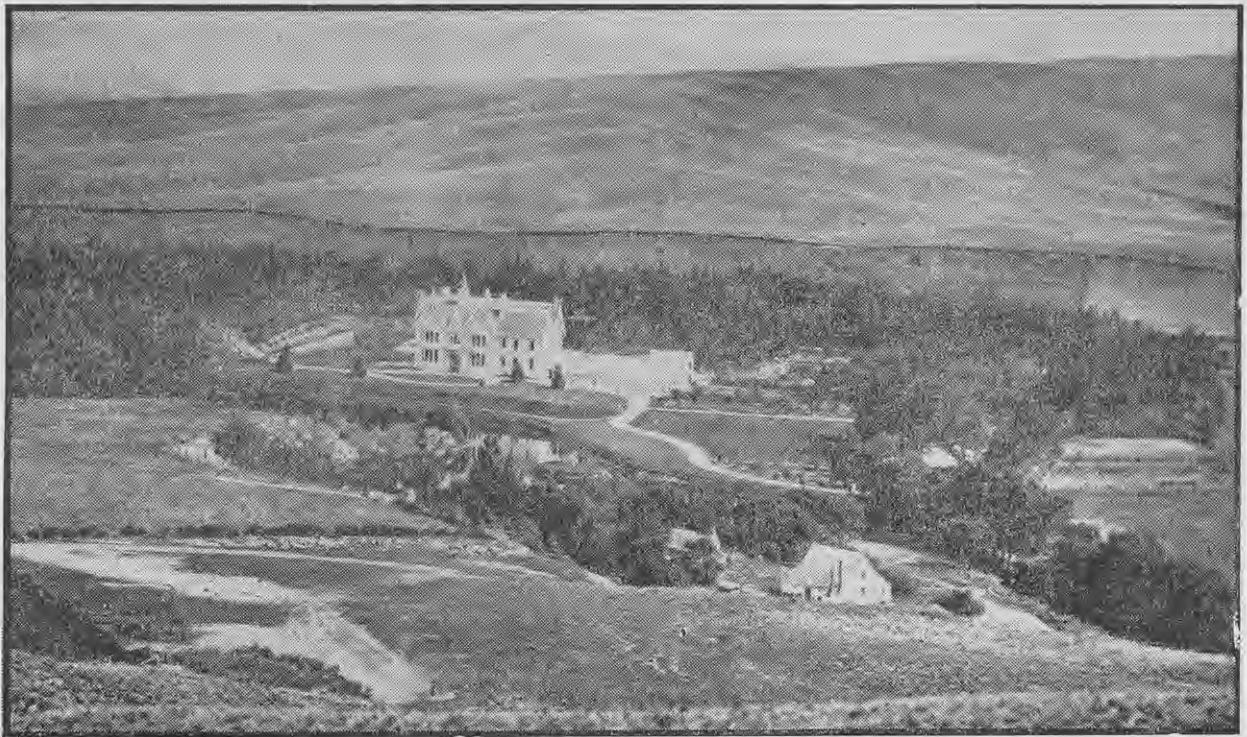


FLUCTUATING PRICES FOR EXPORTS



The Glenmark homestead. G. H. Moore of Glenmark came from Tasmania and took up Glenmark in 1854. Ultimately he built up one of the largest fortunes ever made from the land in New Zealand.

equality of opportunity. To obtain and stock a pastoral lease cost at least £2000, and probably more, even though rents were less than a penny per acre; to buy land for an agricultural farm cost £3 per acre at first and £2 per acre from 1856 onward, a price sufficient to deter a man of limited means.

Sheep farming is essentially economical of labour, but nonetheless there were frequent complaints of labour shortages and of the excessive rates of wages. At the beginning of the settlement wages were generally 4s. 6d. a day, but after the discovery of gold in Australia the rate rose to about 8s. a day and even more in the back country. For their keep the men employed on the runs received generous quantities of mutton, flour, tea, and salt, but little else; if many of the labourers spent most of their wages on hard liquor, numbers of them, particularly Scotch shepherds, saved carefully and were able years later, when the squatters were in difficulties, to acquire land of their own.

Steady Advance

Canterbury in 1860 had successfully passed the pioneering stage and had settled down to a steady if prosaic advance. Total exports in 1854 were £14,700, including £7100 for wool; by 1861 these figures had risen to £213,500 and £195,000 respectively. The quantity of wool exported rose from 122,600lb. in 1854 to 2,925,375lb. in 1861. Wheat exports were worth nearly £4000 in 1860, but with the gold discoveries in Otago and the rapid rise in bread

demand, no more was exported for some years.

Though there must have been some disruption caused by the departure of farm workers to the goldfields, most of them probably did not stay long, because in the years 1861-64 the population of South Canterbury doubled, and, as most of the new arrivals did not come by sea, they must have come from Otago.

The increase in the population and the greater profitability of agriculture stimulated in turn a demand for land to be made available for closer settlement. The squatters displayed a stony hostility to any settlements of small farmers in their neighbourhood, as the reference in Lady Barker's "Station Life in New Zealand" to the "nest of cockatoos" near at hand and the disparaging attitude of the runholders toward it shows. As in Otago, the small farmers were beginning to challenge the squatters' entrenched privileges. The squatters during the 1860's experienced something else that was new—a drop in the price of wool. After freight was allowed for, prices averaged from 12½d. to 13½d. from 1861 to 1866, but began to fall in 1867, dropping to 8½d. in 1869.

Falling Prices Lead to Depression

Wool, being sold on a world market, was not affected by the gold discoveries in New Zealand, but the drop in prices from 1867 onward corresponded closely to the decline in the output of gold. This latter decline meant also a drop in the demand for agricultural produce, the price of

wheat falling from 6s. per bushel in 1867 to 4s. 1d. in 1870. The fall in the price of wool, the drop in gold production, and the continuation of the Maori Wars combined to produce by 1865 a minor depression.

That year unemployment began to be seen in Christchurch, but 2 years later a Provincial Council committee investigating the subject reported that plenty of work would be available if wage rates were not so high. Between 1860 and 1869 labourers' wages were from 6s. to 7s. a day, skilled workers receiving 9s. to 12s. a day, but in 1869 wages fell somewhat, the rate for ordinary labourers dropping to 5s. to 6s.

Though little more was heard of the matter, it was against this background of stagnation that Julius Vogel in July, 1870, announced his policy of public works and immigration. It was not his policy alone; in 1869 Edward Stafford had declared himself in favour of a similar one, and the issue of borrowing for public works was a familiar one in Canterbury provincial politics.

Vogel's original proposals for land settlement to be linked with immigration and public works required the co-operation of the provinces, in whom the control over waste lands had been vested since 1856, but such co-operation was conspicuously lacking. The resumption of land for settlement along the routes of the proposed railways would have fulfilled two aims; it would have settled a larger proportion of immigrants on the land and secured for the State the increased value of