

Geese and Golden Eggs: South Australia's Sandalwood Industry, 1925-1940.

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In China and India, sandalwood of the genus *Santalum* has for centuries been used in religious ceremonies for incense and joss sticks, and also for furniture items and coffins. Thousands of tonnes can be burned on a single funeral pyre.¹ Other aromatic woods, including some from Australia, have been used to supplement the sandalwood supply, but their quality is no match for the genuine article.²

A number of *Santalum* species are native to Australia; others to the South Pacific, Timor and Indonesia. *S. album* is generally considered to be the highest quality sandalwood, and once grew prolifically in India, but the demand outstripped the supply many years ago, and the species is now a plantation timber.³ Over a period of several hundred years, traders and pirates caused the almost complete disappearance of sandalwood from Timor and the Pacific Islands.

Australia's first flirtation with the sandalwood trade began in New South Wales in the early nineteenth century, when John Mcarthur and the emancipist Simeon Lord took Pacific Islands sandalwood to China, hoping to make a fortune selling Chinese goods back in Sydney. The venture failed, due in no small measure to the East India Company's trade barriers.⁴

Most of Australia's exports to China of the *Santalum spicatum* species of sandalwood have been from Western Australia, where the industry has continued almost unbroken from about 1847 to the present. *S. spicatum* is a very high quality sandalwood species which also occurs naturally in South Australia, despite its common name of 'Western Australian Sandalwood'. It was once, but is no longer, plentiful in the Flinders Ranges, around Whyalla, and north and west of Port Augusta. Another aromatic sandalwood, *S. lanceolatum*, grows in far northern South Australia, northern Western Australia, and in Queensland, from whence it has been exported for many years.⁵

S. spicatum has rough bark and greyish green, leathery leaves. All santalum varieties have leaves which are 'opposite' on the stalk. Two non-aromatic santalums grow in South Australia, one of which is the edible, red-fruited quandong (*S. acuminatum*). Another is the bitter peach, *S. murrayanum*. The leaves and fruit of sandalwood can vary depending on geography; for example the ripe fruit of *S. spicatum* is brown on the trees in the Minnipa area of South Australia, but red around Shark Bay in Western Australia.



Figure 1. Sandalwood fruit (*SantalumSpicatum*), north of Minnipa, SA. (Photo courtesy of Michael Jeffery.



Figure 2. Sandalwood fruit, near Shark Bay, SA. Photo courtesy of Stuart Jeffery.

Confusingly, the pitted nature of *Santalum* stones can vary, but generally speaking, *S. acuminatum* has the most deeply pitted stone of the three species, followed by *S. murrayanum* with slightly pitted stones and then *S. spicatum*, which has comparatively smooth stones. In the early years of the industry *S. spicatum* was sometimes referred to as ‘smooth stone quandong’.

All of the *Santalum* species are root parasites and need the close proximity of a host plant to survive – an important fact which was not recognised in the early years of Australia’s sandalwood industry. As explained later in this article, acquiring this knowledge was vital to the establishment of plantation sandalwood.

Sandalwood trees contain oil, especially in their roots, and the present day demand for oil is increasing. The oil has antimicrobial properties and genuine sandalwood oil has a wonderful aroma.⁶ Sandalwood trees are very slow growing, particularly in their native habitat, and the wood becomes more aromatic as the trees age. Persuading the seeds to germinate can be challenging.

South Australia’s sandalwood export industry was much smaller than that of Western Australia, and has been accorded little significance in the historical records.⁷ It was nevertheless of considerable importance to some South Australians, particularly during the 1920s and 1930s, and during that time the industry produced a useful return to the South Australian government in licence fees and royalties.⁸

The brevity of the South Australian industry was chiefly, and with glaring logic, caused by the eventual lack of supply in South Australia, because by about 1940 most of the trees had been removed. There were, however, other factors which contributed to the collapse of the industry over which South Australia had no control, including the Great Depression and the Sino-Japanese war. Sandalwood was a narrow and specialised export, dependent on the practice of traditional religion in China which in the 1930s was badly affected by war and natural disasters.

Since the nineteenth century it has been necessary to obtain government permission to harvest certain trees, including sandalwood, in South Australia. It was not until the mid-1920s, however, that the South Australian government actually specified what was meant by ‘sandalwood’, having previously confused different trees, including species of *Pittosporum* and *Myoporum*, when asked for permission to cut sandalwood.⁹ After several requests from Western Australians to harvest sandalwood in South Australia, South Australian government officials finally sorted out the botanical muddle and realized that Western Australian Sandalwood – *Fusanus persicarius* as it was then known – did not abruptly cease growing east of the Western Australian border.¹⁰

One of these Western Australians was William Skuthorp, of Goongarrie, WA, who in 1925 was granted a licence to cut, or pull, sandalwood on South Australian Crown land, subject to a royalty of 10/- per ton of timber being paid to the government.¹¹ The licencees were granted ‘pullers licences’ because they mostly removed the whole tree, including the roots. The South

Australian government soon realised that Western Australia was charging pullers £9 royalty per ton, and decided to charge £9.10.0.¹²

Applications for pullers licences quickly multiplied, and in the late 1920s and early 1930s the South Australian government was receiving up to £33,000 per annum in royalties from approximately 2,500 tons of sandalwood pulled each year.¹³ This quantity of pulled sandalwood was, of course, the officially recorded figure from Crown land. More was being taken and exported from private land, not to mention that taken illegally from Crown land.

Western Australia had previously been the only state exporting Australian sandalwood, and by 1928 the WA government was complaining, with some justification, that South Australia was flooding the market, creating a glut in China and bringing the price down. Stocks were accumulating in warehouses in Hong Kong and Shanghai and on the wharves in Australia.

The Western Australian government proposed a quota system to limit the total amount being exported from Australia. South Australia protested, having only recently discovered a good source of revenue through unrestricted pulling, but in the end recognised the need for quotas. These became law in both states in 1930, with Western Australia being allocated two-thirds and South Australia one-third of the total export quota. The discrepancy came about because South Australia was a late-comer in an export industry which Western Australia had built up over many years, and because of that state's far larger stands of sandalwood.

Western Australia and South Australia were the only Australian states exporting *S. spicatum* in any quantity. In the mid-1930s Queensland, exporting mainly *S. lanceolatum*, was persuaded by Western Australia to limit its exports, and the Federal government promised to keep the Northern Territory out of the market, officially at least.¹⁴ It is unclear whether New South Wales was exporting sandalwood. *S. spicatum* was not native to that state, so any exports would have been *S. lanceolatum*, or possibly other types of aromatic wood.¹⁵

In South Australia an important change with the enactment of the quota system was that the government would receive royalties on sandalwood harvested from private, as well as public land. The Co-operative Sandalwood Company (a branch of a Western Australian Company) was granted the sole export licence in SA, with pullers required to sell through the company rather than export through their own dealers.

The new rules were hotly resented in Port Augusta. The town was the main centre for the sandalwood industry, and from there the wood was shipped or railed to Port Adelaide. Under the new rules, the pullers were allocated a specific tonnage of timber which they collected, cleaned and then delivered to the Sandalwood Company. The Company paid the government royalty, and paid the pullers a set price per ton. Under the old rules licenced pullers or their dealers could pull and ship to China with no restriction, provided they paid the government royalty. The local Port Augusta paper, the *Transcontinental*, and the *Adelaide Advertiser* reported big public meetings and representations to parliament. The community was furious with the government for agreeing to the quota system and for granting a monopoly to the Sandalwood Company (The Co-operative Sandalwood Company, SA).¹⁶

At the time of the Great Depression the Port Augusta population saw the sandalwood trade as their great hope – for pullers, labourers who cleaned the wood, waterside workers, rail employees and owners of businesses. The community accused the government of ‘killing the goose that laid the golden egg’.¹⁷ It seems that they saw the unregulated export to China as the goose and the money resulting from the sales as the golden egg. Hindsight would show that the goose was in fact the fast disappearing sandalwood trees.

There was a certain irony surrounding the South Australian Sandalwood Act of 1930 and the fuss which followed. Apart from some far-sighted environmentalists, few realised that the heyday of the industry, in South Australia at least, had already passed.

South Australia was from the start disadvantaged by the Chinese buyers’ preference for sandalwood imported from Western Australia. This seems odd because *S. spicatum*, or Western Australian sandalwood, was the same species being exported from South Australia. It must be remembered, however, that Chinese agents had imported Western Australian sandalwood since the 1840s, and South Australia was a new-comer in a well-established industry.

There were also genuine differences in quality, despite the same species being exported from both states. This is clearly shown in a report by South Australian Director of Lands, E.J. Field. In 1936 Field visited China and obtained first hand information from the recipients of Australian sandalwood. These included agents and dealers, those who graded the wood and those who worked with and fashioned it. It seemed that South Australian operators were less meticulous than their Western Australian counterparts about preparing the wood for sale, and did not properly clean off the external bark and wood. Proper cleaning and preparation was crucial, as it is the aromatic interior heartwood which is valuable.¹⁸

Moreover the trees in South Australia tended to be smaller than those of the same species in Western Australia – consequently there was less heartwood per ton, a difference which can be observed today if remnant trees growing in South Australia are compared with, say, those growing in the Shark Bay region of Western Australia.



Figure 3. Sandalwood with saltbush host. Lake Gilles Conservation Park, near Kimba, SA.
Photo by Judith Jeffery.



Figure 4. Sandalwood tree (*Santalum spicatum*). Shark Bay, WA.
Photo courtesy of Stuart Jeffery.

Other serious difficulties which beset the industry as a whole were beyond Australian control. During the 1930s the Sandalwood Company's agents in China reported in great detail the problems at the consuming end of the market. These included widespread flooding in the Yangtze River Valley, which was the main centre of distribution, the communist uprising, the war with Japan, and how these problems adversely affected the practice of traditional religion in

China; that is, 'the maintenance of the time-honoured status of sandalwood as an article of worship'.¹⁹

But for South Australia the central issue was that of supply. It became increasingly evident in the 1930s that there was little point in talking about geese and golden eggs. As early as 1928, when the industry in South Australia was booming, Professor J.B. Cleland of Adelaide University, the SA Conservator of Forests, E. Julius, and the SA Inspector of Pastoral Lands, C.H. Goode, reported on the extraordinary rate at which sandalwood was being removed. Regeneration of these slow-growing trees could not keep up with the rate of pulling, in addition to the ravages on new growth by stock and rabbits. Their reports favoured setting aside certain areas 'for the purpose of the regeneration of sandalwood in order to prevent the total extermination of this valuable wood'.²⁰

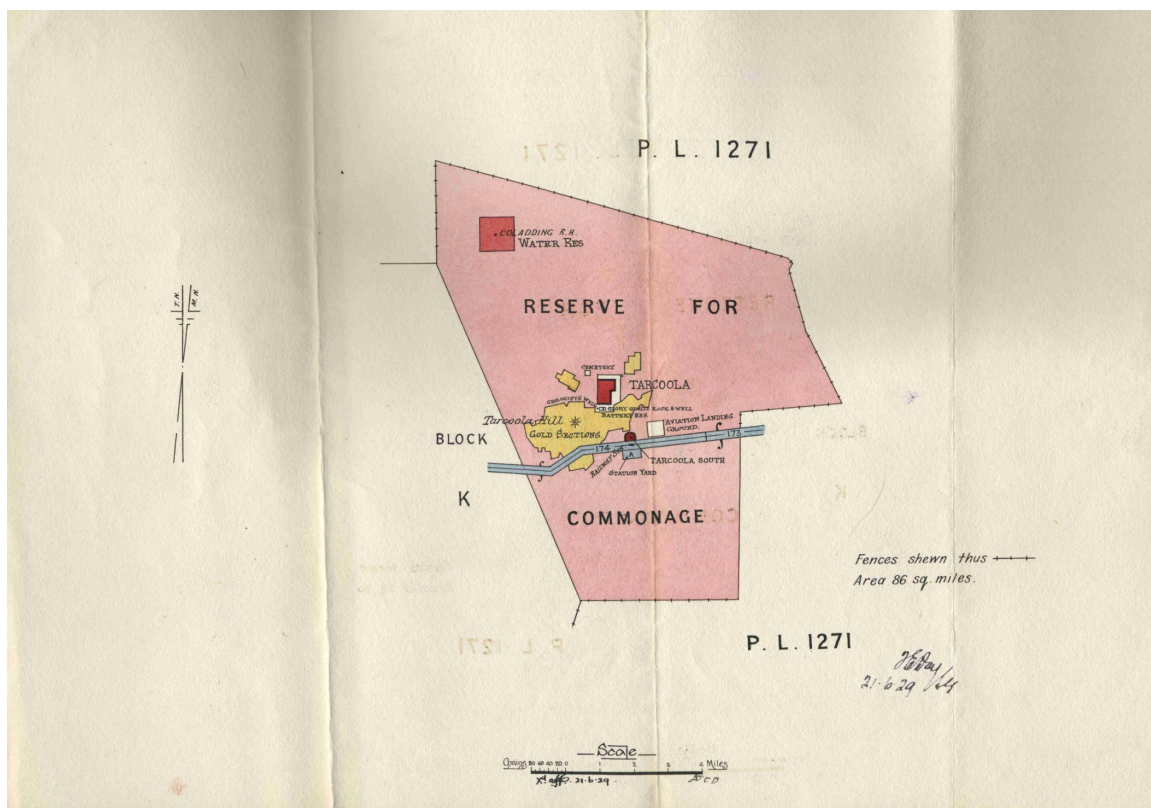


Figure 5. 1928 plan for a sandalwood plantation at Tarcoola, SA. Reference: State Records South Australia, GRG 35/104, File 2722 of 1928.

A 1928 Department of Lands and Survey map shows a proposed sandalwood plantation on the 'commonage' at Tarcoola, a small settlement on the East-West railway line. The plantation was never established. At that time plantations had been tried in Western Australia with mixed success, and it was common knowledge that sandalwood nuts do not germinate easily. And while the parasitic nature of *Santalum* was recognised by some in the Lands Department, it seems that in the 1920s the crucial nature of host plants had not yet been seriously studied.²¹



Figure 6. Young sandalwood (centre) with large saltbush hosts. John and Sue Grund's sandalwood plantation, Kimba, SA. Photo by Judith Jeffery.

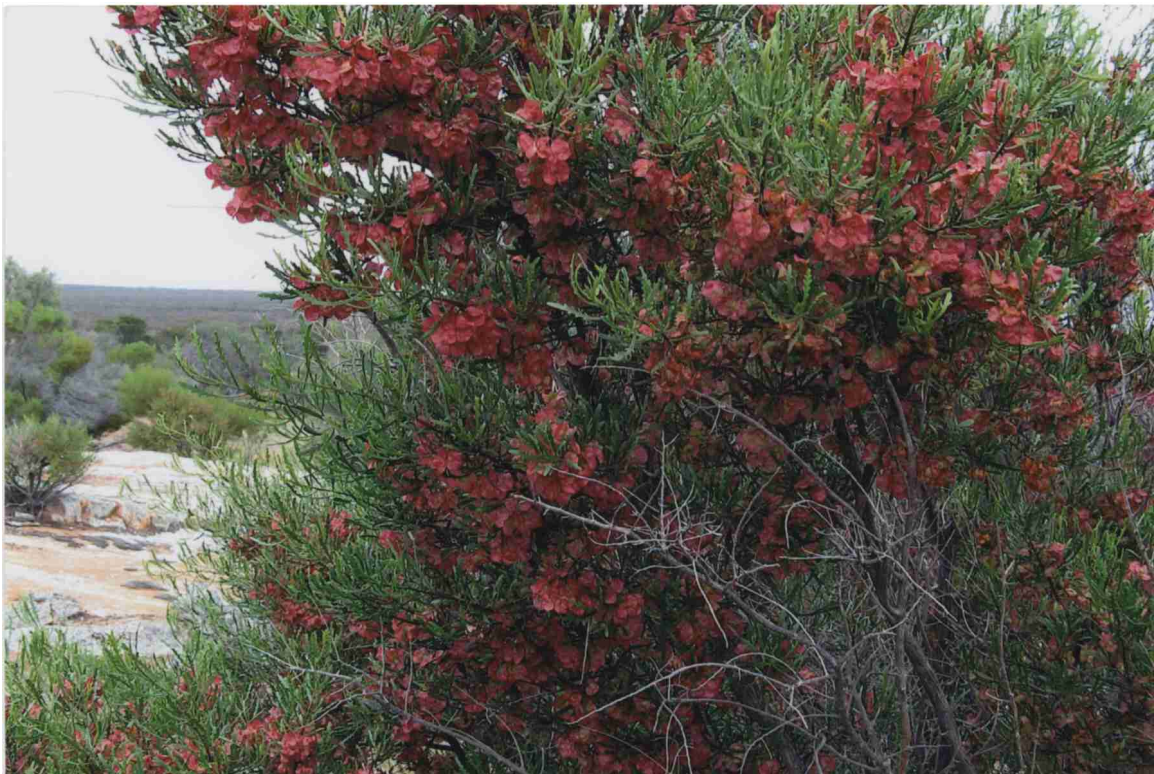


Figure 7. *Dodonaea* host plant. Lake Gilles Conservation Park, near Kimba. Photo by Judith Jeffery.

Until the mid 1930s the South Australian government received a useful revenue from royalties paid on sandalwood delivered to the wharves, and from licences paid by pullers. By the late 1930s, however, this revenue began to drop until by the early 1940s it had virtually disappeared.²² The government was more than willing to grant licences, but by then South Australian sandalwood was so scarce, and pullers needed to travel so far into the outback to harvest it, that few people applied.²³ Consequently there was little or no revenue from royalties or licences.

Western Australia, which had much greater stands of sandalwood and a longer established industry, was better able to withstand the factors which adversely affected the market; viz. natural disasters in China, the Sino-Japanese war, the Great Depression and World War Two.

Epilogue

Numerous successful plantations now exist in Western Australia, and ongoing experiments are being carried out using hybrid varieties of *Santalum*. There is a growing popular demand for genuine Sandalwood oil products, both locally and for export.

In the twenty-first century South Australia has an increasing number of plantations, and an expanding knowledge base about growing sandalwood.

Acknowledgements

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¹ For example the funerals of Rajiv Gandhi and Buddhist monk Sri Dhammananda (ABC Radio National, Religion Report, 13 September 2006).

² Substitutes include *Myoporum platycarpum*, or false sandalwood, which has a pleasant aroma when burnt, and the tree for which the town of Sandalwood in South Australia's Murray Mallee was named.

³ Pamela Statham, *The Australian Sandalwood Trade: Small but Significant*, University of Western Australia, 1988.

⁴ D.R. Hainsworth, 'In Search of a Staple: The Sydney Sandalwood Trade 1804-09', *Business Archives and History*, Vol v, 1964-5.

⁵ This article does not cover the history of Queensland's sandalwood industry.

⁶ In the 1920s and 1930s *S. lanceolatum* was pulled to extract oil from the roots for local sale, rather than export. See State Records South Australia (hereafter referred to as SRSA), GRG 35/104/2722/1928.

⁷ The history of the South Australian sandalwood industry can be pieced together largely through Government Record Group 35 (the Lands Department) at State Records South Australia.

⁸ See the South Australian Parliamentary Papers.

⁹ See, for example, SRSA, GRG 35/2/10200/1889.

¹⁰ SRSA, GRG 35/104/3345/1922; application from B. Paxton to cut sandalwood west of Port Augusta.

¹¹ SRSA, GRG 35/92/1, p. 1, letter to W. Skuthorp from the SA Secretary for Lands, 14 April 1925.

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- ¹² A three-monthly timber licence of £3.0.0 was included, but not the dray licence of 5/- for three months.
- ¹³ See Statistical Record, South Australian Parliamentary Papers.
- ¹⁴ SRSA, GRG 35/92/1, p. 221, letter to SA Premier from WA Premier, 14 Nov 1930; SRSA, GRG 35/92/2, pp. 99-100, letter to Qld Premier from WA Premier, 31 Aug., 1932.
- ¹⁵ SRSA, GRG 35/92/1, p. 229, discussion between S.L. Kessell (WA) and E.J. Field (SA). The records rarely state botanical names.
- ¹⁶ *Transcontinental*, 17 July, 4 September, 13 and 20 November, 1931; *Advertiser*, 17 and 27 November, 1931; SRSA, GRG 35/92/1, pp 371-2.
- ¹⁷ *Advertiser*, 5 December 1931, *Transcontinental*, 4 Sept. 1931;
- ¹⁸ Field, E.J. 'Report on the Sandalwood Industry in China, 1936', p 17, State Library of South Australia (SLSA), South Australian Books, 338.17497388 F454 c. Field's report may also be found in SRSA, GRG 35/93/3, Box 1.
- ¹⁹ SRSA, GRG 35/92/3, pp 188; Report from Lau Hon, Australian Sandalwood Company's representative in Shanghai, GRG 35/92/3, pp 376-98.
- ²⁰ Minutes of the Pastoral Board, SRSA, GRG 35/139, vol 1, p 89; GRG 35/104/2722/1928.
- ²¹ SRSA, GRG 35/2722/1928.
- ²² This can be followed in the Departmental reports published in the South Australian Parliamentary Papers.
- ²³ SRSA, GRG 35/104/4828/32, Meeting of the Sandalwood Licences Allocation Board, 21 April 1941.