



ST. GEORGE HISTORICAL SOCIETY

SPONSORED BY ROCKDALE MUNICIPAL COUNCIL

53 Bruce Street,
BEXLEY.
11th March, 1966.

Dear Friend and Member,

The next meeting of the above Society will be held as follows:-

Date: Friday evening next, 18th March, 1966, at 8 p.m.

Place: Council Chamber, Rockdale Town Hall, Princes Highway, Rockdale.

Guest Speaker: Dr. F. Kunz.
Manuscript Librarian of the Mitchell Library,
on "How to undertake Historical Research in the
Mitchell Library".

If you are interested in doing some historical research but you don't know how or where to start, this is your chance to find out.

Please make a special effort to attend this most important meeting.

Would lady members please bring a plate.

Gifford Eardley,
President.

R. W. Rathbone,
Hon. Secretary.
58.4813.

OUTING TO CAMPBELLTOWN.

A full day excursion has been arranged for Saturday, 19th March, to historic Campbelltown and District.

Itineraries will be available at the above meeting but in case you cannot be present we will be leaving the Rockdale Town Hall at 9.30 a.m. SHARP.
Further details 58.4813. Members and friends welcome.

A HISTORY OF CURRENCY IN NEW SOUTH WALES

By D. H. SINCLAIR

Hon. Treasurer, St. George Historical Society.

During the reign of King George III (1760-1820) the coinage of England was not minted in great quantity and was not sufficient for home requirements, let alone to supply existing or new colonies. A bimetallic currency of gold and silver met with indifferent success and was in use for only short periods, and when in 1797 bank notes were made legal tender to any amount, payments of over one pound in gold or silver were refused by the Bank of England. At the same time countermarked Spanish dollars, and in 1804 overstruck ones, were officially issued in England - and from 1811 to 1816 the Bank of England issued silver tokens in an effort to provide silver coinage.

During this period of economic and political upheaval the shortage of currency in the Australian settlements was acute, for the equipment of the First Fleet included no money. Some English coins undoubtedly reached New South Wales in the possession of First Fleeters and subsequent arrivals, and a variety of foreign coins, including ducats, guilders, Indian rupees, Portugese Johannis and Spanish dollars, brought mainly on ships that called, were in circulation. In addition, receipts issued by the Commissary in payment for goods supplied to the government stores, paymaster's bills, and promissory notes passed from hand to hand and provided a substitute for internal currency. But the needs for a circulating currency were not met, and the coins could not be kept in the colony.

This shortage of currency led to a system of barter and it is important to realise that whilst many commodities might be bartered, reckoning was carried out in money terms. In 1792 "spirits in exchange were estimated at from twelve to twenty shillings per gallon" and exchanges of livestock between officers involved valuations in money. At the end of 1793 it is recorded that the following valuations were accepted:- maize per bushel, for cash 7/-, in payment for labour 12/6; wheat per bushel, for cash 10/-, in payment for labour 14/-, and flour for cash 3d., and for labour 4d. When the first convict theatre was opened in January 1796 "a seat in the gallery cost one shilling and as much flour, or as much meat or spirits as the manager would take for that sum was often paid at the gallery door."

In 1794 King let the government brewery at Sydney for a rent of 200 gallons of beer per month and the salt works for a rent in salt, but these illustrations are special since the commodities on each side of the bargains are related. There are many instances of swaps where no prices are mentioned, but where it would seem that ratios of exchange were arrived at on the basis of money valuations, and almost always in pounds, shillings, and pence. For commodities such as wheat and meat it was the Commissariat which fixed the market price and thereby indirectly influenced the value of other goods taken in barter.

One item on which particular emphasis has been placed was rum, but it should not be assumed that rum was anything more than the most conspicuous article of barter, or that it was universally accepted in exchange for all goods. Were that true, it would be reasonable to describe it as a substitute for money. It was, however, never more than an article of barter,

was the whole of wages only for particular individuals at certain times, and rarely changed hands more than a very few times.

Money was rarely used because it was rarely available, and the Rev. Richard Johnson's payments to the men employed to build the first church seem to have been exceptional. The total cost of the building was estimated at £67/12/11½ of which £59/18/- was paid in dollars and the remaining £7/14/11½ in kind - 20½ gallons of spirits, 116 pounds of flour, 18¾lbs. pork, 33½lbs. beef, 3lbs. tobacco and 5lbs. tea.

In 1799 copper pence to the value of £550 reached New South Wales, and in the following year £650 worth of halfpennies and farthings. Governor King, in announcing this arrival in a General Order of 19th November, 1800, fixed values higher than those pertaining outside New South Wales in an attempt to keep coin from leaving the colony. The English copper coins were to circulate at twice their face value, the guinea at £1/2/-, and the English shilling at 1/8d.

The copper coins were not popular because of their large weight in comparison to their value and because they could not be exported. Preference was given to the more valuable coins, but they did not remain in the colony. The traders increased correspondingly the prices of the goods they imported and shipmasters took coins at depreciated rates by selling goods at inflated prices.

In King's order of November 1800, the Spanish dollar was proclaimed to be worth five shillings. This silver coin appeared in the colony in increasing numbers between 1805 and 1810, but so much in demand was it as almost an international form of currency that it was impossible to prevent it leaving New South Wales.

This acute shortage of currency resulted in people of means issuing hand-written promissory notes which were drawn from the exact amount of the debt due. The system soon became universal, and as a result forged notes were soon being circulated, which in turn resulted in most notes being accepted to regulate the issue and restrict the circulation of handwritten promissory notes, substituting printed ones in their place, but the order was disregarded and they continued in circulation until well after 1870.

Another form of currency universally accepted was the receipt given by the Commissary for produce which it purchased and which were known as store receipts, for if sufficient of these were accumulated they could be presented for a bill of exchange in London. In this way they represented a satisfactory money for internal circulation, as well as a supply of foreign exchange. Bills on the British Treasury were also accepted, but these were of large amounts and therefore their circulation was limited, although they were acquired by the banks during the later period.

Notes were also issued by the paymasters of the various companies of troops and like the store receipts were consolidated by a bill of exchange on regimental agents in London. In some cases they were preferred to Treasury bills, since they were payable on demand, whereas the Treasury bills were payable after a period of time, e.g. 30, 60 or 90 days.

On 1st July, 1813, after a consignment of £10,000 in dollars arrived from India, Governor Macquarie issued a proclamation directing that a small circular piece of silver was to be struck out of the centre of each dollar and that this piece and the large remaining one were to be valued at 1/3d. and 5/- respectively. The smaller coins were called "dumps" and the larger "ring" or "holey" dollars.

These coins were not issued till late in January 1814. It had been hoped that they would correct the currency trouble, but since they had been declared legal tender for any amount and exchangeable for bills on the Lords of the Treasury in London they were hoarded. Thus, although the issue comprised just under 40,000 coins, counterfeits soon appeared, and in 1821 the Bank of New South Wales found it necessary to draw attention to the illegal coins in circulation.

The cutting and stamping of these dollars and dumps was entrusted to a convict silversmith, William Henshall, or Hersell, whose initial "H" appeared on both pieces. The machinery for this undertaking, which was made in the colony, was apparently not destroyed or taken away from Henshall, for at a later date he was himself convicted of counterfeiting dumps. Holey dollars and dumps were finally called-up in 1828 and 1829, but circulated in New South Wales and Tasmania until the early 1830's.

In 1817 the Bank of New South Wales was founded, and it immediately issued notes ranging from 2/6d. to £5. These notes circulated alongside private promissory notes, store receipts, paymasters' notes, and a semi-official note issue of the Commissary.

In 1822 Governor Brisbane attempted to make the dollar the standard medium of exchange, and all notes of the bank were expressed in dollars until 1828, when there was a reversion to pounds as the result of a large importation of English silver and gold. As other banks were formed in centres of population throughout Australia they obtained the right to issue notes of their own, and this eventually forced the private issues of notes out of circulation.

Governor Brisbane's attempt to establish the dollar as the colony's standard money brought about by a large importation of Spanish dollars, was almost successful, but full transfer to a dollar standard was finally prevented by the British Government's decision to institute a sterling-exchange standard, with a fixed rate of exchange and British coins in local circulation. In December 1825 English silver coin to the value of £30,000 arrived, and as a result of various government measures, the dollar - and other foreign coins - gradually disappeared from New South Wales. The disappearance of the dollar was longer delayed in Tasmania where supplies of English coin were smaller, and it was not until 1849 that only British coins were in circulation.

With the discovery of gold in the 1850's the note issue of the various banks was increased, and the banks acquired large holdings of raw gold; a high note-issue level was maintained until a mint was established at Sydney in 1855, when gold coin rapidly replaced the note issue of the banks. Before 1851 English gold, silver and copper coins were circulating in quantity, but with the discovery of gold in the various colonies the need arose for local mints and branches of the Royal Mint, London, were established in Sydney (1855), Melbourne (1872) and Perth (1899). The Sydney mint produced distinctive coins from 1855 to 1870, the reverse being inscribed "Australia" with "Sydney Mint" above and "One Sovereign" below, but in 1871 the gold coinage became identical with that of the Royal Mint, except for a small mint mark.

With the advent of the banking crisis of 1893, when two English banks and the greater proportion of the Melbourne banks suspended payment for some months, the public no longer thought that banks should have the right of note issue, an opinion previously expressed in 1843, when some of the banks in Sydney had failed. In the later crisis notes of the Bank of Australasia, the

Bank of New South Wales, the City Bank of Sydney and the Union Bank of Australia Ltd. were declared legal tender for six months, and an issue of notes was made by the New South Wales Treasury. These measures did much to restore confidence and bring about a return to normal trading conditions.

When the Commonwealth came into existence in 1901, the Australian currency consisted of United Kingdom coins, notes issued by the trading banks and payable in gold coin, and Queensland Treasury notes, and, in terms of the Constitution, the control of coinage, currency and legal tender and the issue of paper money was then vested in the Commonwealth by virtue of the Coinage Act, 1909, and the Australian Notes Act, 1910. A tax of 10 per cent per annum was placed on all notes issued or re-issued by the banks after 1st January 1911 and this had the effect of stopping the banks from issuing their own notes; Australia thus became one of the first English-speaking countries to restrict the issue of private bank notes and substitute in their place convertible State bank notes.

During November 1911 the banks sent all their unsigned notes to the Commonwealth Treasury for overprinting. This resulted in an issue of super-scribed private bank notes, which were the first Australian notes. There were 16 different types in all, the overprinting being at right angles to the rest of the note, with the top being the left-hand margin of the printing. The inscription stated that the Treasurer would pay so many pounds in gold coin, on demand, at the Treasury at the Seat of Government. These notes were on issue for about two and a half years, from 1st December 1910 until May 1913, when the Treasury brought out notes of its own design, in denominations of 10s., £1, £5, £10, £20, £50, and £100.

In 1920 a further change occurred when the Commonwealth Bank of Australia was given charge of the note issue. It is interesting to note that the Commonwealth Bank Act of 1920 authorised the issue of a five shilling note, but this was never issued. A crown piece, minted to commemorate the coronation of George VI, was placed in circulation in 1937, and again in 1938, but the coin was not popular, and the experiment was never repeated.

During World War II the demand for coin was greater than the two local mints could supply and in 1942 and 1943 penny and halfpenny coins were struck at the Bombay Mint in India. Silver coins in all denominations were minted at the Denver and San Francisco mints in the United States of America from 1942 to 1944 and supplied under the wartime Lend Lease Agreement.

Whilst the pound has always been associated with Great Britain, decimal currency had been advocated in the United Kingdom many years before France and the United States of America adopted it late in the 18th century. Controversies over decimal currency in 19th century England left Australia relatively untouched at the time, for until an established coinage and monetary authority existed, it was hardly possible for such a reform to be seriously considered in this country. Federation had no sooner been achieved, however, than the subject was raised. The first Federal Parliament included several enthusiasts, the most vocal being the member for South Sydney, Mr. G. B. Edwards.

On 6th June 1901, on the motion of Mr. Edwards, a Select Committee was formed, and its recommendation that a system of decimal currency be introduced was subsequently adopted by the House of Representatives. Although motions in favour of giving effect to the recommendation were passed by the House, the Government was disinclined to proceed unless the United Kingdom took similar action.

The Commonwealth Government tried to have the question of a change-over by all countries in the British Empire placed on the agenda at Imperial Conferences held in London from 1907 to 1911. Other Dominions supported the

Australian request, but the view of the United Kingdom Governments was that the suggestion had been rejected on earlier occasions and that it was not a practicable proposition.

In Australia, the Royal Commission on Banking held in 1937 recommended that a system of decimal currency should be introduced, but the suggestion aroused little interest at the time.

In 1957 however, a group of decimal currency supporters combined to form the Decimal Currency Council and embarked on a campaign to arouse interest among business and other organisations throughout the Commonwealth. The Council later approached the Government which agreed to an official inquiry, and the Decimal Currency Committee was thus formed in February 1959. The Committee's report, submitted to the Commonwealth Treasurer in August 1960, recommended the introduction of decimal currency system. Legislation providing for the introduction of the new currency and formally establishing the Decimal Currency Board was then passed by the Commonwealth Parliament and became law on 30th October 1963. The legislation is entitled the Currency Act 1963.

The Board then began the monumental task of preparing for the change-over which involved the completion of a new mint in Canberra, the designing followed by the printing of new notes and minting of new coin, the conversion of 500,000 monetary machines, and the education of the general public to the new currency, based on one dollar being equal to ten shillings. On 14th February 1966 - just five days ago - the changeover was made and a decimal system became the official currency in Australia.

What a great deal of time and money and endeavour we would have been spared had Governor Brisbane succeeded in his efforts to make the dollar the standard medium of exchange just one hundred and forty-four years ago.

*** *** ***

ST. GEORGE BOWLING CLUB

September 1900.

LAYING THE FIRST SOD.

The ceremony of laying the first sod of turf on this green was performed by Alderman J. F. Hegerty, J. P. (Mayor of Rockdale) on Tuesday last. The work of construction is going on apace - the contractor for the green being Mr. E. Blake, and for the pavilion, etc., Mr. Bradford. Of course, all our readers know where the ground is situated - bounded by Frederick Street and the railway line, it being about 100 years from the station.

The Mayor of Rockdale said he was pleased to be afforded the pleasure of laying the first sod of the St. George Bowling green, which bids fair to be the premier green of the colony. He, with Mr. Carruthers and others, met and decided upon the establishment of the club, and he (Alderman Hegerty) and two others were appointed to recommend a site for a green. They had chosen the present one, which being near Rockdale station was a very good one and was likely to be always a living advertisement for the club and the district, and would cause people to say Rockdale was progressing. Mr. E. Blake, the contractor for the green, and Mr. Bradford for the pavilion, were doing their work well and speedily. He then declared the first sod well and truly laid, and called upon Alderman Larbalestier (Mayor of Bexley) to lay the second sod.

Alderman Larbalestier was present to be afforded the pleasure of assisting in the ceremony of laying the turf for their green. The club had gone on exceedingly well up to the present, and appeared to have taken hold of the people, and present appearances pointed to a great success.

The establishment of a bowling green in Rockdale would correct an old fallacy that the game was only fit for old fogies to play, and it would be shown that young men could also with profit take part in bowls. He declared the second sod well laid.

Mr. G. Davies of the St. George's Advocate was invited to lay the third sod, and he did so in the orthodox way.

It will, we understand, take twentythousand sods to cover the two greens, which will each contain four rinks, so that in the near future we can expect to witness sixty-four players contesting the game at the same time.

*** *** ***

SWEEPING CHANGES AT FEBRUARY MEETING.

It was with genuine regret that the St. George Historical Society accepted the resignation of its former President, Mr. Philip Geeves, following his re-appointment to the Council of the Royal Australian Historical Society.

But it was with a spirit of determination and adventure that it set about re-organising and planning its future course.

There were two nominations for President - Mr. Don Sinclair, the Society's able Treasurer and Mr. Gifford Eardley, one of the two Vice Presidents. Mr. Eardley at first declined nomination and Mr. Sinclair was declared elected. Then Mr. Sinclair prevailed upon Mr. Eardley to accept the position and to the great satisfaction of all present he agreed to do this.

This left a vacancy for a Vice President and again two nominations were received - Mr. Ian Ryan and Mr. Arthur Ellis. To avoid a ballot it was agreed to appoint three Vice Presidents with Mr. C.W. Napper as Senior Vice President.

Much discussion then ensued as to whether the Society should meet monthly instead of bi-monthly. A list of speakers was drawn up and it was found that for at least three years there were enough local speakers available to enable the Society to meet monthly. It was unanimously resolved that it should meet monthly for a trial period of 12 months.

To assist the Secretary with the posting of notices and bulletins, Mrs. A. Eardley was appointed Assistant Secretary.

All this means a considerable stepping up in the pace of activity of the St. George Historical Society. Whether we can maintain it depends entirely on the support we receive from our members and their willingness to undertake genuine research.

SWEEPING CHANGES AT FEBRUARY MEETING.

It was with genuine regret that the St. George Historical Society accepted the resignation of its former President, Mr. Philip Geeves, following his re-appointment to the Council of the Royal Australian Historical Society.

But it was with a spirit of determination and adventure that it set about re-organising and planning its future course.

There were two nominations for President - Mr. Don Sinclair, the Society's able Treasurer and Mr. Gifford Eardley, one of the two Vice Presidents. Mr. Eardley at first declined nomination and Mr. Sinclair was declared elected. Then Mr. Sinclair prevailed upon Mr. Eardley to accept the position and to the great satisfaction of all present he agreed to do this.

This left a vacancy for a Vice President and again two nominations were received - Mr. Ian Ryan and Mr. Arthur Ellis. To avoid a ballot it was agreed to appoint three Vice Presidents with Mr. C.W. Napper as Senior Vice President.

Much discussion then ensued as to whether the Society should meet monthly instead of bi-monthly. A list of speakers was drawn up and it was found that for at least three years there were enough local speakers available to enable the Society to meet monthly. It was unanimously resolved that it should meet monthly for a trial period of 12 months.

To assist the Secretary with the posting of notices and bulletins, Mrs. A. Eardley was appointed Assistant Secretary.

All this means a considerable stepping up in the pace of activity of the St. George Historical Society. Whether we can maintain it depends entirely on the support we receive from our members and their willingness to undertake genuine research.