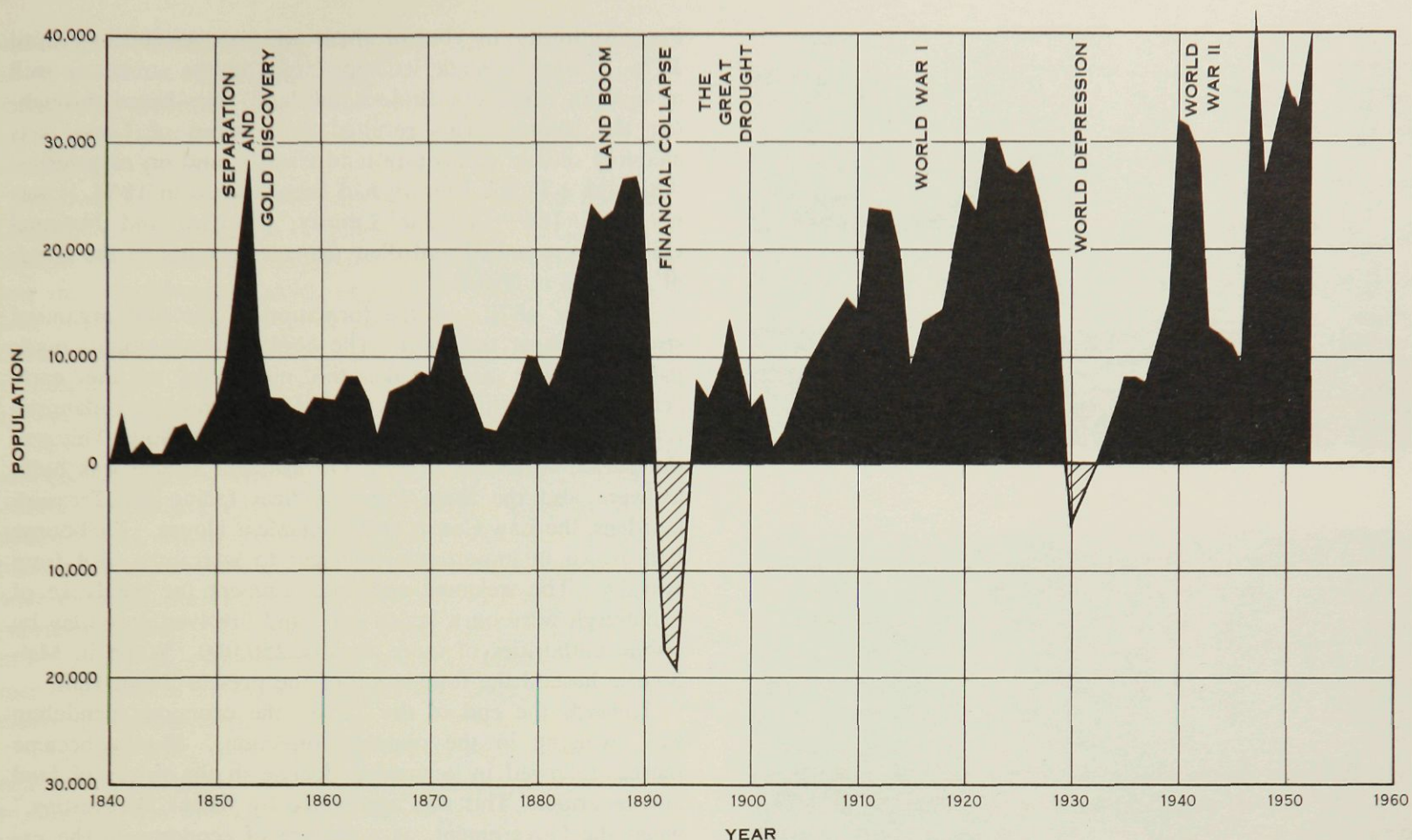


CONSOLIDATION



1 ANNUAL POPULATION INCREMENT IN MELBOURNE 1840-1952

lines to the various suburbs, but a few years later the Government bought out these companies and have controlled the railways ever since.

As indicative of the growing importance and wealth of the community, the foundation stones of the Public Library and the University were laid in this year. Until then water had been drawn from the river, but had become polluted with the expansion of the town. A new supply was therefore brought to the city from the distant hills of Yan Yean.

About this time settlement began to spread further afield. In 1848 the first shop had been opened in Northcote and in 1851 the Yarra was bridged at Kew. By 1856 brick works had been established at Malvern and Hawthorn. By 1861, when the city had grown to over 140,000 people, the impetus of the gold rush had spent itself, and with the discovery of gold in New Zealand, Australia actually experienced a loss by migration.

By this time the ghastly horrors of the Indian Mutiny had been forgotten, and the disastrous end to the Burke and Wills expedition was being discussed. New suburbs were pushing out well beyond the boundaries of Hoddle's plan. The uneven distribution of wealth was reflected in the type of house going up. Along the unmade roads there appeared spectacular homes for the rich, but much more numerous were the bag and bark humpies.

In the inner suburbs, the influence of the Old World was still shown in the small allotments and the terraced houses. The well-to-do were moving out to the St. Kilda seaside or the salubrious hills of Toorak, Hawthorn and Kew, there to establish in spacious surroundings the sumptuous homes which for so long distinguished these areas, but which now have mostly disappeared as the large estates have gradually been cut up for subdivisions.

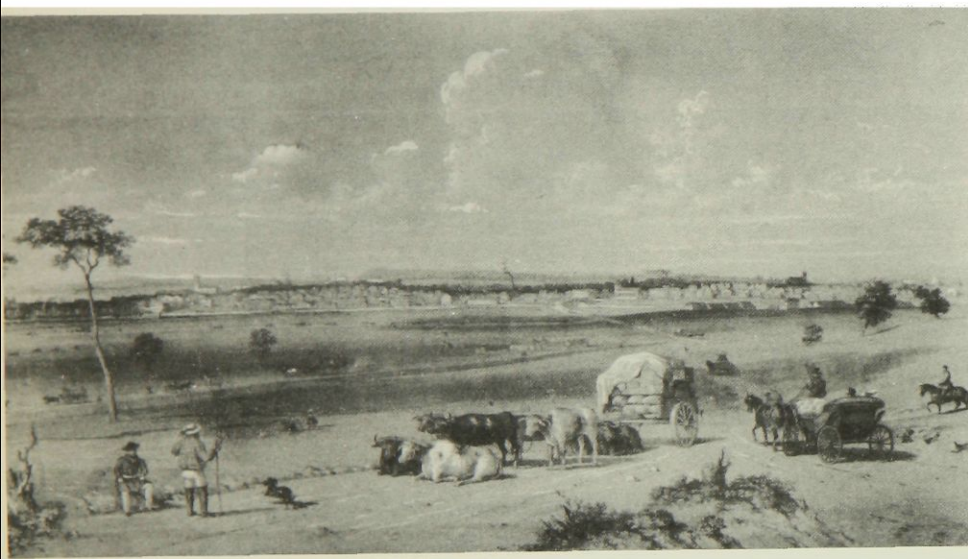
The next 20 years saw a period of relative stability, during which the State and the city continued to grow and flourish. Pastoral and agricultural activities were expanding, local industry was being encouraged and a movement for its protection was gaining strength. The fight for mastery between the grazier and the city merchant was manifesting itself.

During the sixties and seventies the progress, though steady, was not as spectacular as either the period which had preceded these decades, nor that which was to follow. Melbourne was, however, consolidating its position as the main financial centre of Australia. Fundamentally, business was sound, and the foundations were being laid by many mercantile firms which were to become household words a generation later.

The suburban railway system was being extended to keep pace with new settlement, and piers and wharves were being constructed to handle the increased shipping, although the



1839



1855



1882

Stages in the growth of Melbourne

Port Authority to control them was not established until 1876. Gas had made its appearance in the streets as well as indoors. The cry "unlock the land" was heard throughout the colony. This resulted in a series of Land Acts enabling settlers to acquire land cheaply and on easy terms. Although a Public Library had been opened in 1854, it was not until 1869 that the Library, Museum and National Gallery were united and their management put in the hands of a Board of Trustees.

The year 1870 saw the formation of the first organised street passenger transport. The horse-drawn omnibus made its appearance and broke the monopoly of the early "cabbies." This hurried on the construction of macadamised roads. The population had now reached 200,000. This was the period when the present Government House was built, as were also the State Public Offices facing the Treasury Gardens, the Law Courts and Parliament House. Melbourne had grown in importance sufficient to warrant a visit from Royalty. The welcome and entertainment for the Duke of Edinburgh were on a lavish scale and involved an outlay by public authorities of more than £250,000. While in Melbourne he laid the foundation of the present Town Hall.

Towards the end of the 1870's the economic pendulum was swinging in the opposite direction. Money became scarce, followed by a general decline in the prices of land and securities. This was aggravated by "Black Wednesday," when the Government, as a gesture of economy in the expenditure of public money, announced the dismissal of all County Court Judges, Magistrates, Crown prosecutors and the chief officers of various departments, including Lands, Water Supply, Railways and Public Works. This action, which had its origin in political spite, caused a minor panic in the business life of the city. Private organisations, fearing an economic collapse, also dismissed many of their employees. The value of property and securities fell still lower, with a corresponding rise in interest rates, which indicated the general distrust prevailing in business circles.

The Land Boom

In contrast to the uncertainty of the previous decade the eighties opened on a note of optimism exemplified by the Great International Exhibition. Although foreigners in plenty had joined in the gold rush, most of them found their way back to their homelands. Apart from a few colonies of Germans, who made a valuable contribution to the country as agriculturists, the foreign element in the population was negligible. At the time of the Exhibition the Government issued a special invitation to overseas people to visit Melbourne to see for themselves Victoria's progress. Many of these people stayed to establish themselves in commerce and industry, while continental buyers arrived in increasing numbers to bid at the wool sales. Their continued attendance has been a feature of these auctions to this day.

This optimism proved justified for prosperity soon returned. New wealth from the recently-constructed irrigation