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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CHAPTER 4

PUBLIC EXPECTATIONS DISAPPOINTED:
RECESSION AND GOVERNMENT HOSTILITY, 1863-1864

Early in 1863 their patience exhausted, the proprietors of the Osborne Wallsend and Mount Pleasant mines and the Illawarra Steam Navigation Company, and the town's businessmen convened a public meeting to urge the Ministry to have the Wollongong Harbour works completed without further delay. On the motion of John Biggar the meeting agreed to form another organisation for the purpose. There was no thought of using it to promote the interests of either liberalism or the Cowper Ministry. Rather, the object of 'The Illawarra Improvement Association' was to be:

maintaining and keeping up a proper organisation for bringing under the notice of the Government any public works requisite to develop the resources of the district, and more particularly to watch over the progress of the harbour works, and endeavour by all constitutional means to procure the finishing of the improvements of the Wollongong Harbour as quickly as possible.¹

The meeting adopted a memorial for presentation to the Minister for Public Works, setting out the grievances of 'the inhabitants of the town and district of Wollongong'. Chief among these was the 'dilatory manner' in which the project was being carried out, which had resulted in the completion of less than half of the work. This was blamed upon the 'trivial appliances and inadequate means the Government have provided'. The memorial noted that there were now two mines (Osborne Wallsend and Mount Pleasant) using the Harbour, but owing to the temporary and limited wharfage available to them:

these mines are only occasionally at work, causing great loss to the parties whose capital is invested in these undertakings, as well as loss of employment to the miners and labourers engaged in producing coals, and general loss to the revenue, shipping, and commercial interests of the colony.

¹ Sydney Mail, 7 March 1863, The meeting was held on 27 February.
The memorial also claimed, with less truth, that there were investors waiting anxiously for the completion of the Harbour before committing themselves to opening new mines. To combat this ‘unfair treatment and undeserved neglect’, the meeting empowered James Byrnes, Thomas Garrett, Edye Manning, William Speer and Joseph Wilshire, a property owner and gentleman of independent means, to seek an interview with the Minister for Public Works, to deliver its memorial and to ascertain what the Ministry proposed to do. Relations between the Cowper Ministry and Wollongong’s businessmen were becoming strained and the meeting with the Minister did little to improve them.

The deputation that met the Minister, William Arnold, comprised Byrnes, Speer and Wilshire, with Count Ignacy Zlotkowski as a late and vocal addition. Arnold told it bluntly that he believed the Government was, given the constraints imposed by the money available for the work, ‘doing it in the best way, but if you wish to take it out of our hands we shall be quite willing to transfer it to you, and to profit by your experience.’ At this point Zlotkowski intervened, and his exchange with Arnold demonstrated that the Cowper Ministry felt that it had, by taking on the works at all, discharged its political obligations to Wollongong:

Mr. ZLOTKOWSKI said that if Mr. Arnold were invited to a public dinner he might see that certain things were not to his taste, although he was not himself a cook. So he (Mr. Z.), though not a civil engineer, could see that the harbour works at Wollongong were being carried out in a very dilatory manner.

Mr. ARNOLD: That is true, but there are other engineers beside the Government engineer; and if you do not like our cooking you can get another cook to work for you. We have no wish to be your cooks; we are only cooking for you as a matter of convenience.

Mr. ZLOTKOWSKI: Still we have to pay for the cooking, which is very bad, and we want it better done.

Mr. ARNOLD: Well, when you can get better cooks we are quite willing to resign our situations. Although we are your servants, we are quite as independent as you are.

2 The next mine to commence operations did not open until 1878, at Coalcliff. Certainly, there is no evidence to suggest that anyone was about to commence mining within ‘striking distance’ of Wollongong Harbour in 1863-4. The memorial is reprinted in ibid.

3 M. Organ & P. Doyle (Eds), Illawarra Historical Source Books: Old Pioneer’s Reminiscences of Illawarra (1830s-1920’s). Illawarra Historical Publications: Woonona, New South Wales 1989, p.55. Wilshire had been an alderman on Wollongong Council in 1859-60 and 1860-61 (see list of aldermen, Wollongong Public Library, Reference Section). He was described as ‘Gentleman’ in a petition of 1858 (see Supplement to the New South Wales Government Gazette, No.189, 19 November 1858, p.1961). In Waugh’s Country Directory of New South Wales for 1862-3, he was listed as “Justice of the Peace”.

4 Sydney Mail, 14 March 1863.
The Count pressed on, stating that, 'the delay with the works was inflicting great injury on the district,—asserting that Wollongong was a place of great importance'. Arnold made the position crystal clear. 'Between ourselves,' he told Zlotkowski, 'Wollongong is a very small place. It was a very difficult matter to get Parliament to vote the money for the work'.

Byrnes, Speer and Wilshire saw the uselessness of continuing in this way, and concentrated on specific problems with the Harbour works, thus allowing the Minister and Moriarty, who was also present, to offer them a more considered hearing, as well as some concessions. Three matters of concern were raised. First, that the deepening of the existing outer basin, where the temporary wharf was located, was not proceeding quickly enough and that many of the large rocks loosened by excavation had been left in the basin, making it more dangerous to shipping than it had been in its unimproved state. Moriarty explained that while this was unfortunate it would be too expensive to employ large numbers of men to remove the rocks. They would have to wait until the proper plant was available.\(^5\) Second, that the stones used for the breakwater were not large enough, as they were constantly being washed away by the waves. The Chief Engineer pointed out that this was to be expected: ‘in the formation of any breakwater it had to be washed down, so as to be packed by the waves to the angle at which it was to stand’. Third, and most important, that the opening of the new basin, the ‘coal port’, seemed to be a distant event.

Here Moriarty offered some cheer by stating that: he had given positive instructions to Mr. Gibbons to direct the whole of his attention to the deepening of the old basin ... and then to break out an opening between the old and the new basins so as to render the latter available for vessels as soon as possible.

He expected this to be accomplished within four or five months. Zlotkowski found this acceptable: ‘That is sufficient. We take that as a categorical answer’. James Byrnes was less sure. What, he asked, was the point of having the use of the new basin unless the coal tramways were continued alongside it? Moriarty pre-empted his Minister by stating that while he had not included this item in his original plans, he felt that it would be sanctioned.\(^5\)

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\(^5\) Arnold mentioned to Speer that the government did not possess all of the plant needed for the works. It had, for example, advertised in New South Wales for rails but was unable to get them. These, he said, had to be brought from Melbourne.
On being informed that the rail lines would cost only £2000, Arnold said that tenders would be called at once so as to have them laid for the opening of the new basin. Apparently, the Minister believed his Chief Engineer’s advice that the works were proceeding within the original estimate of expenditure, and thought that this extra item could be seen to without the Parliament having to be approached for a further appropriation. Whatever the reality, this undertaking met the need of the moment and ‘the deputation...withdrew, expressing their gratification at the results of the interview’.  

To demonstrate his good faith, Arnold, accompanied by Moriarty, visited the Harbour works on 9 June 1863. The Minister personally instructed Gibbons to prepare ‘at once’ for laying down rails to the eastern side of the new basin, where turntables for the coal waggons, shoots and other appliances for the shipment of coal would be fixed. The ever optimistic Gibbons said that the opening of the new basin was but one month away. It was an illusion, and an indignant Ignacy Zlotkowski was the first to shatter it. In September he wrote to the Illawarra Mercury to say that he had been ‘delighted’ to have been assured by the Minister for Public Works in March that the Harbour would be completed by August, with additional rails and coal shoots provided at public expense. Instead, he now found that the Harbour was nowhere near completion and was certain it would never be completed for the original vote of £26,892 which, he claimed, was nearly exhausted. The Ministry and the Department of Public Works, cried Zlotkowski, had been treating the people of the district ‘like boobies or idiots’ and it was time for all ‘Illawarraites’ to arise from their ‘lethargic sleep, and be doing.’

Zlotkowski’s letter signalled the breakdown of the, at times, cosy political relationship that had existed since 1858 between the businessmen and landowners of Wollongong and the Cowper-Robertson Ministry. The immediate cause of the estrangement lay not in any fundamental change of outlook either on the part of the electorate or of the Ministry. Rather, it was the inadequate estimate of expenditure for the Harbour works. Arnold had hoped that

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6 The interview was reported in Sydney Mail, 14 March 1863.
7 ibid., 13 June 1863
8 Zlotkowski’s letter, in Illawarra Mercury, 11 September, 1863.
the ‘unusual’ arrangement into which his Department had entered with Gibbons would get around the impasse. That had proved impossible, but the Wollongong interests that the Ministry had tried to reward for their political support could see only that the Ministry had failed to deliver on time, and were beginning to believe that there might be no delivery at all. That failure was ultimately a result of the method upon which Cowper and Robertson had placed great reliance for ensuring their survival on the floor of the House, and which men like those in Wollongong were only too willing to embrace for their enrichment—the buying of votes with public money.

The ‘lavish parliamentary appropriations’ achieved by the Ministry since 1860, including the floating of loans for public works, had pushed government expenditure well ahead of revenue and by October 1863 the financial situation was approaching crisis point as the deficit mounted. Between 1856 and 1859, inclusive, the government enjoyed annual budget surpluses of £76,000, £63,000, £169,000 and £99,000. In 1860 there was a small deficit of £4,000, but this expanded to £108,000 in 1861, £36,000 in 1862, spiralling to £509,000 in 1863. The Ministry, therefore, was unable to buy its way out of the mess into which the Wollongong Harbour works had drawn it. Parliament would not have approved a further appropriation to meet the real cost of the plans that Moriarty had recommended.

If Zlotkowski’s September 1863 letter had signalled the breakdown of the relationship between Wollongong and the Cowper-Robertson Ministry, then the fall of Cowper in October, as a direct result of the financial crisis to which both had contributed, marked its dissolution. When Cowper’s Treasurer, Thomas Smart delivered his financial statement on 4 September, he shocked the Parliament and the press when he revealed a deficit of £440,000. Smart’s Budget for 1863/64, which proposed to reduce the deficit by increasing tariffs on a range of goods and by imposing tariffs on others, was too little too late. When the Estimates were introduced on 14 October, the Ministry was defeated in a division on the first item and resigned on the following day. Ironically, it was Thomas Garrett who inadvertently created

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9 This was how Arnold had described it when he met with the Wollongong deputation in March. See *Sydney Mail*, 14 March 1863.
the situation that allowed this defeat. Garrett, the Ministry's unofficial whip, had neglected to arrange a pair for a Government supporter who had left the chamber, which resulted in a tied vote on the division. Robert Wisdom, the Chairman of Committees, a position with which Cowper had rewarded him two years before, used his casting vote to defeat the Ministry. Such were the vagaries of faction politics.

The future for Wollongong's businessmen looked, at best, uncertain. Almost 75 per cent. of the money voted for the Harbour was gone and, with Cowper's fall from the Premiership, the conditions that had given some form to their dreams had ceased to exist. There was a new Ministry to contend with, and the attitude of its members toward Wollongong pointed to a grim future for the town's businessmen.

The new Premier was James Martin, a long-standing opponent of Cowper, who had moved the omission of the Wollongong Harbour item from the Public Loans Bill in 1860. Martin's Colonial Secretary, William Forster, had, as Premier in 1859-1860, tried to reduce the vote for the Harbour. Perhaps more disturbing was the appointment of Arthur Holroyd as Minister for Public Works, for Holroyd had taken something of an interest in the political arrangements which had surrounded the Wollongong Harbour works. In July 1863 he attacked the Cowper Ministry for apparently having allowed the wharf at the Harbour, constructed at Government expense, to be 'monopolised by stores and coal, to the inconvenience and annoyance of the public'. The two sheds on the wharf were, he claimed, occupied 'gratuitously' by the Illawarra Steam Navigation Company and the wharf itself was 'crammed' with coal stocks belonging to the Osborne Wallsend and Illawarra Coal Companies. Holroyd believed that it would have been more profitable to the government and fairer to other users of the Harbour to bring these facilities under a leasing arrangement: 'He

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13 By 31 December 1863 £19,791 of the vote (73.5 per cent.) had been spent. See *Public Accounts for the Year 1873*. Government Printer: Sydney 1874, p.90. The *Statistical Register of New South Wales* figures give a total to 31 December 1863 of £19,820. See *Customs. (Statistics Respecting.) ('Expenditure on Piers, Wharves, Light-houses, &c., &c.') In Votes and Proceedings of the Legislative Assembly, Session 1866, Vol.1.*
wished to know whether the Government had given up this wharf to their supporters at Wollongong, and it appeared that they had'.

Thus, as the new Ministry set about balancing the Budget, no special consideration was given to Wollongong. In the calendar year 1864 the Treasurer, Geoffrey Eager, reduced government expenditure by 9.7 per cent. and increased revenue by 8.3 per cent. on the previous year, a small contribution to the latter being made by the imposition of a tonnage duty on ships using the still incomplete Wollongong Harbour. This measure had, in fact, been introduced by the Cowper Ministry in October 1861. The then Minister for Public Works, William Arnold, told Parliament that the purpose of the Wollongong Tonnage Bill of 1861 was to make the Harbour works 'reproductive'. The imposition of a tonnage duty would, he said, be a 'protection' for Government against 'numerous applications for large outlays of this character'. Believing that the Harbour would be teeming with colliers and other vessels within 12 months, John Garrett raised no objection to the principle behind the legislation, and the Bill became law on 3 December with collection of the duty to commence from 1 July 1862.

The Cowper Ministry was sympathetic enough toward Wollongong not to collect the duty while the Harbour remained unfinished, and passed postponement Acts in 1862 and 1863 delaying payment until 1 July 1863 and 1864, respectively. Holroyd opposed the postponements, asking in 1863 whether the Osborne Wallsend and Illawarra Coal Companies were to continue to enjoy the privilege of using the existing wharfage without returning anything to the government. Hence, the Martin Ministry did not introduce a third postponement Bill when the duty again became payable from 1 July 1864. This led the Illawarra Mercury to characterise the Ministry as 'impudent thieves who are now picking our

14 Quoted in Sydney Morning Herald, 15 July 1863. Garrett told Holroyd that the wharf was used only for the 'ordinary traffic for shipping away the products of the district'. Holroyd seemed to be unaware, or did not care, that the incomplete state of the Harbour at this time accounted for what seemed to him the inconvenient state of affairs at the wharf.
15 Calculated from figures in Patterson, op. cit., p.22.
16 Quoted in Sydney Morning Herald, 17 October 1861.
17 ibid.
18 Wollongong Tonnage Act of 1861. 25 Vic. No.5.
20 Sydney Morning Herald, 24 July 1863.
pockets with impunity', and to express the shock felt by local businessmen at 'the audacious character of the robbery' and 'this barefaced plundering of an injured people'.

While under no illusions as to the attitude of the new Ministry, Wollongong’s businessmen were no longer interested in factional manoeuvring inside Parliament House. The government of New South Wales had promised them a coal port and a coal port they would have, regardless of which group of Ministers happened to be occupying the Treasury benches. In fact, most of Martin’s six-man Ministry, including the Premier, had not yet sought ministerial re-election when, at the beginning of November 1863, Wollongong’s businessmen organised a public meeting on the state of the Harbour works. They were anxious to test the waters, the main business being the adoption of a memorial to the new Minister for Public Works.

The main speaker was Robert Owen, who made three points which emphasised that the new coal port was simply a speculation designed to underpin the desire of local businessmen to make more money. First, he pointed out that the ‘present harbour’ would have been ‘sufficient for many years to come’ for the export of the district’s farm produce. It was only, he said, ‘when they looked at their coal-fields [that] they found their trade stifled by the inadequate harbour’. Second, he explained the fact that only a handful of mines had been opened by the slow progress of the Harbour works: ‘many other mines would have been opened had there been a seeming probability of the harbour being completed’. There was no evidence to support this claim. Certainly, there were plenty of Wollongong landowners anxious to see mines opened on their properties. There was, however, no sign of a queue of interested investors with the capital to bring this about. What though, was evidence in the face of expectation? As Owen reminded his audience:

> when they considered the number of persons who would be employed, the wages that would be paid, and the consequent advantages that would be

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21 Illawarra Mercury, 19 August 1864.
22 William Forster was re-elected for East Sydney on 28 October; Geoffrey Eager for West Sydney on 30 October; Peter Faucett (Solicitor-General) for Yass Plains on 2 November; John Wilson (Minister for Lands) for Gold-fields South on 16 November, and Arthur Holroyd for Parramatta on 28 October. See New South Wales Parliamentary Record, 4th ed. Government Printer: Sydney 1914. Only Martin experienced difficulty. As revenge for his fall, Cowper had his son resign his seat of The Tumut to stand against Martin in his electorate of Orange. Martin lost, whereupon he exacted his revenge by winning the now vacant seat of The Tumut on 16 November. See E. Grainger, Martin of Martin Place: A Biography of Sir James Martin (1820-1886). Alpha Books: Sydney 1970, pp.94-95.
derived by shopkeepers, they would have forcibly before them the losses they were likely to sustain unless the Harbour is immediately completed.

Here was the vision that would continue to guide Wollongong’s businessmen as they attempted to attract mining capital to their district: ‘with more money in our pockets, the enjoyments of life would also be increased.’

William Robson took a more immediate view. As the manager of the Osborne Wallsend mine, he saw the improvement of the Harbour as a means of ending double handling of Wollongong coal. Wollongong coal, he said, was being shipped with costs six to seven shillings above those of Newcastle.

The memorial adopted by the meeting was to the point: ‘the works are incomplete, unavailable, obstructive, and dangerous, while progress is altogether suspended.’ Those selected to deliver the memorial to Holroyd were James Byrnes and William Speer, representing Sydney capital and the Osborne Wallsend and Illawarra Coal Companies; William Robson, representing local mine management, and Francis MacCabe and Robert Owen, representing owners of local coal properties. Alderman Thomas Allen, proprietor of the Australian Produce Stores, and a house, land and estate agent, and auctioneer opined that, ‘there could not be a better deputation.’

The deputation that actually met the Minister consisted of Byrnes, Robson and Owen, with the addition of Robert Haworth and Ignacy Zlotkowski. Owen, in handing over the memorial, exaggeratedly told Holroyd that, while 2000 tons of coal a month were presently being shipped through the Harbour, demand was such that when the Harbour was finished this would rise to 2000 tons a week. There was, though, no need for the deputation to talk the Minister round. Holroyd, despite his antipathy toward those ‘Illawarraits’ who had supported Cowper and Robertson, wanted Wollongong Harbour finished as quickly as possible. He had little choice. Too much had been spent and done already, and to stop or retard it now would have been counter productive. Besides which, Holroyd had told

23 Quoted in Illawarra Mercury, 3 November 1863.
24 Memorial, in Sydney Morning Herald, 4 November 1863.
25 Quoted in Illawarra Mercury, 3 November 1863. Allen’s occupations taken from ibid., 1 & 8 July 1862.
26 Production at the Osborne Wallsend and Mount Pleasant mines, the only two which used the Harbour, did not begin to approach this figure until the late 1870s.
Parliament only four months before that he was peeved by the ‘extraordinary delay’ in the completion of the works and had declared that that event might be up to 10 years away. As Minister he was determined to remove this blot from his Department.

Gibbons was made the scapegoat, with Moriarty telling the deputation that the former’s performance had been ‘very unsatisfactory, and that there had been nothing to justify the delay that had taken place’. Gibbons’ services may have been unsatisfactory, but then he had had to work within the limits imposed by Moriarty’s estimate and the political obligations of the Cowper Ministry. Politely, these factors were not mentioned. Moriarty then pointed out that only £7600 of the vote remained, sufficient to last only until July 1864 ‘if the works were in the meantime confined to the excavation of the [new] basin and the formation of the proposed wharf wall’. Here Holroyd unexpectedly informed the deputation that he was willing to ask Parliament to sanction a further amount for the completion of the Harbour, though ‘on account of the extraordinary deficiency in the revenue’ he would have to await a more propitious moment, ‘supposing that the present Government should remain in office till that time’. The Minister sent the deputation away with a promise that ‘no exertion should be wanting on his part’ for the speedy completion of the works and a commitment to personally inspect the Harbour in the following week. This was a vastly more satisfactory outcome than that which had resulted from the deputation to Cowper’s Minister, Arnold, earlier in the year.

It was not just Holroyd’s personal views on the best way to handle the Harbour problem that had induced him to be so accommodating. As he had intimated to the deputation, the Martin-Forster coalition did not enjoy solid support in the Assembly, so that the new Ministry was just as susceptible to sectional demands as its predecessor had been. Forster’s Premiership of 1859-1860 had been brief because of his insistence that his Ministers

27 Quoted in Sydney Morning Herald, 30 July 1863.
28 ibid., 24 July 1863.
29 Interview in ibid., 4 November 1863.
30 The Martin Ministry could count on 25 Members (34 per cent.) while the opposition Cowper-Robertson faction held the allegiance of 30 (40 per cent.) The balance of power lay with 19 Members who operated independently of the major factions. See P. Loveday & A. W. Martin, Parliament, Factions and Parties: The First Thirty Years of Responsible Government in New South Wales, 1856-1889. Melbourne University Press: Carlton, Victoria 1966, p.44 (Table 2).
remain aloof from such demands. Martin, though he had opposed Cowper's virtual buying of Members' votes, soon came to see that if he wished to keep Cowper out he would have to adopt his methods. To this extent, Holroyd's treatment of the deputation was clever politics. It helped prepare the way for the Member for Illawarra to transfer his loyalty from Cowper to Martin. During the life of the Martin Ministry Robert Haworth supported it in 93.3 per cent. of the divisions in which he voted, an even higher level of support than that he had given to the previous Ministry. So keen was Haworth to promote his interest in the completion of Wollongong Harbour that, when Martin lost his seat of Orange as he sought ministerial re-election, he offered to resign Illawarra to allow Martin to stand there. The Premier did not take up the offer, winning another seat instead. Nonetheless, Haworth's offer, made before Holroyd visited Wollongong, did nothing to damage the gains made during the earlier interview with the Minister.

Holroyd, accompanied by Moriarty, inspected the Harbour works on 11 November, they were 'escorted . . . by Mr. Robert Owen . . . and other gentlemen of the district', who presented the Minister with a 'congratulatory address'. Though pre-emptive, the congratulations proved to be well-merited. Holroyd promised to place £5000 on the Estimates, for the completion of the deepening of the outer basin, the excavation of the new basin and the construction of the breakwater; arrangements for the calling of new tenders were to be made immediately. He also announced changes to the management of the works, the most important being that Gibbons, who was also the superintendent of the Government harbour works at Kiama, was in future to devote himself entirely to Wollongong. Holroyd

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32 Powel, *op. cit.* pp.140: 'Martin, for all his earlier horror at Cowper's 'corrupt' political management, found himself obliged to govern by precisely the same methods. Personal loyalties and interests remained the basis of politics'.
34 *Illawarra Mercury*, 10 November 1863.
35 See footnote 22, this Chapter.
36 *Illawarra Express*. Quoted in *Sydney Morning Herald*, 12 November 1863.
37 *Illawarra Mercury*, 13 November 1863.
38 A vote for the improvement of Kiama Harbour was pushed through with that for Wollongong in the Public Loans Act of 1860. Holroyd proposed to abolish two positions at the Wollongong works: clerk of works, and storekeeper. These duties were to be transferred to Gibbons.
expected, on Moriarty’s advice, that these initiatives would see the Harbour finished ‘probably’ in seven months time (that is, by June 1864). The ‘gentlemen of the district’ could not have hoped for more. Indeed, the Cowper and Robertson Ministries, without which there would have been no Harbour improvements to discuss, were now cast virtually as enemies of Wollongong’s progress. As the Illawarra Express put it:

So far therefore as our district is concerned, we have reason to rejoice at the change which has taken place in the Cabinet. The prompt action of the new Minister for Works indicates that the public improvements of the colony will be vigorously carried out by him.

The new Minister, however, had reasons for visiting Wollongong other than the more efficient prosecution of the Harbour works or the shoring up of support for the Martin Ministry. In the second week of September 1863 Holroyd had become a partner with a Bellambi farmer, Thomas Garlick, and the latter’s mother-in-law, Mrs. Killeary, for the purpose of developing coal properties in the Bulli area, owned by Garlick and Killeary. Garlick had accompanied the deputation from Wollongong which had seen Holroyd about the Harbour works in early November. On the morning of 12 November, having inspected the Harbour on the previous day, the Minister hurried to the Wollongong Lands Office and made three conditional mining purchases—two of 40 acres and one of 80 acres—on land adjoining that of Garlick and his mother-in-law. As Alfred Turner, the Land Agent at Wollongong, recalled, Holroyd made his selections ‘at 10 o’clock, immediately on my opening the office ... he came earlier, but I would not receive his application until the proper time—10 o’clock’. All of this might have passed unnoticed but for the fact that John Mackenzie, the Examiner of Coal Fields for Wollongong, had, on 11 November, at Garlick’s request, examined deposits of iron ore on the properties owned by Garlick and Killeary and on the blocks that Holroyd was to select on the following day. Mackenzie wrote his official report for the Minister for Lands on the 12th.

39 The Minister’s visit to the works is reported in Illawarra Express, op. cit.
40 ibid.
On 1 and 8 December Joseph Harpur, Member for Patrick's Plains, asked the Minister for Lands, John Wilson, if Holroyd had made his selections after having obtained official confirmation from Mackenzie about the existence on them of beds of iron ore. Wilson was non-committal; he had no idea of how Holroyd had obtained his information. Thomas Garrett, still smarting from the fall of Cowper, successfully moved for a select committee 'to inquire into the circumstances under which three sections of Mineral Land were selected by the Honorable Arthur Todd Holroyd, at Illawarra, on the 1st November last'. Garrett chaired the committee which, to his disappointment, accepted that Holroyd had made his selections at the 'earnest request, and ... solicitation' of Garlick rather than by taking 'advantage of his public position to obtain the use of official information for his private benefit'. Though Garlick denied that part of Holroyd's purpose in coming to Wollongong had been to make his mineral purchases (he told the committee that he had 'pressed him to select' only on the morning of 12 November), the visit was a nice combination of private and public pursuits and goes some way toward explaining the Minister's sudden and newfound concern for the well-being of the Wollongong district.

Unfortunately for the Minister, however, no amount of concern on his part could save either his own mining interests or those of the Wollongong district from the recession that had begun to affect the New South Wales coal trade in the first half of 1863. The large demand for coal in the early and mid 1850s, created chiefly by the gold rushes, had been fully met, and exceeded, by Newcastle. Hence, the opening of mines in the Wollongong district from the late 1850s had added to the growing capacity of the industry for overproduction. Though there were losses through strikes at Newcastle, the trend was for a steady increase in output from the early 1860s, with 'potential production ... above market...

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43 Report from the Select Committee on Mineral Land Selected by the Honorable Arthur Todd Holroyd, op. cit., p.2. Garrett did this on 1 April 1864.
44 ibid., p.9 (Garlick's evidence). An official return shows that Garlick bought 52 acres of land in the Wollongong district, at £1 an acre, at some time in the period 1 July to 31 October 1863. See Crown Lands (Conditional Purchases under Alienation Act of 1861.) In Votes and Proceedings of the Legislative Assembly, Session 1863-4, Vol.4.
45 ibid., p.3 (from the Committee's findings).
46 ibid., p.8 (Garlick's evidence).
requirements'. The problem became chronic from about the middle of 1863, as the proprietors tried to maintain output and markets by cutting prices. The Colony’s largest coal producer, the Australian Agricultural Company, noted in its annual report for 1863 that ‘the supply in the market is much beyond the demand; nor can we hold out any immediate prospect of material improvement’. Although the Company had cut the price of its coal, to encourage intercolonial consumption, this could not alter the fact that ‘the Melbourne and Adelaide markets are, and have been for some time past, completely glutted’. Continued price reductions into 1864 did not relieve the situation, which was made worse by competition from cut price English coal which prevented the New South Wales mines from recouping their losses in foreign markets.

Having helped to bring about this crisis in the coal trade, the Wollongong mines also shared in its effects. The first victim was McMullen and Company, ‘coal miners and coal merchants’, a partnership that had leased the working of the Bellambi mine from Thomas Hale since its opening in 1857. The three partners were declared insolvent and their estate placed under sequestration on 17 October 1863. Hale shared their fate three days later. Hale’s mine had been the district’s leading coal producer in 1861 and 1862 but this had been achieved through his determination to win intercolonial and foreign contracts by entering into cut throat competition with the Newcastle mines. As a Newcastle newspaper of the time observed, after making ‘efforts of a most powerful nature to draw away our trade - of which not the least effective were low prices—the Bellambi coal proprietors had had to

49 *ibid.*, p.17.
51 *Forty-first Annual Report*, p.17. In *A. A. Company’s Reports 1858-76*, op. cit. The annual general meeting was held on 26 July 1864.
52 *Illawarra Mercury*, 16 November 1857.
53 *New South Wales Government Gazette*, No.206, 23 October 1863, p.2308. The partners were John & Henry McMullen and Peter Griffin. For further details of proceedings in the estate see *ibid.*, No.77, 19 April 1864, p.939; No.221, 15 November 1864, p.2597, and *Illawarra Mercury*, 4 & 8 December 1863 (action by their employees for recovery of wages).
54 *New South Wales Government Gazette*, No.206, 23 October 1863, p.2307. For further details see *ibid.*, No.77, 19 April 1864, p.939; No.221, 15 November 1864, p.2597, and *Illawarra Mercury*, 20 November, 1863.
55 *Statistical Register of New South Wales, 1861 & 1862*. In 1861 the mine produced 21,549 tons of coal (61.1 per cent. of district production) and 1862, 20,357 tons (41 per cent.).
seek refuge in the insolvent court’. Hale and McMullen and Company had, it continued, learned that to run even a large business at an ‘unremunerative rate is at variance with all the known principles of commerce’.56

In November the mine’s 200 acres of land and the unexpired part of the 21 year lease, dated 1 October 1858, from the Osborne family, together with 15 miners’ cottages and all plant and rolling stock, were advertised for sale.57 The Osbornes tried unsuccessfully to vary the terms of their father’s will to enable them to sell some of the other properties which they had inherited, and hence operate the mine in their own right as ‘they had no capital for the purpose’.58 The mine lay idle from 10 October 186359 until Hale’s interest in it was sold in May 1864 to John Manning,60 son of Edye Manning and closely involved in his father’s coastal shipping interests.61 Manning was, like Byrnes, Speer and George Allen, an absentee proprietor, and operated from his headquarters at the Phoenix Wharf in Sydney.62 His local agent at Bellambi was Henry Strange Fry, a prominent businessman there;63 the working of the mine was leased to Edward Strongarm.64 Despite the efforts of the Bellambi Coal Company, of which Manning was the ‘Managing Proprietor’, the mine did not survive the 1860s.65

Hale’s was the first of two Wollongong mines accounted for by the recession, both of them in the Bellambi area. The second to go was Taylor and Walker’s. This little mine had shown some promise in 1862,66 but operations ceased in 1863 and only some further

56 Newcastle Chronicle. Quoted in Illawarra Mercury, 13 November 1863.
57 Illawarra Mercury, 20 November 1863. Included in the sale was a parcel of 48 acres of coal land, in which Hale and his lessees held a 20 per cent. share, the remainder being the property of the Osborne Wallsend Coal Company.
60 Illawarra Mercury, 27 May 1864.
62 Illawarra Mercury, 28 June 1864.
64 Illawarra Mercury, 1 July & 5 August 1864. His name was also recorded as ‘Strongarm’.
65 The mine produced 10,000 tons (18.1 per cent. of district production) in 1864; 18,867 tons (22.2 per cent.) in 1865, and 4357 tons (5 per cent.) in 1866, the last year of production. From Statistical Register of New South Wales, 1864, 1865 & 1866. See also Sands’ Sydney Directory for 1869, p.5.
66 In 1862 production had been 7,102 tons (14.5 per cent. of district production). See ibid., 1862.
opening out of the seam was undertaken in that year. Finally, on 20 May 1864, the partnership fell into the hands of the Commissioner for Insolvent Estates.

The other mine at that end of the district, Bulli, survived the recession, but not without some pain. In its first half year to 31 December 1863, the Bulli Coal Mining Company did not declare a dividend. A special meeting of shareholders, in March 1864, withdrew from the directors their remuneration of £500 a year and reduced a range of expenses, including the salaries of Company officials. The six months to the end of December 1864 saw no improvement, the half yearly report speaking of ‘the all but universal stagnation of the coal trade generally’. The directors reported that, soon after the formation of the Company, they had found ‘considerable difficulty’ in selling coal within New South Wales. They had, therefore, made speculative shipments to foreign markets (Calcutta, California, Hong Kong and Shanghai) ‘with a view of introducing the company’s coal to notice’. This, of course, was just what other New South Wales coal companies were doing, and the Bulli directors soon saw that:

The result of the shipments to the first two ports, owing to the exorbitant charges, and large quantities of other coals on hand on their arrival at those ports, has been a loss to the company, which has not only absorbed the profits made by shipments to Shanghai and elsewhere, but left a further loss to the company of £625 10s 5d.

When Taylor and Walker’s affairs were finally wound up the Official Assignee realised only £10 on their assets. There was, therefore, point in the observation of the Newcastle Chronicle that companies backed by substantial investors were much better equipped to ride out the occasional storm than were two or three ‘associated’ individuals like Hale and McMullen and Company or Taylor and Walker.

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69 The Half Yearly Meeting of the Company was held at its office, 309 George Street, Sydney. See Sydney Morning Herald, 29 January 1864.
70 Illawarra Mercury, 11 March 1864.
73 Newcastle Chronicle, op. cit.
The mines at the Wollongong Harbour end of the district were not affected quite so badly. Between them, the Osborne Wallsend and Mount Pleasant mines held their 1863 output at a level only marginally below that of 1862 (down 2.6 per cent., compared with a fall of 8.9 per cent. for the Colony); production for 1864 bettered the 1863 figure by 43.6 per cent. (26.5 per cent. for the Colony). This performance can in part be accounted for by the established contract which Byrnes and Haworth had obtained for the supply of coal to the Illawarra Steam Navigation Company, and the securing by the Osborne Wallsend Company in March 1864 of the contract for the supply of coal to the Government’s Great Southern and Western Railways. The union of the Osborne Wallsend and Illawarra Coal Companies from the middle of 1864, probably as a response to the recession, also contributed to the ability of the two mines to weather the storm.

This was the second time in a few years that Wollongong’s businessmen had had an opportunity to see the danger of making the district dependent upon the production of a single commodity. In 1861 the price of butter had been depressed and bankruptcies in the rural sector were accompanied by those among businessmen and self employed tradesmen; with the depression of coal prices in 1863 and 1864, the businessmen and tradesmen came to grief along with the coal proprietors and lessees (see Table following).

John Byrne, engineer and proprietor of the Illawarra Foundry, was particularly vulnerable, as his business was a direct supplier of goods and services to the Bellambi-Bulli mines. Taylor and Walker’s mine had ceased to operate before Byrne established himself at Bellambi in the first half of 1864, and the demise of Hale’s mine and the straitened circumstances of the Bulli Company made it a poor time for Byrne to become a part of the mining industry. He did not last long, for his estate was sequestrated on 8 June 1864; the value of his goods and effects available for the settlement of his debts amounted to less than £100.

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74 Calculated from figures in Statistical Register of New South Wales, 1862, 1863 & 1864.
## BANKRUPTCIES: WOLLONGONG DISTRICT, 1861-1864

<table>
<thead>
<tr>
<th>Occupation of Individual or Firm</th>
<th>1861</th>
<th>1862</th>
<th>1863</th>
<th>1864</th>
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<tr>
<td>1. Rural</td>
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<tr>
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<tr>
<td>Labourer</td>
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<td>TOTAL</td>
<td>14</td>
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**SOURCE:** Official returns of sequestered estates, in New South Wales Government Gazette, No.62, 11 April 1863, pp.868-71; No.141, 21 July 1863, pp.1594-7; No.42, 1 March 1864, pp.544-7; No.193, 4 October 1864, pp.2214-9; No.99, 19 May 1865, pp.1078-81; No.170, 15 August 1865, pp.1792-5; No.48, 27 February 1866, pp.586-9, and No.65, 18 April 1867, pp.1024-7.
Some of Wollongong’s leading businessmen were not dismayed by any of this. Where others faced insolvency they saw opportunity. By March 1864 ‘several meetings’ had been held to consider reopening Taylor and Walker’s mine on the ‘co-operative principle’. The final meeting, held on 7 March, resolved to form a public company, the Osborne Bellambi Co-operative Coal Mining Company, with a capital of £7500 in 1500 shares of £5 each. The Company’s prospectus listed the provisional directors as Thomas Allen, George Hewlett, Charles Smith and Ignacy Zlotkowski, with Thomas Garrett as chairman of the board. The Company’s Secretary was Robert Longmore, Taylor and Walker’s former partner. Share applications were to be addressed to the English, Scottish, and Australian Chartered Bank in Sydney, Wollongong or Kiama (Hewlett was the manager of the Wollongong branch) or to Benjamin Fawcett, Patrick Lahiff’s original partner at Mount Pleasant. The price of shares was kept relatively low, to enable ‘any working man to invest a portion of his earnings in the capital of this Company’. Thus, the venture was to be almost purely a Wollongong one. Its affairs would be conducted by local businessmen and its capital would be raised from their pockets and those of local workers.

Despite the wealth of evidence to the contrary, the directors assured their prospective shareholders that the mine would return quick and high dividends. At a time when a big company like Bulli was making losses, Garrett and his colleagues promised shareholders a dividend of 10 per cent. within 12 months (‘the proprietors will not have to wait one or two years for a return of their money’). This wildly optimistic forecast was based upon an annual output of 18,700 tons which would, on 1864 figures, have made Osborne Bellambi almost the largest producer in the district, as well as the only mine to be at work six days a week throughout a recession year. This optimism was based partially on the fact that the coal

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77 Illawarra Mercury, 11 March 1864.
79 The leading Wollongong coal producer in 1864 was Mount Pleasant with 20,059 tons; Bulli was second with 17,333 tons. See Statistical Register of New South Wales, 1864. The Osborne Bellambi prospectus stated that the mine had the capacity to ‘deliver’ 100 tons of coal a day. The 10 per cent. return to shareholders was based on the shipment of 60 tons of coal a day at 10 pence profit a ton. That is, the mine would have had to have worked 313 days in the year (365 days less Sundays): output = 313 x 18,700 tons; 18,700 x 10d. = 187,000d divided among 1500 shareholders = 124.7d, which is 10.4 per cent. of £5 (1200d.). In July 1864 the Wollongong miners met to discuss hewing rates; at the meeting it was said that the district’s miners had been getting less than five days work a week. See Illawarra Mercury, 5 July 1864.
seam had been opened out to some extent by Taylor and Walker, and that with the mine came some rolling stock and the tramway connected to the jetty at Bellambi Harbour. Underlying it all, however, was what can only be described as the directors' crystal ball analysis of the economic situation. The 10 per cent. dividend, said their prospectus, depended upon it being 'possible that a reaction will take place in the coal trade for the better, when a large shipment of coal may be relied on, and the company prove highly remunerative'.

The prospect of Garrett and his associates operating the Osborne Bellambi mine was ironic. It was the antithesis of their policy, of some eight years standing, of establishing Wollongong Harbour as the district’s coal export centre and principal means of attracting mining capital to the district, with the increased wealth making its way into the waiting tills of the town’s business houses. If successful, the Osborne Bellambi Company would see Thomas Garrett at the head of an organisation working to return to the sons of Henry Osborne, the lessors of the mine, royalties of one shilling on every ton of coal raised and of one shilling and fourpence a ton for all coal taken over the tramway, which the Osbornes had built at a cost of £8000. Policy considerations and old enemies were, however, absent from the minds of the Osborne Bellambi directors. After eight years of organisation and manipulation they had little to show for their efforts—an incomplete Harbour and an infant coal trade devastated by recession. If they continued to wait on others to deliver to them the wealth locked up in the district’s coal seams, they might never see it. In desperation they had entered the trade as proprietors.

The reality was that as ‘little men’ they had no choice but to wait patiently for bigger investors to unlock the wealth of the district. Improving a harbour might, in the right circumstances, tip the balance in decisions by such investors about where to place their surplus capital. Opening a mine in the middle of a recession, with a working capital of only £7500, if fully subscribed, might, with extraordinary luck, enrich the fortunate few. It would not increase substantially the wealth of the district. In any case, Thomas Garrett and his little band of businessmen never got the chance to find out. Their Company’s prospectus ceased to

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80 Illawarra Mercury, 5 July 1864.
81 ibid.
appear in the Illawarra Mercury after 22 April 1864, and the scheme vanished. In September a meeting of Taylor and Walker’s creditors decided to sell the mining plant and subdivide the small parcel of freehold land belonging to the partners.82

It was a season of disaster for Wollongong’s businessmen. In May the Wollongong Harbour works ceased completely, even though in April Holroyd had placed on the Loan Estimates for 1864 sums of £3000 for coal shoots and rails and £5000 for other improvements.83 The Illawarra Mercury, which since November 1863 had been ‘conducted’ by John Curr, formerly Wollongong’s Town Clerk,84 drew the ineluctable conclusion that ‘our mineral resources are all but inconvertible into a merchantable commodity from want of facilities of export’. Curr recorded what seemed to be the death throes of the Harbour policy:

To such an extent is public expectation disappointed, that many of those [who] were foremost in their efforts now openly express their opinion that the works will never by completed.85

The problem, according to Curr, was a ‘misunderstanding’ between the government and its contractors ‘as to the nature or terms of the contract’ for the works.86 This was partly correct, given that the original vote had been inadequate (just as Holroyd’s additional £8000 would prove to be) and had stretched to the limit John Gibbons’ ability to carry on the works. The onset of the recession overloaded that ability, and in September 1863 Gibbons made his way toward bankruptcy.87 His place was to be taken by Thomas Kelly, who had won the contract for the excavation of the inner basin after new tenders were called by Holroyd in December.88 Kelly did not accept the terms finally offered by the government,89

82 ibid. 16 September, 1864
83 Sydney Morning Herald, 15 April 1864. These estimates were passed by the Assembly without comment.
84 Illawarra Mercury, 3 November 1864: ‘the Illawarra Mercury, and the business connected with it will be conducted by Mr. JOHN CURR’. Curr was listed as Wollongong’s Town Clerk in Waugh’s Country Directory of New South Wales for 1862-3. Thomas Garrett remained proprietor of the paper; at some point he took in Archibald Campbell as a partner, this arrangement lasting until 15 February 1868, when Garrett left. See New South Wales Government Gazette, No.8, 4 April 1868, p.961.
85 Illawarra Mercury, 6 May 1864.
86 ibid.
87 His estate was sequestrated on 29 September 1863. See New South Wales Government Gazette, No.193, 4 October 1863, p.2149.
88 ibid., No.247, 18 December 1863, p.2792.
and fresh tenders were called in January, resulting in the appointment of Andrew Wadsworth. In May 1864 Wadsworth left the district, "having thrown up his contract". This occasioned the end of Wollongong's dalliance with the Martin Ministry, Curr damning it for not making available all the funds necessary to finish the Harbour quickly:

No Government that has ever existed in this colony has been so ready to take advantage of public apathy as the present. With a policy, short sighted as it is blighting to the interests of commerce, they imagine that by saving a few thousand in the expenditure on public works they are in reality relieving themselves from their... financial embarrassments.

Curr believed that there would be "but small chance of the works being renewed" if the Ministry was left to make its own decision on the matter. He therefore roused Wollongong's businessmen to a final effort to force the Ministry to make the needed money available. A public meeting was duly convened and a memorial to the Minister for Public Works adopted, noting in part that the suspension of work had led to 'the deterioration of the necessary plant, a portion of which is now rotting in water'.

A deputation, led by the Mayor of Wollongong, George Waring, met with Holroyd a few days later. Like William Arnold two years before, Holroyd was prepared to listen to any suggestions as to the Harbour works being taken out of the government's hands. Unlike Arnold, Holroyd was prepared to take them up. The Minister opened proceedings by asking 'what remedy was proposed to meet the requirements of the petitioners'? Waring suggested that, as the 'small contractors' had all failed, the remaining funds be transferred to the keeping of the Wollongong Municipal Council, which would see to the more efficient conduct of the works through the employment of day labour. Holroyd had no objection to this but noted that he had received a letter from Robert Haworth, stating that Patrick Lahiff was prepared to take up the contract. He told the deputation that he could not make a determination until he had discussed both proposals with Moriarty, who was then unavailable, and with the Ministry. He did say, though, that another contractor had recently

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90 New South Wales Government Gazette, No.15, 22 January 1864, p.179.
91 Illawarra Mercury, 6 May 1864.
92 ibid.
93 ibid.
94 Memorial in ibid., 10 May 1864.
approached the government with a tender lower than that which had been offered by Wadsworth and that, in these circumstances, he intended as a first step to call fresh tenders at the end of the month.95

Even at this time of crisis those businessmen who had over the years given their support to John and Thomas Garrett refused to co-operate with the Member for Illawarra, Robert Haworth, in moving to have the Harbour works placed under local control. In fact, Lahiff’s offer and that of the Wollongong Council were virtually rival schemes. Before May 1864 Haworth had never been appointed by any of the public meetings on the Harbour to the deputations that had taken the grievances of the town’s businessmen to Arnold and to Holroyd.96 As a Member for Illawarra and a director of the Illawarra Steam Navigation and Illawarra Coal Companies, Haworth had, of course, an interest in the progress of the works. Snubbed by Wollongong’s self appointed business and political elite, he promoted his interests in less public ways. For instance, he had seen the Minister for Works privately during the January round of tenders.97 On that occasion his support for Lahiff was not enough to outweigh the fact that Wadsworth’s tender was lower than Lahiff’s. Haworth’s advocacy of Lahiff had the potential to promote not only his own interests but those of his political enemies. Lahiff was, as the manager of the Mount Pleasant mine, an employee of Haworth’s. He was a practical man, a stonemason, who had undertaken major building contracts in Wollongong, including the construction of its Anglican and Catholic cathedrals.98 John Curr, however, who shared Thomas Garrett’s intense distaste for Haworth, was initially blind to any of this. Rather, he was openly contemptuous of Haworth’s approaches to Holroyd:

the spasmodic efforts of a solitary busy-body are likely to do more harm than good. Courtesy may for awhile [sic.] induce a Minister to reply to a communication from an individual respecting public business, but when it is realised that such a man is clothed with no real authority and possesses

95 Meeting reported in *Sydney Morning Herald*, 14 May 1864.
96 The deputation appointed by the public meeting on 9 May consisted of: James Byrnes, Robert Haworth, William Speer, George Waring and Ignacy Zlotkowski. See *Illawarra Mercury*, 13 May 1864.
97 *ibid.*, 22 January 1864.
but little weight, his communications are thrown into the waste basket, and 
realise no result than the production of a momentary irritation.99

Similarly, Wollongong’s workers, whose contributions to the share capital of the 
Osborne Bellambi Co-operative Coal Mining Company had been actively sought by the 
town’s business leaders, were expected not to seek to share in the making or carrying out of 
public policy. At the harbour meeting of 9 May, ‘A working man named Johnson ... 
proposed that the deputation should consist entirely of working men, but failing to obtain a 
seconder, the motion fell to the ground’.100 Apparently, the district’s working class knew its 
place in the scheme of things. It could, therefore, be ignored.

Robert Haworth could not. If the politics of liberalism and conservatism had lost 
much of their meaning in Wollongong, those of the personal vendetta had not. On 14 June 
1864 the Minister for Public Works announced that the contract for the excavation of the 
inner basin had been awarded to Patrick Lahiff.101 By this time Curr could see that Lahiff’s 
appointment, which took the works from the hands of ‘the stubborn MORIARTY’, would 
 improve the chances of the Harbour being completed soon. ‘On the brow of Mr. PATRICK 
LAHIFF’, declared Curt, ‘must be placed the laurel of Victory’.102 Haworth’s contribution 
toward gaining what was close to local control of the harbour works earned him no laurels. 
Within a fortnight of Lahiff’s appointment, a public meeting was convened to consider ‘the 
propriety of inviting Mr. Haworth ... to give an account of his past Parliamentary career, and 
also an expression of his opinions on the subjects likely to occupy the attention of Parliament 
during the next session’.103

Previous, or ‘Garrett liberal’, Members had never been subjected to such a procedure. 
The Mayor, George Waring, took the chair and called on Alderman Stephen Lott to put a 
motion to have Haworth, who was not in attendance, justify himself to a subsequent meeting. 
Patrick Lahiff and Frederick Sinclair, the editor of the Illawarra Express, were there to 
protect the reputation of their employer, and the former moved as an amendment that the

99 Illawarra Mercury, 6 May 1864. 
100 ibid., 13 May 1864. 
102 Illawarra Mercury, 14 June 1864. 
103 ibid. 24 June 1864.
motion be negatived. After 'the numbers were counted several times over, and always with a varying result', Lahiff's amendment was finally carried, 36-28. John Curr believed that the result was not a true indication of 'the wish of the majority'. Lahiff, he said, had 'packed' the meeting and had bullied his employees with 'ulterior consequences' into voting for his amendment. A disappointed Curr had to report that 'Mr. Haworth is free from the ordeal of facing his constituents'. It was a sign that, when it came to politics, Wollongong's old guard liberals could no longer count on having the hearts and minds of the townspeople in their keeping. This, though was an irritant rather than a concern. They could count on the support of the district and the town when it came to the one issue that, as businessmen, really mattered to them—the improvement of the Harbour as the key to unlocking the wealth in the escarpment's coal seams. If, then, they had not succeeded in maintaining a politically harmonious community, they had at least created one bound by the desire of its members for full pockets and overflowing tills.

In the first half of 1864 it seemed that the fulfilment of that desire would never be within their grasp. Even the most optimistic of Wollongong's businessmen had given way to despondency, as contractors came and went and the Ministry turned a deaf ear to the district's calls for help as mines closed, amalgamated or operated at a loss. This was crowned by Wadsworth's desertion of both the district and its Harbour works in May. June, it seemed, would be the start of a long, cold winter.

The new season began badly for the Bulli Coal Company as, on 10 June, a severe storm swept through the district, taking with it most of the Company's jetty. Though a disaster for the Company (the jetty took four months and £2000 to repair), which was feeling the pinch of recession, it was a godsend for Wollongong's businessmen. Buoyed by the news that Lahiff was taking control of the Harbour works, they used the destruction of the Bulli jetty to reaffirm their policy of developing Wollongong Harbour as the coal export centre of the district. On 21 June Curr ran an editorial on 'THE TEACHINGS OF THE

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104 Meeting reported in *ibid.*
TEMPEST' in which he left no doubt that Wollongong’s businessmen would not support rival harbour schemes at Bulli or Bellambi. The ‘tempest’, he said:

has clearly proved that the harbour of Bulli is not sufficiently protected from easterly gales; and ... Bellambi has had to acknowledge that it is not a safe place of anchorage in tempestuous easterly weather. At Wollongong, though, the vessels in the harbour when the gale commenced rode it out in security and without damage, yet it was found impossible for more than a week for any vessel to enter the harbour or for those in it to leave—thus entirely suspending the trade of the port for the period named ... This being the state of affairs, what is the lesson we ought to draw from it? We think it has unmistakeably taught us that all our efforts in Illawarra ought to be directed to the formation of one capacious and safe port. Then, we ask ourselves, which port is in the best position to be converted into what is required? No one, unbiased by self-interest and knowing anything at all about the matter, can deny that Wollongong is that port.

To demonstrate his lack of self interest, Curr observed the truth of the proposition that ‘the same amount of money ... already ... spent on Wollongong would make either Bellambi or Bulli better harbours than Wollongong’. Of course, such detachment was possible after the storm and in view of the fact that ‘neither the present Government, or [sic] the last, have shown any disposition to spend public money in the permanent improvement of either Bellambi or Bulli’.106

Demonstrating the unsuitability of Bellambi and Bulli, and the merits of Wollongong as shipping centres was, in the circumstances, comparatively easy. The problem remained, however, of how the first two localities were to be incorporated within this plan or, as Curr put it:

the consideration ought to be with those interested in these localities and the public generally, which is the best mode of getting over the difficulties that nature has placed in the way of the full development of the wealth that lies beneath our feet?

His solution was ‘to bring all our efforts to bear to connect these ports with Wollongong by railway’. The government was not to be asked to contribute to this project. Rather, the Bulli and Illawarra Coal Companies were urged to ‘lay their heads and their means together and

106 Illawarra Mercury, 24 June 1864. An examination of the various Appropriation Acts of 1860-1864 reveals, apart from the £10,000 and £20,000 Estimates of 1861 and 1862, that only trifling amounts were actually spent on Bellambi Harbour: 24 Vic. No.1 (Assent: 4 July 1860) allocated £400 for moorings; 24 Vic. No.23 (Assent: 10 May 1861) allocated £8 for moorings, and 27 Vic. No.13 (Assent: 22 April 1864) allocated £56 for underrunning and repair of moorings.
construct the line from Bulli to Wollongong between them'. He reminded the Bulli Company that it already had an Act of Parliament allowing it to build a tramway to Bellambi Harbour; from there, he said, it would be a simple matter for the line to be taken south, to join with the Mount Pleasant tramway which ran along the shore to Wollongong Harbour.

Although there was evidence of recession everywhere, Wollongong’s businessmen were beginning to give expression to the optimism and expectations more characteristic of the period between 1858 and the abortive commencement of the Harbour works in 1861. Curr spoke of ‘the large additional amount of trade’ which would come the way of Wollongong once the Harbour and the railway were completed. This time, however, there was a greater degree of shamelessness about the role that the government was to be asked to play. True, Curr’s plan did not require it to pay anything for the construction of the railway. It did, however, say that because of the anticipated increase in coal exports through the Harbour, ‘a great deal more would require to be done’ to enable the Harbour to cope with the consequent increase in shipping movements. This, argued Curr, ‘no Government could refuse to do’.

Before the railway could be used as a bargaining point with the government, to obtain more public money for the Harbour, it had to be built. The campaign got underway after Robert Longmore, former partner of Taylor and Walker and former Secretary of the Osborne Bellambi Company, wrote to the Illawarra Mercury in August. He noted, overoptimistically, that the coal trade was ‘slightly reviving from an unparalleled depression’ and that only the lack of efficient means of getting Wollongong’s coal to market was preventing the district from fulfilling its manifest destiny. England, he said, was the wealthiest nation on Earth because of its extensive deposits of coal and iron ore and displaying the unparalleled aptitude of Wollongong’s businessmen for hyperbole, he went on to vent his frustration that although ‘Illawarra can beat her [England] in both . . . [she] . . . still lies in poverty, trying to eke out a miserable existence with butter, calves and pigs’.

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107 Illawarra Mercury, 21 June 1864.
108 Comments taken from two letters written by Longmore, in ibid. 9 & 12 August 1864.
line of tramway from Bulli to Wollongong, this 'matter of first importance to the welfare of
the most important interests of this district'.

By early September several meetings of interested persons had been held. The leading light and Honorary Secretary of the movement was Ignacy Zlotkowski, who called a public meeting for 12 September. Despite the original intention of having the work carried out by local coal companies, the purpose of the meeting was the adoption of another memorial to the Minister for Public Works, asking the government to survey the proposed route and to make an estimate of the cost of the railway. The coal companies, it seemed, had found that coping with an 'unparalleled depression' was sufficient for the present, and took little interest in a scheme dreamed up by businessmen and landowners.

The meeting of 12 September was one of great significance in Wollongong's history because, for the first time, representatives of 'the most important interests of the district' stated publicly their vision of the district's economic future in terms not just of coal mining but of iron production. This arose from the discovery at the head of the Macquarie River, in the southern end of the district, of a 60 feet thick bed of limestone. As John Biggar told the meeting, with coal, iron ore and now limestone deposits, Wollongong had all that was needed for an iron industry. Therefore, argued Zlotkowski, a railway ought to be constructed not just from Bulli to Wollongong but from Wollongong to the Macquarie River. The distance from Bulli to the Macquarie River is about 15 miles and, at £3000 a mile, Zlotkowski's plan was going to cost someone at least £45,000. Though indicating that the government might have to be asked to provide this money, Zlotkowski moved at this stage only for a government survey of the line. John Biggar, completely taken by the possibilities opening up, said that if the government declined to pay for construction there would be 'no difficulty' in forming a private company for the purpose. Others supported these comments, including Aldermen George Hewlett and Stephen Lott. The memorial adopted by the meeting noted that the coal port at Wollongong would soon be completed, and recommended that 'in order to render the

109 ibid., 12 August 1864.
110 ibid., 9 September 1864.
111 Apart from Lahiff's presence at the 12 September meeting the coal companies ignored the proposal. The Bulli Company, publicly at least, was silent.
port as advantageous to the public as [soon as] possible, it is desirable that a railway should be constructed from Bulli to Wollongong and thence to Macquarie River'.

If this scheme succeeded, Wollongong’s businessmen would, as they saw it, be transforming their town not just into an entrepôt but into the regional centre of a burgeoning urban-industrial and mining complex. Such was the power of the expectations raised by this prospect that no opposition was made to Patrick Lahiff’s suggestion that the memorial be forwarded to the Minister through the Member for Illawarra, Robert Haworth.112

These expectations were soon deflated by the cool reception given to the deputation (Robert Haworth, Joseph Wilshire and Ignacy Zlotkowsk), which met with Holroyd and Moriarty on 20 September. Count Zlotkowski, in putting the case for the railway, argued for further improvements to Wollongong Harbour. The railway was no longer a bargaining point; it was now part of a single proposal, all to be funded from the public purse. He pointed out that the rocky bottom and shallowness (12 feet at low water according to Zlotkowski, 14 feet according to Moriarty) of the outer basin prevented large vessels from entering the Harbour. Extra funds, he stated, should be made available immediately, while the works were still in progress, to remove the rocky bottom. In taking up this point, Moriarty showed that the public servant who now served the Martin Ministry was not the public servant who, in 1858, had been willing to design a Harbour around the expectations of the businessmen who had supported the then Cowper Ministry. It was, he asserted, not feasible to do as Zlotkowski asked: ‘the attempt would be useless to make Wollongong a large Harbour, or one into which ships of large tonnage would ever be able to enter. Nature had set her face against it’. The only joy from Moriarty was his opinion that the Harbour works would be finished within seven months and his belief that on the basis of his 1860 survey of the Bulli-Wollongong line, its construction presented no insurmountable engineering difficulties. Holroyd, on the other hand, had no good news. Not only would he not ask the Ministry for any more money for Wollongong Harbour; he was the first Minister for Public Works to state flatly and publicly his belief that Wollongong’s businessmen were little more than a band of speculators using public money to further their interests. On the

112 Meeting reported in Illawarra Mercury, 16 September 1864.
subject of the Bulli-Wollongong-Macquarie River railway he declared that he did not 'consider it proper policy to construct a railroad in the hope that it might create a trade'. His only concessions were promises to lay the deputation's memorial before the Ministry and to consider authorising a survey, when his Departmental officers were less busy with the Bathurst and Goulburn railways. Near the end of the month Joseph Wilshire received a letter from the Department of Public Works, advising that 'there is [sic.] no staff available at present, for making the proposed survey', thus bringing to a close the first attempt to give the Wollongong district an urban-industrial base. It was small recompense, but at least the Harbour works, inadequate though Wollongong's businessmen now considered them to be, were underway again, with Patrick Lahiff at the helm. Within two months of winning the contract, he had 50 men at work.

There matters lay until November when, plagued by recession, drought, bushrangers and the deficit, the Martin Ministry lost the division on the Governor's Speech and went to the people. Martin and Forster lost ground in the election, as Cowper and Robertson gained the numbers that would allow them to challenge for power in the fifth Parliament, when it met on 24 January 1865.

In the electorate of Illawarra those who believed that there were still liberal causes to be fought for nominated John Stewart, who had lost to Robert Haworth in 1860. Haworth did not renominate, giving his support instead to Henry Osborne's second son, Patrick. The principal members of Osborne's Wollongong Committee were William Robson, Patrick Lahiff and Haworth; Robson's sons, including one who was manager of the Bulli mine, were on Osborne's Bellambi and Bulli, and Mount Keira Committees. That these men supported Osborne was not surprising. The Robsons worked for the Osbornes, and Haworth and Lahiff, through the union of the Osborne Wallsend and Illawarra Coal Companies shared

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113 Meeting reported in *ibid.*, 23 September 1864 and *Sydney Morning Herald*, 21 September 1864. This account drawn from both sources.
114 Letter quoted in *Illawarra Mercury*, 30 September 1864.
115 *ibid.*, 9 August 1864.
119 *ibid.*, 22 November 1864.
closely in their interests. This election, however, occasioned the final dissolution of the old Garrett liberal group. Ignacy Zlotkowski transferred to the Osborne camp and so, ironically, did Robert Owen, the Garrett liberal candidate who had unseated Henry Osborne in January 1858. Owen had decided that his own and the district's interests would now best be served by one who possessed wealth and hopefully, therefore, influence. At the nomination for Illawarra Owen emphasised Osborne's 'very great' interest in local coal mines and agriculture, as well as in pastoral properties outside the district. Therefore, he told the electors:

They might be sure . . . that not only from a sense of duty, but from a feeling of self interest, Mr. Osborne would be induced to attend to local wants.

Osborne did not disappoint during the campaign. He promised to press the government to spend £100,000 on local improvements, principally Wollongong Harbour and the proposed district railway.

Election propaganda on both sides concentrated on winning the votes of working men. Advertisements for Osborne emphasised his ability to create wealth and work. For example:

To the Working Men of Illawarra!
REMEMBER, your only capital is your Labor.
Mr. Stewart cannot, let him be ever so willing, cause an increased demand for your labor.
Mr. Osborne, by opening up new Mines and extending the operations of the present ones, must and will create an immense demand for working men, at increased wages.

Stewart's advertisements cast him as the 'People's Candidate', one who would protect 'Miners, Laborers, and Tradesmen' against the greedy self interest of the Osbornes:

Who forced Mr. Hale, the pioneer of our Coal Trade out of the district? OSBORNES.
Who shut up Bellambi Mines, and kept you out of employment?
OSBORNES.

120 He moved a vote of thanks at one of Osborne's election meetings. See ibid., 25 November 1864.
121 Quoted in ibid., 9 December 1864.
122 ibid.
123 ibid.
Who has got the benefit of your unpaid work and labour on Bellambi Railway?
OSBORNES.
Who has repeatedly promised to see you paid, but have not done so?
OSBORNES.
Working Men,—Those who will break their promises in private life are
unfit to be trusted in public affairs. Can you then vote for Osborne?
No! No!! Remember your families, and scrape out Osborne's name in the
balloting room! 124

On 10 December, 989 Illawarra electors voted. Unfortunately for Stewart, 561 of them put
a line through his name on their ballot papers, leading to his second successive defeat at the
polls. 125

The wheel had come full circle as once again an Osborne sat in Parliament for the
Wollongong district. As John Curt said of Osborne's return, he:

will certainly strengthen the ranks of the Conservatives . . . The
connections, the interests, and the traditions of the OSBORNE family are
all in sympathy with the hopes and wishes of the Conservatives both in
Church and State. 126

Osborne's conservatism was irrelevant. At the national level the liberals had won the big
political battles, and in Wollongong the Garretts, through the Illawarra Mercury and their
control of public policy, had established Wollongong Harbour and its capacity to attract
mining capital to the district as the dominant question in local politics. It would remain so for
the rest of the century.

The economic recession of 1863 and 1864 had battered the small businessmen of the
district, who were being taught that their true place in the great scheme of things was to lend
support to men of capital and influence who could attain for them what their own efforts
could not. As the succeeding decades would demonstrate, they were happy to do this but
could not desist from believing that finally they could themselves determine the economic
fate of the district, regardless of market conditions. At the end of 1864, however, their ability
to control events had been greatly weakened. The economic downturn continued, the
businessmen had split as to whether one of their own or an Osborne could deliver the

124 ibid.
125 Election results in ibid., 13 December 1864.
126 ibid.
Harbour, and the Ministry regardless of its factional composition had turned its face from the district.

Nonetheless, if the Lahiff—Haworth consortium was able to construct speedily the new coal port at Wollongong, as designed by Moriarty, such considerations would be inconsequential. The anticipated flood of mining capital and wage workers would drag the district and its business houses out of recession and render the courting of Ministries unnecessary. Like all utopias, this one remained just over the horizon.