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 5

PLAYING NINE HOLES, WAITING FOR BETTER TIMES:
THE HARBOUR AND THE COAL TRADE, 1865-1871

Wollongong's businessmen would not see their new Harbour opened to shipping, or their coal policy, which was based upon it, put to the test until 1868. At the beginning of 1865 it seemed that these things might have been even further away. The defeat of the Martin Ministry in the December 1864 general election and the return of Cowper and Robertson to the Treasury benches marked no change in the tenuous relationship that had existed between the district's businessmen and the Ministry since the collapse of the Garrett liberal 'machine' in Wollongong and the fading of the liberal-conservative polarity in New South Wales politics. That a relationship existed at all was simply a function of the fact that the government had at least a nominal duty to oversee the expenditure of the Harbour funds that had been raised by the Public Loan Acts of 1860 and 1864. By placing the execution of the works in the hands of a local consortium (Robert Haworth and Patrick Lahiff), the government had acted to protect the Minister for Public Works and his Department from the constant stream of complaints that flowed from Wollongong's businessmen about poor management at the Harbour.

Conflict between the two was, nonetheless, unavoidable, for without extra funding the Harbour could not be completed according to the original specifications. By the time that Haworth and Lahiff took over the contract, almost 80 per cent. of the allocated funds had been spent. At some point in the mid 1860s, therefore, the government, regardless of who formed the Ministry, was going to have to make a decision about the future of Wollongong Harbour. Given that the latter half of the decade remained one of economic recession and budgetary restraint, that future was uncertain. There were four options. First, abandon the works

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1 Calculated from figures in Statistical Register of New South Wales, 1861-1864. The Loan Acts of 1860 and 1864 had provided for the expenditure of £34,892 on the Harbour works. For the calendar years 1861-1864, the Statistical Register figures record a total expenditure of £26,768 (76.7 per cent.). Other sources give marginally different totals: Public Accounts for the Year 1873, Government Printer, Sydney 1874, p.90 (£26,324 or 75.4 per cent.), and Customs (Statistics Respecting). In Votes and Proceedings of the Legislative Assembly, Session 1866, Vol.1 (£26,851 or 77.0 per cent.). These figures represent expenditure of the principal only, taking no account of interest payments made by the government on each loan.
altogether. Second, postpone further construction until sufficient funds became available (that is, until the economy improved and government revenues increased). Third, provide all of the necessary funds immediately, through Loan or Appropriation Acts. Finally, provide enough additional funds to at least allow construction to proceed.

The fragmented nature of the New South Wales economy and consequently of government (conducted by Parliamentary factions built more on personal ties than on national interests or even issues) in the 1860s, provided few clues as to which option might be chosen. The extreme options (abandonment or full funding) were unlikely. Too much had already been spent, besides which it would be a rather unsettling precedent for business interests and voters in other parts of the Colony. At the other extreme, only the return of economic growth would induce a Ministry to ask Parliament for the full amount necessary for the completion of the Harbour. Without influence in the Ministry, therefore, Wollongong's businessmen could, realistically, expect postponement or, at best, slow progress.

At issue, then, was not the existence of a coal trade in the district but, rather, its potential for growth. The recession of 1863-1864 had battered the trade, but a coal trade had nonetheless been established in the Wollongong district. The Garretts and the Cowper-Robertson Ministries of 1858-1863 had ensured that a coal port would be constructed at Wollongong. The point was to build on this; to make certain that, once conditions improved, the coal trade had facilities that would allow for its expansion, and that that expansion would centre on the port-town of Wollongong. Despite its having been firmly rejected by the Martin Ministry in September 1864, the Bulli-Wollongong Harbour-Macquarie River railway scheme remained an important element of this policy.

The role of government in all of this was crucial. Only it had access to the kind of money essential for bringing the Harbour, and any auxiliary schemes, to completion. However, the financial position of the government, and Wollongong's lack of political influence meant that if any of this was to happen in the near future then Wollongong's businessmen had to find something more effective with which to impress the Ministry than the intermittent mobilisation of expressions of local outrage. In the recent past the Ministry had
shown itself deaf to such protests. Unfortunately for the businessmen, their armoury was empty.

By the end of February 1865 the conduct of the Harbour works was, in practice, in local hands, the government having accepted Patrick Lahiff's tenders for the construction of a coffer dam, to allow the deepening of the existing (outer) basin and the excavation of the new (inner) basin for coal export, and for the erection of a temporary jetty. While this appeared to have solved the contractual problems that had plagued construction, Lahiff had inherited a shambles. By the beginning of 1865, despite three years' work and the expenditure of almost £28,000, practically nothing had been accomplished. At late November 1864 only some ancillary works had been completed: the masonry on two sides of the proposed new basin, and a roadway on the southern end of the works. The most pressing works, the coffer dam and the temporary jetty to run alongside it, had not been started; the timber for the dam was still lying on the ground. As the Illawarra Mercury commented, the completion of the works would take longer than had been anticipated.

Still, it was not as if the coal trade was going to be stretching even the existing export facilities of the district. It remained depressed, with only the Illawarra and Osborne Wallsend Coal Company exporting coal from the small, temporary wharf at Wollongong Harbour. The Bulli Company made speculative shipments in the hope of securing new markets, but to little avail; for the half year ended 30 June 1865, the Company recorded a loss of £19 and again declared that no dividend would be paid to shareholders. John Manning's Bellambi mine (formerly Hale's) managed to produce 18,867 tons of coal (22.2 per cent. of district output) in 1865, but was forced to close early in the following year.

The expectations of Wollongong's businessmen were maintained by reports of potential new industries that might revive the district economy. In March 1865 the centre of attention...
was kerosene oil. William Speer had been advised that there existed on some of his ‘extensive coal lands’, large deposits of kerosene shale. Consequently, he brought to the district two men with a knowledge of the manufacturing process involved. Speer seems to have decided against the idea, but not so Wollongong’s businessmen. Once the possibilities were more generally known, Robert Owen called a public meeting to solicit subscriptions for its exploitation. A committee of local businessmen and landowners was appointed, its duty being to ‘test’ the mineral: John Biggar (Secretary), Patrick Lahiff, Robert Owen, William Robson, Charles Smith, George Waring (Treasurer), and Joseph Wilshire, the Mayor of Wollongong.

Their hopes focused on a shale deposit at Mount Kembla, on land belonging to John Graham, a farmer. However, like the Osborne-Bellambi scheme of the previous year and the gas company schemes before that, this attempt to shape the local economy by means of committees and subscriptions failed. It was kept alive only by Graham, who had the means to establish the industry by himself; as well as being a farmer, he was a principal in the Sydney based firm of Graham and Mulholand, commission agents. The shale proved itself and Graham gave the management of the project to W.J. Hammil, an American oil refiner who had been working in Melbourne. In October 1865 the Pioneer Kerosene Works, the first in Australia, were established at American Creek, and by the end of the year a number of local business houses were using the oil for lighting.

The American Creek plant produced kerosene oil of undoubted quality, attracting praise from the Sydney press and winning prizes at the Melbourne Intercolonial Exhibition of 1866/67 and at the Paris International Exhibition of 1868. Nonetheless, it remained a small, local capital enterprise, with few implications for regional economic change. By the end of the decade it employed only one miner in the getting of coal for the oil shale furnaces, and 10 in the getting of shale for the production of kerosene oil. Further excitement was created in August
1865, with the discovery, again at Mount Kembla, of deposits of limestone, which rekindled visions of a smelting industry for the district.\textsuperscript{15}

To Wollongong’s businessmen these were mere hints of the wealth that lay trapped beneath their feet. The key was the completion of the Harbour, which would allow Wollongong’s exports to be shipped direct to intercolonial and overseas markets. Only then, they believed, would the district’s inherent attractions become apparent to the investors whom they sought to entice. With the works now in local hands, the businessmen could feel assured that they would proceed with infinitely greater efficiency than before. Their confidence in Lahiff was well placed. By July the coffer dam was nearing completion, a small space having been left to allow steamers to continue using the existing basin and wharf. Once the temporary jetty was fully erected, the gap would be closed and the sea water pumped from the basin, which would then be deepened to 14 feet (at low water),\textsuperscript{16} and the new basin cut from the rock.\textsuperscript{17}

What had come to worry Wollongong’s businessmen, however, was a fear that the Harbour might not be deep enough to enable ocean going vessels to enter it. Robert Owen had told a public meeting in April that a depth of 14 feet would cater for vessels of only 300 to 400 tons burden; if the depth were increased to 18 feet, he claimed, vessels of at least twice that size would be able to use the Harbour with perfect safety. If not, Owen warned, Wollongong would not be able to trade direct to intercolonial and foreign ports. Instead, small coastal ships would continue to take coal and other produce to Sydney for transhipment. This, he said, was adding several shillings a ton to the price of Wollongong coal. The meeting adopted a memorial to the Minister for Public Works, stating that the extra money required would be a ‘trifle’. The deputation appointed to take the memorial to the Minister encapsulated neatly the interests involved: James Byrnes, William Speer, Robert Haworth and William Robson, all connected with the Illawarra and Osborne Wallsend Coal Company, and Patrick Osborne, Member for

\textsuperscript{15} Sydney Morning Herald, 1 & 4 August 1865.
\textsuperscript{16} Statement by Moriarty to the September 1864 deputation from Wollongong, about the Harbour works. See \textit{ibid.}, 21 September 1865.
\textsuperscript{17} \textit{ibid.}, 21 July 1865.
Illawarra whose family’s interests were entwined with all aspects of the district economy. In the prevailing economic climate it was a fool’s errand.

The deputation that had approached Martin’s Minister for Public Works, Arthur Holroyd, in the previous September with the same request had received a flat refusal from both the Minister and Moriarty. The new Minister, William Arnold, who had returned to his old portfolio in February 1865 in the fourth Cowper Ministry, offered little more. He told the deputation that, although the additional expenditure required was only £4000 or £5000, he did not, given allegations in the House about the nature of some recent public expenditure, wish to imperil the Ministry over it. He advised Osborne to raise the matter himself in the Assembly, to test the feelings of Members. Even if this proved positive, Arnold offered no guarantees; it was unlikely, he said, that the item could be placed on the Estimates in the current year. Somewhat surprisingly, then, came the announcement a few weeks later, that the government was considering making provision for the further deepening of the Harbour.

Wollongong’s businessmen interpreted the government’s intentions as a signal to revive the Bulli-Wollongong Harbour-Macquarie River railway scheme. This had received a severe setback in September 1864, when Holroyd had refused to entertain it. In fact, one subscriber to the idea wondered whether it had ‘died a natural death’, and wished to know what had been done with the money collected to promote it. He received no immediate reply, but with the government appearing to be serious about giving Wollongong a decent port, and with Lahiff pushing it toward completion, there was little danger of the scheme being forgotten. It had, in fact, assumed an importance in the thinking of local businessmen at least equal to the Harbour

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18 Illawarra Mercury, 7 April 1865.
19 Sydney Morning Herald, 21 September 1864.
20 ibid., 13 April 1865.
21 Illawarra Mercury, 28 April & 5 May 1865.
22 Moriarty had told the September 1864 deputation that further deepening of the Harbour was not feasible (see Sydney Morning Herald, 21 September 1864). He then supported the idea when Arnold met with the April 1865 deputation, claiming that ‘the importance of the basin had enormously increased since the vote for the harbor was taken’ (quoted in ibid., 13 April 1865). How he could have formed such a view, given the general economic recession and the depressed state of the coal trade, is intriguing.
23 Illawarra Mercury, 27 January 1865 (letter from A. McKenzie).
itself; as the *Illawarra Mercury* asserted in August 1865, once the Harbour was constructed, 'A railway will then be an absolute necessity, and without which our incalculable mineral wealth cannot be developed'.

The *Mercury* argued that the railway should be built at public expense, failing which the government should at least 'guarantee others who might be induced to take it in hand against loss'. As a complement to the Harbour, it was to be an extra inducement for investors: running along the base of the escarpment, it would mean that new coal companies need only construct short branch lines to get their coal to the Harbour in a 'speedy, certain, and cheap' manner. Despite the uncertain economic conditions and the chronically unpredictable nature of Parliamentary politics, Wollongong's businessmen had convinced themselves that both the Harbour and the railway were theirs by right of the economic potential of the district. Combined with the relative isolation of the district, this produced an autarkic view of the local economy:

> With our vast, varied, and valuable mineral deposits, our knowledge of which is being largely extended daily;—with our harbour enlarged and rendered secure, as it must and will be very shortly;—and with the district traversed by the iron-road from one end to the other, we would soon become one of the most compact, numerous, active and prosperous communities on this continent.

However, this vision was underpinned by nothing more than optimism and the 'hope ... that it will be agitated and pressed on the public and the Government until a favourable result has been arrived at'.

Their recent experience should have demonstrated to the businessmen that optimism, public agitation and Ministerial promises were not the best instruments with which to undertake the restructuring and expansion of even a small economy like Wollongong's. For a moment, though, in late 1865 it seemed that their illusions, at least those about how government treated demands for public money from unimportant electorates, must give way to a more realistic appreciation of their ability to control the forces that determined their district's relationship with the outside world. By the end of 1865, £32,905 would have been spent on the construction of

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24 *ibid.*, 15 August 1865.
25 *ibid*.
26 *ibid*.
27 *ibid*.
Wollongong Harbour;\textsuperscript{28} this was 22.3 \textit{per cent}. above the original estimate, and represented 94.3 \textit{per cent}. of the amounts voted by Parliament in 1860 and 1864. It was the crisis point for the Harbour works, as Moriarty’s underestimate of their real cost began to bite.

A public meeting, chaired by the Mayor, Joseph Wilshire, was called on 31 October to consider the situation. All the familiar names (Owen, Robson, Lahiff, Haworth and Hewlett, among others) took the leading roles and, having no other weapon at their disposal, adopted a petition, to be laid before the Legislative Assembly by Patrick Osborne. The petition condemned the management of the works since their commencement in 1861: ‘these enlargements and improvements could have been properly executed in two (2) years from the commencement thereof, whereas they have been so mismanaged and muddled that the most important and difficult parts of the work now remain unfinished, after nearly five (5) years’ time has been spent thereon’\textsuperscript{29}. The additional vote of £8000 in 1864 had only postponed the crisis; by the second half of 1865 the twin problems of dwindling funds and wages not paid in full or on time were leading to stoppages and limited progress.

So great an impression had the crisis made on the minds of Wollongong’s businessmen that the petition contained one of their clearest statements about whose interests were to be served by the new port. The delays in construction, the petition stated, ‘inflict in our community the following injuries, namely:-

\textbf{Firstly—Injury to the tradespeople, shopkeepers, and house-owners, who have from time to time been induced to give credit to the men employed. The men having only occasional and precarious employment, and not regularly paid their earnings, are unable to pay their way, and by these means become unthrifty and demoralized.}

\textbf{Secondly—Injury to the owners, lessees, and workmen employed in raising and exporting coals—the harbour accommodation being so limited that no extension of trade is possible until the improvements are completed and made available for the use of shipping.}

\textbf{Thirdly—Injury to the owners of coal land, as no new mines are likely to be opened and worked until increased facilities for direct shipment of coals to the Eastern, China, and other markets, are provided for in the completion of the present improvements.}

\textsuperscript{28} Calculated from figures in \textit{Statistical Register of New South Wales}, 1861-1865.

\textsuperscript{29} \textit{Harbour Improvements, Wollongong. (Petition—Inhabitants.)} In \textit{Votes and Proceedings of the Legislative Assembly}, Session 1865-6, Vol.1.
Fourthly—The trade, commerce, and business of the district is obstructed and kept stationary, and all progress prevented, by the miserable policy adopted in delaying the completion of these works.\textsuperscript{30}

Despite references to 'our community', 'labouring men' and 'workmen', it was a petition for, by and of local business houses, landowners and the self employed; to these, coal companies and mine workers were stepping stones to prosperity.

The meeting accompanied its petition with a resolution calling upon the Legislative Assembly to initiate an inquiry into the lack of progress at the Harbour, and to 'direct such measures to be taken as will enable the Government to finish it in a manner capable of continuing the important foreign and domestic traffic awaiting its completion'.\textsuperscript{31}

Unfortunately, this request came at an inopportune moment. Just one week after the public meeting, the Legislative Assembly appointed a select committee to report on why, after the great and rapid population increase that had accompanied the gold rushes, the New South Wales economy was now in the grip of recession.\textsuperscript{32} The committee heard evidence from the Colony's leading businessmen, and the tales they told were uniformly bleak. The most authoritative comment was probably that of Thomas Mort, who had extensive interests in finance, shipping, land and wool, as well as being a principal in the Waratah Coal Company in the Newcastle district.\textsuperscript{33} Referring to 'our present unhappy condition',\textsuperscript{34} he stated that:

\begin{quote}
The general affairs of the Colony are at present in an exceedingly depressed condition, owing very largely to a succession of bad seasons, but still more to the stoppage of that active business which would have followed a continuance of the introduction of population... and further, to a great and exceeding caution now obtaining amongst the moneyed institutions of the Colony, in consequence of a considerable amount of injudicious advances and overtrading. I consider the capital now in the Colony so locked up as to admit of very little expansion of any fresh industries.\textsuperscript{35}
\end{quote}

Against this, the grievances of some shopkeepers about a small harbour that serviced the needs of a single coal company, let alone their belief that improvements to that harbour would attract

\textsuperscript{30} ibid.
\textsuperscript{31} Illawarra Express report, quoted in Sydney Morning Herald, 4 November 1865.
\textsuperscript{32} The Committee was appointed on 7 November, on the motion of Henry Parkes. See Progress Report from the Select Committee on the Present State of the Colony; together with the Proceedings of the Committee, and Minutes of Evidence, p.2. In Votes and Proceedings of the Legislative Assembly, Session 1865-6, Vol.3.
\textsuperscript{34} Quoted in Progress Report from the Select Committee on the Present State of the Colony, op.cit., p.1.
\textsuperscript{35} Quoted in ibid., p.2.
large amounts of capital to their district, had no force. Hence, when Osborne presented the petition to the Assembly on 16 November, it was ‘Received’, and no Parliamentary inquiry into the Wollongong Harbour works eventuated.

Wollongong’s businessmen and the Illawarra and Osborne Wallsend Coal Company had been marooned. Arnold’s undertaking that he would consider placing £4000 or £5000 on the Estimates for the further deepening of the Harbour had proved worthless. Equally disturbing was the imminent disappearance of the entire sum voted for the construction of the Harbour, with the excavation of the new basin yet to begin.

Between 1858 and 1863 the Garrett liberal ‘machine’ had given the businessmen a measure of certainty in their relationship with the government. When Cowper and Robertson had been in office, the government was sympathetic; when an opposition faction held office, they did less well. The end of the liberal-conservative polarity in local and Colonial politics, and the consequent dismantling of the ‘machine’, changed all that. From 1863, with ideologically similar factions dominating a Parliamentary game of ‘ins’ and ‘outs’, it was difficult for an electorate like Illawarra, which no longer enjoyed a special role in the making and breaking of Ministries, to have its demands met. Thus, in 1864 it had probably been only the then Minister for Public Works (Holroyd’s) personal interest in coal and iron ore properties in the district that had conjured £8000 out of the public purse to keep the Harbour works going. Wollongong’s businessmen had become part of an uncertain free market in politics, finding themselves, like the local coal companies, at the mercy of forces beyond their control.

Sometimes, though, as the case of Holroyd had shown, those impersonal forces did mete out mercy. In January 1866 the Cowper Ministry fell, following setbacks at the hands of Henry Parkes, Member for Kiama and a faction leader of growing importance. Governor Sir John Young commissioned James Martin to form a new Ministry. The question was with whom Martin would form a coalition to ensure the survival of his Ministry in the House. Briefly, the possibility existed that he might seek Cowper’s support, but his followers opted for

36 Sydney Morning Herald, 17 November 1865.
This was a fortunate development for Wollongong's businessmen. A Martin-Cowper coalition would, as the separate Martin and Cowper administrations of the previous two years had shown, have left them bereft of support in the Ministry. The emergence of Parkes changed that. In return for delivering his support to Martin, Parkes was given the choice of any portfolio other than that of Premier and was to bring into the Ministry two of his closest supporters: John Wilson and James Byrnes. Parkes took the second most senior Cabinet post, Colonial Secretary; Wilson became Minister for Lands, and Byrnes, whom Parkes described as 'a gentleman who has for many years consistently acted with me', Minister for Public Works.

Byrnes' sudden elevation, out of the ruck of faction politics, transformed the Wollongong district's relationship with the government. His interest in the district was as a proprietor of the one mining company that used Wollongong Harbour, and now that he was the Minister responsible for the Harbour, and that one of the managers of his company, Patrick Lahiff, underwritten by another proprietor, Robert Haworth, was in charge of the works, completion seemed assured. Given that Byrnes and Haworth were also directors of the Illawarra Steam Navigation Company, which had a near monopoly of the coastal trade of southern New South Wales, that event was made no less certain; provided that the new Minister could convince his colleagues and the Parliament of its public benefit.

Wollongong's businessmen, of course, needed no convincing. Rather, with the money already voted for the Harbour running out, they were anxious for quick results from this new development. The Martin Ministry had only been in office for some two-and-a-half weeks when a number of them requested the Mayor, Joseph Wilshire, to call a public meeting for the purpose of drawing the Minister's attention to the need for additional funds for the Harbour.

A memorial, drawn up by John Biggar, as Secretary of the Illawarra Improvement Association, made three points about the works. First, that the money voted was 'nearly expended'.

38 Powell, op.cit., p.150.
39 Quoted by Martin, op.cit., p.214. Note also Martin's comment on Byrnes (p.246): 'Parkes' closest associate in the ministry', and that of the Town and Country Journal, 25 March 1871: Parkes 'brought in his friend Mr. Byrnes, with whom he had cordially co-operated on most public questions ever since they had been in the political arena'.
40 Sands' Sydney Directory for 1866, p.403.
41 Illawarra Mercury, 6 February 1866. The requisition was signed by John Biggar, John Curr, William Hayles, Stephen Lott, William Robson and George Waring.
Second, now that the ‘costly’ coffer dam was almost fully in position across the old basin, the works should be pushed on vigorously, as the timber structure was ‘liable to rapid destruction by cobra and other marine insects’. Third, that the Harbour should be of a depth sufficient to accommodate ‘the larger class of vessels employed in foreign trade’, otherwise ‘one of the largest and finest coal fields in the world will be pent up . . . and rendered comparatively useless to the colony’.42

The businessmen were asking the Minister to place on the Estimates not the £4000 or £5000 they had sought from Arnold, but £10,000. Robert Owen stated that £5000 was needed to complete the excavation of the new basin, and the same amount was required ‘for other parts of the work’. They were determined to have the very best harbour for their district that public money could buy, one that matched their vision of a vastly expanded local coal trade. Owen was of the view that, while coal exports were then running at about 1000 tons a week, the new Harbour would see this rise to 6000 tons a week. This was typical of the unreality of the Harbour policy that Owen and his fellow businessmen had fashioned. In the five years to the end of 1865, the Wollongong district coal trade had fared better, in terms of growth in output, than its Newcastle counterpart, the former growing at an average annual rate of 22.2 per cent. and the latter at 9.8 per cent.43 While this was an encouraging trend, Newcastle’s relatively poor performance was largely explained by the protracted strikes and lockouts of the early 1860s. It certainly did not presage an increase in exports for Wollongong of the order of 500 per cent. Undoubtedly, the new Harbour might well cope with the export of 312,000 tons of coal a year, but the production and export capacity of the district was one thing; finding markets was another. Perhaps, though, with the new Minister for Public Works being a Wollongong coal proprietor, Owen could feel justified in looking to the stars. As William Robson of the Illawarra and Osborne Wallsend Coal Company asserted, ‘Mr. Byrnes was a just man, and would do justice to the southern ports’.44

42 The memorial is quoted in ibid., 13 February 1866, which also reported the proceedings of the public meeting.
43 Calculated from figures in Statistical Register of New South Wales, 1860-1865.
44 Quoted in Illawarra Mercury, 13 February 1866.
Mr. Bymes did just that. Before the end of February he assured the businessmen that the Harbour works would proceed in accordance with their wishes, and on 22 March he asked the Legislative Assembly to approve the incorporation in the Public Works Loan Bill of 1866 of the sum of £10,000 for the completion of the works. Byrnes told the House that he was acting on the basis of petitions received from the ‘inhabitants and the coal proprietors’ of Wollongong, which had made him aware of ‘the growing requirements of the place’, and on the advice of his Engineer-in-Chief for Harbours and River Navigation, Edward Moriarty. Richard Driver, Member for West Macquarie, immediately moved the omission of the item, on the ground that the continuing need for restraint on government expenditure should preclude the carrying on of ‘such works’ by loan. In reply, Byrnes argued that his predecessor had left a minute indicating that the Cowper Ministry had given consideration to doing that which he now proposed to do; in any case, he stated, ‘Unless the money was voted and the plan completed, the money already spent would be thrown away’. This argument convinced some Members, such as the Reverend John Dunmore Lang, who otherwise ‘believed that the construction of this basin at the spot selected was a mistake’. Lang had greater patience with the slow progress at Wollongong than did John Lucas, who pronounced the works ‘a failure’, observing that this was not the first time that the House had been asked to supplement the original vote and that the Minister could not guarantee that it would be the last. William Piddington asserted that, even if completed, the Harbour would be ‘a mere dock, fit for a few colliers’ and that the whole vote was ‘an attempt to throw money into the sea’. Another factor that kept the item in the Bill was the strong support given to it by Henry Parkes, Colonial Secretary and Byrnes’ faction leader, who repeated the Minister’s claim that not to approve it would be to waste the money already spent.

Probably the most important factor favouring the retention of the item was the lack of opposition from the Members representing the Newcastle region. With the Wollongong coalfield accounting for only 14.5 per cent. of New South Wales coal production in 1865, it represented a marginal threat, if any, to the northern coal proprietors. Hence, despite Byrnes’

45 ibid., 23 February 1866.
46 The account which follows of the debate on the item for Wollongong Harbour is drawn from the *Sydney Morning Herald*, 23 March 1866, and the *Empire*, 23 March 1866.
47 Calculated from figures in *Statistical Register of New South Wales*, 1865.
statement that the completion of Wollongong Harbour would make the southern companies
‘very successful competitors to Newcastle’, James HanneU, the Member for Newcastle, said
that if the government could demonstrate ‘that the work was necessary’ then he would give it
his support. Newcastle, he believed, would never lose its position as the premier coal district
of the Colony:

The natural advantages possessed by Newcastle would always enable it to
maintain its present position of superiority without the necessity of
preventing other places from obtaining what advantages the Government
could given them.

With Newcastle’s ‘natural advantages’ being consolidated by a vote of £15,000 for a
breakwater and additional coal staiths, presented to the House simultaneously with the £10,000
for Wollongong, the northern Members were persuaded, if not to support, then at least not to
oppose the Wollongong item. Driver’s motion was lost, 38 votes to five.

In terms of its being about public expenditure on public works, and particularly at a time
when the general policy of government was one of restraint, there were two remarkable features
of this debate. First, the absence of any reference to Byrnes’ position as Minister for Public
Works and his role as a proprietor of the Illawarra and Osborne Wallsend Coal Company. Less
than two years earlier, another Minister for Public Works, Arthur Holroyd, had found himself
before a select committee to face accusations that he had used privileged information in securing
blocks of mineral land in Wollongong. The lack of any such action in Byrnes’ case can only be
explained by the fact that he was not using privileged information; he may certainly have been
taking advantage of a privileged position as a Minister to further his private business interests in
Wollongong, but he was, after all, compelled to take his case before the Ministry and the
Parliament. Prevailing notions of what constituted corruption saw no conflict of interest
between a Minister’s public position and his private interests, so long as what was being done
was done publicly and could be couched in terms of ‘public’ benefit.

A perhaps more disturbing feature of the debate was the half truths that Byrnes and
Patrick Osborne used in support of the item. Byrnes claimed that the government received
weekly ‘a large amount’ in harbour dues from the Wollongong district, even though its
Harbour had not been completed. As was pointed out to the Minister, however, in the previous
12 months those dues had amounted to only £52, whereas Newcastle had returned over £3000.
Osborne went unchallenged when he stated that there were five mines and a kerosene manufactory operating in the district, and that in addition to coal and kerosene, the Harbour would need to be capable of accommodating ocean going vessels, in order to cope with a large export of iron 'and other products'. Once the Harbour was finished, he announced, 'the only difficulty would be to get a sufficient number of ships to take away the produce of the district'. He failed to mention that two of the five mines had closed and that another was about to follow; that the Pioneer Kerosene Works was a small enterprise still proving its product; that iron ore had not been found in anything like payable quantities, and that, other than vague references to unspecified intercolonial and international markets, there was no commercial reason as to why ships would come in increasing numbers to Wollongong. Members' lack of familiarity with the district, largely owing to distance, combined with slow transport and communication, and the regional/economic fragmentation of the Colony, meant that Osborne could 'talk up' its economic capabilities without much fear of contradiction. This, of course, was not something confined to the Member for Illawarra—in this 'roads and bridges' era, Members were expected to sing the praises of their electorates. On its own, though, this was not enough to secure funds for major public works; for that the support of the Ministry, 'sweeteners' for potential sources of strong opposition, and perhaps even the apathy of Members (29, or 40.3 per cent., did not vote in the division on the Wollongong Harbour item), were necessary ingredients.

Work on the Harbour proceeded apace, though there were still minor delays occasioned by the need to apply the available money as sparingly as possible. Although the total vote now amounted to £44,892, this was only a little over half the lowest tender received by the Department of Public Works five years before. However, as the Illawarra Mercury pointed out in January 1867, no blame could attach to the Minister, who, along with Haworth and Lahiff, had an equity in the local coal trade: 'Retarding the work must have as injuriously affected Mr BYRNES as any one else ... the inducement would certainly have been to push ahead works from which he would receive a benefit'. By April the excavation of the inner basin was well

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48 The Legislative Assembly consisted of 72 Members. Under the Electoral Act of 1858, 80 Members were elected, this number being reduced when the new Colony of Queensland was formed in 1859.
49 Illawarra Mercury, 11 January 1867.
underway, the solid rock being blasted into blocks of eight to 12 tons, which were then used to form the breakwater that was to prevent the swell from heavy seas rolling into the Harbour.  

Although the works were now more certain of completion than at any time since the original vote in 1860, Wollongong’s businessmen continued to press for the Harbour to which they believed they were entitled. A deputation consisting of William Robson, now Mayor of Wollongong, and John Stewart, the new Member for Illawarra, took to Byrnes, on 2 April, a petition asking him to authorise the expansion of the area of the outer basin to be deepened.  

Stewart told the Minister that the present and future trade of the port demanded an extra £2000 or £3000 for this work. Moriarty was extremely doubtful; the action of the sea, he said, would sooner or later refill the area with sand. Byrnes silenced his adviser by proclaiming that he:

was of opinion that the work could be done, and so sensible was he of the importance of such an improvement to the port that, if he had the power, he would at once appropriate the funds to have it done.

He would, he told the deputation, instruct Moriarty to prepare a report, to be presented to Cabinet, where he would explain the views of the petitioners; then it would be up to the Parliament.

Thus encouraged, further demands were made by the businessmen. In June a public meeting considered petitioning the Minister for:

- A channel, as deep as the inner basin (18 feet), to be continued through the outer basin, and made sufficiently wide to allow free and safe ingress and egress for large vessels.
- Further excavation on the south side of the old basin.
- The removal of a rock projection between the basins.
- An additional coal shoot.
- A new jetty on the south side of the old basin.
- Further work on the breakwater, to ensure that it was not washed away.
- Mooring chains for the Harbour, to increase safety for vessels.

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50 Illawarra Express report, quoted in Sydney Mail, 20 April 1867.
51 Stewart who had stood unsuccessfully against Robert Haworth in December 1860 and Patrick Osborne in December 1864, finally defeated Joseph Wilshire by 460 votes to 352 at a by election in September 1866. Patrick Osborne had resigned his seat on 24 August 1866. For the by election results see Illawarra Mercury, 11 September 1866.
52 ibid., 5 April 1867.
53 ibid., 21 June 1867.
More meetings were held in July,\textsuperscript{54} to adopt the petition and appoint a deputation to take it to Byrnes: John Stewart, William Speer and Thomas Hale, who had returned from insolvency to become the agent for the Illawarra and Osborne Wallsend Coal Company.\textsuperscript{55} They had a ‘long and satisfactory’ interview with the Minister, and came away ‘perfectly assured that the Government will lose no time, and neglect no means in rendering the Wollongong Harbour as capacious and commodious as possible’. Byrnes was, in fact, able to tell the deputation that not only had virtually all of its suggestions been accepted, but that once the breakwater was ‘consolidated’ it would be surmounted with a lighthouse.\textsuperscript{56} What he neglected to tell them, however, was that, apart from the lighthouse, the new improvements would have to be paid for out of the £10,000 voted in the previous year.\textsuperscript{57} The Minister may well have been sincere in his promises to the various deputations from Wollongong but, having wrung £10,000 out of the Parliament only some 12 months before, his Cabinet colleagues, it seems, were not keen to chance their luck again so soon.

While seeking the perfection of their Harbour, the local entrepreneurs had not forgotten their railway scheme. They had formed the Illawarra Railway Committee, which reactivated the project in August 1866, under the leadership of Robert Owen and George Waring, among others.\textsuperscript{58} This revived the debate as to whether Wollongong was to remain the commercial hub of the district, or whether the Bellambi-Bulli area was to become a rival for its trade and commerce. At a public meeting in March 1867, George Hewlett referred to a remark made earlier by James Shoobert, Secretary of the Bulli Coal Company, that Wollongong Harbour and its associated works were a waste of public money. ‘Of course,’ continued Hewlett, ‘Mr Shoobert wished the boats to go to Bulli; that was the place for him’. Wollongong, he asserted, was the safer anchorage, and a railway connecting Bulli with Wollongong Harbour

\textsuperscript{54} ibid., 12, 16 & 19 July 1867.
\textsuperscript{55} \textit{Sydney Morning Herald}, 1 February 1868 (advertisement, seeking ships to take coal to Shanghai, Hong Kong, Manila, Mauritius, and Bombay).
\textsuperscript{56} Letter from Stewart, Speer and Hale to John Biggar, quoted in \textit{Illawarra Mercury}, 26 July 1867.
\textsuperscript{57} £3300 was allocated for the construction of the lighthouse, in the Public Works Loan Act of 1869 (£3000) and the Public Loans Act of 1871 (£300). No further capital expenditure was approved for the Harbour until 1873.
\textsuperscript{58} \textit{Illawarra Mercury}, 21 & 24 August 1866.
was preferable to allowing ships to risk their crews and cargoes by loading at a jetty in the open sea.59

Providentially for Wollongong business interests, the Bulli jetty was destroyed on 21 June by ‘severe and disastrous weather’, at a ‘considerable loss’ to the Bulli Company. Carried away with the jetty were 40 coal wagons and one of the Company’s managers.60 This did not, however, interest the Bulli Company in shipping its coal from Wollongong. Able to ship coal direct to intercolonial and foreign markets it had, despite the recession, begun to show a profit on its operations, the first dividends for ordinary shares being paid for the half year ended 30 June 1866.61 Within weeks of the wash-away, the directors engaged Robert Longmore, who had been a partner in the old Taylor and Walker mine, to reconstruct the jetty.62 In fact, the disaster at Bulli became the signal for a campaign to have Byrnes release the £10,000 authorised by the Public Loans Act of 1862 for the improvement of Bellambi Harbour.63 Rumours began to circulate, from a source of ‘some credit’ that Hale’s old Bellambi mine was to be reopened;64 of more moment was William Speer’s statement that he would open a new mine at Broker’s Nose, if Bellambi Harbour was rendered safe for shipping.65

A petition for presentation to the Minister for Public Works, signed by 200 inhabitants and owners of coal land in the Bellambi-Bulli area, was entrusted to Speer, John Manning, part owner with members of the Osborne family of the Bellambi mine, and Thomas Hale.66 Replying to the petitioners by letter, Byrnes killed for the foreseeable future the idea of any major harbour development at Bellambi. He said that he had been advised by Moriarty that the

59 ibid., 2 April 1867.
60 See the Company’s half yearly report, to 30 June 1867, in Sydney Morning Herald, 31 July 1867.
61 On 1 July 1865 the Company’s debit balance was £2072, the profits of the previous half year being used to liquidate this balance. The Company sent its Secretary, James Shoobert, to Melbourne and Adelaide to secure larger contracts; a direct sale of 2000 tons as an immediate result made the directors optimistic about the ensuing half year (see half yearly report in Sydney Morning Herald, 31 January 1866). For the half year ended 30 June 1866 the Company reported a credit balance of £3190. After deductions for depreciation and the reserve fund, about £1350 was left for the payment of dividends of 12.5 per cent. on preferential shares and 6 per cent. on ordinary shares (see half yearly report in ibid., 1 August 1867). In early August 1867 the Company’s Chairman, Sir George Allen, noted that, besides the small coastal vessels normally used in the Wollongong district coal trade, there were several ships loading at the Bulli jetty to take coal direct to China and South Australia (see ibid., 2 August 1867).
62 Illawarra Mercury, 5 & 9 July 1867.
63 ibid., 6 August 1867.
64 ibid., 26 July 1867.
65 ibid., 9 August 1867.
66 ibid., 20 August 1867.
stone available at Bellambi was unfit for a breakwater, and had formed the opinion that to expend the vote of £10,000 there would be ‘simply to throw it away’. A better application of the money, he added, might be the construction of ‘a piece of Coast Railway’, whereby all of the coal raised in the area could be shipped at Wollongong.67 Bymes’ interest lay in the improvement of Wollongong Harbour and increased sales of Mount Keira and Mount Pleasant coal, not in providing facilities for the more profitable operation of the rival Bulli Company or to give a start to new rivals, even if one of them, William Speer, was a fellow director of the Illawarra and Osborne Wallsend Coal Company. The Minister would not use his position to directly hinder his business rivals, but he was not going to use it to assist them. His support for the Illawarra Railway Committee’s scheme may have endeared him further to Wollongong’s businessmen, but Byrnes, as a Sydney capitalist and politician, cared little whether the town of Wollongong remained a colonial backwater or rose to commercial prominence. He did nothing to bring about the railway, even though, when he became Minister for Public Works he took to himself the post of Commissioner for Railways, which had previously been held by a career civil servant.68

In any event, agitation for the district railway scheme subsided as completion day for the Harbour finally approached. By late August 1868, when Byrnes made a tour of the works, the coffer dam had been dismantled, allowing the sea to enter the newly excavated portions and form ‘a fine sheet of water’. The decision in 1867 to form a channel through the outer basin, of the same low water depth as the inner basin, was one of the main causes of delay in completing the works after that time. A bar at the entrance to the harbour was found to consist of ‘a shaly substance of considerable hardness’ which the dredge had had much difficulty in removing; in addition, several very large boulders had had to be blasted before they could be removed.69

The official opening took place on 6 October 1868, performed by the Governor, Earl Belmore, and Lady Belmore. A vice regal visit was always a welcome occasion to ‘loyal

67 Letter quoted in *ibid.*, 3 September 1867.
68 Byrnes did, however, at the official opening of the Harbour in October 1868 urge the locals to get their Member to push for the railway, and make Wollongong a great commercial town. Given his position as Commissioner, it should not have taken much pushing. The post of Commissioner of Railways had been held by John Rae since 15 January 1861 (see *New South Wales. Blue Book*, 1867, p.76).
69 *Sydney Mail*, 29 August 1868.
THE WOLLONGONG HARBOUR WORKS, 1864–1868

communities'\textsuperscript{70} like Wollongong, allowing them to display their affection for the British Crown, but this visit had added interest for local businessmen; it was to mark the beginning of Wollongong's golden era. All their hopes centred on the Harbour, for without it, they believed, they and the district must stagnate. As the \textit{Illawarra Mercury} had asserted in July 1867:

\begin{quote}

it is to [sic.] the export of our minerals that the future prosperity of the district mainly depends. The dairying capabilities of the district have probably reached their maximum, and consequently, unless some other branch of industry be introduced or extended, population has also nearly reached its maximum; and in the absence of an increased productive population both the town and country may cease to look for more prosperous times.\textsuperscript{71}
\end{quote}

The formation, two months later, of the Wollongong Benevolent Society, to assist the growing number of individuals sinking into poverty,\textsuperscript{72} added point to this observation.

However, with the completion of the Harbour and the visit of the Governor such thoughts were banished from the minds of most inhabitants of the town and its vicinity:

\begin{quote}

the visit of an Earl was such a bewildering rarity, and the inauguration of a new dock such an important stride in the march of civilisation, that the people of the town and district felt themselves compelled to rush headlong into gaiety in order to keep pace with such glittering times ... the town had been 'dressed all in its best', in honour of the occasion. Flags floated from every available pole; 'welcomes' in letters of the very largest size, embroidered on the very whitest calico, decorated the balconies; the vessels in the basin were decked out with bunting; and the Queen's Hotel, the temporary abode of his Excellency, displayed a large quantity of the same ornamental drapery.\textsuperscript{73}
\end{quote}

In the midst of much toasting, eating, and self congratulatory speechifying, Lady Belmore found time to officially open 'Belmore Basin' to shipping, by cracking a bottle of champagne on the taffrail of the steamer \textit{Thetis}. What kind of coal port, then, 10 years after they had taken up the idea, had Wollongong's businessmen gotten for themselves? The area enclosed by both basins was about three acres, protected from rolling seas by a breakwater and offering 1748 feet of wharf frontage; the all-important inner basin, 455 feet long by 153 feet wide, had a low-water depth of 18 feet and could accommodate about 15 vessels; 150 yards of railway

\footnotesize
\textsuperscript{70} From the Address presented to the Governor by the Mayor and Aldermen of Wollongong. Quoted in \textit{Sydney Morning Herald}, 7 October 1868.
\textsuperscript{71} \textit{Illawarra Mercury}, 19 July 1867.
\textsuperscript{72} ibid., 17 September 1867.
\textsuperscript{73} \textit{Sydney Morning Herald}, 7 October 1868. The account which follows of the opening is based on this report.
connected the Mount Keira and Mount Pleasant tramlines to three staiths, capable of shifting 3000 tons of coal a day. As the Governor stated in his speech, the cost of deepening the outer basin also to 18 feet at low water had proved to be prohibitive. Nonetheless, he said, although the depth of that basin at low water was but 14 feet, this was only when the spring tides were at their lowest ebb, which lasted a few hours; otherwise, the basin had a depth of 16.5 feet at half tide.

The businessmen of the district had reason to be pleased with the result of their labours. In his speech James Byrnes claimed two advantages for the coal trade. First, double handling of Mount Keira and Mount Pleasant coal would cease. Second, with greatly improved safety, marine insurance companies would no longer have any reason to refuse cover to vessels using the Harbour.\(^74\) In their Address to the Governor, the Mayor and Aldermen of the town gave thanks for ‘the liberality of Parliament’ in providing the district with its fine new port, and stated their belief that it would ‘unlock the hidden wealth of Illawarra’ and ‘add . . . to the prosperity of the district’. The truth, of course, was that Parliament’s bouts of liberality toward Wollongong, in 1860, 1864 and 1866, would not have occurred without the temporary operation of a series of favourable political factors. Whether the Australian and international coal markets would prove to be as obliging as the Parliament of New South Wales was another question.

The immediate prospects for a revival of the local coal trade were not encouraging. In his report on the coal trade of New South Wales, for the six months to 30 June 1869, the Inspector of Collieries stated that ‘no material change has taken place during the term . . . either in the quantity of coal produced, selling price thereof, or the number of collieries, &c., in actual operation’.\(^75\) Over the following two years the situation was marked by stagnation and declining output. The Wollongong district mines recorded falls in output of 2.3 \textit{per cent.} and 7.8 \textit{per cent.} in 1869 and 1870, respectively; Newcastle output fell by 3.0 \textit{per cent.} and 5.9 \textit{per cent.} for the corresponding years.\(^76\) Hence, the Illawarra Mercury, now under the

\(^{74}\) A Captain Malcolm, marine surveyor for an un-named insurance company, attended the opening and expressed himself satisfied as to the safety of the new port. \\
\(^{75}\) Coal Fields. (Report from Examiner of, for 1869), op. cit. \\
\(^{76}\) Calculated from figures in the Statistical Register of New South Wales, 1868, 1869 & 1870.
ownership of Archibald Campbell and Joseph Hart, was forced to observe toward the end of 1869 that ‘the expected extension of trade, consequent on increased harbor accommodation has not resulted’, and that the local trade was ‘even less now than it was before the new harbor was commenced’. By June of the following year, the *Mercury* was complaining that ‘trade is worse than ever’.

The biggest casualty of the renewed recession in Wollongong was William Speer, a major shareholder in the Bulli, Osborne Wallsend, and Illawarra Coal Companies. In addition, he had bought other properties in the district, some of which, like Broker’s Nose and the Balgownie Estate, contained coal and on which he had hoped to open mines; some of his land he also let to tenant farmers. Speer, however, had overextended his capacity to sustain his investments in Wollongong, Sydney and elsewhere, and by mid 1870 was experiencing acute ‘pecuniary embarrassments’. To salvage what he could, Speer began to divest himself of his Wollongong holdings, and borrowed heavily from his business friends. His 1047 acre Balgownie Estate, with its ‘500 to 550 ACRES of RICH COAL LAND’, near the Osborne Wallsend and Mount Pleasant Mines, was sold to James Osborne in October 1870 for £7500, with another 300 acre estate, closer to the town of Wollongong, going to James’ brother Alick for £1500. George Allen, chairman of the Bulli Company, and James and William Byrnes entered into an indenture with Speer, through the Bank of New South Wales, to advance him the sum of £8000. Such was the extent of Speer’s difficulties that his major asset in Wollongong, the Osborne Wallsend Coal Company, into which he absorbed Robson and Company in 1861, collapsed. In June 1870 the Mount Keira part of the Illawarra and Osborne

77 New South Wales Government Gazette, No.80, 3 April 1868, p.961. The partnership between Thomas Garrett and Archibald Campbell was dissolved on 15 February 1868, ownership of the *Mercury* passing to Campbell and Joseph Hart.
78 *Illawarra Mercury*, 2 November & 28 December 1869.
79 ibid., 24 June 1870.
80 See, for instance, ibid., 30 November 1869, where Speer took action in the District Court against a farmer on the Balgownie Estate, for recovery of rent.
81 Speer owned a 1280 acre estate at Lake Macquarie, just south of Newcastle, on which the previous owner had opened a small mine, the Lochend Colliery, in the early 1840s. By the 1870s he had an interest, with John Robertson, in another coal property in the vicinity. He also ran a vessel from the Lake, which took small quantities of coal and timber to Sydney. See K.H. Clouten, *Reid’s Mistake: The Story of Lake Macquarie from its Discovery until 1890*. Lake Macquarie Shire Council: n.p.p. 1967, pp.54-5, 143 & 186.
82 *Illawarra Mercury*, 22 July 1870.
83 ibid., 27 September & 4 October 1870.
Wallsend Coal Company ceased operations, and the owners of the property, James and Francis Osborne, sent in the bailiff to take possession of all plant and equipment. The Osbornes took over the running of the mine themselves, retaining William Robson as a salaried manager, and appointing Francis MacCabe to act in financial matters. The marketing relationship with the neighbouring Mount Pleasant Mine was maintained, both sets of proprietors conducting their affairs from the former Osborne Wallsend Company’s offices in Sydney, with Thomas Hale as their common agent.

The cause of Speer’s woes and those of the Wollongong coal trade may be ascribed to one cause—the developing capacity of New South Wales’ mines to overproduce. The coal trade of the Colony had expanded along with the populations and the economies of the other Australian Colonies, after the discovery of gold in 1851. Between 1861, when the Wollongong Harbour works were commenced and new mines were being opened in the district, and 1870, the Australian population increased by 41.1 per cent., and real gross domestic product by 52.6 per cent. New South Wales coal provided an accessible and relatively cheap source of energy with which this level of economic activity could be sustained. The high demand, prices and profits of the 1850s had attracted additional investment to mining, with the effect that supply tended to exceed domestic demand. As R.A. Morehead, the Manager and General Superintendent of one of the major Newcastle coal companies, the Scottish-Australian, told his directors in August 1871, there was:

a very considerable overproducing power as respects coal-getting; that is a power of production materially in excess of the demand or consumption . . . there is a continuing pressure in operation seeking to attract further capital to colliery working, and, therefore, to give rise to an aggravation of the present overproducing power

and warned them to ‘be prepared for smaller profits than we have yet earned’.
The impact of periodic crises of overproduction in the New South Wales trade, such as those of 1863/64 and 1869/70, was less drastic than it might otherwise have been, largely as a result of the foreign export trade which, after 1860, accounted for about one third of all output. However, virtually all of this trade was serviced by the Newcastle mines, which were able to export direct to international destinations. The Wollongong mines were locked firmly into supplying domestic demand. Figures showing the ultimate destinations of Wollongong coal in the mid nineteenth century are rare, but one set, for the quarter ended 31 October 1870, is indicative of the extent to which the district’s mines served a restricted market:

### DESTINATION OF WOLLONGONG COAL EXPORTS

(Quarter Ended 31 October 1870)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Tons of Coal</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney &amp; Botany</td>
<td>18,818</td>
<td>64.3</td>
</tr>
<tr>
<td>Illawarra Steamers</td>
<td>8,626</td>
<td>29.5</td>
</tr>
<tr>
<td>New Caledonia</td>
<td>1,406</td>
<td>4.8</td>
</tr>
<tr>
<td>Melbourne</td>
<td>215</td>
<td>0.7</td>
</tr>
<tr>
<td>Shanghai</td>
<td>182</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Thus, even two years after the official opening of Wollongong Harbour, the coal companies of the district had made little headway in intercolonial, let alone foreign, markets. Up to 95 per cent. of their coal was restricted to use in the households, factories and public utilities of Sydney, and the boilers of the Illawarra Steam Navigation Company’s steamers.

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91 Gollan, op.cit., p.11.
92 Town and Country Journal, 19 November 1870. These figures cannot be regarded as strictly typical of the distribution of Wollongong coal exports. They describe the situation over a period of only three months in one year, during a recession; they take no account, for example, of ‘spot’ sales like that made by the Bulli Company of 2000 tons of coal to Melbourne in 1866 (see footnote 61).
That presented no problem while the economy of New South Wales continued to grow, but recessions pointed to the danger of dependence upon what amounted to a single market.

The central question, though, was why ocean-going colliers were avoiding the Wollongong district, despite its new coal port, to go 150 miles further up the coast to Newcastle to get coal for Melbourne. In 1870 exports to the latter accounted for 20.8 per cent. of all New South Wales coal output, and, therefore, as the Illawarra Mercury noted in October of that year:

One of the greatest objects to be accomplished in Illawarra is to open up a market at Melbourne for the sale and consumption of our coals... It is only a short time ago since the people of Wollongong were amazed almost to consternation at the sight of what they imagined was a Flying squadron off the coast here. The supposed Squadron proved to be no other than a number of large vessels bound from Melbourne to Newcastle for coal. Then why, in the name of the trade and commerce, could not those and other vessels be saved the time and trouble of passing this port to Newcastle?

Two factors seem to have been important in ensuring that Wollongong coal travelled little beyond Sydney on a regular basis. First, the shipping facilities of the district bore no comparison to those available at Newcastle. Even by 1862 the northern port could boast one third of a mile of wharfage and could accommodate vessels of up to 1200 tons, ‘loading coal to all parts of the Southern hemisphere’. By 1865 the first major wharf at Newcastle, the Queen’s Wharf, had seven steam cranes, and 13 coal staiths, with more to be constructed in 1869; the depth alongside ranged from 13 to 20 feet, with an entrance depth to the port of 21 feet. Wollongong’s three coal staiths and entrance depth of 14 to 16.5 feet could not compete with facilities like these, and the Bulli jetty, while providing a good depth of water, was completely exposed to the elements. Hence, access, safety and turn around time for vessels were real considerations for shipowners and captains in deciding whether to take on cargoes of Wollongong or Newcastle coal.

The second reason for the failure of the Wollongong mines to make a mark on intercolonial and foreign markets may have been doubts about the quality of the coal. From the beginning of the trade, New South Wales (that is, Newcastle) coal had had to meet the

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93 Calculated from figures in *Statistical Register of New South Wales*, 1870.
94 *Illawarra Mercury*, 21 October 1870.
95 Remarks by Daniel Cooper, former Sydney politician and merchant, in a letter on ‘Australian Coal’, quoted in the *Sydney Morning Herald*, 23 April 1862.
objections of English shipping companies that it raised less steam and contained more impurities than the best English and especially Welsh coal. These objections were largely overcome when the companies modified their boilers to adapt to the different qualities of the Newcastle coal.97

However, the cause of Wollongong coal had not been advanced by the publication in June 1862 of the results of experiments with samples of various New South Wales coals, made at the Woolwich Dockyard in England for the Admiralty. Eleven samples, nine from Newcastle and one from each of Hale’s Bellambi mine and the Osborne Wallsend mine were tested. While the Newcastle coals were described as being ‘good’ or ‘very good in every respect’ or, at worst in one case, as ‘rather below the average’, the two Wollongong samples were said to be ‘Very inferior coal’, producing large quantities of ash.98 Hence, despite aggressive marketing and the solicitation of testimonials by Thomas Hale in the early 1860s, there remained an element of ‘prejudice’ in some circles against Wollongong coal.

Even though Wollongong coal would be accepted eventually as superior to Newcastle coal for steaming purposes, by 1870 that superiority was still very much in question. John Biggar carried on Hale’s role of publicist, picking up whatever scraps of evidence he could find to demonstrate the finer qualities of the local product. For example, he found in a travel book, The Cruise of H.M.S. Galatea by the Reverend John Milner, an account of the trial of 500 tons of Wollongong coal in the Galatea on the home voyage to England. Milner recorded that the coal was ‘little inferior to ordinary Welsh coal, and most decidedly superior to that of Newcastle [Australia].’99 The superiority of Wollongong coal for steaming purposes, then, might have won it New South Wales government contracts for the railways, and the occasional contract from major Australian coastal shippers, like the Australasian Steam Navigation Company,100 but its acceptance in wider markets remained a matter for the future.

97 Sydney Morning Herald, 23 April 1862 (Cooper’s letter; see footnote 95).
99 Quoted in a letter from Biggar, in the Illawarra Mercury, 24 June 1870.
100 This Company used Bulli coal until 1 January 1871, after which time the contract went to the Osborne Wallsend mine. See ibid., 23 September & 21 October 1870.
The theory developed by Wollongong's businessmen to account for the lack of expansion in the local coal trade after October 1868 would not admit explanations based upon the contribution of the Wollongong mines to the problem of overproduction, or, at least initially, of the comparatively poor shipping facilities offered by their new Harbour. Their belief in the prowess of English civilisation forbade the inclusion in their political economy of the very notion of overproduction; there was a world yet for the steam engine to conquer, and the limitless mineral resources of their district stood ready to make a contribution. The trade, said the *Illawarra Mercury* in June 1870, was but 'temporarily dull' and 'ultimately' there could be 'no doubt' that Wollongong would be the main supplier of coal to markets like that at Melbourne.\(^1\) Similarly, whatever might be said about the Bulli jetty, no blame could attach to the improved Wollongong Harbour; to attack that would have been to destroy the faith that had sustained them for more than a decade. At the end of 1869 the *Mercury* had observed that, although the local trade was not flourishing, the new Harbour meant that:

> There cannot now therefore remain any obstructions to an increased coal trade, or if there, *sic.* are they do not arise from want of harbor and shipping facilities.\(^2\)

However, things did not improve, and by the middle of the following year the Harbour was described as being 'for the most part destitute of shipping, and the coal shoots consequently almost unemployed'.\(^3\)

As a positive explanation of this failure, local businessmen recycled the charge that they had levelled at Henry Osborne in 1858 and at the Byrnes' in 1862—that the mine proprietors were acting like monopolists. They focused on two proprietors: the Osborne family and William Speer. The essential proposition was that Speer and the Osbornes were content with the profits from their current operations and, hence, they had made no effort to develop fully the mineral properties that they owned, or refused to sell or lease them to others who might open new mines. In the general election of December 1869, James Osborne, who defeated John Stewart for the Illawarra seat, was forced to defend his family against these charges; in particular that it was deliberately allowing the Bellambi mine to lie idle. As Osborne correctly

\(^1\) *ibid.*, 24 June 1870.
\(^2\) *ibid.*, 2 November 1870.
\(^3\) *ibid.*, 22 July 1870.
pointed out, his family did not control the New South Wales coal trade or its markets, the
Newcastle companies were ‘cutting each others throats’ to get sales, and that it was not,
therefore, the best time to be investing large amounts of capital in the Bellambi ‘or any other
mines’. When William Speer’s little mining empire collapsed in mid 1870, the Mercury bid
him good riddance and said that the cause of his downfall was ‘pretty evident’:

whilst endeavouring to establish a monopoly of the coal trade, he has
succeeded not only in bringing ruin upon himself, but in so reducing the
c coal trade as scarcely to render it worthwhile for the practical miner to
continue at his work in this district. Such is always the case with men who
seek to obtain a monopoly. By preventing the expansion of trade, by
compacts, and without the means of pushing a business to the extent that it
is capable of, the individual himself is ruined, and what is worse the
labourers in his employ are only half in work and consequently half
starved.\(^{104}\)

The existence of these ‘monopolists’ also explained why Wollongong coal was still struggling
for acceptance in intercolonial and overseas markets. Satisfied with their little share of the
Colony’s coal trade, Speer and the Osbornes had not taken ‘sufficiently energetic means to
force Illawarra coal into the market’.\(^{105}\)

Self doubt had not yet asserted itself in the political economy of Wollongong’s
businessmen. In their innocence they continued to believe that their expectations were immune
from the volatility of market forces in the developing world and Australian capitalist economies.
With the removal of Speer, even though his interests had been bought by James Osborne, thus
increasing the trend toward monopoly, the Mercury claimed that Wollongong’s troubles were
over: ‘We imagine that a few months will shew a more healthy state of things’.\(^{106}\) Similarly,
with the approach of the Intercolonial Exhibition of 1870, in Sydney, the news that one or two
blocks of ‘our black diamonds’ were to be exhibited, prompted the Mercury to observe that ‘it
cannot but tend to increase the trade of the district’ and thus transform Wollongong from ‘the
Sleepy Hollow that she has of late years become’.\(^{107}\)

Expectation and faith, however, were no match for the reality that intruded itself at
every turn. Each month confirmed that coal exports were not growing, that new mines were
not opening, and that new capital and population were not pouring into the district. In fact,

\(^{104}\) ibid., 22 July 1870.
\(^{105}\) ibid., 24 June 1870.
\(^{106}\) ibid., 22 July 1870.
\(^{107}\) ibid., 28 June 1870.
measured over the decade since the commencement of the Harbour works in 1861, economic activity had undergone a general decline. A variety of indicators confirm this. In March 1861, 550 persons held one acre or more of land in the district, total holdings being 47,872 acres, of which 3646 (7.6 per cent.) were under cultivation; by March 1872, the number of landholders had risen to only 616, occupying 56,496 acres, of which only 3354 (4.6 per cent.) were being cultivated. The livestock population also declined over the same period: cattle down from 18,682 to 17,080; horses down from 1965 to 1843, and pigs down from 7597 to 6312. In 1861 the municipal councils of the district raised £3644 in revenue, and spent £4733; in 1871 these figures had fallen to £3448 and £3164, respectively. In 1863 the municipalities were responsible for the maintenance of about 137 miles of main roads and by roads, this having risen to only 144 miles by 1871.108

The major single cause of this decline was the low price obtaining for the staple product of Wollongong and its region—butter. As one visitor to the town reported in October 1870:

The general report of trade in Wollongong was not satisfactory, nor even cheerful; men shook their heads and were unanimous in the opinion that trade was overdone, and the staple article of the district overmade. They asked one another as people inquire concerning each other’s health—‘How’s butter?’ And . . . comes the mournful mopeshaw cry, ‘Very bad!’ 109

The situation remained bad into 1871. Alfred McFarland’s comprehensive account of the condition of the district in that year noted that butter prices had fallen by up to 90 per cent., from the ‘very remunerative’ 30 pence a pound to sixpence and even threepence.110 McFarland found that in the town, ‘many of the houses and cottages . . . are deserted and dilapidated’.111 In the surrounding district he saw a place fallen on hard times, ‘exhausted by frequentcroppings, without any ‘return’ being made to it, and by other unskilled and careless attempts at

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108 All statistics taken from or calculated from figures in *Statistical Register of New South Wales*, 1861, 1863, 1871 & 1872. The Wollongong district was taken to comprise figures for the North-east Portion of County Camden (Wollongong), and the South-east Portion of County Cumberland (Parish of Southend). In 1861 there were three municipal councils in the district: Wollongong, Shellharbour, and Central Illawarra; North Illawarra was added in 1868.


111 ibid., p.24.
husbandry'—a rapacious population concerned with wresting a profit from the land, and little else.

Wollongong’s troubles were partly due to the recession, but they were unlikely to disappear with it. As the Mercury stated, low butter prices in Sydney were a direct result of railway expansion to the north, south west and west of the metropolis; by reducing freight costs, the railways had ‘introduced into competition districts . . . which, when limited to carriage by means of bullock teams, were nearly shut out from the market’.113

Still almost solely dependent upon its agricultural and pastoral pursuits, then, the Wollongong district was hit hard during the 1860s and, as in the depression of the 1840s, some responded by seeking employment elsewhere, a minor exodus of ‘many of the most successful and enterprising residents of Illawarra’ starting in the late 1860s.114 This rattled the smug self-confidence of local businessmen in the inevitability of progress and civilisation, arousing in the proprietors of the Illawarra Mercury a fear that the changes made by white men to the landscape of the district might yet be reclaimed by nature:

Should all the working bees leave, and the drones of Society be left behind, the day is not far distant when the scenes of the past will be revived in the future. When but a little while ago verdant pastures gave sustenance to lowing herds, which yielded profit, and in some cases independence, to many families, the incipient forest will soon begin to assume its primeral [sic.] state.115

If a butter led recovery could not avert this catastrophe, then what would?

Wollongong’s business leaders began to give way, for the first time, to serious doubts about their coal policy. In 1870 the Mercury abandoned its editorial policy that increased local prosperity was dependent exclusively upon the development of coal mining. The future had become uncertain: ‘the times have altered now, and nothing but attention to new industries can being the district from the depression under which it now exists’.116 In July 1870 the newspaper first expressed doubts about the ability of the new Harbour to handle a vigorous trade in coal,117 which in itself contained a doubt that it could be successful in attracting capital

112 ibid., pp.46-7.
113 Illawarra Mercury, 5 September 1871.
114 ibid. This had been occurring for ‘The last few years’.
115 ibid.
116 ibid.
117 ibid., 22 July 1870.
THE WOLLONGONG COALFIELD, 1871

- Mine

- Mine Tramway or Railway

- Road

- Track

- Escarpment

BULLI

Bulli Point

OSBORNE WALLSEND

MOUNT PLEASANT

Wollongong

AMERICAN CREEK

PACIFIC OCEAN

0 miles 3
for the opening of new mines. This was despite the fact that, according to a statement by the Colony’s Examiner of Coal Fields, William Keene, in the official handbook of the Sydney Intercolonial Exhibition of 1870, ‘Wollongong maintains its reputation of producing a good steam coal’.118

Having pursued their coal policy with single minded determination for more than 12 years, Wollongong’s business leaders were confused by its failure, and the Illawarra Mercury became the dispenser of nostrums of all kinds for the economic ills of the district. Suggestions ranged from the ridiculous, through the desperate, to the, as yet, unobtainable. The production and export of sugar, for the growing of which the district is singularly unsuited, filled the first category.119 In the second, a suggestion was made that agriculture might after all be the means of giving the district ‘self-dependence’, with the establishment of an ‘institution’ for the exchange of ideas and methods for improving the productivity of the soil being mooted as the way ahead.120 This was soon scotched by the counter claim that ‘owing to its limited area’, the soil of the district ‘can never form the support of a large and wealthy town’.121 Sea salt was a desperate, but hardly serious, suggestion as the basis for a large scale export trade.122 Finally, despite the untested quality of the local ore, the idea of establishing an iron industry was revived.123 By the end of 1871, therefore, there was no longer a consensus on the course to be followed.

The confusion besetting Wollongong’s businessmen was the symptom of their failure to make Wollongong the trading and commercial capital of a rapidly growing mining district. In the 10 years since the construction of the Harbour was begun, the population of the district had fallen by 4.4 per cent., while that of the Colony as a whole had risen by 43.4 per cent. and the advent of coal mining had made virtually no impact on the occupational structure of the local population. In 1871 there were still more hired domestic servants in the district than there were

119 ibid., 5 September 1871.
120 ibid., 11 March 1870.
121 ibid., 24 June 1870.
122 ibid., 5 September 1871.
123 ibid., 28 June 1870.
mine employees. As at the census of 1861, the town retained all the features of a rural service centre (see Table following).

Accordingly, in a handbook on the Australian Colonies, published in 1871, the town and district were described largely as they would have been at any time in the previous 30 or 40 years. Acknowledging the presence of some coal mines in the vicinity, the handbook went on to say that:

The town is well built, is prettily situated, and its environs in beauty of scenery will compare with any part of the colony . . . The district has long been noted for its dairy farming, and is the principal source whence the metropolis is supplied.  

It was precisely this image and reality that Wollongong's businessmen had set out to transform in 1858. Despite their optimism, their determination, and their political cleverness, they had been decidedly unsuccessful. In fact, the only success to which they could point in the 1860s was the killing of the idea that Bellambi or Bulli should rival Wollongong as the export and commercial centre of the district. Even this, though, had more to do with James Byrnes, a Wollongong Harbour coal proprietor whose interests would not have been served by the construction of a harbour at either site. Only his position as Minister for Public Works had allowed him to stop the public movement for the release of the public funds that had been approved by Parliament for Bellambi Harbour. In any case, the depressed 1860s had made irrelevant the divisions among the district's businessmen and other local entrepreneurs over the location of its harbours.

 Appropriately, 1871 ended with an unedifying public slanging match between Francis MacCabe and the sons and supporters of William Robson, on the question of who had got the Wollongong coal trade, such as it was, 'off the ground' in 1856, with the opening of the Osborne Wallsend mine. The occasion was the dismissal of Robson as the manager of the mine by the new Osborne-MacCabe management, and the debate turned on the issue of whether the credit should go to Robson's technical mining skill or to Henry Osborne's capital and business sense. The argument was conducted in the columns of the Illawarra Mercury, and

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### OCCUPATIONAL CATEGORIES OF PERSONS IN THE WOLLONGONG DISTRICT AT THE CENSUSES OF 1861 AND 1871

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>1861</th>
<th>1871</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Civil Service</td>
<td>13</td>
<td>0.2</td>
</tr>
<tr>
<td>Professional</td>
<td>70</td>
<td>0.9</td>
</tr>
<tr>
<td>Business (Commerce, Trade &amp; Accommodation)</td>
<td>177</td>
<td>2.4</td>
</tr>
<tr>
<td>Skilled Crafts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Employers &amp; Self Employed</td>
<td>29</td>
<td>0.4</td>
</tr>
<tr>
<td>. Employees</td>
<td>215</td>
<td>2.9</td>
</tr>
<tr>
<td>Unskilled Workers</td>
<td>144</td>
<td>1.9</td>
</tr>
<tr>
<td>Mining</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Coal</td>
<td>66</td>
<td>0.9</td>
</tr>
<tr>
<td>. Other</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Maritime</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Masters, Pilots, Officers, &amp;c.</td>
<td>10</td>
<td>0.1</td>
</tr>
<tr>
<td>. Seamen, Wharf Labourers, &amp;c.</td>
<td>20</td>
<td>0.3</td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Proprietors &amp; Tenant Farmers</td>
<td>1243</td>
<td>16.7</td>
</tr>
<tr>
<td>. Employees</td>
<td>634</td>
<td>8.5</td>
</tr>
<tr>
<td>Pastoral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Proprietors</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>. Employees</td>
<td>10</td>
<td>0.1</td>
</tr>
<tr>
<td>Horticulture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Proprietors</td>
<td>6</td>
<td>0.1</td>
</tr>
<tr>
<td>. Employees</td>
<td>8</td>
<td>0.1</td>
</tr>
<tr>
<td>Sugar Growing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Employees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Domestic Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Hired</td>
<td>283</td>
<td>3.8</td>
</tr>
<tr>
<td>. Not Hired</td>
<td>1547</td>
<td>20.7</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>93</td>
<td>1.3</td>
</tr>
<tr>
<td>Recipients of Public Support</td>
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<td>-</td>
</tr>
<tr>
<td>School Pupils</td>
<td>1197</td>
<td>16.0</td>
</tr>
<tr>
<td>Not Stated</td>
<td>1695</td>
<td>22.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7464</td>
<td></td>
</tr>
</tbody>
</table>

**Note**

The following parts of Counties Camden and Cumberland were used to reconstitute the Wollongong district:

1861: Municipality of Wollongong; Municipality of Central Illawarra; North Part of County Camden in Illawarra; South Part of Southend Parish in County Cumberland; Village of Shell Harbour, and Remainder of Shell Harbour Municipality.

1871: Municipal Town of Wollongong; Municipality of Central Illawarra; Municipality of North Illawarra; Wollongong Registry District - Rural (Part of Southend Parish in County Cumberland); Municipality of Shellharbour (Part of in Wollongong Registry District), and Shellharbour Municipality (Part of in Kiama Registry District).

**SOURCES:**

Taken from Census of the Colony of New South Wales, taken on the 7th April, 1861. Government Printer: Sydney 1862, and Census of the Colony of New South Wales, taken on the 2nd April, 1871. In Journal of the Legislative Council of New South Wales, Session 1872-3, Vol.22, Pt.2.
held the attention of the public for six weeks.\textsuperscript{125} If nothing else, it served to demonstrate that the little man like Robson was entirely dependent upon the capital and the whims of the big man. He retired to Kiama,\textsuperscript{126} taking no further part in the coal trade,\textsuperscript{127} and died in April 1888, still owing £600 to the Osbomes as a memento of his labours on behalf of the Osborne Wallsend Coal Company.\textsuperscript{128} Nevertheless, after his retirement from mining he remained in business, helping to form the Wollongong Building Society, of which he became the trustee.\textsuperscript{129}

Wollongong's businessmen had much in common with William Robson. Like him, they felt driven to, and expected to, achieve not just a measure of material security, but financial independence. The men of capital and influence, like the Osbomes, the Byrnes' and even Speer, might use or ignore their aspirations and discard them when they were no longer useful, and recessions might dampen their enthusiasm or send them to seek the shelter of the bankruptcy laws. They might, as John Garrett had done, leave the district if more attractive opportunities were offered elsewhere; they might, like Thomas Garrett, failed gas and coal company promoter, abandon the district to concentrate their efforts on other, outside, business interests, or they might, like Thomas Hale, fail in business and then rebuild their interests both within and without the Wollongong district.\textsuperscript{130} However, as a group, they would never abandon their quest for the independence and the control over their lives that they believed money could bring.

For those who had decided to stay in Wollongong, or who had no other choice, there were two lessons to be learned from the experiences of the 1860s. First, in the quest for public money, it was essential to have support ('our man') in the Ministry, and to some extent in the Parliament. Public money, despite the recession, was still there for the taking, but the correct political conditions had to exist for its release; petitions, deputations and indignation meetings

\textsuperscript{125} Robson's replacement as manager was Thomas Oswald, formerly an overman in one of the Newcastle mines. See \textit{Illawarra Mercury}, 24 October 1871. Letters regarding the Robson/Osborne debate appeared in \textit{ibid.}, 14 & 24 November, and 8, 12, 15, & 22 December 1871.

\textsuperscript{126} \textit{ibid.}, 19 December 1871.

\textsuperscript{127} \textit{ibid.}, 7 April 1888 (Robson's obituary).

\textsuperscript{128} Osborne Wallsend Coal Company. Robson Family Papers, \textit{op.cit.}

\textsuperscript{129} \textit{Illawarra Mercury}, 7 April 1888.

\textsuperscript{130} Hale, as well as becoming the agent for the Mount Keira and Mount Pleasant mines after his bankruptcy, added the directorship of a New South Wales gold mining company, the Victorian Trunkey Gold Mining Company Ltd, to his list of credits. See \textit{Sand's Sydney Directory for 1870 and \ldots for 1871.}
were not sufficient. Second, owners of capital would not open mines in Wollongong unless they were reasonably certain of making a profit. This obvious point seemed to be lost on Wollongong’s businessmen, who appeared incapable of understanding why investors would not commit their capital to the marketing of coal of uncertain quality with the use of less than remarkable export facilities; particularly during a depression in the coal trade, characterised, according to one senior New South Wales government official, by ‘the absence, of dividends in some instances, and a visit to the Insolvent Court, in one or two others’. The important principle was that the people, the institutions and the market forces which had the capacity to engender economic change in Wollongong were well beyond the control of Wollongong’s businessmen. To some extent, perhaps, Ministers, Members of Parliament and investors were amenable to persuasion, and Ministries and Parliaments could be manipulated, but the prediction, let alone the control, of the direction of faction politics and of intercolonial and foreign market forces were beyond the reach of all of them.

Whether Wollongong’s businessmen had learnt these lessons was an open question. Their response to the crisis of the late 1860s and the opening years of the 1870s had not been to analyse the economic and political conditions under which change of the kind they were seeking was possible. Rather, being businessmen and not political economists, they retained their aspirations for security and independence, and their optimism, though battered, lived on. Their belief that the resources of the district, be they coal, butter, iron ore or salt, could be turned to their profit, was not negotiable. For them it was merely a matter of which resources and how best to develop them. However, while they remained confused about this, and until more favourable economic and political conditions returned, they were, like the unemployed Bulli miners of the mid 1860s, confined to ‘playing nine holes, waiting for better times’.

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132 In a letter to the editor of the Illawarra Mercury, 18 October 1867, from ‘Christopher Blowhard’ of Bulli, complaining that slackness of trade meant that the miners spent most of their time at marbles and similar pastimes: ‘the miners would willingly pay for goods, if they only could get more coal and play less marbles’.