

One hundred years of border peace looms

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On 1 January 2001, Australia will celebrate 100 years of border peace among the six former British colonies that federated to form the Commonwealth of Australia.

And also on 1 January 2001, a Federal Government department, now known as the Australian Customs Service, will be celebrating 100 years of continuous service to the people and the government of Australia.

This long period of border peace and 'free trade' among what are now the six States of Australia is in stark contrast to the middle of last century when bitter inter-colonial border disputes were common. These disputes were mostly over the levying of customs and excise duties on inter-colonial trade and travel among the six separate British colonies—leading to escalating resentment, rivalry and retaliations—especially between New South Wales and Victoria—something that has never completely vanished from Australian life.

In 19th century Australia, the six colonial customs services were an integral aspect of colonial life right up until federation. Customs duties and tariffs were at the forefront of

political and commercial thinking in colonial New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania.

When New South Wales and Victoria became separate colonies, few people living on the border expected anything would change. While the Murray River divided them, they were still the same people.

Indeed some settlers owned land on both sides of the river and expected to be able to continue to move their stock and produce from one side to the other with a minimum of fuss. Instead they were to become the victims of a system of customs border duties collected first by New South Wales, then by Victoria and later by South Australia.

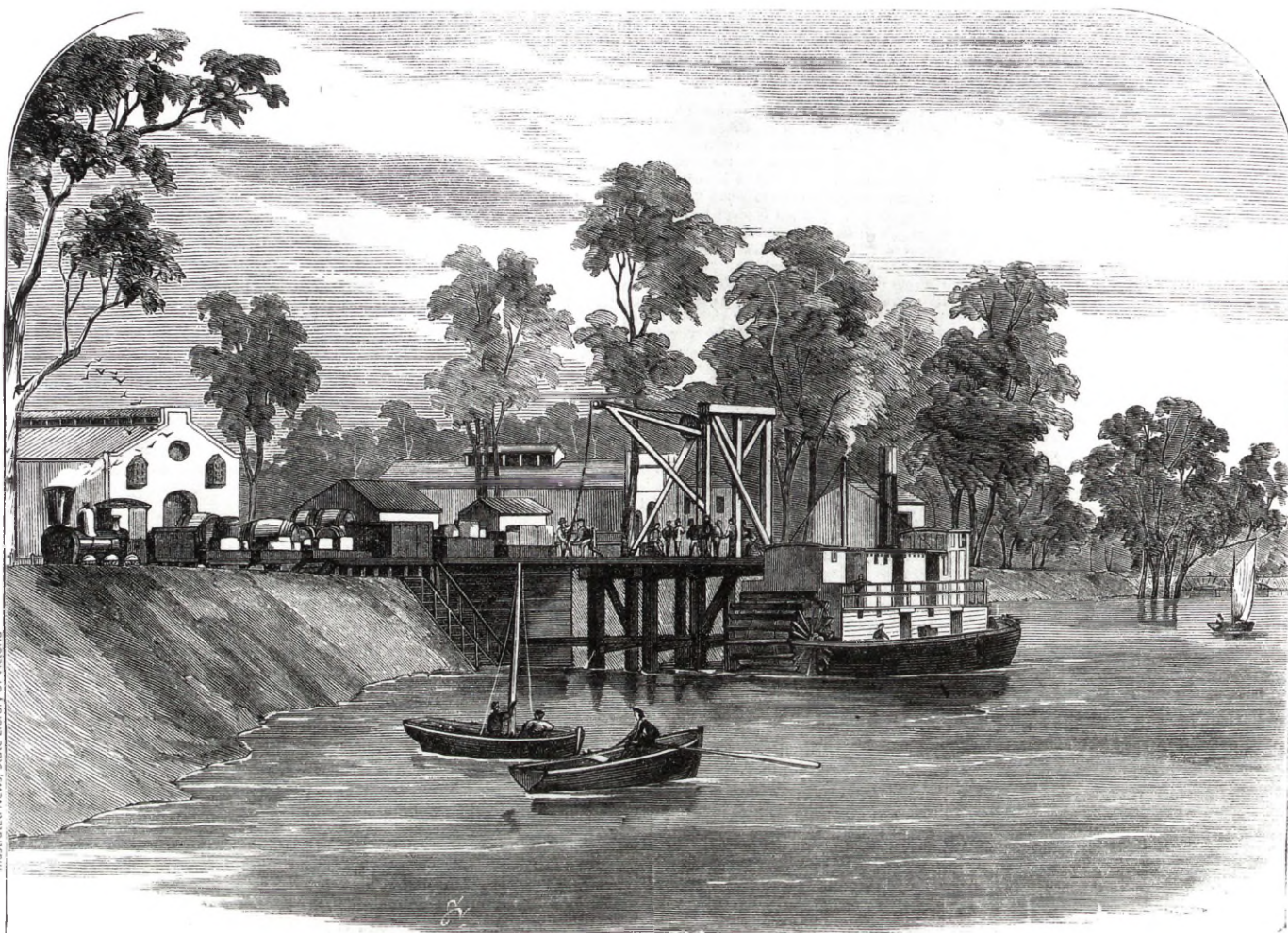
With the introduction of paddle-wheel steamers, the Murray River became both the central trade route into the interior and also a major focus of bitter inter-colonial disputes.

The introduction of border duties between the Australian colonies in

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A trip down the Murray River, from Echuca to Wentworth





The Railway Wharf, Echuca. — [From a Sketch by Our Special Artist.]

the mid-1850s demonstrated how far apart politically each colony had begun to drift. The abolition of border duties was to be one of the major concerns of the 'Federation Fathers' in framing the Australian Constitution.

What, then, were these customs border duties and how did they come about?

Customs House at a bridge over the Murray River at Yarrawonga.



In 1851 with the subdivision of New South Wales, the British Government accepted Colonial Secretary Earl Grey's proposal that the right to collect customs and excise duties be transferred to the local authorities. That took place in October 1852.

Also in 1851, the separate Colony of Victoria was proclaimed. Prior to that it was known as the District of Port

Phillip and together with the Northern Territory and Queensland it was under the control of British colonial officials located in Sydney. At that time 'Duties of Customs' were being collected only at the seaports, by officials of the British Government—and solely for that government's benefit.

Until August 1852, there was no mention of the customs border duties, only to duties collected on the seacoasts. This was to change with the fixing of the Murray River as the state boundary between Victoria and New South Wales.

With the advent of the paddle-wheel steamer, the Murray River soon became a vital trade highway for Victoria, New South Wales and South Australia for both imports and exports. The first trading steamer

reached the New South Wales border town of Albury in 1855. These river steamers provided an essential service to inland centres lying between the River Murray and the Murrumbidgee. In doing so, they provided the catalyst for a trade war between each colony, fuelled by each colony's desire for economic power and prestige.

To all intents and purposes, the six colonies of Australia took on the appearance of individual foreign countries as far as the various inter-colonial Customs administrations were concerned. Apart from collecting the all-important government revenue and preventing smuggling, Customs officers were also entrusted with quarantine, immigration and the enforcement of the Passengers Act.

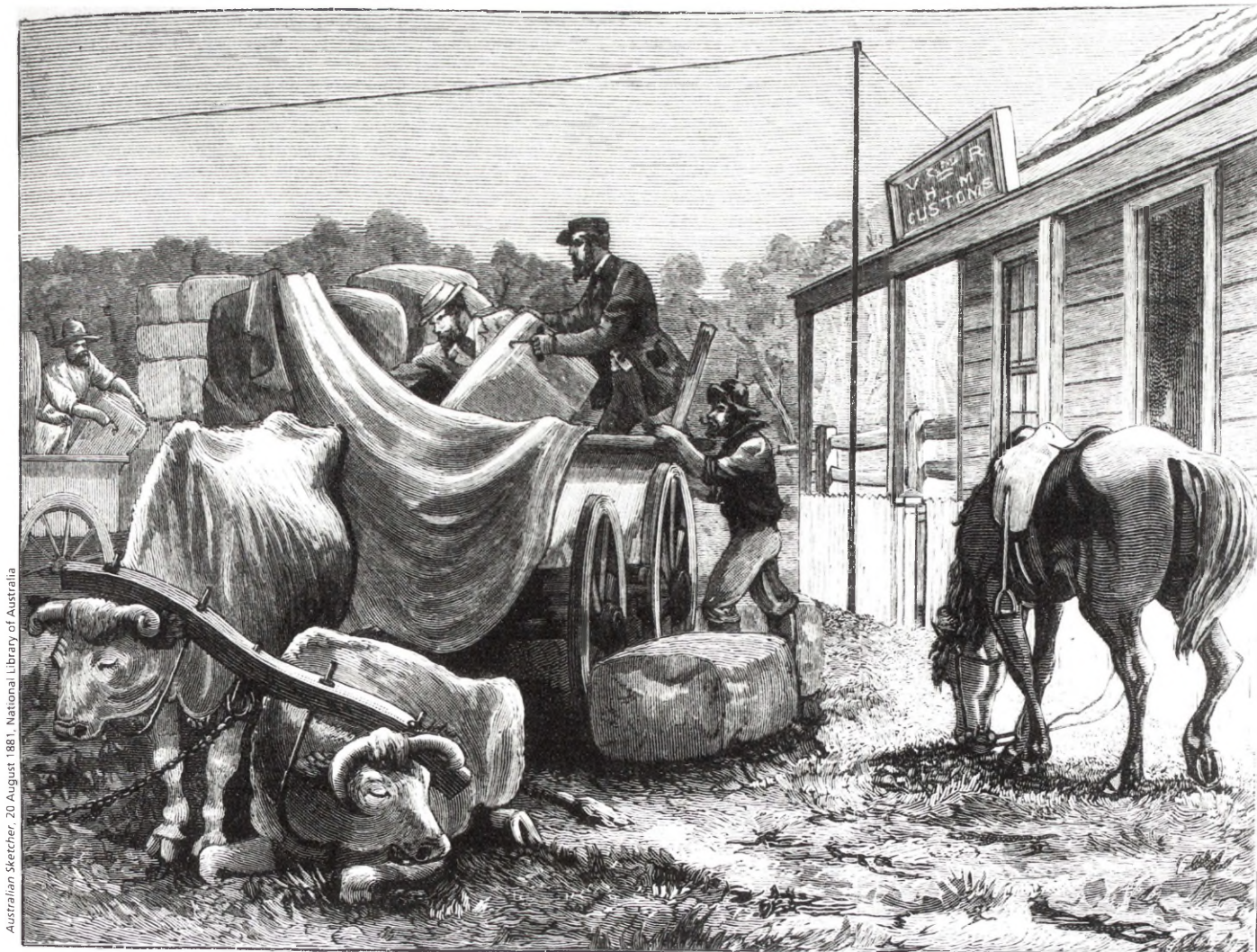
Victoria and New South Wales were the main protagonists in the Great Australian Customs Border Duties Conflict, which raged on, with intermittent truces, from 1852 to 1900. There was also occasional 'guerrilla' activity on one side or the other of the Murray River—or independently by South Australia, Tasmania and Queensland. Queensland became embroiled in the border conflict in 1870 when an extension of settlement into south-west Queensland opened up a sizeable market for dutiable goods.

Residents of the Riverina district in New South Wales and, to a lesser extent, others on the Murray River who were now on the wrong side of the border, were the worst affected in this fight between the colonies of

Victoria and New South Wales. The shorter distance from the port of Melbourne to the Riverina (compared to the port of Sydney) meant that most of the requirements of the Riverina were being supplied by Victoria – and thus New South Wales lost out on import revenue.

To counter this revenue loss to New South Wales, in March 1853 the colony appointed Henry Hopewood (a police officer stationed at Albury) to keep a note of all goods crossing to the Riverina from Victoria. In addition, New South Wales issued a proclamation applying the same Customs duty rate to the Murray River border as that applying to imports on the coast. In June 1853, New South Wales appointed John Kelly as its sub-collector at Albury to levy 'imports'.

Passing Customs inspection at Wodonga, Victoria.



Australian Sketcher, 20 August 1881, National Library of Australia



Echuca wharf—loading

The major battleground on customs border issues was to be the Murray River. Residents on the border found they were frequently compelled to pay double duty and consequently an extensive smuggling network developed. This battle covered not only the movement of legitimate goods crossing the border between Victoria and New South Wales but also smuggling to and from overseas on Murray River steamers at the South Australian border. The latter activity being profitable as Victoria, New South Wales and South Australia each had different tariff rates.

To counter this duty evasion at the South Australian border, an officer was stationed there to collect duties on all goods passing up river to New South Wales.

The colonial government of Victoria also needed increased Customs

revenue to create additional employment opportunities for its growing population, which had expanded rapidly during the gold-rush era of the 1840s and 1850s and which was suffering economically in the post-gold rush era.

Victorian Customs Border Duties seemed to be 'the solution'. They were first imposed in November 1854 with the appointment of J P Hanify as sub-collector at Belvoir—the official name for what is now Wodonga.

Between 1856 and 1858, Victorian Customs Border duties were generally the highest. For example, the Victorian duty on beer was 6 pence a gallon as against 2 pence in South Australia and 1 pence in New South Wales. One driver who, unknown to his employer, bought a gallon of beer in Albury, was searched at Wodonga,

three miles across the Murray River and was charged with smuggling and his team of horses, wagon and load were confiscated. It cost his employer £33 to redeem them.

On the other hand, a Wodonga baker earned a public eulogy by literally driving a horse and cart through the letter of the law. He took advantage of the omission of dough from the Victorian tariff to buy the cheaper New South Wales flour in Albury, mix it there, then bring it back to Wodonga for baking.

In 1855, with borders in dispute, NSW enacted that the whole bed of the Murray River belonged to it—deeming the Victorian/New South Wales border as being the high water mark on the Victorian side. Victoria argued its right to joint ownership and free navigation, but never proved its case.

A trip down the Murray River, from Echuca to Wentworth.



Ultimately the irritations, delays and the cost of maintaining inland Customs border posts between the colonies became a crucial element in the Federation debate. It was also argued that border duties between the colonies interfered with trade and disrupted travellers.

The abolishing of inter-colonial customs duties between the colonies and the establishment of a Customs union common to all Australia was to be enshrined in the Federal Constitution of 1901.

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Australian trade statistics among 'best in the world'

Due to a good working relationship between the Australian Customs Service and the Australian Bureau of Statistics (ABS), trade statistics available from the ABS are now 'among the best in the world'.

Mr George Stockham, Director of Customs Planning and Performance Analysis Unit, says the statistics in ABS publications such as *International Merchandise Trade* are compiled by the ABS from information submitted to Customs by exporters, importers or their agents.

"Every night, Customs sends the ABS the full descriptions of all import and export consignments collected from Customs clearance declarations that day," Mr Stockham said.

"This information has already been vetted by Customs for accuracy, but the Bureau further cross-checks the information with other sources unavailable to Customs. Additionally, Customs has its own audit program

to cater for errors not detected at the time of initial reporting. The final result is a set of statistics more accurate than those derived from the initial reports of importers and exporters.

The ABS uses Customs information for many of its trade publications and offers consultancies on exports and imports, including:

- commodity information;
- value of goods—customs value;
- country of origin for imports;
- country of final destination for exports;
- nature of entry details;
- import duty rates; and
- amount of duty paid on goods cleared.

"Data collected by Customs is used to compile essential information about Australia's trade role at an international level," Mr Stockham said.

"These statistics assist businesses competing in international trade, assist the Federal Government to formulate and monitor policy initiatives, and act as a guide for international trade negotiations.

"Internationally, many other Customs administrations produce and publish trade figures and then supply them to their national statistical bureaus. However, studies by ABS have concluded that Australian statistics are amongst the best in the world."