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Patron Laurie Ferguson M.P. B.Ec.(Syd) M.A.(Syd)

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The next general meeting of the Granville Historical Society will be held at 12.30 pm on Saturday 22 November 2014 at our Research Centre 62 Railway Parade Granville

“Christmas Party”
Please bring a plate

TO CONTACT US

Write to

P.O. Box 320
Granville NSW 2142

Phone:

9682 1290 (Wed. only)
9631 0216
(Barry & June Bullivant)

Email:

granvillehistorical@bigpond.com

Website

www.granvillehistorical.org.au

Heritage Watch NSW Website

www.heritagewatchnsw.org.au

Friends of Mays Hill Cemetery

www.mayshillcemetery.org

Facebook:

<https://www.facebook.com/GranvilleHistoricalSocietyIncNswAustralia?ref=hl>

PRESIDENT'S REPORT

Granville Historical Society

“A Place where heritage & culture are valued & celebrated.”

I do not believe that another year has gone! Our Christmas Party is on 22 November at 12.30 for 1.00 pm. Please bring a plate and your drinks, Salad and meats will be provided.

June and I attended a meeting of the Our Lady of Lebanon Seniors Group who meet in their premises at Harris Park. We had a blast, and so did all who attended. I was surrounded by ladies pointing to the screen during our PowerPoint presentation and wanting to tell their stories. As our knowledge was attained by research it would have been difficult to appear to be an expert on the subject. So to get the people involved it was decided to show them paintings painted in 1835, followed by some of the ones located about 1938 at Redfern.

Next were some photos of Lebanon donated by Paul Garrard. We were unsure what they were, so threw it open to the people gathered there. It was a riot, with everyone involved in telling us what they were. It created so much interest that when we started lunch they were still talking.

We were treated like Royalty and fed, being waited on by the ladies of the committee, an afternoon well spent and they all know about the Granville Historical Society.

A comprehensive list of Granville soldiers who served in World War 1 (1400) is being compiled for our launch next year of the research that has been undertaken by the team. If members have photos of relatives who they have not submitted from Granville, Guildford, Merrylands, or Parramatta and Districts please let us know.

We were successful with the Anzac grants and this will allow us to do the Royal Gate in Parramatta. Member Enid

Turbit is working on the Prince Alfred Square Memorial, if you have family stories and images please Contact June.

Our last meeting is the 22nd November 2014, we close on 26 November 2014, our first Wednesday in 2015 is on 4 February,, and our first general meeting is 28 February.

Have a Merry Christmas and a Happy New Year.

**President
Barry G Bullivant OAM**

GRANVILLE IN THE 1890s DEPRESSION

The depression that hit Australia in 1892 was deeper and stronger than the depression that began in 1931. Gross Domestic Product (GDP), one of the primary indicators of a country's economic health, fell by around 10 per cent in the first year of both depressions, and in the case of the nineties by a further seven per cent in 1893. Moderate but erratic growth returned in the following years, but didn't rise above the previous peak until 1899. In contrast, in the later depression, economic growth resumed in 1932 and by 1934 was above the previous peak recorded in 1930.¹

Australia had prospered after the gold rushes of the 1850s, experiencing almost three decades of growth. But this came to an end in the early 1890s. In the growth years much of the capital for the creation of infrastructure in the colonies of New South Wales and Victoria, as well as for the development of housing schemes in Sydney and Melbourne, had come from London. There had in fact been a glut of money available for investment in the late 1880s, and some of this went into speculative land and mining ventures. But at the end of 1890, borrowings from London for public and private purposes virtually ceased, after the collapse of Baring's, a leading London finance house. As a result, public works and private building almost came to a halt. The decline in overseas investment, combined with severe cutbacks in spending on railways and other infrastructure, and the end of the 1880s property boom, led to the collapse of land finance companies and building societies in Victoria. This spread to New South Wales late in 1891. Within two years, only one of 36 land or mortgage banks had survived. Of the 64 larger banks trading in 1891, 54 had closed their doors, 34 of them never to re-open.²

During the land boom, even a humble railway worker like James Niblett could, with shrewd buying, own multiple properties. Niblett came to Australia with his wife Hannah and two small children in 1853 to work on the construction of the Sydney to Parramatta Junction railway. He worked at Parramatta Junction (Granville) as a porter when the

¹ C. Fisher and C. Kent, *Two Depressions, One Banking Collapse*, Reserve Bank discussion paper 1999, pp. 3-4; accessed 20 May 2014, www.rba.gov.au/publications/rdp/1999/pdf/rdp1999-06.pdf

² L. Davidson and S Salisbury, *Australia's first bank, 50 years from the Wales to Westpac*, UNSW Press Sydney 2005, p. 25; Manning Clark, *A history of Australia*, vol. 5, 1987 edn. Melbourne University Press, pp. 62-90

line was completed, and built the first house in Granville. His first major land investment was a block of some two-and-a-half acres (about one hectare) in the Parramatta South sub-division in February 1865. This was in the centre of the future township of Granville, located between Good, Cowper and Bold Streets and the railway line. He built the Granville Hotel on part of this block, and as his wealth increased engaged a Sydney architect, Thomas Butement, to design a new two-storey house for him and his family.³

The first bank to collapse was the Federal Bank of Australia, the smallest and the weakest of the trading banks, which went into liquidation in January 1893. However, bank depositors didn't start to panic until April when the Commercial Bank of Australia suspended trading at all its branches including Parramatta, pending reconstruction. This was followed by a small run on the Granville branch of the Commercial Banking Company of Sydney by people who mistakenly believed it was their bank that had stopped withdrawals. The Federal Bank and the Commercial were both exposed to the property market through loans to land finance companies. A fortnight later, two more banks, the English, Scottish, and Australian Chartered Bank and the Joint Stock Bank, also announced suspension of trading pending a restructure. The Joint Stock Bank sought the support of other banks, but they declined to help. This weakened public confidence and caused a brief run on the other Sydney banks but they were able to meet all withdrawals. A total of 13 banks were forced to close during the crisis, and by August, 12 of these had been able to resume trading.⁴

Unemployment had been a major problem in the colony since 1890, due to a recession in the building industry and the cutbacks in public works programs, but the number of people out of work grew sharply in 1892. There are no official unemployment figures for the local area, but it's clear from the available data that many people were distressed. Charities and churches couldn't cope with the increased number of requests for help. In Granville, 23 of the 760 houses in the town of four thousand people were vacant in 1891. The number of unoccupied houses would rise to 97 over the next two years as more and more tenants were forced out because of their inability to pay rent. In the years 1890-1892, 13 Granville men were bankrupt. Seven of them were building industry workers – an architect, three brick makers, two painters, and a carpenter.⁵

The depression deepened in 1893; more banks crashed and a number of land companies went into insolvency. A high profile Granville resident, John Nobbs MLA, was forced to go before the Bankruptcy Court. It appeared that Nobbs hadn't believed he was in financial difficulties, even though he wasn't earning enough from rents and investments to meet his mortgage repayments for some months. But after it was revealed at a meeting of shareholders of the Australian Mutual Investment and Building Company Limited that his indebtedness to the company amounted to more than £5,400, it dawned on him that he was insolvent. He resigned his seat in Parliament and filed for bankruptcy on 26 April 1893. Nobbs told a Bankruptcy hearing his bankruptcy was

³ State Records New South Wales: Passenger List *Maidstone*, 1853, Reel 2137/2465; Land and Property Information, Old System Records, Book 91 No. 891

⁴B. Fitz-Gibbon and M. Gizycki, *A history of last-resort lending and other support for troubled institutions in Australia*, Reserve Bank of Australia, 2001, pp. 21-27, www.rba.gov.au/publications/rdp/2001/pdf/rdp2001-07.pdf accessed 18 May 2014; *Cumberland Argus and Fruitgrowers' Advocate*, 8 April 1893 p 4; *Sydney Morning Herald*, 21 April 1893, p. 4

⁵ Clark, pp. 90, 93; *Cumberland Argus* 12 September 1891, p. 6; State Records NSW Bankruptcy Index;

caused by the failure of financial institutions and a decline in the value of property. He also admitted that he had entered into large land speculations. Called on to satisfy the court these speculations were not rash and hazardous, he denied he had speculated 'rashly and inconsiderately', and said he could not have foreseen the extraordinary financial collapse that brought about his bankruptcy. He had thought 'the good times' would return, houses would become tenanted again, and he would again receive all his rents from tenants.⁶

Another well-known Granville identity to face a financial crisis in the 1890s was John Rayner, a former shopkeeper, land speculator and agent, and at the time of his bankruptcy District Registrar of Births, Deaths and Marriages. Rayner was in partnership with grocer Lucien Grimwood in the firm of Rayner and Grimwood, auctioneers, land estate and general commission agents at Granville and Pitt Street Sydney until the partnership was dissolved in March 1885. He continued to operate as a land agent, and also conducted a drapery shop, but this folded in October 1888, when the business was assigned to wholesaler Robert Reid and put up for auction. Rayner had accumulated an impressive list of properties during the 1880s, but as he later disclosed at a bankruptcy hearing, they were all mortgaged. They included 11 houses and two unfinished cottages in Granville, more than 80 allotments of land, a shop in Jamieson Street and a one-third interest with John Nobbs and Harry Richardson in a block of Granville shops mortgaged for £4,000. By the end of 1891 all these properties were out of his control and in the hands of the mortgagees. Rayner was declared bankrupt in 1897, and blamed the collapse of the land boom, the subsequent closing of some banks and the general business paralysis for his financial decline.⁷

While the banking crisis was over by late 1893, hundreds of men were still out of work, according to a speaker at a public meeting on unemployment in the Granville Town Hall in November 1893. And many of those who still had a job were forced to accept a cut in pay. Granville Council decided to halve the hours (and consequently the wages) of its employees. Only the Clerk, John Scarborough, and his assistant, were retained on full-time work. In the private sector, employees of Goodlet and Smith also had their wages reduced. Thirty-seven Granville families were relying on Government help to buy food and essential supplies, along with 300 in the Parramatta local council area.⁸

By late 1894 there were signs of recovery in the building industry. The *Cumberland Mercury* reported the construction of at least a dozen new houses was under way, as well as a shop and dwelling on Sydney Road (Parramatta Road). But in June 1895, business in Granville was at a standstill, according to the *Cumberland Argus*. It reported that every shopkeeper was complaining about trading conditions, and that at Hudson's engineering works, 'work is slacker than ever'.⁹

Hudsons had thrived on lucrative orders for railway rolling stock during the 1880s boom, but the orders had dried up by the middle of 1891, and there were none for the

⁶ *Cumberland Argus*, 23 April 1893, p. 4, 15 April 1893 p. 3; *Sydney Morning Herald*, 19 April 1893, p. 8; State Records NSW: Bankruptcy Files 1888-1928, 10/22855 No. 6457 J. Nobbs

⁷ *Sydney Morning Herald*, 2 April 1885 p.4, 30 October 1888 p. 10; State Records NSW: Supreme Court, Registrar in Bankruptcy; Bankruptcy Files 1888-1928; 10/23156 No. 11919 J. Rayner

⁸ *Cumberland Argus*, 11 November 1893, p. 7, 15 April 1893, p. 3, 11 March 1893, p. 8, 1 April 1893, p. 4;

⁹ *Cumberland Mercury*, 27 October 1894, p. 5; *Cumberland Argus*, 8 June 1895, p. 2

next two years. The works survived on sales of agricultural machinery and a trickle of contracts for tramway cars. In 1894, shareholders were told the company's plight was due to 'the unparalleled crisis through which the colony was passing, paralysing both government and private enterprise.' In the following year the company was badly affected by a lengthy industrial dispute over its plans to reduce workers' wages, and it eventually went into voluntary liquidation. In 1898 it was taken over by the newly-formed Clyde Engineering Company in the first step on the road to recovery. Granville, too, was beginning to recover from one of the worst recessions in Australia's history.¹⁰

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¹⁰ B. Hardy, *Their work was Australian, the story of the Hudson family*, Halstead Press Sydney, 1970, pp. 50-57; *Sydney Morning Herald*, 1 March 1894 p.7, 1 March 1895, p. 6