

South Australia's Sandalwood Industry: 1926-1940

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Broken twig

If you take a deep breath you can almost smell the gorgeous sandalwood from this picture of a broken twig!

This is a work in progress paper, delivered by an historian, not a botanist.

South Australia's sandalwood industry, that is, cutting sandalwood and exporting it to China, ran from 1926 to about 1940. In 2007 it remains to be seen whether the industry will revive.

The Lands Department files in State Records contain a virtual diary of the industry. And as a kind of social history foil to the official record is the *Transcontinental* – the Port Augusta area paper, in the State Library.

Sandalwood is a common name which applies to many varieties of the genus *Santalum*, some of which grow in Australia. Other *Santalum* species grow in India, Timor, Indonesia, and various islands in the South Pacific. The highest quality sandalwood is probably *Santalum album* which is native to India and, I think, Timor. The Chinese imported sandalwood from Timor as early as the 13th century.



The fruit of sandalwood

Santalum spicatum, an Australian variety, is often called Western Australian sandalwood because that is where the biggest stands exist. It is a highly prized, very good quality sandalwood, which was first exported from Western Australia to China in the late 1840s.

Santalum spicatum also grows naturally in northern South Australia – through the Flinders Ranges, north and west of Port Augusta, around Whyalla and across the Nullabor. It occurs only in WA and SA. To a lesser extent the variety *Santalum lanceolatum* was also exported from South Australia, but *lanceolatum* has mainly been a Queensland export. The Queensland industry is another story – less closely connected than WA with the South Australian industry.

A couple of non-aromatic *Santalum* species grow in South Australia, one of which is quandong, and they can be confusingly similar in appearance.

Sandalwood contains oil, particularly in the roots. The trees are very slow-growing. Generally speaking old trees have the most aromatic wood.

In China in particular, and in India, sandalwood has been used for centuries in religious ceremonies – it is made into incense, joss sticks, and sometimes coffins for the rich. It was used for Rajiv Gandhi's funeral pyre.

In the early days, traders and pirates caused the virtual disappearance of sandalwood in Timor and the Pacific islands, although there is talk of Timor re-establishing its industry.

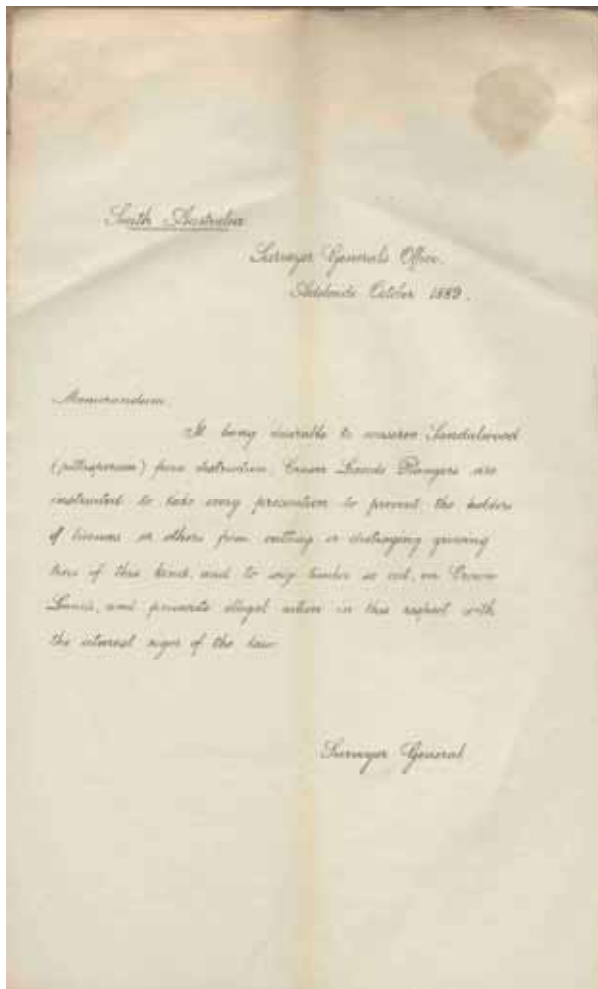
In NSW in the early 19th century, John MacArthur and Simeon Lord tried taking, not Australian sandalwood, but Pacific Islands sandalwood, to China hoping to make a killing with Chinese goods back in Sydney. Their efforts didn't succeed – there were too many trade barriers

So when did South Australians become interested in sandalwood?
At first there was a lot of confusion with identifying the tree.

Surveyor General's Office records show the industry beginning in 1926, when *Santalum spicatum* was first cut, with a government permit, for export.

However it seems that that even back in the 19th century regulations existed to control sandalwood cutting in SA.

What did the lawmakers mean by 'sandalwood'? In 1889 near Blanchetown several men were reported for cutting sandalwood. However they produced an authority from the Conservator of Forests which gave them permission to 'cut sandalwood on Crown Lands'. Typically, no species description was given.



**Surveyor Gen. Memorandum
Oct. 1889**

In an attempt to clear things up, Surveyor General George Goyder issued this memorandum. He describes the tree as 'pittasporum'. *Pittosporum* (native apricot - *Pittosporum phylliraeoides*) grows over much of South Australia, including around Blanchetown, but is not usually known as sandalwood.

Goyder's memorandum says that illegal sandalwood cutting would be dealt with, with 'the utmost rigor of the law.'

Why protect it? There is a handwritten note on the file which states that 'the sandalwood in

question ... is fetching a higher price in China than the real sandalwood.' The trees were fast disappearing, the note-taker claimed.

And so it seems that the Lands Department staff were well aware of WA's profitable industry, didn't realize that 'real sandalwood' grew in SA as well, and thought that SA nevertheless grew a substitute which could be exported, and they were worried about it being too quickly cut out.

So here was a conservation issue.

I suspect the trees in question were neither *Pittosporum* nor *Santalum* but *Myoporum platycarpum*, commonly known as false sandalwood, or sugarwood, which does have a nice aroma when burnt, and the tree for which it seems the town of Sandalwood in the Murray Mallee is named. In the 1930s a lot of this species of *Myoporum* was exported to China as a sandalwood substitute from Victoria and NSW. It was protected in SA because it was good drought stock fodder.



Sugarwood. This is Alan Lowe, a Ceduna farmer, standing in front of a largish sugarwood. Alan has a Quandong plantation, and is interested in sandalwood .



This is sandalwood - *Santalum spicatum*, north of Minnipa, south of the Gawler Ranges.

The trees are often scraggly, with rough bark. They have greyish green, leathery leaves, which are 'opposite' on the stalk, which is one of the ways of identifying *Santalum*.

To return to the history: In 1910 Mr E C Graham, of Eucla, requested permission from the SA Government to cut sandalwood. The genuine sandalwood grows around Eucla, and Graham probably already held a licence to cut it on the WA side of the border. His request was refused – no reason was given on the file but it seems that sandalwood, whatever it was thought to be, was still legally protected.

Unlike the 1889 file regarding Blanchetown there is no hint on this 1910 file that this could be a new source of revenue for SA, and there is no recognition that the request is to cut genuine sandalwood.

In 1922, there was a request from another Western Australian, Bert Paxton, to cut sandalwood, which was described as 'smooth stone quandong', along the east-west railway. Mention of the smooth stone pins it down nicely, because apart from the aroma, the smooth stone is one of the ways sandalwood can be distinguished from other *Santalum* species. Many people are familiar with the very rough, pitted stone of quandong.

Another *Santalum*, species *murrayanum*, which I suspect might have been wrongly exported as sandalwood, has slightly pitted stones – midway in appearance between the smooth stones of sandalwood and the heavily pitted quandong stones.

The different santalums can look confusingly similar, but also the same species can vary in appearance, perhaps depending on environmental conditions and geographical situation. The *Santalum spicatum* growing at Shark Bay in WA often has redder fruit and the trees tend to be taller than the same species around Minnipa in SA for example, and the smooth or pitted nature of the stones also seems to vary.

Red Shark Bay sandalwood fruit, looking like quandong.



A Shark Bay sandalwood tree.

Sandalwood is a root parasite. The sandalwood roots attach to the roots of a host plant, which amongst others can be various species of acacia, sometimes saltbush; also *Dodonaea*, *Senna*, *Allocasuarina* and others.

Eucalypts are apparently not host plants to *Santalum*.

Here are some hosts



This Sandalwood tree has as its host a small saltbush at the base (This is in Lake Gilles conservation park, near Kimba).

This is John and Sue Grund's plantation, on their farm near Kimba, where saltbush has been planted alternately with sandalwood.



This beautiful Dodonaea host is in the Lake Gilles conservation park.

Returning to Bert Paxton – I don't know whether his 1922 application finally succeeded, but, on reading the file it seems that there was a recognition that Western Australian sandalwood actually grew in SA.



And finally, in 1925, another Western Australian, William Skuthorp, was granted a licence to cut, or pull, sandalwood on Crown land, subject to a royalty of 10/- per ton of timber to be paid to the SA government.

The sandalwood cutters were known as 'pullers' and were granted 'puller's licences', because they removed the whole tree, including the roots. A bit of soil degradation, one would think!

The government soon realized that the WA government was charging sandalwood pullers, not a paltry 10/-, but £9 royalty per ton.

Skuthorp's licence was for one year only, and by about 1927 others, including the newly-formed South Australian Co-operative Sandalwood Co., had been granted licences to pull sandalwood on Crown land

The government was delighted, charging £9.10.0 per ton royalty – quite a rise from 10/-. Excellent income, although there was some revenue lost because some of the pullers slipped through the royalty net by falsely claiming the wood had come from private, rather than Crown land, something which was hard to police in remote areas.

In the late 1920s records show a huge amount of sandalwood being cut and exported out of SA. Moreover some was exported to China which doesn't show up in the official records.

By about 1928 the WA government was pricking up its ears. Until 1926 WA had the market virtually to itself, and now claimed, with some justification, that SA was flooding the market, bringing the price down and creating a glut.

Big stocks were building up on the wharves in both states, and some stacking up in China after being shipped there.

The WA government proposed a system of quotas to limit the total amount being exported from Australia. South Australia protested, because the government was doing very nicely from the royalties on unrestricted pulling, but in the end recognised the glut problem and agreed to the quotas.

WA was allocated about two-thirds of the annual quota, and SA about one-third. The South Australians in the end agreed to its one-third quota because

1. WA had over many years built an export market which SA was now taking advantage of, and
2. WA had larger stands of sandalwood than SA.

The quotas became law in SA through the Sandalwood Act of 1930, but it seems that by the time the Act appeared a large amount of South Australian sandalwood was already gone.

The Co-operative Sandalwood Company was granted the sole export licence in SA, with pullers having to sell through the company, rather than export themselves or through their own dealers. WA had a similar arrangement with the Australian Sandalwood Company (of which the SA Company was an offshoot).

The new rules were hotly resented in Port Augusta. The *Transcontinental* tells of big public meetings, representations to Parliament, etc. Port Augusta was a big centre for the sandalwood industry, and sandalwood operators wanted to pull and ship to China with no restriction. Under the new rules the government allocated the pullers a licence to pull a certain amount of timber only, and then deliver to the Sandalwood Company, which paid the Government royalty, and paid the pullers a set amount per ton.

A Corduroy road

There were ways of getting timber out illegally, and this was one. Local history records that timber, including sandalwood, was trundled through the shallows along this corduroy road – a road of logs – and out to ketches in Spencer Gulf.



The Port Augusta community's fury with the government for agreeing to the quota system and for imposing what they saw as a monopoly was understandable. In the Depression,

the sandalwood trade was the area's great hope for employment, for pullers and for wharf workers.

The Government was accused of 'killing the goose that laid the golden egg'. It seems that the Port Augusta community saw the unregulated selling to China as the goose and the sandalwood as the golden egg.

Sandalwood pulling was a tough life.

In Port Augusta I spoke to the daughter of a sandalwood puller. In her eighties, she still lives in the house the backyard of which was used by her father in the early 'thirties to clean and stack sandalwood, helped by his Italian offside.

Considering the revenue the SA government raised from royalties and licences in the late 1920s, you can see why it was reluctant to agree to the quotas. In 1929-1930 it made over £33,000 from licences and royalties, but collected nothing while stocks were sold off on which royalty had already been paid.

It did pick up again in the 1930s, but by about 1942 the revenue had dried up. The government was more than willing to *grant* licences, but by then sandalwood was so scarce, and pullers had to travel so far into the outback to find any, that very few people were interested.

The WA industry rode out the war, but not SA.

There were several factors responsible for killing the goose that laid the golden egg.

Affecting both WA and SA was the Sino-Japanese war. Shanghai was a big sandalwood trading centre and in the 1930s was badly affected by the Japanese invasion.

Also, in the 1930s there was some dreadful widespread flooding in China. But although the demand for sandalwood dropped, it didn't disappear altogether, and the trade with WA has continued through to the present day.

What was different in South Australia?

Importantly, the Chinese always preferred Western Australian over SA sandalwood, even though it was the same species, with the same aromatic properties, one would think.

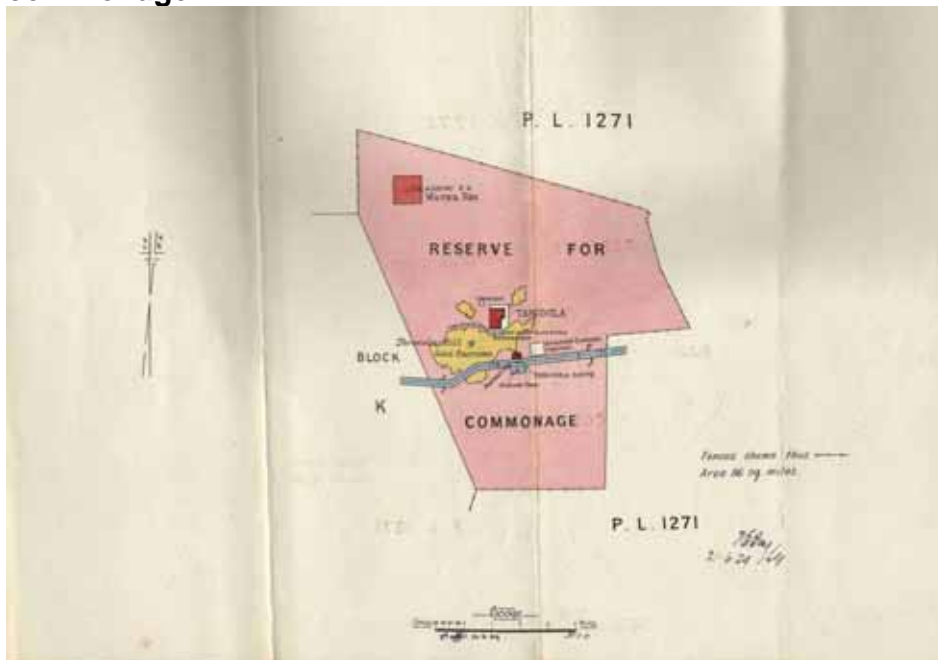
The Chinese had been dealing in WA sandalwood since the 1840s, and SA was seen in China as a less reliable 'Johnny-come-lately'.

1. The South Australian operators were reported to be less fussy than their WA counterparts about cleaning off the external bark and wood (it was the heartwood which was valuable). This gave SA wood a bad name.

2. The trees in SA were often smaller than those of the same species in WA. Consequently there was less heartwood per ton.
3. And I suspect that in SA there was some inadvertent, and possibly deliberate padding out with other *Santalum* varieties which looked similar but were not aromatic (for example *murrayanum*). This is hinted at in a lengthy report by E.J. Field, SA Director of Lands, who visited China in 1936, and talked directly with the dealers there.
4. But most importantly, you can't export a non-existent product, and by the mid-1930s, many of the SA sandalwood areas had been pulled out. The seeds are hard to germinate, the trees are slow-growing, and young trees are destroyed by stock and rabbits.

From as early as 1928 when the industry in SA was booming, the Inspector of Pastoral Leases and others worried about the extraordinary rate at which sandalwood was being removed. They saw that regeneration couldn't keep pace with pulling, plus stock and rabbits.

Buried in a 1928 Lands Department file is this lovely little map of Tarcoola, proposing the establishment of a sandalwood plantation on the commonage.



The plantation didn't go ahead. The Western Australians had tried plantations, and had warned of the difficulties of germinating sandalwood seeds.

What is happening now?

A couple of years ago, in Nullabor National Park, we found young sandalwood trees, lots of them.

In the park sheep are of course excluded (there are probably a few goats), and rabbit numbers might be down at the moment because of calici virus.

The industry is doing well in WA. PhD students are working on quick growing hybrid varieties, and sandalwood can grow in problem saline areas in the WA wheat belt.

In SA as well, growers have been experimenting with seed germination and plantations for at least 10 to 15 years.

But it's not a quick project – the farmers say that it is a project aimed at their grandchildren. Whether it will prove to be the golden egg, we will see.

The future is another story, which I'll leave to the agricultural scientists and the farmers.

Notes:

I am grateful to the following people who generously shared information and/or showed me their plantations and remnant trees growing naturally.

- Sue and John Grund – Kimba
- Graham and Iris Herde – Nectarbrook
- Alan Lowe – Ceduna
- Bob Holloway and Sam Doudle, or Minnipa Agricultural Research Station
- Geoff Woodall, Centre of Excellence in Natural Resource Management, University of WA.

The Italian story – this can be followed in the Parliamentary debates. It was quite racist. The Italians were targeted in the Depression because of the scarcity of jobs ('These are not South Australians, etc. – they send their money back to Italy'). The SA government, to its credit, said that anyone who had lived in SA for 6 months or more was entitled to apply for jobs, including cutting sandalwood. The Italians in Port Augusta often worked on sandalwood cleaning, rather than pulling.

The Queensland sandalwood industry – while this dates back to the 19th century, and Queensland agreed to quotas in the 1930s along with SA and WA, the species exported was *Santalum lanceolatum*, not the *spicatum* species which was the mainstay of the SA and WA exports. Qld was not involved with the earlier quota agreement between WA and SA.

A few references (not exhaustive)

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