

Let us turn now to California and Australia, and briefly examine the leading economic phenomena which have developed themselves in those countries since the commencement of the gold discoveries; a review of these facts will I think enable us to understand the manner in which the depreciation of the metals has taken place there, the measure and extent of that depreciation, and the steps by which similar effects are now being extended in ever widening circles over the whole of the commercial world. The events which followed the first announcement of gold on the banks of the Sacramento are too striking and too recent to be forgotten. From every quarter of the globe, including the Celestial Empire, flocked thither crowds of adventurers. Thousands of excited gold seekers perished miserably before reaching the looked for El Dorado, but their places were soon filled by others, and wave after wave of this living tide of motley pilgrims broke in succession upon the shores of California. In a few months the population rose from a few hundreds to many thousands. In less than two years and a half it had reached 200,000; and now it is supposed to number nearly half a million. Meanwhile the prices of all the necessaries of life and the money wages of labour had reached an almost fabulous height, and notwithstanding the efforts made by the States and other countries to meet the sudden and extraordinary demand for goods in this new market, prices maintained an unexampled level. What occurred in 1848 in California, was repeated in 1851 in Australia—the phenomena in both places being essentially the same. I have selected Australia for more particular examination in reference to the present enquiry, inasmuch as all the details regarding Australia are fully given in official documents—which is not the case as respects California.

The Sydney papers of the summer of 1851 brought to England the first intelligence of a new gold region in the Eastern world, and of the delirious excitement with which the discovery was received in the Colony.

The then Lieut. Governor of Victoria, Mr. Latrobe, in a despatch of December of that year, represents the whole structure of society as being disorganized by the effect of the discoveries, and concludes by remarking: "It really becomes a question how the more sober operations of society, and even the functions of Government, may be carried on."

The immediate effects of the discovery on the money wages of labour and on the prices of provisions, points which more immediately concern us in the present enquiry, are also given by the Lieut.