The development of coal trade in the Wollongong district of New South Wales, with particular reference to government and business, 1849-1889

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What kind of society isn't structured on greed? The problem of social organisation is how to set up an arrangement under which greed will do the least harm; capitalism is that kind of a system.

CHAPTER 11

TO ADVANCE HIS COUNTRY’S GOOD:

THE COAL TRADE AND

THE WOLLONGONG HARBOUR TRUST SCHEME, 1882-1889

Wollongong would not be connected to Sydney by rail until October 1888. Four factors accounted for the delay. First, Sydney’s Garden Palace fire in June 1882, which destroyed the government’s railway survey plans.1 These had to be redrawn and, consequently, the contract for the first section of the Illawarra Railway was not signed until September 1882.2 The second obstacle was Alexander Stuart, Coalcliff mine proprietor, Member for Illawarra and, from 5 January 1883, Premier of New South Wales. In June 1883 Stuart had his Minister for Public Works suspend construction while the route by which the line entered the northern part of the Wollongong district and passed through Coalcliff was resurveyed. The Premier believed that a ‘mistake’ had been made by the planners, to remedy which he proposed another route.3 The report on Stuart’s alternative, submitted to the Minister for Public Works in October, found against the Premier. His proposal would have meant steeper gradients, an extra 3.75 miles of curves and an additional cost of £130,175.4

It appears, however, that the ‘mistake’ identified by Premier Stuart was that the original route traversed less of his coal lands near Coalcliff than did his proposed deviation. His scheme would have taken the line through 790 acres of his land, bypassed in the plans sanctioned by the Parliament in 1881.5 Stuart’s pursuit of private advantage in public office was itself pursued in the Assembly by that great enemy of the Illawarra Railway, John McElhone. Accusing the Premier of being ‘most corrupt’, McElhone moved successfully for

1 See New South Wales Parliamentary Debates (First Series), Session 1882, Vol.7, p.543, and Wollongong Argus, 29 June 1882.
3 ‘Minute by the Colonial Secretary. Subject—Railway line to Illawarra by the Bottle Forest or by the Hacking River’, 26 June 1883. In Illawarra Railway. (Proposed Deviation—Correspondence, Plans &c.), pp.7-8. In Votes and Proceedings of the Legislative Assembly, Session 1883-4, Vol.5.
4 ‘Minute from the Engineer-in-Chief to the Minister for Public Works’, 6 October 1883. In ibid.
5 ‘Illawarra Railway Plan Shewing Route permanently staked and proposed deviation’. In ibid.
the tabling of all papers relating to the affair. Stuart’s defence had the virtue of simplicity; his proposal was ‘better’ on technical grounds. No further action was taken against him. He continued as Premier until the general election of 1885, when he resigned as Premier and Member for Illawarra, dying in London in June 1886. The cost to the government of compensating the contractors for the stoppage of work instigated by Stuart was £26,600.

A third factor which determined the pace of construction was a political decision to divert resources from the Illawarra Railway, to push ahead the extension of the Great Western Railway to the far west of the Colony, at Bourke. The Bourke extension had been sanctioned in 1879 and was designed to reclaim for New South Wales and Sydney some £1.5 million worth of wool that was otherwise going down the Darling River to South Australia and Victoria. This, of course, had been the primary motive behind the great burst of railway building in the early 1880s. The expansion of the small Wollongong coal trade could wait its turn.

The final hindrance was simply the difficult nature of the work. The first section, Sydney to Waterfall on the northern edge of the Wollongong district, was finished in March 1886. An isolated section within the district, from Clifton in the north to Wollongong, was opened for traffic in June 1887, with Kiama being reached in November. Another 11 months would elapse before the Waterfall to Clifton section allowed trains to run between Wollongong and Sydney, from 3 October 1888. In all, nine tunnels with an aggregate length of 2.6 miles had to be excavated, seven of them between Waterfall and Clifton; an iron girder bridge, spanning 318 yards, had to be thrown across the George’s River, and a large number of deep cuttings were necessary, as were numerous brick arch culverts to take the line across the larger creeks.

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6 New South Wales Parliamentary Debates (First Series), Session 1883-4 & Session 1884, Vol.10, pp.52 & 61 (16 October 1883).
7 Ibid., p.57.
9 New South Wales Parliamentary Debates (First Series), Session 1885-6, Vol.23, p.5878.
THE WOLLONGONG COALFIELD
1889

These delays did not prevent the Wollongong district from enjoying the benefits of a decade of unprecedented economic buoyancy in the Australian Colonies. Between 1875 and 1879, inclusive, £33.7 million of British public and private capital had flowed into the Colonies, rising to £51.1 million in the first five years of the 1880s. The Colonial Treasurer of New South Wales, James Watson, expressed the optimism and satisfaction of the period when he exulted in November 1882 that:

our material wealth is increasing in a ratio far beyond the calculations and conceptions of our most far-seeing and deep-thinking politicians. Turn in whatever direction we may, the evidences of prosperity and the germs of future greatness meet us at every step.

Wollongong and its businessmen shared fully in the bonanza, as the Colony’s coal trade expanded to meet intercolonial and overseas energy needs. So great was the demand that in 1888 the owners of the Coalcliff mine considered production on a 24 hour a day basis; ‘during the present year’, the manager informed the miners:

we have not been able to supply the sales effected at the commencement of the year... there are orders on hand and it will be impossible to meet these without doubling the present workplaces.

In 1880 there were four mines at work in the Wollongong coalfield, producing 240,211 tons of coal. By 1889 there were 11 mines producing 701,572 tons. The southern coal trade did better in relative terms than that of the Colony as a whole, output growing between 1880 and 1889 by 192.1 per cent. compared to 149.3 per cent. for the rest. Employment rose correspondingly, the southern mines giving work to 2065 men in 1889 as against 807 in 1880.

The newcomers to the Wollongong coalfield represented both Australian and British capital. Among the former was the North Illawarra Coal Mining Company of which the principal shareholder was Sir George Allen, chairman of the Bulli Coal Company. Its mine,
located at Austinmer, first produced coal in 1887 and by 1889 was the second largest producer in the district after Mount Kembla, and the largest employer of labour. The coal was shipped from an 870 feet long jetty, with a high water depth of 25 feet.

Two of the new mines, Bellambi and South Bulli, were in fact those formerly operated by Thomas Hale, and Robert Taylor and Christopher Walker, respectively, until their closure in the recession of the mid 1860s. They had reverted to their owners, the Osborne family, and lain dormant ever since. The Bellambi site was leased to Thomas Saywell in 1885. Proprietor of a large Sydney tobacco factory, Saywell had an interest in two Lithgow district mines, was a director of the Wickham and Bullock Island Coal Company in Newcastle, and operated two of the Colony's largest brickworks.

By December 1888, Saywell had given way to the Bellambi Coal Company. This company was a blend of merchant and shipping interests. Its six directors included: James Burns, a founder of the Burns Philp shipping company and manager of the Australasian United Steam Navigation Company; Malcolm McEachern, who ran the Australian branch of the British McIlwraith McEachern shipping firm; John McIlwraith, a Melbourne shipowner; William McMillan, merchant and Member for East Sydney, who was to feature prominently in the formation of the Metropolitan Coal Company in the Wollongong coalfield, and Joseph Mitchell, a Sydney coal merchant and shipowner and Member for Newtown. The Company's capital of £60,000 had been fully and privately subscribed.

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25 idem.
26 Connolly, op.cit.
27 Illawarra Mercury, 25 December 1888 (Bellambi Coal Company Limited, Prospectus). See also ibid., 5 January 1889.
The South Bulli mine also came under the aegis of the Bellambi Coal Company, with Mitchell as its managing director. The firm of Mitchell and Woolcott-Waley (R.R. Woolcott was the sixth director of the Bellambi Company) managed the affairs of the Bellambi mine; with ‘agencies in all parts of the world’, the firm was reported to have an annual turnover of some £200,000. The Bellambi Company shipped its coal in its own steamers from a jetty at Bellambi Harbour, and had contracts with major overseas and intercolonial shipping firms, including the Nord-Deutscher line, the Australasian United Steam Navigation Company and Burns Philp. South Bulli commenced production in 1888, with 90,000 tons of coal, and jointly with the Bellambi mine, produced 114,736 tons in 1889 and employed 366 men.

Three large British companies, the Mount Kembla Coal and Oil Company, the Metropolitan Coal Company and the Southern Coal Company, also established themselves in the Wollongong coalfield in the 1880s. The Mount Kembla Company, of course, was 90 per cent. British owned, having been floated in London in 1880, and was in the process of constructing a railway to its jetty at Port Kembla, south of Wollongong. The mine commenced production in 1883 and by 1887 was the largest producer in the district (99,790 tons, or 27.5 per cent. of district output).

The Metropolitan Company was a very large concern, with a nominal capital of £300,000, two thirds of which was reserved for British shareholders, and 18,000 acres of coal lands. This Company arose from the attempts of two New South Wales ventures, the South Cumberland Coal Mining Company and the Cumberland Coal and Iron Mining Company, to open a mine on the Illawarra Railway, on the northern perimeter of the Wollongong district where both individuals and the Department of Mines had been drilling for coal. The South Cumberland Company’s influential backers included: James Fletcher, Member for Newcastle, proprietor of the *Newcastle Morning Herald and Miners’ Advocate* and Newcastle mine owner;

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28 *ibid.*, 14 February & 30 March 1889.
29 *ibid.*, 25 December 1888.
30 *ibid.*, 30 March 1889.
31 *ibid.*, 14 February 1889.
33 *ibid.*, 1887. The Company’s line to Port Kembla was sanctioned by the Mount Kembla Coal and Oil Company’s Railway Act of 1881. 44 Vic. Private Act.
Walter Hall of Cobb and Company; William Laidley, Newcastle mine owner; William McMillan, a partner in his uncle’s London-Sydney merchant house, A. McArthur and Company; Laidley Mort of the New South Wales pastoral, mining and shipping firm, Mort and Company; Robert Prendergast of the Castlemaine Brewery in Victoria, and Samuel Terry, Member of the Legislative Council and wealthy pastoralist and land owner.  

The two companies merged and in May 1886 William McMillan went to England, empowered to sell the joint assets. The Metropolitan Coal Company of Sydney, incorporated in London, was the result. Its four London directors were Sir James Fergusson, a former Governor of South Australia, New Zealand and Bombay, and at the time of the formation of the Metropolitan Company, Member of the Commons for Manchester and Parliamentary Under Secretary at the Foreign Office; William McArthur, a partner in the London firm of W. and A. McArthur, Colonial Merchants, and also a Member of Parliament; Henry Atkinson, Member of Parliament, inaugural President of the Chamber of Shipping of the United Kingdom and director of bank and finance companies, and Henry Simons of the East India merchant firm Paterson and Simons. The Australian board comprised: James Fletcher; William McMillan, by this time chairman of the Sydney Chamber of Commerce; John Sutherland, Member for Paddington, Lithgow mine owner and former partner with Henry Parkes in the Jamberoo mining venture; James Robertson, managing director of the Mount Kembla Company, and F.J. Dodameade, representing William Laidley and Company, owners of the Newcastle Cooperative mine. The Metropolitan mine, on the Illawarra Railway at Helensburgh 28 miles south of Sydney, began modestly; 4200 tons of coal were raised in 1888 and 14,571 tons in 1889. By 1893 it would be the largest mine on the southern coalfield, a position it would hold

into the following century. A shaft mine, located inland at the northern extreme of the Wollongong district, all of its coal was railed to Sydney where it was used by the Royal Navy and, principally, by the government locomotives.

The Southern Coal Company, 'almost entirely an English one', was formed in 1888 to work a property on the south side of Mount Kembla; a railway was commenced, to link the mine to a jetty at Port Kembla, and the Company hoped to begin shipping its coal in early 1889. Despite this preparatory work, the mine did not proceed, the local inspector of mines reporting in 1889 that only 10 men were at work, driving headings to further prove the coal.

Instead, the Company acquired an ailing local venture, the Brooker's (or Broker's) Nose Coal Company which in 1884 had opened a mine at Corrimal on the coal property formerly owned by Robert Owen. The mine never moved far beyond the developmental stage. In December 1885 small loads of coal were being taken to Wollongong Harbour in horse drawn carts, and by 1888, when the Company was being wound up, there were only three men employed at the mine. In that year the Southern Coal Company bought the property, equipped the mine, and ran a branch line to the Illawarra Railway, along which the coal was taken to its Port Kembla jetty.

Colonial and world economic growth also stimulated the demand for coke, and ovens were erected at Corrimal in 1885, turning out 600 tons a week. In February 1888 the Australian Coke Making Company, a subsidiary of the Southern Coal Company, commenced operations at Unanderra, its 20 ovens using Corrimal coal to make coke for smelters in
Silverton, Broken Hill, Adelaide and elsewhere.\textsuperscript{50} In 1889 the Bulli Coke Company erected 20 ovens, the coke being despatched to the Broken Hill Proprietary Company’s Port Pirie smelters in South Australia and to firms in San Francisco.\textsuperscript{51}

The district acquired a small manufacturing sector. Some industries were new, such as ‘The Wollongong Foundry’, opened in 1882 to supply the mines with items like skip wheels.\textsuperscript{52} Others were existing trades which grew with demand. Richards and Sons, tanners and curriers, had been established at Unanderra in 1847; throughout the 1880s their ‘rather extensive’ works, replete with ‘all the latest and most improved machinery’ provided constant employment for 25 to 30 workers. Annual output ranged in value from £10,000 to £15,000, making it, outside the coal trade, ‘the most important industry in the South Coast district’.\textsuperscript{53}

Manufacturing, though, remained at a low level. At its peak, in 1886, there were 361 employees engaged in manufacturing within the electorate of Illawarra, compared to 457 in the seat of Hartley in the Lithgow coalfield and 1385 in Newcastle.\textsuperscript{54}

Even so, Wollongong and its businessmen were reaping tangible benefits from the boom. In May 1883 the Wollongong Gas-light Company was incorporated by Act of Parliament,\textsuperscript{55} with 5450 shares and paid up capital of £4088.\textsuperscript{56} Three months later the first street lights in the town were lit.\textsuperscript{57} The directors were well known local businessmen: Percy Owen (chairman), John Biggar (secretary), Archibald Campbell, George Hewlett and John Bright, proprietor of Bright and Company, general merchants.\textsuperscript{58}

With the Illawarra Railway on its way and the economic boom accelerating, Wollongong had divested itself entirely of the depressed and dilapidated atmosphere that Alfred

\textsuperscript{52} Ilwawarra Mercury, 11 August 1888.
\textsuperscript{53} Morrison, op.cit. ('Appendix: Biographical Sketches'—Wollongong), and C. Lyne, The Industries of New South Wales. Government Printer: Sydney 1882, p.84.
\textsuperscript{54} Statistical Register of New South Wales, 1886. There were 270 employees in 1885, 301 in 1886/87, 197 in 1887/88 and 140 in 1888/89 (ibid., 1885, 1887 & 1888).
\textsuperscript{55} Wollongong Gas-Light Company (Limited) Act of 1883. 46 Vic. Private Act.
\textsuperscript{56} Report from the Select Committee on the Wollongong Gas-Light Company’s Bill; together with the Proceedings of the Committee and Minutes of Evidence, p.6 (John Biggar’s evidence, 13 April 1883). In Votes and Proceedings of the Legislative Assembly, Session 1883, Vol.3.
\textsuperscript{57} Illawarra Mercury, 21 August 1883.
\textsuperscript{58} Report from the Select Committee on the Wollongong Gas-Light Company’s Bill, op.cit., p.5, and Morrison, op.cit.
McFarland had encountered in 1871/72. In 1882 Charles Lyne found the town ‘prettily situated, cleanly, compact and generally attractive in appearance’, and the district’s farmers to be ‘a prosperous class’ living in ‘rural comfort and easy circumstances’ amidst ‘the more pretentious residences and grounds of landed proprietors to whom many of the farms belong’. An English visitor was moved to declare in the mid 1880s that ‘Wollongong is quite an important township. Who travelling in the colonies does not know Wollongong butter by name?’

However, it was not butter but coal that was making the difference. Charles Lyne had noted this as early as 1882. North of the town, he said, the population was ‘wholly dependent’ on mining; to the south, on the other hand:

coal-mining does not enter into the consideration of the people, and that part of the district is today the same as it was twenty years ago, and relies chiefly upon dairy farming.

Throughout the 1870s and the 1880s the district’s mining centres grew far more rapidly than the farming centres. New and sizeable mining villages arose in the northern centres of Woonona, Bulli and Clifton, and in the North Illawarra municipality between Wollongong and Woonona. In 1871 these areas had accounted for only 12.3 per cent. of the district population, a proportion which had climbed to 41.3 per cent. by the 1891 census (see Table following). The southern part of the district was doing well enough but with only one mine, Mount Kembla, located there, it grew less rapidly.

The town and the district were growing at a greater rate than the rest of the Colony. Between 1871 and 1881 the New South Wales population grew by 49.1 per cent. while that of the Wollongong district rose by 39.2 per cent. and of the town by 26.1 per cent. In the 1880s, however, the district’s population increased by 55.9 per cent. and the town’s by an impressive 86 per cent., with the Colony as a whole managing 49.9 per cent.

The town’s commercial interests had never experienced such prosperity. Land prices and rents soared as

59 Lyne, op.cit., pp.68 & 75.
61 Lyne, op.cit., p.72.
63 See Sources for Table following in text.
### POPULATION OF THE WOLLONGONG DISTRICT AT THE CENSUSES OF 1871, 1881 AND 1891

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<th>1891</th>
<th>% Change</th>
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<td>Bulli &amp; Woonona</td>
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<td>39.2</td>
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**SOURCES:** Calculated from Census of New South Wales, 1881. (Summary Tables.) In Journal of the Legislative Council of New South Wales, Session 1882, Vol.33, Pt.2, and Results of a Census of New South Wales Taken for the Night of 31st March, 1901. Government Printer: Sydney 1904.
speculators and residents vied for local properties. As early as 1882 Rachel Henning noted
that, with the success of the Illawarra Railway movement, ‘Sydney speculators are buying land
for villa sites, etc.’ and that her husband had been offered £30 an acre for part of his farm south
of Wollongong, which he had purchased nine years earlier for £11 an acre. By 1885 the
Sydney press was reporting that:

Wollongong . . . is going ahead at a rapid rate . . . No sooner is the
foundation of a house laid than there are a dozen or more applications sent in
from persons willing to rent it, and rents are very high, fully double what
they were four or five years ago.

The town’s businessmen watched as the district’s economic base shifted from farming
to mining. In 1880 Alexander Stuart had described his Illawarra electorate as a ‘dairy
district’. In the second half of the decade, G.W. Griffin, the United States Consul in
Sydney, stated that the district was ‘a farming and coal-mining’ one, whereas in the town itself
the ‘coal trade is its chief industry, and next to that comes dairy produce’. This had not only
delivered to the businessmen a degree of material prosperity that they regarded as their by right;
their apparent control of events led them to want more.

When the government asked those landowners in the district with properties affected by
resumptions for the Illawarra Railway to submit claims for compensation, it received what John
Davies, Member for South Sydney, described politely as demands of an ‘extravagant character’
from both syndicates and individuals. A total of 369 claims were received, totalling
£714,531 or 3.5 times the government valuation of £205,123. Sir George Allen’s North
Illawarra Coal Company sought £329,084 or 46.1 per cent. of the total. The government
offered the Company £14,417, which it finally accepted. Rising expectations about what
could be made from the boom engendered yet more extreme forms of boosterism among the
town’s business leaders. In 1882 Charles Lyne recounted a conversation he had had with one

67 G.W. Griffin, New South Wales: Her Commerce and Resources. Government Printer: Sydney 1888,
p.229.
68 New South Wales Parliamentary Debates (First Series), Session 1885-6, Vol.18, p.682 (9 February
1886).
69 Figures calculated from Illawarra Railway. (Amounts of Claims and of Valuations for Land Resumed
For). In Votes and Proceedings of the Legislative Assembly, Session 1885-6, Vol.7.
70 New South Wales Parliamentary Debates, loc.cit.
of them, who was busy establishing ‘another industry’—probably John Biggar and his Wollongong Gas-light Company:

he appeared to possess that energy, that indifference to difficulties, that readiness of resource, rapidity of action, and sublime method of elbowing his way through a crowd of impediments which are said to have advanced Americans to their present position. It was wonderful how he talked, and how he met every doubt and every objection with an irresistible remedy—overthrowing the obstacles in the way of any project as if he were at work in a bowling alley knocking down skittles.\(^{71}\)

The town’s businessmen had come to believe that the district and its economy were theirs to shape as they desired. Parliament’s granting of the Illawarra Railway had only confirmed this illusion. To that point their only tangible achievement had been Wollongong Harbour, but even that had been completed only to serve the interests of a few Sydney investor-politicians, notably James Byrnes and his Mount Pleasant mine. As a mechanism for bringing mining capital to the district it had failed; only two mines, Osborne Wallsend and Mount Pleasant, shipped coal there. In 1886 the Parliament approved the expenditure of £9000 for the further deepening of Wollongong Harbour, particularly by the removal of Black Buoy Rock near the Harbour’s entrance.\(^{72}\) However, this was done, as the Minister for Public Works put it, only ‘to make the previous expenditure of any utility’,\(^{73}\) and on the clear understanding that it would, as the *Illawarra Mercury* later whined, be the government’s final instalment, indicated by ‘the grudging manner in which it was granted’.\(^{74}\) Henry Dangar’s comment when the item came before the Legislative Council was typical; Wollongong Harbour, he said, ‘seems to swallow up no end of money. Every bill which comes up to this House seems to have something for Wollongong in it’.\(^{75}\) But, Members like John Neild were content with the Minister’s assurance that the £9000 would, as Neild put it, at last complete ‘this trumpery little harbour’.\(^{76}\)

Parliament’s freezing of public expenditure on harbour development in Wollongong left the town’s increasingly ambitious entrepreneurs with a port incapable of getting the district’s coal to intercolonial and overseas markets in quantity. In 1886, although absolute output was

\(^{71}\) Lyne, *op.cit.*, p.79.
\(^{72}\) Public Works Loan Act of 1886. 50 Vic. No.28.
\(^{73}\) *New South Wales Parliamentary Debates, op.cit.*, Vol.23, p.5876 (19 October 1886).
\(^{74}\) *Illawarra Mercury*, 27 December 1887.
\(^{75}\) *New South Wales Parliamentary Debates, op.cit.*, p.5996 (22 October 1886).
\(^{76}\) *ibid.*, p.5932.
growing, the southern coalfield supplied only 1.9 per cent. of the Australian demand for New South Wales coal, 0.5 per cent. of the New Zealand market, and 24.5 per cent. of overseas demand, a pattern that had shown little variation since the mid 1870s; £9000 for deepening the entrance to Wollongong Harbour was not going to make the town the coal capital of Australia. Quite apart from Newcastle Harbour’s depth, its three miles of wharves, 12 hydraulic and three steam cranes capable of loading 12,000 tons a day, and six coal shoots with a capacity of 3000 tons a day, eclipsed Wollongong’s 1700 feet of wharfage, three steam cranes and four coal staiths, under which there was room for only two vessels at a time. The limited and small scale exporting capacity of the district was demonstrated by the fact that the average coal cargo carried by the 12,877 vessels that called at Wollongong Harbour and the coal company jetties between 1880 and mid 1887, inclusive, amounted to only 159.2 tons.

A related problem for the town’s businessmen was that an increasing proportion of the district’s coal was being shipped from the private jetties, meaning that their business houses were benefiting less than they might from the growing shipping and associated commercial activity that was now spread along the coast, rather than centred on Wollongong. The share of district coal production accruing to the two mines using the Harbour, Osborne Wallsend and Mount Pleasant, had declined from a peak of 70.3 per cent. in 1872 to 42 per cent. in 1886, on its way to 28 per cent. by 1889. The imminent completion of the Sydney-Wollongong railway threatened to worsen the situation by making the metropolis, 50 miles away, the centre of the Wollongong coal export trade.

Thus, in the mid 1880s, Wollongong’s business leaders set themselves the task of securing a safe, commodious and well equipped harbour which, linked to the Illawarra Railway, would bind to the town the trade and commerce of the district. The mechanism designed for the purpose was the Wollongong Harbour Trust. It was a scheme constructed by and for the businessmen of the town. The new coal companies were busy establishing their

77 See Appendix: ‘Wollongong District Coalfield: Exports and Production, 1875-1889’.
79 Huntington, ‘Our Southern Coal-Fields’, op.cit., p.188.
80 Calculated from figures in Illawarra Mercury, 11 August 1887.
81 Calculated from figures in Statistical Register of New South Wales, 1858-1874, and Annual Report of the Department of Mines, New South Wales, 1875-1889.
mines and their markets, and while jetties were not the safest way to ship coal they nonetheless sustained the bulk of the district's coal trade. In any case, the Illawarra Railway carried the promise of a direct line to Sydney Harbour.

The businessmen, however, seemed convinced that it was they who, by gaining first the Harbour and then the Illawarra Railway, had called the Wollongong coal trade into being and that they could structure it to suit their interests. Experience ought to have cautioned them that booms did not last forever and that, ultimately, they were dealing with market forces beyond the control of even far wealthier and more influential individuals. An early indication of this was the failure of Thomas Saywell's attempt to float the Victorian Coal Mining Company in England in 1884, to mine at Mount Kembla and ship the coal from Port Kembla. The Company obtained an Act to allow it to take a railway through private lands to its jetty at the Port,82 and Saywell spent £6000 on developmental work; but, finding the cost too great 'and money ... rather tight ... in this market [New South Wales] ... I thought to see if I could not do anything in the English market'.83 Although by 1888 some £47,000 had been raised in England and the Company registered in London,84 the venture never proceeded. Even the London capital market had its limits, as did the demand for coal. However, while Wollongong's businessmen continued to enjoy their best decade ever, such considerations did not merit their attention.

The Wollongong Harbour Trust originated in the mind of William Wiley. Wiley was the John Biggar of the 1880s, and was the perfect symbol of the speculative excesses of that decade. He came to local prominence in 1880 when he bought and subdivided an estate near the town, formerly owned by Dr. John Osborne, one of Henry Osborne's brothers.85

82 Victorian Coal-mining Company's Act of 1884. 48 Vic. Private Act. See also Report from the Select Committee on the Victorian Coal-mining Company's Bill (No.2), together with the Proceedings of the Committee, Minutes of Evidence, and Appendix. In Votes and Proceedings of the Legislative Assembly, Session 1883-4, Vol.11. Seven petitions against the railway Bill, from local landowners and the Mount Kembla Coal and Oil Company, are in the same source.

83 Report from the Select Committee on the Victorian Coal-mining Company's Extension Bill; together with the Proceedings of the Committee and Minutes of Evidence, p.6, (Saywell's evidence, 1 December 1887). In Votes and Proceedings of the Legislative Assembly, Session 1887-8, Vol.2.

84 Report from the Select Committee on the Victorian Coal-mining Company's Extension Bill; together with the Proceedings of the Committee, Minutes of Evidence and Appendix, pp.2-3 (Saywell's evidence, 1 March 1888) & 8 (Evidence of Andrew Bloomfield, a New South Wales director of the Company, 8 March 1888). In Journal of the Legislative Council of New South Wales, Session 1887-8, Vol.43, Pt.3. See also Victorian Coal-mining Company's Extension Act of 1888. 51 Vic. Private Act.

However, Wiley’s ambitions went beyond real estate. In 1883 he headed a syndicate which bought 220 acres of coal land at Stanwell Park from John Hargrave’s son Lawrence for £6100 and leased another 200 acres for £1000 a year. Simultaneously, the syndicate bought another 586.5 acres in the same area from another of Hargrave’s sons. Wiley’s entry into the leadership of the Wollongong business community commenced with his election to Wollongong Council in March 1885 and was confirmed when he became Mayor in 1886/87, a post he would fill again in 1889/90.

In late 1887, as the Sydney-Wollongong rail link drew closer, Wiley strode forward, ready to take his own and the district’s future in hand. On 14 November 30 people gathered at his Garden Hill residence, to consider the prospects for the improvement of the district’s shipping facilities. Archibald Campbell of the Mercury took the chair, and reminded his colleagues that the government could no longer be depended upon for this purpose. At best, he stated, there would be but ‘mere driblets’ from the public purse.

Wiley agreed and proposed to the meeting his scheme for the enlargement of local port facilities. In 1885, he said, the idea had come to him of cutting a canal between Wollongong Harbour and Tom Thumb Lagoon, about one-and-a-half miles to the south, where a much larger and deeper harbour could be built. He disclosed that he had had talks with D.L. Simpson, an engineer, who had designed a harbour and canal system for the Otago Harbour Trust in New Zealand. Wiley brought Simpson to Wollongong, to examine the possibilities for further enlarging Wollongong Harbour. Boring at various sites showed that in the vicinity of the Harbour solid rock would be encountered at 10 to 20 feet from the surface; at Tom Thumb Lagoon, however, at 29 feet there was ‘mere silt and tough mud’. Hence, it was there, declared Wiley, that the businessmen of the town and the local coal companies must look for a harbour with the area and the depth to safely accommodate large vessels.

Wiley had in mind a canal linking Wollongong Harbour’s entrance and outer basin to the Lagoon, where a port of 30 to 40 acres with a depth of 24 feet could be constructed. This was more than 10 times the size of the existing Harbour and a third as deep again as Belmore.

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87 List of Wollongong Council Aldermen, Wollongong Public Library (Reference Section).
88 Illawarra Mercury, 17 November 1887.
Basin. Simpson pronounced the scheme feasible and drafted plans for it (see Map following), which he told Wiley would cost about £265,000 to realise. Even in the most buoyant of circumstances any Ministry would have baulked at this kind of expenditure on a provincial port. However, by 1887 the public finances were not in good health.

The predictions of those who had warned against importing ever larger amounts of British capital into New South Wales in the expectation that it could be repaid by ever increasing sales of Crown Land, were beginning to look accurate. Between 1872 and 1882 land sales had risen fairly steadily with net proceeds increasing over the period by 239.9 per cent., from £823,000 to £2,797,000. Land became the single most important source of public revenue and, consequently, the budgetary policy of Ministries came to lean heavily upon it. That share had peaked in 1877 at 56.3 per cent., declining thereafter but still standing at almost 40 per cent. in 1882. On this basis schemes like the Illawarra Railway had been sanctioned in 1881.

The first sign that the economic expansion of New South Wales was not unlimited came in 1883 when net receipts from Crown Land sales almost halved, from £2.8 million to £1.5 million, driving the budget from a £1.1 million surplus in 1882 into a deficit of £1.3 million. The good times were coming to an end. Revenue from land would not achieve its 1882 peak again in the rest of the century, and by 1887 New South Wales was in its fifth successive year of budget deficit.

Hence, William Wiley told the 30 Wollongong businessmen gathered at his home in November 1887 that as far as his harbour scheme was concerned:

there was no doubt in his mind that the only prospect of accomplishing a work of such magnitude for the port was by private enterprise, there being no hope of Government ever carrying it out.

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89 ibid.
92 Patterson, op.cit., p.99.
93 See idem. and Lamb, loc.cit.
94 Quoted in Illawarra Mercury, 17 November 1887.
THE WOLLONGONG HARBOUR TRUST SCHEME, 1887

Adapted from 'Proposed Improvements for Shipping at Wollongong (By Harbor Trust). Plan by D.L. Simpson Esq., M.I.C.E.': Supplement to Illawarra Mercury, 13 December 1887

[Map diagram with annotations and symbols indicating different areas and features of the Wollongong Harbour Trust Scheme.]
That enterprise, he advised, should take the form of a harbour trust. Wiley had already moved in this direction, having sought information from the Secretary of the Otago Harbour Trust. The two objectives of the Wollongong body, he said, would be the securing of an Act of Parliament allowing it to acquire the Tom Thumb area, and the getting of the required funds. For the latter Wiley was going to take the town's businessmen into the big league, suggesting that they enter the English capital market.96

The local coal companies expressed a limited interest in the scheme. Two mine managers attended the meeting: Henry MacCabe, of the Osborne Wallsend mine, and John Evans from Mount Kembla. Both felt that Simpson's estimate would have to be doubled, but, with their mines located at the Wollongong Harbour end of the coalfield, were enthusiastic about the proposal.97

Despite the severe budgetary problems faced by the government, the minds of Wollongong's businessmen remained geared to the boom. Their faith in the continued good health of the coal trade and of market conditions generally was unaffected by the state of the public finances. If government was no longer capable of providing the funds for harbour development in Wollongong, then it would be sidestepped and the town's businessmen would themselves go direct to the London loan market.

The meeting, on the motion of Wiley, seconded by MacCabe, established the Wollongong Harbour Trust League, and elected 12 provisional officers, with Wiley filling the post of Secretary. The appointees were a cross section of the town's business elite (see Table following). Working expenses were to be met through membership fees: five shillings on entrance and a quarterly subscription for the same amount. The Committee of 12 was to meet at least once a month and report to a general meeting of the League once every two months.98

Having placed the question of harbour improvement at the top of the local agenda and established the organisation with which to pursue it, Wiley proceeded to integrate his own interests more fully with the new harbour scheme. Within a fortnight of the creation of the Harbour League, he purchased coal properties from four Mount Kembla landowners,99 an

96 ibid.
97 ibid.
98 Illawarra Mercury, 17 November 1887.
99 ibid., 16 June 1888.
<table>
<thead>
<tr>
<th>Office in League</th>
<th>Appointed 14 November at William Wiley's Meeting</th>
<th>Appointed 22 December at Town Hall Meeting</th>
<th>Public Office/Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Francis Woodward</td>
<td>Francis Woodward</td>
<td>Member for Illawarra; Solicitor; Money Lender; Agent for Australian Mutual Provident Society.</td>
</tr>
<tr>
<td>Vice Presidents</td>
<td>John Biggar</td>
<td>(Appointed a Committee)</td>
<td>Auctioneer &amp; Estate Agent; Mining Speculator; Agent for Victoria Fire, Marine &amp; Life Insurance Company.</td>
</tr>
<tr>
<td></td>
<td>Archibald Campbell</td>
<td>Archibald Campbell</td>
<td>Proprietor, Illawarra Mercury.</td>
</tr>
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<td></td>
<td></td>
<td>Percy Owen</td>
<td>Solicitor.</td>
</tr>
<tr>
<td>Secretary</td>
<td>William Wiley</td>
<td>William Wiley</td>
<td>Alderman, Wollongong Council; Land &amp; Mining Speculator.</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Henry McCabe</td>
<td>Henry McCabe</td>
<td>Manager, Osborne Wallsend Mine; Mining Engineer &amp; Licensed Surveyor.</td>
</tr>
<tr>
<td>Committeemen</td>
<td>T.F. Armstrong</td>
<td>T.F. Armstrong</td>
<td>Proprietor, John Bright &amp; Company, Department Store.</td>
</tr>
<tr>
<td></td>
<td>John Beatson</td>
<td>John Beatson</td>
<td>Alderman, Wollongong Council; Butcher Shop Proprietor.</td>
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<tr>
<td></td>
<td>Donald Campbell</td>
<td>Donald Campbell</td>
<td>Proprietor, Wollongong Argus.</td>
</tr>
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<td></td>
<td>George Hewlett</td>
<td></td>
<td>Manager, Wollongong Branch, English, Scottish &amp; Australian Chartered Bank.</td>
</tr>
<tr>
<td></td>
<td>Aquila Parsons</td>
<td>Aquila Parsons</td>
<td>Alderman, Wollongong Council; Proprietor, Ironmongering, Plumbing &amp; Building Establishment.</td>
</tr>
<tr>
<td></td>
<td>Alfred Turner</td>
<td>Alfred Turner</td>
<td>Magistrate.</td>
</tr>
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<td></td>
<td></td>
<td>George Cochrane</td>
<td>Alderman, Wollongong Council; Manager, Commercial Hotel.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>William Poulter</td>
<td>Mayor of Wollongong; Proprietor, Grocery &amp; Furniture Stores; Independent Means.</td>
</tr>
</tbody>
</table>

acquisition financed in part by another of Wiley's residential land speculations. He had bought a large farming estate between Wollongong and Bulli and in 1887, as the district’s mining population grew, he had it surveyed and subdivided into two and three acre lots. These were the first land sales in the new mining centre of Corrimal.100

As with the Illawarra Railway League, the next step was to have the Wollongong public adopt the businessmen’s scheme as their own, allowing them to impress upon the Ministry the desire of the local population to obtain Parliamentary sanction for it. Archibald Campbell, a provisional Vice President of the League, used his Illawarra Mercury to that end. A public meeting had been called by the League’s Committee for 15 December. On the 13th Campbell published a special supplement, containing Simpson’s plans for the new port, declaring that Wollongong was at the crossroads of its destiny. The linking of the Illawarra Railway to this great harbour, said Campbell, was ‘all that will be required to make Illawarra what it should be’. In pursuit of this little businessmen’s paradise he encouraged a big turnout at the public meeting which, he asserted, would have ‘a duty of transcendent importance to perform’.101

On 15 December the Town Hall was packed to excess, making the harbour trust meeting one of the largest ever held in the district. William Wiley commanded it. He told the townspeople that they could no longer look to the government for assistance. Even Newcastle, he said, had got no public money for its harbour in the last two years, despite strong and influential advocacy. Now, Wiley stated, they must look to private enterprise, their own, to take the Wollongong coal trade and their district forward. ‘God,’ he asserted, ‘helped those who helped themselves’.102

God’s role was problematical. However, Wiley and the League worked hard on helping themselves. Bolstered by the unanimous approval of the Town Hall meeting,103 they moved in January 1888 to seek Parliamentary approval for their particular brand of private enterprise. And a very special kind of private enterprise it was. A meeting of the League’s Committee on 9 January decided to present a memorial to Premier Parkes, seeking an Act to establish the Harbour Trust. The memorial asked the government to vest in the Trust not only

100 South Coast Times, 18 March 1927 (‘The Birth of Corrimal’).
101 Illawarra Mercury, 13 December 1887.
102 ibid., 17 December 1887.
103 ibid.
the Crown Land comprising Tom Thumb Lagoon and adjoining areas, but 'The present port of Wollongong, together with all improvements, machinery, plant, &c.'; as well as 'The control of the seaboard of the Electoral District of Illawarra'. In addition, the League asked that the Bill provide an annual endowment to the Trust of £5000 for the first five years, from the Consolidated Revenue Fund. With possession of a public port, a considerable area of Crown Land, control of the seaboard, a government subsidised income, and 'all the wealth of the district at their back', as Wiley had put it to the Town Hall meeting, Wollongong's entrepreneurs saw little difficulty in being 'able to go into the London market... and float a loan on most favourable terms'. Raising the £250,000 loan proposed by the League would not be hampered by the further provision sought in the Bill that the Trust do so with the approval of the government of New South Wales.

The League was determined that the Trust remain under local control. Its final proposal was for 12 Commissioners, with the government to appoint three and shipowners trading regularly to the port to elect two; the local municipal Councils (Wollongong, Central Illawarra and North Illawarra), which were essentially businessmen's organisations, were to elect five, and the district's mine owners and merchants and traders paying wharfage dues were to elect two.

The scheme was ambitious beyond anything ever attempted by the town's business leaders. It echoed the Bulli-Wollongong Harbour-Macquarie River railway proposal of the 1860s, but this time the businessmen planned, under the guise of a semi-government authority, to exercise direct control over the economic development of the district. By combining the Illawarra Railway with a new, larger Wollongong port they would at last have the magnet for mining capital that they had struggled for three decades to obtain. Wiley envisaged a coal trade centred on the new port, with each mine having its coal railed to its own wharf where it would be put aboard the very largest of modern vessels. He also prophesied that the new

104 Memorial reprinted in *ibid.*, 10 January 1888.
105 Quoted in *ibid.*, 17 December 1887.
106 Memorial, in *ibid.*, 10 January 1888.
107 *ibid.*, 13 March 1887.
arrangements, by centring the mineral resources of the district on the town, would see an iron industry established nearby, its finished products being exported to all parts of the world.  

There were some misgivings about Wiley’s plan for the district. Mutterings came from Bulli that any new port should extend in that direction rather than south of Wollongong. Farming and commercial interests south of Wollongong, organised around the Central Illawarra Municipal Council, favoured the development of Port Kembla, a naturally deep and relatively sheltered spot which, they believed, would require only breakwaters and wharfs to render it the major harbour of the south coast. Following an inspection of the Port several Aldermen expressed the view that a sizeable town could be developed there. Patrick Lahiff of the Mount Pleasant mine thought Wiley’s scheme simply impractical and urged the townspeople to press the government for a more modest expansion of the existing Harbour. Others objected to the ‘hole and corner’ manner in which Wiley and his coterie of businessmen had initiated the Harbour Trust proposal. This accusation had generated some disorder at the Town Hall meeting in December 1887, but not sufficient to halt Wiley’s onward march. The Harbour Trust League created at his home on 14 November, along with its provisional officers, was endorsed by the meeting with only minor modifications. The most important position, that of Secretary, remained in Wiley’s hands (see Table preceding).

Little wonder. The opposing arguments were merely about how best to position the district’s economy to ensure that land and mining speculators, businessmen, tradesmen and farmers benefited fully from the seemingly limitless boom. Like John Biggar before him, William Wiley had a sharper idea of what he wanted and he possessed the entrepreneurial drive to organise and push until he got it. Only one voice, that of an anonymous Mercury correspondent in May 1888, questioned the nature of what these people were doing and whether it constituted the best way of prosecuting the public policy of the district or the Colony. That the coal companies using the government harbour at Wollongong contributed nothing by

108 ibid., 17 December 1887.
109 ibid., 20 December 1887.
110 ibid., 6 March 1888. See also ibid., 13 & 17 March 1888. The Council finally voted 5-3 against pressing for the Port Kembla proposal, because it would militate against the efforts of the Harbour Trust League.
111 ibid., 24 December 1887.
112 ibid., 17 December 1887.
way of taxation for the privilege was bad enough; 'a gross injustice', said the writer, 'is being perpetrated upon the community as a whole for the personal aggrandisement of a few capitalists'. The proposal of Wiley and his business associates virtually to privatise the port was of another order again:

the State cow has been allowed to be milked by all who liked to avail themselves of the opportunity, but this kind of thing cannot be allowed to go on forever.\textsuperscript{113}

This view of the role of government in the economy of nineteenth century New South Wales was, by and large, an accurate one. Government did fulfil a number of national obligations for liberal capitalism, providing and regulating services such as education and immigration, and the Parliament did oversee the raising and expenditure of public revenue and loan funds. However, the relative weakness of the central authority during a phase of development in which the Colony's regions operated almost as autonomous economic entities, embodied in the system of faction politics, gave those regional interests sufficiently organised and determined the capacity to acquire large sums of public money, more or less regardless of the long term consequences. That it all might end in disaster was not a general concern. While the servile milch cow continued to feed her growing family of ever more insistent calves, they gave no thought to the consequences should the milk dry up.

In Wollongong the general concern had been manufactured by the town's businessmen over decades and centred on getting hold of as much public money as possible for coal export facilities. During the buoyant 1880s that imperative operated more powerfully than ever before. By 1885, when the Osborne Wallsend and Mount Pleasant mines produced 178,420 tons of coal, 92.5\textit{ per cent.} above the 1880 figure,\textsuperscript{114} 1624 vessels were being cleared from Wollongong Harbour, an average of 135 a month,\textsuperscript{115} which was straining the port to its limit. By 1888, when district production peaked at 776,818 tons, 223.4\textit{ per cent.} above that for 1880,\textsuperscript{116} the situation at the Harbour was becoming intolerable to the town's businessmen. On 11 January 1888 a queue of 17 vessels was forced to wait for a space under the staiths at

\textsuperscript{113} Quoted in \textit{ibid.}, 3 May 1888.
\textsuperscript{114} Calculated from figures in \textit{Annual Report of the Department of Mines, New South Wales}, 1880 & 1885.
\textsuperscript{116} Calculated from figures in \textit{Annual Report of the Department of Mines, New South Wales}, 1880 & 1887.
Belmore Basin. One vessel broke away and headed for Newcastle where the captain knew he would get his cargo far more quickly. The *Mercury* was incensed by this loss of trade. It was scandalised two months later when the steamer *Fiona*, which could carry 1200 tons of coal, was forced to leave with only 950, above which it could not clear the bottom of the outer Harbour. Such incidents only proved to local businessmen that, without a new port, Wollongong would never assume the leadership of the Colony’s coal trade.

That was the concern of Wollongong’s business leaders, and they were not going to be diverted from it by stopping to ask whether the relentless pursuit of self interest might conflict with the common good. With Archibald Campbell, proprietor of the *Illawarra Mercury*, as Vice President of the Harbour Trust League, and Donald Campbell, proprietor of the *Wollongong Argus*, on its Committee (see Table preceding), there was no chance of the public being encouraged to indulge in such valueless introspection.

On the contrary, the plan was to move speedily to have the Parkes Ministry agree to support the Harbour Trust proposal in the Parliament. A deputation from the League presented its memorial to the Premier on 13 January 1888. Six of the League’s officers, T.F. Armstrong, John Biggar, Archibald Campbell, George Cochrane, Aquila Parsons and William Wiley, were present. They were accompanied by three other Wollongong businessmen: Andrew Armstrong, who had agricultural, pastoral and commercial interests in the district; Andrew Lysaght, hotel owner and publican, and John Payne, proprietor of a wheelwrights and blacksmithing establishment. Nine Members of the Legislative Assembly also attended, including the south coast Members for Eden, Shoalhaven and Kiama. Francis Woodward, President of the Harbour Trust League and Member for Illawarra, was in New Zealand familiarising himself with the operations of harbour trusts there.

Parkes’ response was positive. He believed the scheme to be:

>a very commendable one . . . on the first blush he would be disposed to place it in a very favourable light before the Government of the country . . . He liked the look of the proposal . . . and unless some objections arose

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118 *ibid.*, 3 March 1888.
120 *Illawarra Mercury*, 14 January 1888.
which he could not see at present, he had no doubt it would be regarded very favourably by the Government.121

Of course, Parkes had said much the same in 1874 to the first Illawarra Railway deputation, subsequently becoming the scheme’s bitterest opponent. This time, however, there was no Jamberoo property to complicate things. Throughout the 1880s Parkes had tried to get British investors interested in the mine. Finally, in October 1887, he suffered one of his perennial bankruptcies and lost Jamberoo along with several other properties.122

In fact, securing Ministerial support for the Harbour Trust proved no difficulty. On December 1887 Thomas Garrett, former proprietor of the *Illawarra Mercury* and Parkes’ Minister for Lands, took out a one guinea subscription in the Harbour Trust League and in February 1888, before any decision by Cabinet, approved, at the League’s request, the survey of the Tom Thumb Lagoon site by an officer of his Department.123 Garrett, though, did have an interest in the scheme. He may have quit Wollongong almost 25 years earlier but, as part of a syndicate, he retained a piece of the district, which lay on the route of the Illawarra Railway.124

All of this was sufficient for the League to have Wiley and Biggar draft a Bill for submission to the Ministry, based upon Acts regulating harbour trusts in Victoria and New Zealand.125 On 9 March the League adopted the 130 clause Bill.126 This represented a higher phase of activity for Wollongong’s businessmen, who were now acting as a *de facto* Ministry, drafting their own legislation for a major public works project which they wanted the Parliament to place in their hands. And they looked likely to get it. On 14 March Woodward placed the draft Bill in Parkes’ hands; about eight weeks later Woodward informed the League that Cabinet had decided to adopt the Bill as a Government measure.127

This was a remarkable achievement for a little band of self interested provincial businessmen, especially since the League had not surged forward on a wave of popular

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121 Quoted in *Sydney Morning Herald*, 14 January 1888.
123 *Illawarra Mercury*, 31 December 1887 and 11 February & 26 April 1888.
125 *Illawarra Mercury*, 9 February 1888.
126 *ibid.*, 13 March 1888.
127 *ibid.*, 19 May 1888.
enthusiasm. When news of the Ministry's decision reached Wollongong, the League held a special meeting at which Wiley, 'the energetic secretary', read a progress report on the work of the body. Since its formation six months earlier, six meetings had been convened, with an average attendance of nine of the 13 officers. That was fine. However, beyond the officials, the League could count only 34 'gentlemen' who had taken out 'promoters' subscriptions of £1 each, and a mere 14 ordinary members. To this were added 23 'honorary' members—Parliamentarians and others who had assisted with deputations and other matters. The League's funds totalled less than £50, which led Campbell's *Mercury* to berate the public for its niggardliness, though he did not take this to be evidence of lack of interest. Rather, he believed that potential members had failed to join up or to send in their subscriptions through 'oversight'.

Campbell urged the district's inhabitants to give more moral and financial support to those who were sacrificing their time and money to advance the material conditions of all. He was aghast that John Biggar remained £200 out of pocket for his work in winning the Illawarra Railway. Still, £200 for a publicly funded, £1 million railway, which stood to increase enormously the turnover of his auctioneering and real estate business, and possibly make him a coal proprietor, was not a bad investment.

Neither was the Wollongong Harbour Trust and the League was highly gratified when, in the course of a statement on the order of Government business, Parkes told the House on 7 June that he was 'personally pledged' to the Harbour Trust Bill and stated officially that it would be introduced as a Government measure. The League met the next day and toasted the Premier, Woodward and Wiley, whom Archibald Campbell lauded as 'the father of the Harbor Trust'. That he was. A few weeks before the prorogation of Parliament on 24 July, the Bill was in the hands of the Parliamentary draftsman, as the basis of the measure by which the Government intended to hand over to the businessmen of Wollongong the single most important public asset on the Colony's south coast. Or, as the Premier chose to express it

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128 *ibid.*
129 *ibid.*, 22 May 1888.
130 *New South Wales Parliamentary Debates* (First Series 1887-8), Vol.33, p.5339.
131 Quoted in *Illawarra Mercury*, 12 June 1888.
132 *ibid.*, 3 July 1888.
on 7 June: ‘the people of Wollongong . . . have set a most meritorious example . . . construct[ing] this dock for their own purposes without any aid from the Government’.133

However, despite Parkes’ obvious attraction to it, his Ministry did not introduce the Wollongong Harbour Trust Bill for another 12 months. There seem to have been two reasons for this. First, the emergence in the second half of 1888 of a rival to the Wollongong Harbour Trust scheme—the Illawarra Harbour and Land Corporation, which proposed to develop a private port at Lake Illawarra, about seven miles south of Wollongong. It was the proposal of a ‘wealthy and influential syndicate of Sydney capitalists’, who intended to open the Lake to the ocean and construct a harbour able to accommodate the largest of vessels. It was no small project. The syndicate consisted of about 60 men who had contributed £4000 each and hoped, ultimately, to raise a capital of £1 million.134 William Harper, the engineer, estimated that the preparatory works would cost about £350,000.135 The Corporation acquired five miles of the Lake foreshores,136 where it intended to place coal shoots.137 These were to be linked to the Illawarra Railway and thus made available to every mine in the district.138

Initially, there was no opposition from the Harbour Trust League. On the contrary, its Vice President, Archibald Campbell, praised the Corporation. With a limitless supply of coal, he said, the more harbours there were in the district the better.139 He wished the Corporation ‘speedy and substantial success’140 declaring that both it and the Harbour Trust League were engaged in ‘a mighty twofold effort to ‘Advance Illawarra’.’141

This attitude changed after the Corporation revealed its true intentions. In late 1888 it published notice that a private Act would be sought allowing it not only to take a branch railway through privately owned lands, but to assert what the Mercury called ‘a complete monopoly’ of the whole 27 square miles of the Lake and its foreshores. This neither Campbell nor the Harbour Trust League would countenance. Campbell believed that other companies, coal or

133 New South Wales Parliamentary Debates, loc.cit.
134 Illawarra Mercury, 30 August 1888.
135 ibid., 4 August 1888.
136 ibid.
137 ibid., 28 August 1888.
138 ibid., 3 November 1888.
139 ibid., 4 August 1888.
140 ibid., 28 August 1888.
141 ibid., 30 August 1888.
shipping, ought to have the right to establish docking and loading facilities at the Lake.\footnote{ibid., 12 March 1889. Also ibid., 3 November 1888.} By mid 1889 he was contrasting strongly the Harbour Trust and Corporation proposals. The former he described as a body designed ‘to manage a public concern for the benefit of the public’, while he dismissed the latter as ‘a company that wants the control over a vast sheet of water for the purposes of individual gain’.\footnote{ibid., 3 September 1889.}

Given that both schemes would have been subject to government regulation by Acts of Parliament, as to wharfage and other rates,\footnote{The Wollongong Harbour Trust and Illawarra Harbour and Land Corporation Bills reprinted in ibid., 27 & 29 June, 2, 4, 6, 11, 13, 16 & 18 July 1889 (Harbour Trust), and 20, 23, 27 & 30 July, 3 August 1889 (Corporation).} this was an odd distinction to make. Both sought control of Crown Lands, with the Harbour Trust League asking additionally for an existing public port. The only substantial difference that Campbell could point to was that some of the profits from port operations at the Lake would go into the pockets of private shareholders. In the case of the Harbour Trust these had to be allocated to port maintenance and/or the extinction of the Trust’s loan debt.\footnote{ibid., 22 June 1888.} Even so, both schemes were the offspring of private individuals who sought control of public assets for the purposes of private gain whether from share dividends or increased turnover for business houses, tradesmen and farmers. On this occasion, the view of Campbell and the League that ‘Private enterprise should be encouraged only in a legitimate way’,\footnote{ibid., 3 September 1889.} the way of the syndicate of shopkeepers, farmers and tradesmen, prevailed over the aims of the syndicate of shareholders. In September 1889 the Parkes Government decided against the ‘ill fated’ Illawarra Harbour and Land Corporation Bill on the ground that the powers it sought were too wide.\footnote{ibid., 14 September 1889.}

A further reason for the Ministry’s delay in introducing the Harbour Trust Bill appears to have been residual doubts about the scheme’s engineering practicability and cost. With the Lake Illawarra proposal in the wings, Parkes had told Wiley that it was essential, before the Ministry moved definitely, for the League to be able to demonstrate that the Harbour Trust could accomplish what was proposed for it. Wiley replied, in September 1888, that the scheme was based on the reports of ‘a great number of engineers’, notably D.L. Simpson whose
‘untimely death’ had prevented him from personally explaining his plans and costings to the Ministry. Wiley requested that a marine engineer be sent to Wollongong for a few days; ‘we will explain our proposals’, said Wiley, and the engineer could then advise Parkes.\textsuperscript{148}

While the Ministry considered its options on harbour development in Wollongong Wiley and John Biggar prepared for the day when they could make fortunes from the southern coal trade. Biggar already had a financial interest in several coal properties in the area between Mounts Kembla and Keira,\textsuperscript{149} and had shares in the Broker’s Nose Coal Company.\textsuperscript{150} At Dapto, ‘Biggar’s Prospecting Mines’, comprising three tunnels driven a short way into the escarpment\textsuperscript{151} were in mid 1888 on the point of becoming the Dapto Coal Mining Company.\textsuperscript{152} In 1889, with prospecting continuing, Biggar had four men at work.\textsuperscript{153}

Wiley’s plans were larger. He first came to notice as a would-be coal proprietor in 1883 when he formed the Illawarra Coal Mining Company to work the properties his syndicate had purchased from the Hargrave family at Stanwell Park.\textsuperscript{154} This Company merged with Sir George Allen’s North Bulli Coal and Iron Mining Company in 1884,\textsuperscript{155} to become the North Illawarra Coal Company of which Wiley was a director.\textsuperscript{156} In January 1888 he commenced business as the ‘Wollongong Land & General Agency and Auctioneering Depot’.\textsuperscript{157} Just over 12 months later he was reported to be considering opening a mine at Tongarra, south of Dapto, from where he proposed to rail his coal to Wollongong Harbour or—presumably on the chance that the Illawarra Harbour and Land Corporation had its way—Lake Illawarra.\textsuperscript{158} Wiley was the broker for the Illawarra Engineering Company, which issued a prospectus in June 1889. With nine directors, eight of them local mine managers or proprietors and the other a Wollongong engineer, and a nominal capital of £20,000 the Company was dedicated to

\begin{itemize}
\item[\textsuperscript{149}] \textit{Report from the Select Committee on the Victorian Coal-mining Company's Bill (No.2)}, op.cit., p.15 (Biggar’s evidence, 14 May 1884).
\item[\textsuperscript{150}] \textit{Illawarra Mercury}, 5 July 1888.
\item[\textsuperscript{151}] \textit{Annual Report of the Department of Mines, New South Wales}, 1887, p.131.
\item[\textsuperscript{152}] \textit{Illawarra Mercury}, 3 July 1888.
\item[\textsuperscript{153}] \textit{Annual Report of the Department of Mines, New South Wales}, 1889, p.197.
\item[\textsuperscript{154}] \textit{ibid.}, 1884, p.139; Bayley, \textit{op.cit.}, p.12, and McDonald, \textit{loc.cit.}
\item[\textsuperscript{155}] King, \textit{loc.cit.}
\item[\textsuperscript{156}] \textit{Illawarra Mercury}, 19 February 1889.
\item[\textsuperscript{157}] \textit{ibid.}, 17 January 1888.
\item[\textsuperscript{158}] \textit{ibid.}, 9 February 1889.
\end{itemize}
manufacturing the plant necessary 'to meet the rapidly increasing requirements of the various Collieries in the district and other industries in general'.159

However, the centrepiece of Wiley's ambitions was his coal property between Mounts Keira and Kembla. He had begun to acquire this in November 1887, and in March 1888 he sent a 3.5 ton block of his coal from Wollongong Harbour for transhipment at Sydney, bound for London where he hoped to arouse the interest of investors.160 Later in the month he announced the formation of the 'Great Wollongong Coal Syndicate' to operate the 2000 acre property.161 In April he left for England, carrying with him copies of an elaborate report extolling the virtues of 'The Great Wollongong Proprietary Coal Company, Limited'. The report was the perfect summation of Wiley's bold entrepreneurship and his genius for speculation, allowed full rein in the expansive 1880s.

The name 'Great' had been chosen, said the report, simply because the Company possessed the largest coal holdings in the district: by the time Wiley left for England the Company's holdings had been increased to 7000 acres.162 The report, or rather prospectus, anticipated an annual output of 150,000 tons, rising rapidly to 300,000 tons—an output not achieved by any Wollongong mine before the turn of the century.164 Prospective investors were informed that a Company township would arise on the site and be 'a source of great profit to the concern'.165 Wiley talked up the potential for an iron works on the Company's land, prophesying grandiosely that, 'If ever there is to be a Birmingham or a Sheffield in New South Wales Wollongong must be the place'.166 Assuming no end to the railway boom, he noted that the main product of the works would be rails, which the government imported from England at great expense.167

While in England, Wiley called on Sir Saul Samuel, the Colony's Agent General, to promote the cause of the Wollongong Harbour Trust. Samuel had served in Parkes' Ministries

159 Prospectus, in ibid., 8 June 1889.
160 ibid., 6 March 1888.
161 ibid., 20 March 1888.
163 ibid., p.4.
164 The largest, Metropolitan, produced 239,310 tons in 1899. Annual Report of the Department of Mines and Agriculture, New South Wales, 1899.
165 Reports, Plans & Sections of the Great Wollongong Proprietary Coal Company, op.cit., p.5.
166 ibid., p.4.
167 idem.
of 1872-1875, 1877 and 1878, being appointed Agent General by Parkes in August 1880. He promised Wiley that he would take the matter forward with the Premier. The Great Wollongong Company’s prospectus made much of the Harbour Trust scheme. One appendix was a map of the Wollongong district which, said Wiley, demonstrated that the new mine was in the best position to run a line of railway to Tom Thumb Lagoon; the map already had the outline of the new port superimposed on the site. Whether Wiley raised any money in England is unknown, but before he died in Sydney on 19 April 1889, Samuel Gray, former Member for Illawarra, bought a one-tenth share in the Company.

Wiley was active, but the Parkes Ministry continued to stall the Harbour Trust Bill. Francis Woodward was informed that the plans were to be submitted to the eminent English engineer Sir John Coode before any determination was made. The League pressed Parkes on the matter when he came to Wollongong on 3 October 1888 for the official opening of the Sydney-Wollongong section of the Illawarra Railway. The Premier reiterated that he was ‘anxious’ to push the Bill forward and reminded the League that he was pledged to do so. After the opening of the new Parliamentary session on 23 October Parkes gave Woodward an understanding that the Bill would be introduced at the conclusion of the debate on the Government’s financial statement. It was not introduced, and Wiley and Biggar cornered Parkes in Sydney on 12 December, only to be told that pressure of Government business would not allow it to be proceeded with in the remainder of the session. Parkes promised them greater joy in the succeeding session.

Within weeks the faction system consumed the Parkes Ministry and George Dibbs, Newcastle coal proprietor, assumed the Premiership. Dibbs was forced to a general election in February 1889 and survived in office only until March, when Parkes resumed his place at the head of affairs. In Wollongong, now allowed two Members, Francis Woodward was returned at the top of the poll, joined in the Assembly by Joseph Mitchell of the Bellambi Coal

168 Illawarra Mercury, 12 June 1888.
170 Illawarra Mercury, 15 September 1888.
171 ibid., 22 September & 4 October 1888.
172 ibid., 27 November 1888 (report by Biggar to a meeting of the Harbour Trust League).
173 ibid., 13 December 1888.
Company. William Wiley also contested Illawarra but finished last of five candidates, with only 8.5 per cent. of the formal vote.\(^{174}\) Within days, however, he was elected Mayor of Wollongong by his fellow Alderman, business colleagues and Harbour Trust League associates.\(^{175}\) Personal and political unpopularity was no deterrent to the determined Wiley. On 22 March he led a deputation to Parkes who stated unequivocally that the Harbour Trust Bill would be introduced by his Ministry during the session.\(^{176}\)

The Bill was introduced on 20 June by the Premier himself and passed its first reading on the same day.\(^{177}\) That night Wiley, in Sydney for the occasion, telegrammed the news to John Biggar in Wollongong, whereupon:

Mr. Biggar walked up and down the street, acquainting all and sundry of the welcome intelligence. Amongst those whom he thus made acquainted with the news were the Salvation Army people. They stopped in their procession to hear Mr. Biggar read his telegram, and at the conclusion the 'Captain' simply ejaculated 'Glory hallelujah!' and then passed on.\(^{178}\)

As, indeed, did the Bill. Expressing no doubts about the practicability or viability of the scheme, and making no reference to the rival Lake Illawarra proposal, Parkes steered the Bill through the second reading debate on 8 August; it survived the committee stage intact, on 8 August and 11 September, passing its third reading a fortnight later.\(^{179}\) Its progress was delayed by the Legislative Council's insistence on two amendments. First that the Trust be required to use any profits to repay the £25,000 government subsidy to be granted for the first five years of its existence. Second, that the annual subsidy be made conditional upon the Trust borrowing up to a specified amount for the actual work of construction.\(^{180}\) These modest proposals to have the Trust reimburse a little to the public purse and to encourage it to do its public duty, were rejected by the Assembly in a brief Constitutional conflict over the upper House's power to amend money Bills. The Council gave way and the Wollongong Harbour Trust Bill passed through both Houses, vice regal assent being given on 30 September 1889.\(^{181}\)

\(^{174}\) Calculated from election returns in ibid., 12 February 1889.
\(^{175}\) ibid., 14 February 1889.
\(^{176}\) Sydney Morning Herald, 23 March 1889.
\(^{177}\) New South Wales Parliamentary Debates (First Series), Session 1889, Vol.39, pp.2355-7.
\(^{178}\) Illawarra Mercury, 22 June 1889.
\(^{180}\) For the Council debate see ibid., Vol.41, pp.5083, 5255-9, 5317-34 & 5399-403.
\(^{181}\) ibid., pp.5432, 5481-5 & 5509-23.
The Act marked a new phase in New South Wales Parliamentary history. As Parkes told the House, it occupied 'a somewhat peculiar place in legislation', in that it had originated not with the Ministry but with 'private persons'.\textsuperscript{182} So had the Illawarra Railway, but in that case the Legislative process had remained firmly within the orthodox Parliamentary process, and the public asset created stayed in government hands. 'We are', said the Premier of the Harbour Trust, 'really and absolutely handing over a part of the work of national government'.\textsuperscript{183} He stressed repeatedly that the Trust was a splendid example of individuals taking responsibility for their future, without looking to the government for continuing assistance. The thought touched the heart of his liberal individualism, and he became almost poetic; if the Bill was enacted, he told the House, 'we shall all have that most sweet feeling of trying to encourage those who put their hands to the plough themselves and do the work they want to have done'.\textsuperscript{184}

Not everyone agreed. Joseph Creer, Member for Northumberland, believed that the safeguards in the Bill were not sufficient to prevent the Trust from becoming 'irretrievably insolvent' and then asking the government to pay its debts. Parkes replied that he was relying upon the honour of the Trust's Commissioners: 'We ... assume that men will act honorably and under the sacred obligation of their trust'.\textsuperscript{185} George Dibbs, Leader of the Opposition, pressed the point. He felt the scheme to be a 'bad spec', its failure meaning that 'the credit of the Government itself might be involved'.\textsuperscript{186}

In the Council the opposition centred on the degree to which the Bill actually embodied the notion of self help. James Hoskins, Minister for Public Works in Parkes' 1877 Cabinet, focussed on the handing over to the Trust of the existing public harbour, a large acreage of Crown Land, a £5000 a year subsidy and the power to borrow £250,000 in London on the authority of the Colonial government; 'a very fine basis', he declared, 'for the trust to start upon'. His conclusion was simple and accurate: 'It is ... not true that the people of the district are showing great self-reliance in undertaking this work'.\textsuperscript{187} Leopold de Salis found
the grand term ‘Trust’ to be a misnomer: ‘the harbour of Wollongong is now to be handed over to a company’. Louis Heydon agreed. The whole thing, he declared, has been ‘promoted by interested people’.  

That view was only confirmed by the Harbour Trust League petition that accompanied the Wiley/Biggar Bill into the Parliament. Signed by 1650 ‘landowners, farmers, storekeepers, miners, labourers, and others, the inhabitants of the town of Wollongong’, its concerns were simply ‘the various commercial interests and local industries that will be promoted, advanced and benefited’ by the Harbour Trust.  

The Parkes Ministry was not interested in such fine distinctions between public and private benefit. Even less relevant in explaining why the Government and the Parliament approved the Harbour Trust scheme was the self help argument. Pressed to explain why he was making a free gift of public assets to a cabal of provincial businessmen, Parkes proffered that this ‘advantage’ was ‘not for Wollongong, but to establish a precedent for Newcastle’. The Wollongong Trust was in fact to be a trial run for the future conduct of the Colony’s public harbour works. Parkes had said as much to the Harbour Trust League deputation of 22 March 1889, when he intimated that Moama on the Murray River might well be developed on the same lines.  

As Parkes recalled later, his Government was being driven by the Colony’s public debt to find ‘an effective check’ to ‘the loose and profligate expenditure of money for public works in past years’. This had been the origin of the Public Works Act of 1888, which established a Standing Committee on Public Works to investigate and report upon all public works proposals, particularly railways, before their consideration by the House.

This had been a first response to the Colony’s rapidly escalating public debt, fuelled by the massive railway loans of the 1880s. In the 1860s railways had accounted for a little under

188 ibid., 5399.
189 ibid., 5400.
190 Wollongong Harbour Trust Bill. (Petition from Landowners, Farmers, &c., of Wollongong in Favour of.) In Votes and Proceedings of the Legislative Assembly, Session 1889, Vol.5.
192 Sydney Morning Herald, 23 March 1889.
194 ibid., pp.461-3.
two thirds of the public debt; two decades later the proportion exceeded 80 per cent. On a population basis the debt was soaring. Throughout the 1870s the average annual per capita figure remained steady at £19, increasing to £24.6 in the first half of the 1880s and climbing to £40.8 in the second (see Table following). These were substantial increases, considering that between 1880 and 1889, inclusive, retail prices in New South Wales rose by an average of only 1.4 per cent. a year.\footnote{Calculated from figures in T.A. Coghlan, Labour and Industry in Australia: From the First Settlement in 1788 to the Establishment of the Commonwealth in 1901. 4 Vols. Macmillan: Melbourne 1969, Vol.3, p.1609. First published 1918.}

Provided that the debt was for additions to the productive capacity of the economy and that markets remained sound, there was little need for concern. Conditions, however, were changing. The Colony’s wool trade and largest export earner, for which the bulk of railway construction had been undertaken, was experiencing a downturn. From 1885 the average price for Australian greasy wool in London fell by 16.3 per cent. (from 12.25 pence a pound, where it had been since 1876, to 10.25 pence), falling a further 9.8 per cent. in 1886, where it would remain until slumping further in the 1890s depression.\footnote{Calculated from figures in Annual Report of the Department of Mines, New South Wales, 1880 & 1889.}

Despite the crumbling wool market, investment in the Colony’s coal trade appeared sound. There were 82 mines at work in 1889, compared with 36 at the beginning of the decade, employing 10,227 men, up 121 per cent. on the 1880 figure of 4,651. Over the same period output had risen more or less steadily, affected only by major strikes in the south in 1886 and in the north in 1887, from 1,466,180 tons to 3,655,632, a 149.3 per cent. increase.\footnote{Calculated from figures in N.G. Butlin, Australian Domestic Product, Investment and Foreign Borrowing 1861-1938/39. Cambridge University Press: London 1962, p.158.} However, should economic growth falter and/or the nature of markets change, then the industry’s capacity for overproduction would be exposed once again, as it had been in the mid 1860s and early 1870s. On this view, the condition of the industry by the late 1880s looked less sound. As one English observer noted, new mines and growing production faced the reality that ‘the Australian consumption proper is limited’ and that, therefore, ‘the increased output can only be placed on foreign markets’. Unfortunately, he stated, ‘the limits of the export trade are being approached’.\footnote{G.B. Walker, ‘Notes on the Coal-Fields of New South Wales’. Mining Engineer, Vol.2, 1890-91, p.295.} Victoria was beginning to develop its own mines,
### THE NEW SOUTH WALES PUBLIC DEBT, 1860-4 TO 1885-9

<table>
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<th>Total Public Debt (£'000)</th>
<th>Distribution of Public Debt</th>
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<th>% Change</th>
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<td>(Percentages)</td>
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<td>82.0</td>
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**Source:** Calculated from figures in The Financial Statements of the Colonial Treasurers of New South Wales, from the Introduction of Responsible Government, on the 24th November, 1855, to the Close of the Parliamentary Session of 1891-92, on 1st April, 1892. Vol.1. Government Printer: Sydney 1892, p.xlv (Table: 'Public Debt.')
with four being opened consequent upon government assistance from 1889;\textsuperscript{199} by 1889 two Queensland mines were producing 265,507 tons of coal;\textsuperscript{200} and by the mid 1880s New Zealand was producing well over half a million tons.\textsuperscript{201} Overseas, the 'vast coal-fields' of the Rocky Mountains and Vancouver Island in north America, and the Japanese were emerging as suppliers in major New South Wales markets.\textsuperscript{202}

The expansion of the Wollongong coal trade had augmented the Colony's capacity for overproduction, and the aim of the Harbour Trust League was to expand it again for the benefit of the town's commercial interests. Henry Parkes and his Ministers, however, did not see the situation in this light. Their aim was to balance the budget and if the harbour trust concept worked at Wollongong then it would be applied elsewhere, relieving the government of the burden of recurrent expenditure on harbours and river navigation and of servicing interest payments on loans for capital works. It was a short sighted policy, driven purely by the fact that, by the end of 1889, the accumulated net deficit since 1883 would reach £5.6 million.\textsuperscript{203}

Public capital continued to pour into the Colony to satisfy demand for public works. Between 1870 and 1879 £6 million had been sought in London; in the first half of the 1880s this had risen almost threefold, to £15.1 million, with another £17.7 million being asked for between 1885 and 1889.\textsuperscript{204} Giving the Wollongong Harbour Trust authority to enter the London loan market would do nothing to ease the situation. On the contrary, it merely allowed a hybrid public/private corporation to further expand the Colony's total indebtedness. In order to reduce government expenditure, Parkes had simply partially privatised harbour development in Wollongong.

It appeared to be a bold initiative to ease the public debt and simultaneously allow individuals greater freedom to mould their circumstances. In reality it was a retreat by government from its responsibilities at a time of increasing financial and market instability.

\textsuperscript{201} S.H, Cox, 'The Development of Mining in Australasia'. \textit{Report of the First Meeting of the Australasian Association for the Advancement of Science}. (Sydney 1888). Australasian Association for the Advancement of Science: Sydney 1889, Table III.
\textsuperscript{202} Walker, \textit{loc. cit.} See also p.296 re New Zealand.
\textsuperscript{203} Calculated from figures in Patterson, \textit{op.cit.}, pp.99 & 107.
\textsuperscript{204} Hall, \textit{op.cit.}, p.205.
When the Illawarra Railway was sanctioned by Parliament in 1881, it was on the clear understanding that Sydney Harbour would become Wollongong's deepwater port. However, when the Sydney-Wollongong section was completed, Wollongong's businessmen decided that for the good of their business houses an entirely new port should be created in the district. As the petition that accompanied the Wiley/Biggar Bill put it:

by use of the said railway every colliery in the district would be enabled to send its coals to Wollongong Harbour for exportation direct to intercolonial and foreign markets.205

Incredibly, not one speaker in the debate on the Harbour Trust Bill, either in the Assembly or the Council, raised this reversal of policy. The only Member to take it up at all had been John Nield (Paddington), but that had been three years earlier, in the debate on the £9000 for the deepening of Wollongong Harbour. In 1876 Nield had been the treasurer of the Illawarra Railway movement's Sydney committee:

and he recollected that the advocates of the line were very positive in asserting that the line was necessary, because the harbour works at Wollongong had proved a complete failure.206

Parkes' appeal to liberal individualism in pursuit of his mission to reduce public expenditure carried the day in a Parliament composed of businessmen, large and small, whose political and economic senses had been anaesthetised by almost two decades of buoyant market conditions.

Wollongong's businessmen had done extremely well. Essentially, they had implemented the 25 year old Bulli-Wollongong Harbour-Macquarie River railway scheme. Indeed, earlier in 1889 the government had delivered to them an Act which would allow all of the district's mines to ship their coal at Wollongong. The Mount Keira Tramway Acquisition Act of July 1889 authorised the Railway Commissioners to construct a loop line linking the Illawarra Railway to the Osborne Wallsend railway and thus to Wollongong Harbour. Costing £7500, it was to be paid for out of public loan funds.207 Without the loop line, mines north of Wollongong had no access to the Harbour. At least two mines, the North Illawarra Company's at Austinmer and the Southern Company's at Corrimal, were desirous of such access,208 hitherto restricted to the Osborne Wallsend and Mount Pleasant mines. Francis Osborne,
proprietor of the former, had delayed the loopline for several years by demanding £15,000 for the three-quarters-of-a mile section of his railway required for the purpose. Agreement on the sum of £7500 was not reached until February 1889, following which the Acquisition Bill had an easy passage through the Parliament.

It was doubtful, then, that much southern coal would be railed to Sydney. In August 1888, as the Sydney-Wollongong line neared completion, the Illawarra Mercury did recall that it had been intended to deliver all of the district’s export coal direct to the ship’s holds at Port Jackson. Now, however, Archibald Campbell admitted what the Illawarra Railway’s opponents had maintained all along—that the cost of haulage would be prohibitive, making the line a non paying one and acting to ‘prevent this mode of transit from being adopted by collieries south of Coal-Cliff’. John Biggar’s wild claims in the 1870s about hundreds of thousands of tons of cheap Wollongong coal being railed into Sydney in the line’s first year of operation, were at last revealed to have been without substance. By June 1889 one coal train of 14 trucks ran daily to Sydney, carrying a mere 500-1000 tons of coal and coke. Only the Metropolitan mine would deliver any amount of coal to Sydney; for that purpose the Illawarra Railway between Helensburgh and the metropolis was to be duplicated in order that the coal traffic would not interfere with the normal suburban traffic. This development had not been hindered by the fact that William McMillan, Treasurer in the Parkes Ministry, was ‘one of the largest shareholders in the Metropolitan Coal Company’.

In the first 12 months of operation only 16,698 tons of coal were carried on the Sydney-Wollongong line, 1767 tons of which were taken to stations within the Wollongong and Kiama districts. Only two mines, Metropolitan and Bellambi, despatched quantities of any significance: 8357 and 6210 tons, respectively. In the succeeding year, the total railed was still only 65,894 tons, 10,709 of which remained within the Wollongong and Kiama districts.

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209 ibid., 18 December 1888.
210 ibid., 23 February 1889.
212 Illawarra Mercury, 4 August 1888.
213 ibid., 22 June 1889.
214 ibid., 13 June 1889.
215 ibid., 27 July 1889.
Again, Metropolitan and Bellambi accounted for the bulk of this—57,252 tons. 217 As William Harper of the Institution of Civil Engineers, who had designed the coal jetties at Port Kembla and Bellambi put it:

> the railway charges are, on account of the steep gradients and sharp curves, so heavy that no large quantities [of coal] can be profitably carried for distances over 30 miles south of Sydney. 218

John McElhone and all those opponents of the line who had told the Parliament that it would never return a profit on coal had been vindicated—but only at the final cost in public loan money of £1,802,834, exclusive of interest, for the 70 mile Sydney-Kiama railway, 219 76.7 per cent. above the 1881 estimate of £1,020,000.

With the passage of the Mount Keira Tramway Acquisition Act in July 1889 and of the Wollongong Harbour Trust Act in September 1889, all of this was now within the effective control of Wollongong’s businessmen. They possessed everything that they had dreamed of and struggled for since John and Thomas Garrett’s *Illawarra Mercury* had called them into action in the 1850s. On the brink of securing their New Jerusalem, for as such they conceived of it, their mouthpiece, now Archibald Campbell’s *Illawarra Mercury*, sanctified their achievement. In September 1888 Campbell described their crusade as the work of:

> a few patriots, with noble aims, with unselfish ambitions, with honest aspirations, with one absorbing idea actuating their efforts—that of ameliorating the condition of their adopted district, of bringing fair Illawarra’s manifold riches into the light of day, of spreading the benefits which lay dormant under her fertile soil, and of allowing by increased facilities other less fortunate persons to obtain a glimpse of a second Paradise. 220

John Biggar received especial praise for his labour in securing the Illawarra Railway. Declared to be Wollongong’s Ajax or Hercules, he had toiled:

> link by link, to connect the golden chain, which would confer benefits not on his individual self—no such selfish thought found a place in his mind—but who was ever actuated by the desire to advance his country’s good. 221

217 See *ibid.*, *Year Ending 30th June 1890*, p.26 (Appendix 18). In *ibid.*, Session 1890, Vol.47, Pt.3.
220 *Illawarra Mercury*, 4 September 1888.
221 *ibid.*, 4 September 1888.
The reality, of course, was otherwise, expressed perfectly by Archibald Campbell himself. He exulted over the possibilities for gain opened up by the Harbour Trust scheme. As the Bill moved through the Parliament, he looked forward to offices, workshops and shipbuilding and rope making concerns springing up around the new port, noting particularly that about 230 acres had been set aside for subdivision and sale to 'keen sighted speculators'.

From 1 October 1889, when the Act came into force, the speculators had their Harbour Trust and effective control of the district's coal export trade. With 'exclusive management and control' of the existing Wollongong Harbour and the new Tom Thumb Lagoon port when built, they were at the zenith of their power. Eight of the 12 Commissioners were local businessmen (see Table following), giving the men who intended to bring Paradise to Wollongong the numbers on the most powerful organisation ever called into being in the district.

It availed them little. In 1890 the New South Wales coal trade followed the wool trade along the path of depression. Output fell by 16.3 per cent. Wollongong followed the trend as production fell for the second successive year, down from the 1888 peak of 776,818 tons, to 701,572 in 1889 and 582,447 tons in 1890 (falls of 9.7 and 17 per cent.). Employment in the district's mines dropped from its high of 2065 in 1889 to 1885 in 1889.

The butter industry fared no better. In 1887 16,113,157 pounds weight of butter was produced in New South Wales, of which Wollongong contributed 2,112,128, making it the third largest producing district in the Colony, behind the south coast districts of Eden and Shoalhaven. For the industry as a whole the slump commenced mildly enough, with 1888 output declining by 3.5 per cent. In Wollongong, however, the downturn was catastrophic, with production crashing by 76.2 per cent. to 501,828 pounds. Within the same 12 months, employment in the district's farms fell by almost a quarter, from 1419 persons in 1887 to 1075 in 1888. The district's small manufacturing workforce dropped from 301 in 1886 to 197 in 1887/88 and to 140 in 1888/89.

222 ibid., 15 August 1889.
223 Wollongong Harbour Trust Act 1889. 53 Vic. No.19.
225 Statistical Register of New South Wales, 1887. (Wollongong district = electorate of Illawarra).
226 ibid., 1888.
227 ibid., 1886-1888.
## THE WOLLONGONG HARBOUR TRUST COMMISSIONERS, DECEMBER 1889

<table>
<thead>
<tr>
<th>Elected (E) Or Appointed (A) By</th>
<th>Commissioners</th>
<th>Public Office/Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wollongong Council (E)</td>
<td>Archibald Campbell</td>
<td>Proprietor Illawarra Mercury; Director, Shellharbour Steam Navigation Company.</td>
</tr>
<tr>
<td></td>
<td>William Wiley</td>
<td>Mayor of Wollongong; Land &amp; Mining Speculator.</td>
</tr>
<tr>
<td>Central Illawarra Council (E)</td>
<td>John Richards</td>
<td>Alderman, Central Illawarra Council; Proprietor, J. Richards &amp; Sons' Tannery, Unanderra.</td>
</tr>
<tr>
<td>North Illawarra Council (E)</td>
<td>Aquila Parsons</td>
<td>Alderman, North Illawarra Council; Proprietor, Ironmongering, Plumbing &amp; Building Establishment.</td>
</tr>
<tr>
<td>Bulli &amp; Clifton Division of the</td>
<td>Joseph Mitchell</td>
<td>Member for Illawarra; Coal Merchant, Mine &amp; Ship Owner; Major Shareholder, South Bulli Mine; Director, Bellambi Coal Company; Director, Illawarra Engineering Company.</td>
</tr>
<tr>
<td>Electorate of Illawarra (A)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine Owners, Traders &amp;</td>
<td>William Gunning</td>
<td>Proprietor, Department Store, Wollongong.</td>
</tr>
<tr>
<td>Merchants Liable to Wharfage</td>
<td>William Wiseman</td>
<td>Alderman, Wollongong Council; Proprietor, Blacksmiths &amp; Wheelwrights Establishment, Wollongong.</td>
</tr>
<tr>
<td>Rates (E)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipowners Registered in Sydney</td>
<td>Charles Byrnes</td>
<td>Proprietor &amp; Managing Director, Mount Pleasant Mine; Proprietor, Woollen Mills, Parramatta &amp; Granville.</td>
</tr>
<tr>
<td>&amp; Trading with Wollongong (E)</td>
<td>A.C. Turner</td>
<td>Not Known.</td>
</tr>
<tr>
<td>Governor of New South Wales (A)</td>
<td>John Biggar</td>
<td>Auctioneer &amp; Estate Agent; Mining Speculator; Wollongong Agent for Victoria Fire, Marine &amp; Life Insurance Company.</td>
</tr>
<tr>
<td></td>
<td>Robert Deane</td>
<td>Captain, Royal Navy.</td>
</tr>
<tr>
<td></td>
<td>Francis Woodward</td>
<td>Member for Illawarra; Solicitor; Money Lender; Wollongong Agent for Australian Mutual Provident Society.</td>
</tr>
</tbody>
</table>

* Appointed by Governor under section 9 of Wollongong Harbour Trust Act. 53 Vic. No.19, until Division created a municipality.

The manufacturing base in Wollongong had remained small largely through the failure of the great iron works to materialise in what the district's businessmen had for decades declared to be a natural centre for such activity. Their fevered imaginations had greatly overestimated the quality of the local iron ore. As Dr. James Robertson, the experienced and blunt mining engineer, and managing director of the Mount Kembla Company, noted in the early 1890s:

A good deal has been written, and much enthusiasm displayed, with the object of developing, by means of English capital, the so-called Illawarra iron ores. With an intimate knowledge of the district, the writer confesses that he has not yet seen or been shown a single bed of ironstone that has proved to be persistent or sufficiently rich to induce even prospecting.228

Patrick Lahiff had made a little pig iron at Mount Pleasant but his attempts to secure capital for the venture had produced nothing. Joseph Mitchell, Member for Illawarra and director of the Bellambi Coal Company, revived the idea in February 1889,229 but it was hopeless. Robertson's conclusions were confirmed by government testing of the iron ore beds near Bulli in 1895:

The results obtained were disappointing. The majority of the samples were found upon assay to be worthless as iron ores, and no workable deposit of good ore was located.230

Or, as Robertson had more pointedly observed: 'To call these ironstones is but an insult to the intelligence'.231 That had not mattered to Wollongong's businessmen whose ability to conceive grandiose schemes was matched by their capacity for self deception about the extent to which they could control the economic development of the district.

Three of these men, those individuals who had done most to establish the Harbour Trust, did not survive the economic collapse of the 1890s. Francis Woodward, President of the Harbour Trust League and then a Trust Commissioner, resigned from the body in August 1890232 and did not recontest his seat of Illawarra at the 1891 general election. He had contracted a 'bad case of speculative fever',233 having borrowed heavily to buy land in

229 Illawarra Mercury, 14 February 1889.
231 Robertson, loc.cit.
Wollongong which, assuming that trade and population would continue to grow, he had hoped to unload at a great profit. He borrowed in turn from his clients’ trust funds, was detected, struck from the solicitor’s roll and gaoled for three years.234

William Wiley simply went bankrupt,235 his short career as a provincial entrepreneur strutting the international finance market ending in disgrace when his insolvency led to his disqualification in February 1890 from his seat on Wollongong Council.236 He was similarly debarred from occupying his place as a Commissioner on the Harbour Trust.237 Wiley’s flagship, the Great Wollongong Proprietary Coal Company, did not even survive the boom. It produced 24,500 tons of coal in 1888238 and then sank without trace.

John Biggar escaped financial and business disgrace. However, he did not live to see whether his decades of Herculean struggle would realise Wollongong’s commercial, millennium. He died in Wollongong in mid 1890,239 on the eve of the great Maritime Strike that would engulf the Colony and bring the district’s coal trade to a halt for months.

Thus it was that the Wollongong Harbour Trust moved into the 1890s without the guidance of its three founders. Not that it mattered. On the advice of Sir John Coode that it was after all impracticable, the Trust abandoned the Tom Thumb Lagoon scheme and proposed instead to create a 107 acre port north of Wollongong Harbour by erecting two enormous breakwaters and reclaiming areas of the foreshore. The estimate of cost ballooned from the original £250,000 to £537,000,240 just as the repercussions of the economic collapse began to register in the money markets: ‘An ominous state of tension developed in London; and money . . . was now difficult to obtain’.241 In the last five years of the 1880s the Australian Colonies imported £95 million of public and private capital; in the first five years of the 1890s that plummeted to £39.7 million.242 But the Harbour Trust was in no position to borrow even had

234 ibid., pp.27-9.
235 See New South Wales Government Gazette, No.97, 21 February 1890, p.1589.
236 See List of Wollongong Council Aldermen. Wollongong Public Library (Reference Section).
237 New South Wales Government Gazette, No.123, 4 March 1890, p.1924.
239 Illawarra Mercury, 1 July 1890.
242 Calculated from figures in Hall, op.cit., p.211.
the money been available. In 1891 its receipts totalled £7660 and expenditure £5847; in 1892 the figures were £7632 and £5717 respectively. In 1893 it plunged into deficit with receipts of £7455 and an expenditure of £13,892. To the end of 1893 the Trust had raised no money by loan.243 Defeated, the Harbour Trust Commissioners asked to be relieved of their responsibilities, and on 2 December 1895 the Governor of New South Wales proclaimed that 'it has been deemed necessary in the public interest to dissolve the said Trust'.244 Wollongong Harbour had returned to the control of the government. The depression also consumed the Illawarra Harbour and Land Corporation's scheme for a port at Lake Illawarra, which had been revived after its rejection by the Parkes Ministry.245

The instability and unpredictability of market forces had once again robbed Wollongong's businessmen of their prize. Perhaps, had the boom continued for another decade or so, the Harbour Trust might have delivered on its promise. On the other hand, had that occurred and the Trust imported another £250,000 to £500,000, or more, of capital into the Colony, the scale of the disaster wrought by increasingly speculative borrowings to finance the ambitions of businessmen big and small, metropolitan and regional, might have been the greater.

243 Statistical Register of New South Wales, 1893, p.724.
244 Supplement to the New South Wales Government Gazette, No.804, 2 December 1895, p.7823.