

## SO FAR AND YET SO CLOSE: FRONTIER CATTLE RANCHING IN WESTERN PRAIRIE CANADA AND THE NORTHERN TERRITORY OF AUSTRALIA By Warren M. Elofson

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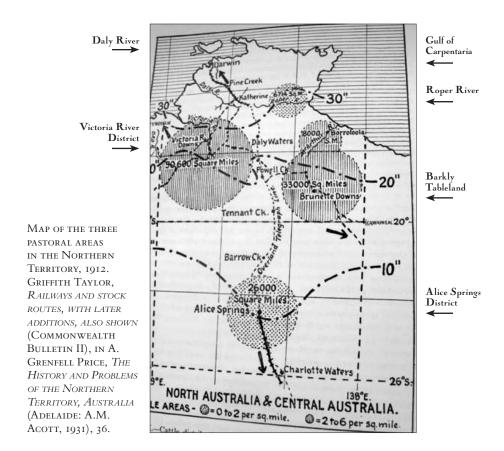
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## THE SHORTER HISTORY OF THE TEXAS SYSTEM IN NORTHERN AUSTRALIA

At the time the Eastern and British corporations were instigating open range grazing in the Canadian West similar companies, almost all owned by Australians, were introducing it to the Northern Territory. Despite the fact that the men who financed the Australian companies had more grazing experience and more realistic ambitions than their counterparts in Canada, and that the open range system was ultimately to prove amenable to the Territorial environment, their operations were destined to fail at a very rapid pace. Many years after the fact, Alfred Giles, who between 1877 and 1879 drove one of the first big livestock herds to the Territory, remembered that in the southern part of the Territory around Alice Springs "few if any of the original lessers of these great pastoral areas of the Finke River and MacDonnell ranges" survived. Indeed, "all went out" in rapid succession "after suffering enormous losses." To verify this, he said, "one should read the evidence given before the 1897 Pastoral Commission by the late A.G. Downer and published in the South Australian Gazette and Colonial Register of May 25, 1926."2 "It shows that" Edward Mead Bagot and Churchill Smith, the first owners of Undoolya station several miles east of Alice Springs, "lost everything" and Andrew Tennant and John Love to whom they sold that station also "lost heavily." Mr. A.M. Woolridge "with others lost 20,000 pounds in Barrow Creek properties" 200 miles north of Alice Springs. F.A. Grant and F.W. Stokes "lost 50,000 pounds in



Idracowra" and other ventures on the Finke River south of Alice. "Two young Englishmen, Parker and Walker of Glen Helen" northwest/west of the town "lost everything." Richard Warburton at Horseshoe Bend south of Idracowra "lost heavily," and "the same" applied "to the several early owners of the Crown Point properties south of Horseshoe Bend." The "late Joseph and William Gilbert" also lost a large fortune at Owen Springs in the MacDonnell Range west of Alice Springs.<sup>3</sup> To indicate that the failures were pretty much universal, Giles ended his discussion with the words "and so it goes on." Because he was quoting from the commission report he named properties in the southern pastoral area only. However, he noted that similar losses had been experienced by "scores" of the first pastoralists in the other two grazing districts – the Victoria River area and the Barkly Tableland, both of which were in northern parts of

the Territory. The map above shows the three main grazing districts as of 1912.<sup>4</sup>

Giles probably knew as much about Territorial developments generally as anyone. In 1879 he had started the first operating pastoral business at Springvale north of the Daly River near the town of Katherine, and he was often hired by organizations interested in investing in the outback to explore and report on the potential of specific parcels.<sup>5</sup> Unfortunately he did not give an in-depth explanation for the failures he enumerated. The main point here is that one of the reasons the Australian stations declined so rapidly was *not* the same frantic over-estimation of the frontier that afflicted North American investors.

From 1863 to 1911 the Territory was under the administrative control of the state of South Australia. As in Canada, one of the factors that triggered investment was a favourable financial arrangement. Initially pastoral rents had been set at six pence per square mile for the first seven years of a twenty-five-year term and ten shillings per square mile thereafter. With only a few exceptions, potential investors were unwilling to take out leases under those conditions since in the state of South Australia land was available at just two shillings and six pence per square mile per year for an entire twenty-five-year term.<sup>6</sup> In 1881 the regulations were revised to give prospective lessees in the Territory the same deal as in South Australia only with an introductory period of seven years when the charge was just six pence per square mile per year.<sup>7</sup> They were also given three years to stock their land. This helped to set off a wave of new applications. The first stations were, like the great ranches in Canada, relatively speaking very large and in the majority of cases incorporated.

The Territorial environment posed some major challenges to frontier graziers too. The Victoria River district contained the largest of the three pastoral areas. It ran along both sides of the Victoria River with the Daly River to the north and the eastern boundary of West Australia to the west. As mean annual temperatures typically range near 30 degrees Celsius throughout the Territory, the main concern of all cattlemen was (and is) rainfall to sustain both vegetation and animal health. The Victoria River country receives an average of nearly forty inches a year in its northern regions, which is ample. Further south, however, drought is a constant threat, as around fifteen inches is the norm. For stock drinking water, some of the Victoria River district is reasonably well supplied with

numerous small lakes or "billabongs" in its undulating terrain that swell in size during the wet season, or "wet," from December through February and fade but do not normally disappear during the long dry season, or "dry," from June through August. In some parts of the district where the grasses are suited to grazing, however, surface water is not what one would describe as plentiful.8 When asked about the situation on the bestknown station - Victoria River Downs - one of the employees stated in 1895 that the company's land was not really "well watered" but that there was "good water on it." He added that "there are . . . many waterholes which could be made good watering places" if dams were constructed.9 Dams to increase the size of billabongs or to create reservoirs in rivers and streams would undoubtedly have been helpful, but the rough and rocky terrain made carting materials and workers to the appropriate sites difficult and expensive. Most stations eventually drilled for sub-artesian water but the wells varied considerably in depth and in both the quantity and quality of the water.<sup>10</sup> They were also extremely expensive to drill.<sup>11</sup>

In the heavy clay soils of this district there are treeless grasslands, but grasslands with widely spaced eucalyptus shrubs and low trees are more common. Pasture is characterized by several perennial "drought-evading tussock grasses." The commonest of these are Barley Mitchell grass, native panic, blue grasses, feathertop, and Bull Mitchell grass. Normally the spaces between the tussocks also have a fairly dense cover of Flinders grasses and other drought-evading varieties. These mixed species are more nutritious than the Mitchell grass that dominates the Barkly Tableland to the east, and thus the best grazing areas have a "slightly higher carrying capacity" than the latter region. <sup>12</sup> In the Victoria region as in most of the rest of the Territory, cattle tend to do well when new growth grass appears during and immediately following the rainy season but then are liable to stagnate and even lose weight as the grass becomes tall, coarse, and relatively unpalatable. <sup>13</sup>

The Barkly Tableland region runs along the McArthur River in the north and then parallels the west coast of the Gulf of Carpentaria from about 100 miles inland. It extends to the border of the state of Queensland to the southeast. The Alexandria is the largest and probably the best-known cattle station in the region. It is one of only a few corporations in the Northern Territory to endure to modern times under the control of the original owner families. Presumably this is mainly because its

first shareholders, Queensland pastoralists Robert, Martin, and William Collins; Sir Thomas McIlwraith; William Forrest; and the proprietor of the Illustrated London News, Sir William Ingram, were able to supply the necessary capital to keep it operative through difficult times. 14 The second biggest of the cattle runs was Brunette Downs, which was taken over by New South Wales pastoralist James C. White in 1904 and remained under the control of his extended family until the King ranch of Texas bought it in 1958.<sup>15</sup> Throughout the Tableland the most important grass species for grazing is the tall Mitchell grass, which is hardy with long roots and thus well adapted to dry soils and periods of drought. It predominates over short-lived varieties including Flinders grasses, which tend to come on after the rains. Annual temperatures in the region are about the same as in the Victoria River district. The northern parts receive about thirty inches of rain annually while the southernmost parts receive about twelve inches. Soils are stony or leached and low on phosphorus and other minerals.<sup>16</sup> In its early stages of growth the Mitchell grass is nutritious. However, during the growing season, which is about nineteen weeks in the north and only seven weeks in the south, it also becomes unpalatable as it matures. At that stage cattle graze the more temporary varieties, but as they deplete them they are forced back to the Mitchell grass at which time they might lose weight to the point of morbidity. The Tableland has few sustainable water surfaces. Cattlemen understood that conservation was imperative. Dams across creek beds did not work well because, due to the relatively flat terrain in the region, the waterways are shallow and slow moving and during the long hot "drys" are readily depleted by evaporation.<sup>17</sup> Therefore, sub-artesian wells were needed. However, at the outset cattlemen attempted to operate without them. When drought set in, their herds suffered greatly. Unremitting dry spells occurred in 1883, 1884, and 1889 and conditions were so severe in 1892 and 1893 that "none of the principal watercourses ran" for two and a half years. 18 In 1897 the rains again failed to come; Alexandria Downs lost 5,000 head of cattle and Alroy Downs lost 1,500.19 At times, moreover, there was sudden torrential rainfall with flash flooding so severe that it could carry off and drown full-grown cattle. And even under normal circumstances, scorching heat during the dry season was a major threat to newborn calves, as the low Eucalyptus trees are too widely spaced to provide adequate shade. Some years many died from exposure.20

The southern Alice Springs region is more or less in the centre of the Australian continent. Rainfall is sparse in all parts of this region. From south to north it fluctuates between eight and twelve inches. There is practically no permanent surface water, so here too stock would eventually have to be supplied from sub-artesian bores. The Finke and Palmer Rivers and a multiplicity of creeks – including the McMinn, Maloney's, Five Mile, No 6, and Napplebar – flow through the region, and though they fill to overflowing when the rain comes, often flooding the plains around them, they turn into dry, sandy beds shortly after the rains stop. These rivers and streams feed some fifteen waterholes that normally provide drinking water for longer periods but usually also eventually dry up.<sup>21</sup> The Finke River has nine water holes along its route, though it normally only flows for from a few hours up to a week or two from its headwaters in the midst of the western MacDonnell Mountain Range to the west of Alice.

Due to the sporadic and unreliable nature of the rainfall throughout the year, there is no definite growing season in this region. The bulk of the grazing is done on an assortment of short grasses and broad-leafed herbaceous plants. The grasses generally are the more palatable and nutritious options. Kerosene grass and oat grass are most common after summer precipitation, while broad-leafed varieties such as white and yellow daisy follow wet spells. Initially, particularly in the summer, these species provide good pasturage, but after they are consumed stock are forced to subsist on the less nutritious drought-resisting spiny-leaved tussock-forming grasses loosely referred to as inland spinifex, and on the leaves of Acacia and other shrubs and low trees.<sup>22</sup>

As in the other two regions, corporations predominated among the initial lessees in the Alice Springs area. However, eventually more family operations began to take over there.<sup>23</sup> This seems to be a reflection of the fact that both dry spells and flash floods are somewhat more frequent and less predictable here than in any other parts of the Territory. It thus required a closer hands-on form of management to keep track of the herds and to move them out of harm's way when the rivers overflowed their banks and to drive them to better pastures or to cut out and sell marketable cattle when some grasslands were depleted by incessant heat.<sup>24</sup> Two very well-known properties were settled around Alice Springs well before the big rush for leases in the Northern Territory began and then were



EMILY GAP, ALICE SPRINGS DISTRICT. NORTHERN TERRITORY LIBRARY, DARWIN, ANDREW SMITH COLLECTION, PHO409/0018.

taken over by one family that kept them through to the modern period. In 1872 William J. Gilbert leased the nine hundred square miles of Owen Springs, the first station in the Territory, to the west of the town of Alice Springs and E.M. Bagot leased Undoolya, which covered six hundred square miles to the east of the town. Thereafter the two leases changed hands a number of times before William Hayes, with wife Mary and six children, took over both of them between 1903 and 1908. In the beginning the lessees were dependent on two semi-permanent water sources, the abundant Owen Springs on the Owen Springs station and Emily Gap on Undoolya, which collects water flowing out of the eastern MacDonnell Mountain Range.<sup>25</sup> After they took over the properties the Hayeses drilled and expanded an ever-growing array of wells as and when their financial position permitted.<sup>26</sup>

It is the previous pastoral experience of the owners in all three of the major grazing districts in the Territory that sets them apart from the

venture capitalists who headed to western Canada. As we have seen, four out of five of the original partners in Alexandria had been graziers before they headed north. In the Victoria River district, Charles Brown Fisher, an Australian pastoralist originally from London, founded Victoria River Downs, though his partner, Maurice Lyons, was a Melbourne magistrate. Nat Buchanan, co-owner at Wave Hill in the same district, was a famous explorer, drover, and Queensland cattleman. <sup>27</sup> E.M. (Ned) Bagot, the first investor in Undoolya, was a railway contractor, stock and station agent, and pastoralist from Kapunda in South Australia.<sup>28</sup> William Gilbert was also a cattleman from that state. Dr. William James Browne, who leased three runs - Springvale near Katherine on the Katherine River in the far north, Newcastle Waters on the western edge of the Tableland, and Delamere in the Victoria River region – was an English-born Melburnian who had a chain of stations in South Australia when he took out his Territorial leases.<sup>29</sup> Sir Thomas Elder, who purchased the Owen Springs station years before the Hayes family bought it, was a founding partner in Elder, Smith & Co, which over the years built up a grazing conglomerate stretching across the continent. F.A. Grant and F.W. Stokes, who took over Glen Helen and Idracowra in the early 1890s, brought in their stock from their Bendleby station in South Australia.<sup>30</sup>

One reason why pastorally naive venture capitalists of the sort that appeared on the western Canadian frontier were not drawn to the outback was the relative scarcity of print media hyperbole promoting the region in the years preceding and shortly after settlement began. True, there were some rather widely read expressions of hope that this opening land would be productive. However, compared to many enthusiastic descriptions of the northern Great Plains, the media accounts about this region were relatively moderate. Probably those that got the most public attention were the reports of explorer Alexander Forrest. In 1879 Forrest led a party from Perth on the western coast of the state of West Australia through to Katherine. He kept a journal, and extracts from it were published in southern urban newspapers. Along with the party's various tribulations, including having to butcher and eat some of their own horses to avoid starvation, Forrest described in relatively restrained tones some "twenty millions of acres, suitable for pastoral purposes" and even a large area he felt could be utilized "for the growth of sugar, coffee, and rice." Other favourable comments were contained in one or two documents written by

officials working for the South Australian government, whom one might expect to have positive views about the land they administered.<sup>32</sup> The country near Delamere station in the Victoria River district "produces herbs and grasses of a most fattening character, similar to many that are found on some of the best cattle stations in Queensland," the Government Resident at Palmerston reported on the basis of very little evidence in 1883.33 After buying out his partner in 1886, Charles Fisher was forced by financial difficulties to seek shareholders in Britain.<sup>34</sup> Instead of taking this as an ominous sign about the industry in general, the Government Resident gleefully announced "the beginning of a new epoch in Northern Territory pastoral occupation." Up to now "the northern portion of the Territory has been depending almost entirely upon the enterprise and capital" of Australians. "In securing the active co-operation of English investors who possess large city connections, after most careful investigation on their part of the freehold land and leases, the suitability of the soil and climate for stock breeding and fattening and cultivation has received a signal confirmation." What Fisher had done was form the Northern Territory Pastoral Company to take over his holdings, which included the Victoria River Downs station, and raised some 300,000 pounds sterling on the London stock market.<sup>35</sup> In 1889 the company would back out of the arrangement and let the holdings revert to the original mortgagee, Goldsborough, Mort and Company of Adelaide. The shareholders were later to sue Fisher and Goldsborough, Mort in the Court of Chancery in London for fraud.<sup>36</sup> Local Territorial newspapers that were anxious to "boost" business through increased settlement were also inclined to offer optimistic estimates of the Territory's pastoral resources. The "magnificent" land on the Barkly Tableland, the Northern Territory Times predicted, "will be the choice of the Territory, for it is second to none for fattening qualities, and growing wool."37

However, none of the representations one finds in print exuded the wild enthusiasm that James Cox identified with respect to the North American ranching frontiers. Moreover, while the Australian press displayed admiration for Texan ranchers and their methods it was also prepared to acknowledge their financial challenges. In 1879 the *Brisbane Courier*, citing the *Weekly Drovers' Journal*, stated: "even the highest average prices named for the best cattle" in recent times in Britain "do not exceed 17 s[hillings] 8 [pence] for bullocks and 10 s[hillings] for cows

per 100 lb." This, it argued, should "dispel the idea . . . of shipping" live cattle to England from Australia "seeing that, even at the above prices, the Americans do not find the traffic very remunerative." In 1880 the *Northern Star* warned that "the margin in the cattle driving business is now considered so close" in Texas "that buyers hesitate before they close a contract. Profits are estimated by cents, almost, where they were formerly calculated by dollars." <sup>39</sup>

One fact that requires an explanation from anyone attempting to exonerate the Australians of over-exuberance is the vastness of their holdings. Most of the Territorial stations make the great ranches on the northern Great Plains look tiny; and only part of the difference can be explained by disparate carrying capacity of the natural grasslands in the individual regions. Lessees anticipated that the ratio of cattle to area in the two more northern grazing districts in the Northern Territory would be one animal for from every forty to around ninety acres. Initially, the Canadian ranchers thought they would be able to run one cow or cow/calf pair or yearling steer for every ten acres. 40 Thus one might expect the bigger holdings down under to be from four to nine times the size of the Canadian ones, when in fact they tended on average to be from five to nearly ninety times larger. In 1888 the bigger Canadian ranches leased from 10,000 to 300,000 acres and the average amount of land per ranch was about 30,000 acres.41 At one time the Cochrane and Walrond each held about 300,000 acres, the Oxley 216,640 acres, and Bar U 157,940 acres. The biggest investors in the northern regions of the Northern Territory were Fisher and Lyons. By 1881 they had leased 34,000 square miles (21,760,000 acres) for four separate stations and they had also purchased 40,772 acres. Including improvements, their total initial investment was apparently nearly a quarter million pounds sterling (about \$1,250,000). Dr. William Browne leased 2,848 square miles (1,834,963 acres) for his three stations;<sup>42</sup> John Costello at Lake Nash and the Limmen Bight leased 11,044 square miles (7,068,160acres);<sup>43</sup> the Northern Australia Pastoral Company's Alexandria station covered some 12,243 square miles (7,835,520 acres);<sup>44</sup> the Guthrie family's Avon Downs, to the south of the latter, covered over 2,000 square miles (1,280,000 acres);45 and to the west and north Brunette Downs, Eva Downs, and Walhallow station had at one stage, under a single ownership, a total of 10,000 square miles (6,400,000 acres). 46 Around Alice Springs the leases were smaller. However, even there they were many

times bigger than the *average* corporation ranches in Canada.<sup>47</sup> J. Gilbert's Owen Springs, for instance, encompassed 1,200 square miles, or 768,000 acres; Undoolya 1,199 square miles, or 767,360 acres;<sup>48</sup> and Idracowra covered a total of 3,034 square miles, or 1,941,760 acres.<sup>49</sup>

Moreover, for many years the Australians never approached grasslands capacity in terms of herd numbers - unlike the Canadians, who, as we will see, severely overgrazed. A survey published after a thorough onsite assessment of the runs in the Barkly region as late as 1923 noted that virtually none of them had yet reached the point of overuse. Newcastle Waters, which could have been running 24,220 head based on the feed its pastures produced, had a mere 8,269 cattle and 780 horses;<sup>50</sup> Anthony Lagoon Cattle Station, covering 1,260 square miles and with an estimated grass carrying capacity of 15,120 head, had 2,196 cattle and 290 horses;<sup>51</sup> Brunette Downs, capable of running 89,060 head, had 20,461 cattle and 742 horses;<sup>52</sup> and Alexandria, which by then had enough land for 160,000 head of cattle, had a mere 42,962.53 Evidence suggests that in the other two major pastoral regions the tendency was also to undergraze. For instance, in the 1890s the Victoria River Downs station, which had 8,264 square miles of land and which, according to one of its principal participants, had yet to properly develop its waterholes, was running 30,000 cattle and 500 horses when it might have grazed three to six times that many.54 Undoolya, then under Tennant and Love, leased 1,100 square miles in 1883 for 4,000 cattle when its pastures could have carried at least double that number.55

On the basis of such statistics it could be argued that the Northern Territorians simply lost sight of reality when they applied for their leases by laying claim to far more land than they could ever hope to stock. On close examination, however, size appears to reflect practical thinking on the part of the owners rather than unjustified euphoria. Previous grazing experience had taught the principal investors in the Territory that the major potential challenge to their industry in almost any region of the country was aridity and drought. It would be going too far to suggest that all these men had been open range pastoralists before they headed to the new frontier. Many of the stations in the more southern regions of the country were closer to what might be called large mixed farms than ranches. In southern Queensland, New South Wales, and much of South Australia they cultivated fields and harvested grains and most ran more

sheep than cattle. However, the majority of operations incorporated a significant grazing component and the owners undoubtedly understood what the greatest natural threat to their industry was continent wide.<sup>56</sup> Above all, these cattlemen knew to be concerned about the possibility that extended periods without rain could cause a lot of the surface water to dry up altogether, leaving thousands of cattle in danger of dying from thirst.<sup>57</sup> The more land they held, they reckoned, the more natural supplies of water they were likely to find and the less likely this dire possibility. As they took over their new leases, their personnel scoured every inch of them for each and every river, creek, and billabong. Jeannie Gunn recalled, "We breakfasted at the Springs, surrounded by the soft forest beauty; ate our dinner . . . and spent the afternoon looking for a lost water-hole. . . . All we knew was that it was there . . . somewhere in that corner of the run – a deep permanent hole." It took "long wanderings and futile excursions up gullies and by-ways" to locate it.58 In 1890 one of the founding partners in the Alexandria run told the Government Resident that "we started out in 1882 with 2,000 cattle principally breeders," then we "bought 2,000 more. The cattle have increased moderately well, our herds now numbering over 10,000 head." However: "we found the country very indifferently watered, in fact there was not a drop of permanent water on any part of the 10,000 square miles we originally held. We have spent considerable sums of money in conserving water, partly in making dams and partly, and to greater advantage, by sinking wells; but the cost of labour is so excessive that we have been unable to make" these "improvements keep pace with the increase in our stock." The man confessed he lived in constant fear. "We are well aware that we are running a tremendous risk, and in any exceptionally dry season may lose a large proportion of our stock."59

There was good reason for such caution. At times, despite it, some stations lost heavily when the rains did not come. "At many of the" depleted "waterholes quantities of dead cattle are lying rotting on the banks and polluting what little water there is to such an extent as to make it unserviceable for both man and beast," a newspaper article announced in 1883. Along with their own past history, such occurrences convinced pastoralists that they could not be confident about the success of their industry in the Northern Territory until sufficient water supplies were secured. The media stoked this conviction. "No surface water between Renner Springs

and Anthony's Lagoon" on the Barkly Tableland, the *Northern Territory Times* noted in 1894, continuing: "Boring party at Brunette [Downs] struck unlimited water in No. 1 and No. 2 bore at 180 ft., but sinking continued to 250 ft. Now boring in No. 3." The amount of water found in this last well was expected to indicate much about "the future of the pastoral industry. It is generally conceded that given a plentiful supply . . . the . . . tableland will develop into one of the finest and richest pastoral areas to be found in the Commonwealth." <sup>61</sup>

The pastoralists who ventured into the Northern Territory in the late nineteenth century were actually trying to minimize their risks by leasing larger tracts of land than they needed to support the number of cattle they brought in to stock them. They believed that the more land they had, the greater chance of finding a pool or two or three of fresh drinking water hidden here and there that might save their stock when the hot Australian sun scorched the land and the rains failed them. Obviously they were not always successful, but given the climatic setting of their new hinterland they had the right approach. True, this did not prevent the first round of them from going quickly out of business, but it certainly made their position somewhat less precarious. As we will now see, the widespread failure of the first round of leaseholders in the Northern Territory was the result of a lot of other rather complex and largely insurmountable challenges.