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 7

A CONFLICT OF PRIVATE INTERESTS:
THE NEW SOUTH WALES PARLIAMENT
AND THE ILLAWARRA RAILWAY, 1875-1876

Until Henry Parkes' betrayal of the Illawarra Railway movement in late December 1875, the gaining of Parliamentary approval for the scheme had seemed little more than a formality. As the *Illawarra Mercury* had observed when Premier Robertson tabled the Estimate for the Illawarra Railway at the beginning of December:

This grand project . . . has reached a most important stage of advancement . . . The item has only to pass one more stage . . . the voting of the amount by Parliament, a matter about which there need be little fear; if the members of the House will only view the great importance of the project in its true light, and study the best interests of the colony, as they are in duty bound to do.¹

Of course, within the shifting sands of factional politics in the New South Wales Legislative Assembly, nothing could be guaranteed. Parkes' Ministry of 1872-1875 had been unable to control almost 20 per cent, of all divisions in the House, and Robertson's Ministry of 1875-1877 would find itself unable to win almost one-third of the divisions called.² Nevertheless, with both of the Assembly's major faction leaders having become involved in schemes to open mines in the southern coalfield, the Illawarra Railway seemed to have been elevated above factional considerations and thus secured from defeat.

Between them, Parkes and Robertson commanded the Assembly. By the mid 1870s they were the only two faction leaders of any note; Charles Cowper and James Martin had left politics, and William Forster would do so in 1876.³ Little distinguished them on grounds of ideology or fundamental policy as they oversaw the development of liberal capitalism in New South Wales. So little, in fact, that their competition for possession of the Treasury benches

¹ *Illawarra Mercury*, 7 December 1875.
throughout the 1870s became a 'settled institution'. In the eighth Parliament, which would sit from January 1875 until October 1877, Parkes and Robertson were each more or less certain of the votes of 26 Members, or 72.2 per cent. of the total of 72. While this left a sizeable number of independent and uncommitted Members, it still represented a deep pool of support from which both leaders could draw for a common purpose.

The 15 Members who represented the coal proprietors and the commercial and agricultural interests of the Newcastle-Hunter region, centred on the harbour of Newcastle and the Great Northern Railway that connected it with the interior, would form the core of the opposition to the Illawarra Railway within the Assembly. On their own, these Members could not be certain of attracting sufficient support to overturn the Robertson Ministry’s Estimate. Parkes’ judgement that the Illawarra Railway was no longer identical with his own interests changed all of that. His defection delivered more than just another Member to the anti Illawarra Railway forces. As Leader of the Opposition, taking, ostensibly, a principled stand against the general financial administration of the Robertson Government and its railway policy in particular, he had the capacity to erode significantly the support that the Railway might be expected to enjoy in the Assembly. Certainly, he would become a focus for the Newcastle Members, who had never considered the Illawarra Railway to be in their region’s best interests, let alone those of the entire Colony.

At issue was access to and shares of the markets for New South Wales coal, which were dominated by the Newcastle mines. In 1875 those mines had accounted for 86.1 per cent. of the Colony’s coal production, and 83.2 per cent. of its coal exports (94.8 per cent of the Australian Colonial and New Zealand markets, and 68.4 per cent. of the overseas market).

Newcastle’s primacy rested neither upon more extensive coal seams nor better quality coal, but upon its natural harbour. This had been the initial factor in determining why the great bulk of private investment in New South Wales coal was centred there rather than on

5 Loveday & Martin, op.cit., p.45. From 8 September 1876, when the University of Sydney returned a Member, there were a total of 73 Members of the Legislative Assembly.
6 For electorates included in the Newcastle-Hunter region, see Table, 'The New South Wales Legislative Assembly and the Illawarra Railway: Regional Interests in the Division of 8 June 1876', following in this Chapter.
7 Calculated from figures in Statistical Register of New South Wales, 1875 (Exports) and Annual Report of the Department of Mines, New South Wales, 1876 (Production and Newcastle exports).
Wollongong. That trend was encouraged and sustained by the expenditure of large sums of public money on the improvement of Newcastle Harbour and its coal handling facilities, which gave northern coal direct access, in quantity, to intercolonial and overseas markets.

From the commencement of responsible government in 1855 to 30 November 1875, actual public expenditure on harbour facilities for Newcastle and the Hunter River amounted to £348,480, plus £427,195 for the construction and operation of dredges and other plant for the improvement of navigation, a total of £775,625.8 In the same period £61,423 was spent on Wollongong Harbour.9 Between 1860, when the first major expenditure of public money on Wollongong Harbour was sanctioned, and the end of 1875, the New South Wales Parliament agreed to allocate a total of £558,457 (£182,970 from Consolidated Revenue and £375,487 in loans) on harbour improvements and associated works in the Newcastle district, while Wollongong was allocated only £62,493 (£3601 from Consolidated Revenue and £58,902 in loans, the latter including £10,000 for the never commenced Bellambi Harbour improvements of 1862)10 (see Tables following).

The failure of Wollongong’s businessmen and coal proprietors to secure a greater share of this public largesse lay in their relative economic and political unimportance to the Colony at large. Only rarely had they overcome the dictates of the economics of location and the politics of allocation: in the early 1860s when they enjoyed a close relationship with the Cowper-Robertson Ministries, and in the mid-1860s when James Byrnes was Minister for Public Works. These, however, had been political aberrations, made possible only by the lottery of factional politics. Under ‘normal conditions’, the demands of businessmen from little regional economies like Wollongong could be ignored.

The return of economic buoyancy in the early 1870s had again swung the situation in Wollongong’s favour. The district produced an excellent and relatively cheap steam coal, the attractiveness of which was increasing as Colonial manufacturing industry began to expand and as sail was coming under challenge from steam as a means of transporting people and goods

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9 ibid., 14 December 1875.
10 These figures summarise those in the Tables which follow immediately in the text (under the heads of Consolidated Revenue and Loan Fund allocations). See these for details and sources.
### CONSOLIDATED REVENUE FUND EXPENDITURE COMMITMENTS AUTHORIZED BY THE NEW SOUTH WALES PARLIAMENT FOR HARBOUR WORKS AND EXPORT FACILITIES: NEWCASTLE AND WOLLONGONG DISTRICTS, 1860-63 TO 1872-75

<table>
<thead>
<tr>
<th>YEARS</th>
<th>NEWCASTLE DISTRICT</th>
<th>WOLLONGONG DISTRICT</th>
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<tbody>
<tr>
<td></td>
<td>Item</td>
<td>Amount (£)</td>
</tr>
<tr>
<td>1860-63</td>
<td>Dredging</td>
<td>19,100</td>
</tr>
<tr>
<td></td>
<td>Extension of Dyke on Flats, River Hunter</td>
<td>2,000</td>
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<tr>
<td></td>
<td>Accommodation for Pilots, Newcastle</td>
<td>885</td>
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<tr>
<td></td>
<td>Steam Cranes, Newcastle</td>
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<tr>
<td></td>
<td>Laying down Moorings, Newcastle</td>
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<tr>
<td></td>
<td>Purchase of Steam Tug for Dredge</td>
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<tr>
<td>1864-67</td>
<td>Dredging</td>
<td>19,100</td>
</tr>
<tr>
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<td>Steam Cranes, Newcastle</td>
<td>9,196</td>
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<tr>
<td></td>
<td>Screw Moorings, Newcastle</td>
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<td></td>
<td>Building for Pilots &amp; Boat Crew, Newcastle</td>
<td>60</td>
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<tr>
<td>1868-71</td>
<td>Dredging</td>
<td>10,093</td>
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<tr>
<td></td>
<td>Steam Cranes, Newcastle</td>
<td>2,900</td>
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<tr>
<td></td>
<td>New Buckets for Steam Dredge</td>
<td>99</td>
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<td></td>
<td>Fittings &amp; Stores for Lifeboat, Newcastle</td>
<td>35</td>
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<td>Building for Pilots &amp; Boat Crew, Newcastle</td>
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<tr>
<td></td>
<td>Reconstruction of Queen's Wharf, Morpeth</td>
<td>450</td>
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<td>Accommodation for Pilots, Newcastle</td>
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<tr>
<td></td>
<td>Removal of Lifeboat Shed, Newcastle</td>
<td>100</td>
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<td></td>
<td>Buys &amp; Beacons for Hunter River</td>
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<td>Lighting Lamps, Newcastle Wharf</td>
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<td>1872-75</td>
<td>Dredging</td>
<td>55,412</td>
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<td>Local Marine Board, Newcastle</td>
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<td>Boat Harbour, Newcastle</td>
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<td>Ballast Master, Newcastle</td>
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<td>Lighting Lamps, Newcastle Wharf</td>
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<td></td>
<td>Additional Pumps for Dredge</td>
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<td></td>
<td>Second Dredge for Newcastle</td>
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<td></td>
<td>Appliances for Discharging Ballast, Newcastle</td>
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<tr>
<td></td>
<td>Boatshed, Newcastle</td>
<td>332</td>
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<tr>
<td></td>
<td>New Tug for Dredge</td>
<td>4,000</td>
</tr>
<tr>
<td></td>
<td>Additional Moorings, Newcastle</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Amounts shown are those authorised to be spent. They are not the amounts actually spent on the items listed.

<table>
<thead>
<tr>
<th>YEARS</th>
<th>NEWCASTLE DISTRICT</th>
<th>WOLLONGONG DISTRICT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Item</td>
<td>Amount (£)</td>
</tr>
<tr>
<td>1860-63</td>
<td>Construction of Coal Wharf, Newcastle</td>
<td>2,100</td>
</tr>
<tr>
<td></td>
<td>Extension of Wharf Accommodation, Newcastle</td>
<td>30,200</td>
</tr>
<tr>
<td></td>
<td>Construction of Northern Breakwater, Newcastle</td>
<td>10,000</td>
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<tr>
<td></td>
<td>Steam Cranes, Newcastle</td>
<td>9,650</td>
</tr>
<tr>
<td></td>
<td>Stone Dyke, Bulloch Island, Newcastle</td>
<td>2,000</td>
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<tr>
<td></td>
<td>Additional Railway Line from Newcastle to Wallsend Junction</td>
<td>16,000</td>
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<tr>
<td></td>
<td>Second Steam Dredge, Punt &amp; Tug, Newcastle</td>
<td>20,000</td>
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<tr>
<td>1864-67</td>
<td>Traverses for Coal Sidings, Newcastle</td>
<td>1,000</td>
</tr>
<tr>
<td></td>
<td>Purchase of Land for Morpeth Railway</td>
<td>7,500</td>
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<td></td>
<td>Wharf, Carriage Dock &amp; Siding, Newcastle Station &amp; at West Maitland</td>
<td>900</td>
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<tr>
<td></td>
<td>Coal Sidings, Newcastle</td>
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<td></td>
<td>Wharfs &amp; Coal Basin, Newcastle</td>
<td>38,000</td>
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<td></td>
<td>Three New Punts for Second Steam Dredge, Newcastle</td>
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<td></td>
<td>Breakwater, Newcastle</td>
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<td></td>
<td>Coal Staiths, Newcastle</td>
<td>6,600</td>
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<td>1868-71</td>
<td>Southern Breakwater, Newcastle</td>
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<td></td>
<td>Coal Staiths, Newcastle</td>
<td>9,865</td>
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<tr>
<td></td>
<td>New Machine Shop, Running Shed, etc., Newcastle</td>
<td>13,000</td>
</tr>
<tr>
<td></td>
<td>New Steam Dredge, Newcastle</td>
<td>30,000</td>
</tr>
<tr>
<td></td>
<td>Additional Screw Moorings &amp; Buoyes, Newcastle</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>Wharf, Bulloch Island, Newcastle</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td>Blasting &amp; Removing Rock in front of Newcastle Wharf</td>
<td>1,000</td>
</tr>
<tr>
<td>1872-75</td>
<td>Additional Siding, Purchase of Land Required for Approach, etc., Coal Staiths, Newcastle</td>
<td>4,397</td>
</tr>
<tr>
<td></td>
<td>Dredge &amp; Punts, Newcastle</td>
<td>18,000</td>
</tr>
<tr>
<td></td>
<td>Extension of Wharf Accommodation, Newcastle</td>
<td>9,000</td>
</tr>
<tr>
<td></td>
<td>Custom House, Newcastle</td>
<td>11,000</td>
</tr>
<tr>
<td></td>
<td>To connect Great Northern Railway with New Wharfage Accommodation, Bulloch Island, Newcastle</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>Two Additional Steam Cranes, Newcastle</td>
<td>9,000</td>
</tr>
<tr>
<td></td>
<td>Southern Breakwater Extension, Newcastle</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>Wharf &amp; Cranes, etc., Newcastle</td>
<td>20,000</td>
</tr>
</tbody>
</table>

* This Item & Amount were written off. The Bellambi harbour works were never commenced.

Amounts shown were those authorised to be raised by loan. They are not amounts actually spent on the items listed.

**SOURCE**: Compiled from 'Statement of Appropriations for Services Authorised to be Provided for by Loans, from the Year 1853 to 31st July, 1895, showing the expenditure under each head up to that date, and the balances written off or retained for future expenditure.' In Estimates of the Ways and Means of the Government of New South Wales for the Year 1895-6. Government Printer: Sydney 1895, pp.34-47.
Consequently, the boom stimulated the interest of some Sydney investors in the Wollongong coalfield. Urged on by the businessmen and farmers of the Wollongong and other southern districts, these businessmen-politicians set about the business of cashing in on the new phase of economic expansion. This involved the restructuring of the Colony's coal trade, to ensure that Wollongong coal would enjoy access, in quantity, to the markets of Australia and the Asia-Pacific region over which Newcastle had, at great public expense, secured the lion's share. The means by which that restructuring was to be effected was the Illawarra Railway.

In the past the Newcastle coal proprietors and their Parliamentary representatives had never seriously opposed Wollongong receiving some public assistance for its little coal trade. The district lacked a natural harbour, and neither the port constructed between 1860 and 1868 nor the jetty at Bulli posed any threat to Newcastle's dominance of the intercolonial and overseas markets for New South Wales coal. In the four years 1868-1871, inclusive, the Wollongong district accounted for an annual average share of 13.2 per cent. of the coal to these markets; in the following four years, 1872-1875, as the trade went into boom, that share rose a little to 16.3 per cent. Wollongong's inability to cut deeply into Newcastle's dominance of the export trade, which by 1875 accounted for 68.7 per cent. of production, was of great concern to Wollongong's businessmen, and they placed the blame squarely on the inadequacy of the district's shipping facilities. While there was some direct export of coal from Wollongong to Melbourne and Adelaide, these were in relatively small quantities. Most of this coal and all of that bound for overseas destinations had to be transhipped at Sydney, which added to costs and caused some deterioration in the quality of the coal.

The main problem for Wollongong's businessmen was that the public harbour at Wollongong had neither the depth nor the facilities capable of getting the district's coal to

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12 Calculated from figures in Statistical Register of New South Wales, 1868-1875 (New South Wales exports), and Annual Report of the Department of Mines, New South Wales, 1877, p.189 (intercolonial and overseas exports from Newcastle). Wollongong figures calculated by subtracting Newcastle from New South Wales.

13 Calculated from figures in Statistical Register of New South Wales, 1875, and Annual Report of the Department of Mines, New South Wales, 1875.
intercolonial and overseas markets in quantity. Consequently, the Harbour had failed to induce big investors to open the new mines and employ the large numbers of wage earners so much desired by Wollongong’s businessmen. The alternative option—private jetties, like that at Bulli, open to heavy seas and squalls—was no more attractive.

This was in spite of the fact that Wollongong coal was enjoying an increasingly good reputation. As the Illawarra Mercury noted in early 1876, it was ‘admirably fitted’ for use by steamships. Vessels clearing the two largest Australian ports, Sydney and Melbourne, preferred it to Newcastle coal, for reasons of both cost and quality. Wollongong coal, on average, could be delivered to Sydney Harbour for sale at 12 shillings a ton, compared with 19 shillings for Newcastle coal, a price difference of 36.8 per cent. Ships making the long sea voyages to and from Australia could depend upon southern coal to provide ‘a steady uniform heat... with slow combustion’; that is, a combustion that produced less ash and clinker, making for efficient and more profitable trips. Samuel Charles, Member for Kiama, told the Legislative Assembly in January 1876 that, ‘the Illawarra coal was the favourite coal with steam companies’. This point was underlined by the fact that the contract for supplying the steamers of the Australian Steam Navigation Company, whose directors were large shareholders in the Newcastle mines, had for some years been held by the Wollongong mines, which provided the Company with up to 30,000 tons of coal a year; only those Company steamers actually trading to and from Newcastle used northern coal.

However, this high quality, relatively cheap steam coal was not able to leave Wollongong in quantities sufficient to meet market demands or to increase markedly the flow of wealth back into the business houses of the district. For instance, in January 1876, two large steamers, the Mikado and the San Francisco, were forced to depart Sydney within their contract time, well short of their required loads of southern coal. The Mikado had required 2000 tons, but left 800 tons short, and the San Francisco had sailed 1000 tons short of its requirement of 3000 tons—a total shortfall of 36 per cent. This, according to the Illawarra Mercury, 11 January 1876. ibid. Quoted in Sydney Morning Herald, 20 January 1876. Illawarra Mercury, 20 January & 15 December 1876.
**Mercury**, was scandalous but neither unusual or unexpected; the **Mikado** and the **San Francisco**, it said:

could not wait for full supplies of coal in the dribbling manner in which it had necessarily to be supplied to them by colliers. The results were that these steamers had to leave Port Jackson in improper trim, and that the value of 1800 tons of Illawarra coal, say, in round numbers, £1000, was lost to the colony, and more especially to this district.\(^{18}\)

Neither Wollongong Harbour nor the Bulli Coal Company’s jetty were capable of delivering to local business houses the wealth locked away in the district’s coal seams. One history of the Colony, published in 1875, described both the Harbour and the jetty as being of ‘an inferior and dangerous character’.\(^{19}\) This was very much the view of local business leaders. John Biggar, Secretary of the Illawarra Railway Committee, dismissed Wollongong Harbour as totally inappropriate for the needs of a mineral rich district at a time when the coal trade was booming:

The tiny harbour at Wollongong was a cheap public work . . . It was only designed and intended for small coasters. Fifteen vessels of about 100 tons each would inconveniently crowd it; and in rough weather, or during heavy gales, such few vessels could not avoid coming into collision and damaging each other.\(^{20}\)

Samuel Gray, Member for Illawarra, thought the Harbour to be ‘utterly unfit for the accommodation of vessels’, with those drawing 16 feet or more of water being unable to load in safety; in a south easterly gale, he added, it ‘could not be approached’.\(^{21}\)

The jetty at Bulli was little better. Storms had washed away all or most of it several times in the 1860s.\(^{22}\) Fully reconstructed in 1867, it was described in 1873 by Lieutenant John Gowlland, a Royal Navy surveyor, as ‘one of the finest jetties in Australia’.\(^{23}\) With a length of about 250 yards,\(^{24}\) the jetty did give access to a good depth of water. However, projecting into the open sea, it offered no protection from storms and heavy seas. The proprietors of the

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\(^{18}\) Ibid., 18 January 1876.


\(^{20}\) Quoted in *Sydney Morning Herald*, 14 January 1876. John Biggar to Editor, 12 January 1876.

\(^{21}\) Quoted in ibid., 14 January 1876.


\(^{24}\) *Illawarra Mercury*, 8 February 1876.
Illawarra Mercury were unstinting in their criticism of it. Small coastal sailing vessels, they said, would ‘never venture there for cargoes’, and the steam screw colliers which loaded there kept up a full head of steam, ‘ready to run out to sea on the slightest appearance of rough weather’. Steamers could take on cargoes only ‘in fine weather in westerly or moderate north-east winds, but it is generally unsafe for them to remain very long at the jetty, owing to the roughness of the sea, during strong easterly or southerly gales’. Samuel Gray also stated that the Bulli Company had to choose carefully the time to load its colliers:

The Bulli Company were obliged to load their vessel[s] under steam and in the morning in the summer time, before the sea breeze set in, or the vessel would go ashore immediately.

John Biggar said that he had watched workmen on the jetty wagering on the probability of the wind getting up sufficiently to prevent the complete loading of a steamer.

These criticisms of the district’s shipping facilities were, by 1876, at their highest pitch, and with good reason. The New South Wales coal trade was experiencing some of its best years ever, but the Wollongong coalfield languished behind that of Newcastle. From the beginning of the upturn in the coal trade, in 1872, to the end of 1875, New South Wales coal production had increased by 33.2 per cent. However, while the northern mines’ output had risen by 31.4 per cent in that period, the Wollongong mines could manage only a 20.9 per cent increase. At the close of 1875 about 2811 employees drew wages from the Newcastle mines, against 430 in Wollongong. While the Wollongong district made do with its inadequate Harbour and jetty, Newcastle Harbour continued to be improved and expanded, at public expense. In his report for 1876, the Examiner of Coal Fields, John Mackenzie, noted that the Queen’s Wharf at Newcastle had been ‘greatly improved and extended’, with larger cranes being erected ‘giving every facility for quickly loading ships of the largest class’. At the same time a 1.5 mile wharf was in course of construction at Bullock Island in Newcastle Harbour, 2000 feet of which had already been connected to the Great Northern Railway and the

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25 ibid., 14 January 1876.
26 ibid., 8 February 1876.
27 Quoted in Sydney Morning Herald, 14 January 1876.
28 ibid., 18 January 1876. John Biggar to Editor, 15 January 1876.
29 Calculated from figures in Statistical Register of New South Wales, 1872 and Annual Report of the Department of Mines, New South Wales, 1876.
30 Calculated from figures in Annual Report of the Department of Mines, New South Wales, 1875.
mines of the district; branch lines led to four hydraulic cranes able to shift 800 to 1000 tons of coal in 12 hours. At Wollongong, Mackenzie was able to report, the Bulli Company was strengthening its jetty by the addition of iron cylinders filled with concrete.

The Examiner of Coal Fields went on to state what Wollongong’s businessmen had been painfully aware of for some time: that the district’s mines produced a fine steam coal which, compared with Newcastle coal, was ‘cheaply and easily wrought’. This advantage was reflected in the relative cheapness of Wollongong coal, and at a time when general market conditions had never been more favourable; when, as the Illawarra Mercury put it, steam power was increasing in use ‘all over the world’. This was the imperative driving Wollongong’s businessmen, and others, to seek a way of opening up the Wollongong coal field. There was a boom to be cashed in on, but the district’s coal continued to be bottled up. John Mackenzie summarised the situation well when he said that:

it is only the want of greater shipping facilities or railway communication with the metropolis [Sydney] that prevents the output of coal from this extensive coal field increasing at a much more rapid rate.

The expansion in the Wollongong trade was not occurring at a pace that suited local businessmen. The three existing mines had a total production capacity of 950 tons a day. That is, when working a full 5.5 day week over 51 weeks they were capable of a potential annual output of only 266,475 tons of coal, and they were falling well short of this, district output for 1875 having been 149,327 tons. The Bulli Company alone had the capacity at its jetty to load 750 tons a day, or a potential 210,375 tons a year. Yet, its output in the first half of the 1870s averaged 51,203.5 tons a year. The Company’s little fleet of three steam screw colliers, the Woonona, the Bulli and the Woniora, could carry a combined cargo of 1450 tons of coal, but these had to service customers as far away as Adelaide. The Woonona (750 tons

31 ibid., 1876, p.131. A general description of the works carried out at Newcastle and of the facilities available at the port by the 1870s may be found in Bach, op.cit., pp.263-4.
32 Annual Report of the Department of Mines, New South Wales, 1876, p.133.
33 ibid.
34 Illawarra Mercury, 11 January 1876.
35 Annual Report of the Department of Mines, New South Wales, 1876, p.133.
36 ibid.
37 Illawarra Mercury, 8, 11, & 25 February 1876 (Series on ‘Mineral Resources of Illawarra’). Osborne Wallsend: 300 tons a day; Mount Pleasant: 250 tons a day, and Bulli: 400 tons a day.
38 Annual Report of the Department of Mines, New South Wales, 1875.
39 Illawarra Mercury, 8 February 1876.
40 Calculated from figures in Statistical Register of New South Wales, 1870-1874, and Illawarra Mercury, 17 November 1876 (Bulli’s 1875 figure).
capacity) and the Bulli (450 tons) serviced the lucrative Melbourne market and the Adelaide trade—a round sea trip of some 600 miles to Melbourne and about 2300 miles to Adelaide—while the Woniora (250 tons capacity) plied weekly the 50 miles between Bulli and Sydney.40

This compact little coal trade suited the existing mines well, a trade rendered even more compact by the common marketing arrangement adopted by the Osborne Wallsend and Mount Pleasant mines. Their surface workings barely half a mile apart, they operated under the common title of ‘The Wollongong Collieries’, and shared the same Sydney head office and agent, Joseph Ward and Company.41 The tramways from the two mines merged a short distance from Wollongong Harbour, where their coal wagons ‘take their turns indiscriminately at the coal shoots, the coal from each being mixed in the vessel’s hold’.42 Thus, with the small oil shale works at American Creek having ceased production in 1874, the Wollongong coalfield was the preserve of two companies—the Wollongong Collieries and the Bulli Company—and they were happy with their neat little share of the New South Wales coal trade. As Samuel Charles, Member for Kiama, observed in January 1876: ‘this little Bulli Company was a very nice little property—they could raise their coal very cheaply and ship it from their own jetty’.43

Although the owners of the Osborne Wallsend and Mount Pleasant mines were responding to the boom in the coal trade with some technical improvements, to increase their output,44 this was not going to deliver to local businessmen the wages of the large mining workforce that they believed the coalfield could support. If anything, Wollongong was in relative terms going backwards. The closure of the American Creek kerosene works had occurred in the midst of a boom, and the Wollongong coal trade was not responding to the boom to the extent that Newcastle was. Even the small western coalfield, around Lithgow, was beginning to respond to the renewed demand for coal. In 1872 three mines there had produced only 5221 tons of coal; by 1875, however, output had risen almost eightfold, to 38,812 tons. In the same period, output in Wollongong had risen by a factor of only 1.2, from 123,482 to

40 Illawarra Mercury, 8 February 1876.
42 Illawarra Mercury, 25 February 1876.
43 Quoted in Sydney Morning Herald, 20 January 1876.
44 Illawarra Mercury, 11 & 25 February 1876.
149,327 tons. Of real concern, though, to commercial interests in Wollongong, was the fact that this growth at Lithgow was linked to the extension there in 1869 of the Great Western Railway from Sydney. This had led James Farnell, Minister for Mines in the Parkes Government of 1872-1875, to ask in January 1876 whether there was any sense at all in the idea of a railway linking the Wollongong coalfield to Sydney:

It had been said that they were to bring iron and coal from Wollongong, but where was the necessity of that? They had already a railway to Wallerawang [near Lithgow], which abounds in iron.

Time, therefore, was not on the side of the promoters of the Illawarra Railway. The rapid growth of the western coalfield and its increasing relative importance in the New South Wales coal trade posed the danger that support for a Sydney-Wollongong railway might fade, if not die. If that happened, there was no other conceivable means by which Wollongong's businessmen could overcome their coalfield's restricted ability to increase both production and the number of mines to the levels that they desired and believed it could sustain. In addition, the duration of the economic boom was unpredictable and there was, therefore, no guarantee that the Wollongong coalfield would retain its attractiveness to the big Sydney investors.

Indeed, the Illawarra Mercury claimed that there was a long queue of investors and owners of coal lands in the Wollongong district, who were anxiously awaiting the outcome of the Parliament's deliberations on the Illawarra Railway, before they would or could commit themselves to opening new mines. The Mercury instanced ten individuals, syndicates or companies that were in this position:

- Justice John Hargrave of the New South Wales Supreme Court and ex Member for Illawarra, who held 1300 acres at Stanwell Park.
- The North Bulli Coal and Mining Company, which held 1242 acres eleven miles north of Wollongong.
- The South Coal Cliff Coal Company, comprising 'free holders and free selectors' with over 700 acres of land.

45 Calculated from figures in Statistical Register of New South Wales, 1872, and Annual Report of the Department of Mines, New South Wales, 1875.
46 Quoted in Sydney Morning Herald, 20 January 1876.
McVey, Baird and Company of Sydney, which held over 600 acres north of Bulli.

Robert Owen, retired District Court Judge and ex Member for Illawarra, who owned coal lands at Corrimal and Mount Kembla.

James and Francis Osborne, joint proprietors of the Osborne Wallsend mine, whose Balgownie Estate of several hundred acres overlaid a number of coal seams.

William Speer, former Osborne Wallsend and Bulli mine proprietor, who owned ‘a large area of coal-bearing land’ near the Osborne’s Balgownie Estate.

The Mount Kembla Coal and Oil Company, which had taken over the American Creek kerosene works.

A Miss Beatson, who owned a coal property at Mount Kembla.

A.J. Farraher, who also owned coal lands at Mount Kembla.

In addition, there were the abandoned mines at Woonona (the old Taylor and Walker mine) and Bellambi (formerly operated by Thomas Hale), which belonged to the Osborne family. More speculatively, the Mercury also listed proprietors of coal bearing lands beyond the Wollongong district, who ‘only await the extension of a railway from Sydney . . . for their development’.47

This, in the eyes of the businessmen of Wollongong, was what Henry Parkes’ betrayal of the Illawarra Railway had put in jeopardy. If he could swing sufficient Parliamentary support behind his new found distaste for the scheme, there was every chance that the population of the Wollongong and other southern districts would remain, as John Lang had characterised it in his 1875 history of New South Wales: ‘chiefly agricultural, growing grain and potatoes, with much dairy produce, for the Sydney market’.48

The challenge for John Biggar and his associates during the Parliamentary session of 1876 was whether they could overcome the combined opposition to the Illawarra Railway of Parkes and his followers, and the Newcastle Members, a coalition that, if successful, would preserve the Wollongong district as a rural backwater. This would be no easy task. The

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47 Illawarra Mercury, 31 March 1876. (‘Mineral Resources of Illawarra. VII. Proposed New Mines’.)

48 Lang, op. cit., Vol.2, p.278.
Newcastle mine proprietors exercised considerable influence over the distribution of public works funds, as evidenced by their share of these funds over several decades. The armoury at the disposal of Biggar and his friends was less impressive, consisting largely of arguments about the evils of Newcastle’s dominance of the coal trade. Certainly, the Illawarra Railway movement had powerful friends within and without the Parliament, like John Robertson, Alexander Stuart (who would become Treasurer in the Robertson Ministry from 8 February 1876), Thomas Holt and Thomas Mort. However, their influence within the Parliament was likely to be at least matched by that of Parkes.

The Newcastle opposition would be intense. The *Illawarra Mercury* was claiming that not only would the Illawarra Railway greatly increase the supply of coal, but it would also reduce the price of Wollongong coal, delivered to Sydney Harbour, from 12 shillings to 10 shillings a ton.49 This claim was supported by the Minister for Public Works, John Lackey, who said that, by taking the coal straight to the ships’ holds at Sydney, the Railway would eliminate double handling, which had been adding two to three shillings a ton to the costs of Wollongong coal.50 Even at existing prices, stated the *Mercury*, Wollongong could supply all of Sydney’s annual demand for 500,000 tons of coal at a saving of £175,000 to the city’s householders, businessmen and exporters; at the lower price allowed by the Illawarra Railway, that saving would amount to £225,000.51

These savings, claimed the Illawarra Railway’s supporters, were being denied to Sydney consumers by the Newcastle monopolists. Worse, said the *Mercury*, the relatively high price of Newcastle coal ‘must operate to check the development of steam communication with this colony’, which in turn meant higher freight charges on New South Wales’ imports and exports. Therefore, claimed the mouthpiece of Wollongong’s businessmen, the whole of New South Wales was being taxed:

> to force the consumption of Newcastle coal at what seems to be an artificial price, maintained . . . by an association of those interested in Newcastle mines. Thus the question of the Southern Railway is narrowed down to one of the public interest versus the monopoly of Newcastle.52

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49 *Illawarra Mercury*, 11 January 1876.
50 *Sydney Morning Herald*, 21 January 1876.
51 *Illawarra Mercury*, 25 January 1876.
52 *ibid.*, 11 January 1876.
Until Premier Robertson tabled his Ministry's £740,000 Estimate for the Sydney-Wollongong section of the Illawarra Railway in December 1875, the 'public interest', as far as the Colony's coal trade was concerned, had been defined by the Newcastle proprietors. Now, at public expense, that Ministry proposed to remove at a stroke all of the restrictions that had smothered the Wollongong coal trade. Moreover, the Loan Estimate that the Parliament was being asked to sanction amounted to almost one-and-a-half times the entire public expenditure on harbour improvements and associated works in the Newcastle district in the previous fifteen years.

This very large public expenditure threatened the comfortable arrangement that the major Newcastle coal proprietors had only recently entered into to regulate the coal market. Throughout the 1860s the productive capacity of New South Wales coal mines had exceeded demand, giving rise to those periodic crises in the trade that had seen several companies in Wollongong and Newcastle go to the wall. In 1873 five of the largest Newcastle companies formed the Northern Coal Sales Association (the Vend) with the aim of abolishing cut throat competition, by imposing an agreed selling price and production quotas on its members. This attempt to control market forces had been undertaken in the context of Newcastle's dominance of the export trade. Should the Illawarra Railway go ahead, however, it would admit several new players, unbound by the rules of the Vend. Indeed, there was a real possibility that the free play of market forces might be revived by this dangerous scheme.

Not unnaturally, the northern proprietors wished to preserve their arrangement of the Colony's coal trade from the entry of large quantities of high quality, relatively cheaply hewn, steam coal from the Wollongong district. Similarly, agricultural and dairy producers in the Newcastle-Hunter region had little interest in welcoming even greater access by their southern counterparts to the large Sydney market. And, of course, the small businessman, the northern Garretts and Biggars, who clung to the tails of the economic activity and wealth created by these groups were just as anxious that neither of them should suffer the effects of undue exposure to market forces.

Driven by these imperatives, northern opposition to the Illawarra Railway was not diminished even by the fact that Robertson's Minister for Public Works had in December 1875 instructed the Engineer-in-Chief of Railways to begin surveying a line between Sydney and Newcastle.\textsuperscript{55} The businessmen of Wollongong would have preferred the debate on the Illawarra Railway to centre on the issue of equitable treatment for the Colony's regional economies. Newcastle, they would argue, had had its harbour improved at great public expense; its facilities for the export of coal were the best in the Colony, and by 1873 the Great Northern Railway had connected the port of Newcastle with its agricultural and pastoral hinterland as far as Murrurundi, about 100 miles to the north west, beyond the Liverpool Range.\textsuperscript{56} The southern districts, on the other hand were dependent solely upon their picturesque little harbours, jetties and inlets for the shipment of their produce to Sydney and elsewhere. However, as everyone knew, the Illawarra Railway question had little to do with elevated notions of equity. It was about market shares for New South Wales coal, and the northern coal proprietors knew that they had nothing to gain from being forced into competition with their Wollongong counterparts, in markets where the former already enjoyed dominance.

A Newcastle-Sydney railway was no recompense for lost shares of the market. The issue was simple: the Illawarra Railway threatened to disturb the \textit{status quo} in the New South Wales coal trade, to which the only rational response from Newcastle was to capture the Parliament and force the Robertson Ministry to take the view that any reorganisation of the trade was not, for the foreseeable future, in the best interests of the Colony.

On 22 December 1875, Henry Parkes brought them within striking distance of that objective. His want of confidence motion on Premier Robertson's Financial Statement would be a focus for general opposition in the House to the Government, as well as for those who disapproved of specific Government measures mentioned in the motion (that is, the provision for immigration, and the Sydney-Wollongong and Junee-Narranderra railways). Should the motion be carried and the Government's financial proposals consequently be rejected by the House, the Robertson Ministry would be bound to resign and advise the Governor to issue

\textsuperscript{55} R. Lee, \textit{The Greatest Public Work: The New South Wales Railways, 1848 to 1889}. Hale and Iremonger: Sydney 1988, p.77. (Cites a Minute of 17 December 1875 from Lackey to the Engineer-in-Chief, John Whitton).

\textsuperscript{56} \textit{ibid.}, p.49 (map).
writs for a general election; alternatively, the Governor might ask Parkes himself to attempt to
form a Ministry, without the necessity for an election. Either way, Parkes’ no confidence
motion, in such an evenly balanced House, raised the possibility of his taking office early in
1876. If so, and assuming that this time he would stand firm on the Illawarra Railway, there
would be rejoicing in Newcastle.

Amongst the promoters of the Illawarra Railway, on the other hand, there was already
bitterness over Parkes’ betrayal. Additionally, of course, there was the question of why.
While in office, Parkes had done much to further the cause of the Illawarra Railway movement
and had given its various deputations every reason to expect that, in or out of office, he would
continue to support it. Indeed, it could be said that, together with his former Ministerial
colleague John Sutherland and their Jamberoo coal property, he was a part of that movement.

However, Parkes’ capacity for political opportunism was legendary, and his dumping
of the Sydney-Wollongong railway was, as the *Illawarra Mercury* had observed acidly in late
December 1875, merely the latest in a line of expedients in the pursuit of his political and
personal ambitions. Nonetheless, if Parkes’ expediency was a given, it was not arbitrary; it
was a capacity that he engaged, perhaps with less restraint than many of his contemporaries,
when situations arose which presented him with an opportunity to attain the things that mattered
to him. Two of those things were high political office and financial security, and both
accounted for his treacherous conduct over the Illawarra Railway.

Parkes’ speech of 22 December 1875, attacking Premier Robertson’s Financial
Statement had the appearance of a principled disagreement with the Ministry’s handling of the
economic affairs of New South Wales. He addressed, in detail, the subjects of immigration,
finance and railways, and claimed that government was courting disaster by depending upon
Crown land sales and tariff increases to support the burden of an increasing public debt, which
had arisen from the too ready acquiescence of Ministries to the requests of deputations for
expensive and unproductive public works. The House, advised the Leader of the Opposition,

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personal and political conduct in the 1850s and 1860s, and more generally J.B. Hirst, *The Strange Birth

58 *Illawarra Mercury,* 28 December 1875.
had a duty to defeat Robertson’s proposals and perhaps bring about a change of Government, in order to stop the existing policy of ‘open-handed expenditure’.\textsuperscript{59} Parkes concluded by telling the House that he was actuated in the matter only by his own elevated sense of public duty; a new Ministry, he said, might even be formed without his participation in it.\textsuperscript{60}

It had been a disingenuous performance. Parkes’ attention was fixed on the chances offered by a closely divided House for his resumption of the Premiership. He moved his want of confidence motion at about nine in the evening of Wednesday, 22 December, the last sitting day before Parliament went into recess for the Christmas-New Year period. By then, as one observer noted, ‘many of Mr. Robertson’s supporters had left Sydney’, leading to the suspicion that Parkes hoped to seize the moment and have his motion carried before the Assembly adjourned.\textsuperscript{61} If so, the ploy failed and the House adjourned the debate until 11 January. The proprietors of the \textit{Illawarra Mercury} needed no convincing about the Byzantine propensities of the Leader of the Opposition; Parkes, they said, was out to ‘cajole the House into reinstating him to the place of trust and power’.\textsuperscript{62} His use of the Sydney-Wollongong railway in his motion of censure was, they asserted, ‘simply a cunning device to catch votes’ for just that purpose:

Mr. Parkes’ opposition is intended as a sop to the Newcastle coal monopolists who have seats in the House, and to the country members who wish to have railways constructed into the interior.\textsuperscript{63}

A particular factor driving Parkes to regain the Premiership was the state of his personal finances. Never far from bankruptcy, following a string of business failures stretching back to the 1840s, he was again facing financial embarrassment in the mid 1870s. Parkes and his family had been kept afloat only through gifts and loans from colleagues, the salary he received from occasional official appointments, and his Ministerial salary while in office.\textsuperscript{64} As one of his biographers has noted of his finances at the time of his betrayal of the Illawarra Railway cause: ‘How Parkes managed to support his family and to pursue his own often expensive

\textsuperscript{59} Quoted in \textit{Sydney Morning Herald}, 23 December 1875.
\textsuperscript{60} \textit{ibid}.
\textsuperscript{61} \textit{ibid}, 30 December 1875 (letter to the Editor, from ‘Sydney’).
\textsuperscript{62} \textit{Illawarra Mercury}, 4 January 1876.
\textsuperscript{63} \textit{ibid}.
tastes is as difficult to explain in the seventies as at any other time’. His main problem by
1876 was the lack of any returns on his investments. As Premier and Colonial Secretary,
Parkes had received an annual salary of £2000 but, as he complained in a letter of March 1876,
the ‘little I have saved when in office I invested in properties which up to the moment have been
entirely unproductive’. Principal among these ‘unproductive’ investments was the coal
property at Jamberoo that he had invested in jointly with John Sutherland, and it was this
property that lay at the heart of the controversy over Parkes’ betrayal of the Illawarra Railway.

Initially, Wollongong’s businessmen seemed content to ascribe Parkes’ conduct over
the Illawarra Railway simply to his desire to again grace the office of Premier. Not until mid
January 1876 did the Illawarra Mercury begin to impute far baser motives to the Leader of the
Opposition. It did so on the basis of a story which had appeared in the Shoalhaven News at
the beginning of the month, which claimed that Parkes was negotiating with ‘a number of
Melbourne capitalists’ interested in developing the Parkes/Sutherland coal property at
Jamberoo. The News reported that the district had abounded with rumours about this deal for
‘some time past’. Speculation had been boosted by a visit to the Shoalhaven some months
earlier of a Melbourne ‘gentleman’ who, on behalf of the proposed company, had inspected the
local coal seams and the terrain between there and Jervis Bay. In addition, this agent had
‘obtained considerable information as to the exports and imports of Shoalhaven, and its
adjacent districts’. The Melbourne syndicate’s aim was to construct a private railway running
south from the Jamberoo coal property, through the Shoalhaven district, to Jervis Bay, about
twenty miles away. From here Melbourne would receive shipments of coal and maize, ‘two
articles of every day consumption with which the colony of Victoria fails to supply its
inhabitants’.

Thus far, all was well. No one would deny Henry Parkes and John Sutherland their
right as private citizens to dispose of their coal lands for the best possible profit, especially
during a boom. After all, John Biggar and his colleagues were trying to do much the same with
the coal seams of the Wollongong district. However, the Shoalhaven News also recorded that

65 Martin, op.cit., p.299.
66 Henry Parkes to Walter Cooper, 20 March 1876. Quoted by ibid.
67 Shoalhaven News, 1 January 1876. Quoted in Illawarra Mercury, 11 January 1876.
while the Melbourne group was prepared ‘to take immediate action’ on the Jervis Bay scheme, it would do so only:

if the present New South Wales Government do not clash with them by constructing the proposed ‘Metropolitan and Illawarra Railway’ . . . if the present proposal of the Government to construct the line to Wollongong is frustrated . . .

The proprietors of the Illawarra Mercury found much to ponder in this. They could understand why the Melbourne syndicate would wish to see the Sydney-Wollongong railway proposal destroyed. As a ‘virgin port’, Jervis Bay would require a large investment to equip it for the export of coal and other produce, an investment that would, if the Sydney-Wollongong railway proceeded, be competing against coal railed to Sydney and shipped direct from there to Melbourne at public expense. Again, this was fine. Owners of capital were free to invest as they pleased. However, Parkes’ involvement led the Mercury to ask whether, in office or out, he had been merely ‘the catspaw of those Melbourne capitalists’. It hoped not, but this was beginning to look like the best explanation of why Parkes’ support for the Illawarra Railway movement had, in late 1875, turned to betrayal. The strong suspicion was about that Parkes was, for private financial gain, using his influence as Leader of the Opposition to have the New South Wales Parliament abort the Illawarra Railway scheme.

Parkes, stated the Mercury, owed it to himself and to the Parliament to ‘fully explain these matters’.

There was little doubt that both Parkes and Sutherland would be pressed to yield some public account of their Melbourne doings. The adjourned debate on Parkes’ want of confidence motion on the Robertson Ministry’s financial proposals and its Illawarra Railway Estimate resumed in the Assembly on 12 January, and the Government lost no time in identifying Parkes’ grab for the Premiership with a grab for cash. John Lackey, the Minister for Public Works, read the Shoalhaven News report to the House, declaring it to be ‘a very singular paragraph’ and concluding from it that Parkes’ land purchases at Jamberoo:

might be some key to the hon. member’s opposition to the Illawarra Railway. Taking the hon. member’s proceedings into account, he thought

68 ibid.
69 Illawarra Mercury, 11 January 1876.
70 ibid.
71 ibid.
he was in a position to ask the House to view with very great suspicion a motion of censure emanating from such a source. (Cheers.)

The real attack on Parkes over the Illawarra Railway was made by the Members for Illawarra and Kiama, Samuel Gray and Samuel Charles. They went much further than simply doubting Parkes’ motives. They charged him with outright corruption. Gray had been ‘astounded’ by Parkes’ change of tack on the Illawarra Railway, ‘and he did not wonder that people should look around for a motive to account for the extraordinary change in his ideas’. It was the Member for Kiama, however, who really took to Parkes and Sutherland with a bat. He accused them of ‘robbery’ and ‘fraud’ over their acquisition of Crown land at Jamberoo. As Ministers of the Crown they had, Charles believed, acted improperly in selecting public lands at all, and he further charged them with improprieties relating to the actual payment to the Treasury for those lands.

Here, however, the Member for Kiama had gone too far. So much so that the Premier himself defended Parkes and Sutherland from this serious charge. Robertson explained that shortly after taking office in February 1875, the question of Parkes’ and Sutherland’s land transactions had been brought to his attention. The two, he said, when converting their leasehold to freehold had, by a ‘silly mistake’, paid money into the Treasury ten months earlier than the law required them to. Their application to have the money refunded was not, the Premier stated, a piece of sharp practice. Cabinet had reviewed the matter and found everything to be in order. Parkes and Sutherland, said Robertson, had obtained their land ‘under the . . . authority provided by law, which they were perfectly entitled to do’.

In their zeal to erode Parkes’ credibility and thus preserve the Robertson Ministry, and its Illawarra Railway Estimate, from defeat in the House, Gray and Charles had overstepped the mark. However, there was greater substance in their allegations about Parkes’ dealings with those Melbourne interests that were seeking to destroy the Illawarra Railway scheme. Those charges compelled Parkes and Sutherland to give some account of their acquisition of and plans for the Jamberoo coal property—an account which only served to heighten the suspicion that

72 Quoted in Sydney Morning Herald, 13 January 1876.
73 Quoted in ibid., 21 January 1876.
74 ibid.
75 Quoted in ibid.
from late 1874, while they held high public office, they were maturing those plans that would lead them, by December 1875, to resolutely oppose the Sydney-Wollongong railway proposal which they had done so much to promote.

According to Sutherlend, his interest in the Jamberoo coal seams had begun in 1871. In that year, when he was not a Minister, he had visited the district and 'assisted another person to take up land' there. Later, presumably owing to non payment, the land reverted to the Crown. Approached by this unidentified person, Sutherlend and Parkes refused to contribute towards its recovery. The boom in the coal trade seems to have rejuvenated their interest for, from late 1873, they began to acquire land at Jamberoo, under leasehold. Samuel Charles, in fact, claimed the credit for sharpening the interest of the two former Ministers in the southern coal trade. In 1874, he stated, Sutherland, as Minister for Public Works, had visited the Kiama district, during which time he went on to Jervis Bay to inspect the Crown land available there for sale. On his return to Kiama, the Minister was shown around the local coal seams by Charles. This much Sutherland, himself confirmed, saying that he 'was very much obliged to the hon. gentleman for taking him'.

It was after this visit, said Charles, that things really started to move. Parkes and Sutherlend sent down a 'satellite or agent' to select more land, until 'every inch' of the coal seams had been taken and the public 'shut out'. Charles asserted further that the then Premier and his Minister had put up this same individual as a candidate for Kiama at the general election held at the end of 1874, a candidate who, even at that early date, was fully conversant with the plan to ship Jamberoo coal to Melbourne from Jervis Bay:

A certain gentleman was fitted out with a new set of clothes to go and contest an election, and by his electioneering speech at the last general election, it was shown that the plans for this [Jervis Bay] railway were conceived at a very early stage. He stated that before three years were passed, the railway engine would be running into the mountain taking out the coal; that a Victorian company would be running a line from Jervis Bay to the coal fields. How could that man, who for years was known to be without a penny, take up land and pay the deposits?

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76 Quoted in ibid.
77 See Chapter 6.
78 Sydney Morning Herald, 20 January 1876.
79 Quoted in ibid., 21 January 1876.
80 Quoted in ibid., 20 January 1876.
This may not have been the most admirable way for Ministers of the Crown to conduct the public affairs of the Colony. However, it was not illegal. As Parkes himself pointed out, 'suppose he had gone to Melbourne to sell this land, would there have been anything dishonourable in that?'

The answer, of course, was no; if that was all there was to it. However, the Members for Illawarra and Kiama were sufficiently well informed to challenge confidently Parkes' claim to be engaged in normal, ethical business practices. Samuel Charles told the House that if Parkes succeeded in having the Illawarra Railway put to rest he would receive £80,000 from the Melbourne syndicate for his troubles and his land. Parkes interjected to deny it, whereupon Samuel Gray promptly stated that, 'I have a letter in my possession from a Melbourne broker saying so', and he later provided the details of the alleged deal. The broker, said Gray:

had heard that Mr. Parkes was to have £80,000, half cash and half shares, and the acceptance was conditional upon the refusal of the New South Wales Parliament to sanction the Illawarra Railway.

Here were 80,000 powerful reasons for a man who, as he himself said, 'had a large family, and very small means', to use his public position and influence in an improper manner.

The chronology of events relating to Parkes' and Sutherland's land dealings and their treatment of the Illawarra Railway while in office strengthened this interpretation. In November 1874 they cemented their grip on the Jamberoo property by converting their leases into freehold. Then came the Illawarra Railway deputation of 6 November 1874, which had asked Premier Parkes to place a sum for the project on the 1875 Loan Estimates. Parkes said later that he had been more 'cautious' in reply to this deputation than on previous such occasions. One week later he took up Crown land fronting Jervis Bay. On 19 November 1874, when the Estimates were tabled in the House, the Illawarra Railway was not among them, even though, according to Premier Robertson and his Minister for Public Works, a draft

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81 Quoted in *ibid.*, 21 January 1876.
82 *ibid.*, 20 January 1876.
83 Quoted in *ibid*.
84 Quoted in *ibid.*, 21 January 1876.
85 Quoted in *ibid.*, 20 January 1876.
86 Confirmed by Parkes and Sutherland in the House on 20 January 1876. See *ibid.*, 21 January 1876.
87 Quoted in *ibid.*, 20 January 1876.
88 See Chapter 5.
estimate of £300,000 had been prepared. Their question to Parkes and his former Ministers was why that draft had not been included in the Estimates that were tabled.

There was no doubt that a draft estimate had been prepared in November 1874, suggesting an expenditure of £300,000 toward the construction of the Sydney-Wollongong section of the line. John Lackey produced the papers from his Department to prove it.89 Sutherland, however, denied that he had asked for the estimate to be prepared by his officers.90 Parkes went further and denied that he had even been in favour of the Illawarra Railway.91 This was going too far. As Gray, Charles, Robertson, Lackey and other Members were able to show from his public statements, Parkes, and Sutherland, had been more than supportive of the Illawarra Railway movement. Thus, it was no defence for Parkes and Sutherland to say that the inclusion of the Illawarra Railway in the draft estimates was a case of bureaucratic excess, and that the item had never been before the Cabinet.92 There seems no reason to doubt these things, but they did not explain Parkes' 180 degree turn on the Illawarra Railway at the end of 1874, when the Melbourne-Jervis Bay scheme was maturing.

The answers offered by Parkes and Sutherland to the charge that they were prepared to dump the Railway from the 1875 Loan Estimates when it was becoming apparent that private capital in Melbourne might offer them a better deal for their Jamberoo property, were not convincing. Sutherland would only say of the Shoalhaven News article read to the House by John Lackey, that it had been 'not very creditable' of the Minister to do so. This, he said, was a trespass on 'private matters' that belonged to him and Parkes alone.93 Parkes thought that the author of the article might have been a Member of the Robertson Ministry. He stuck to the principle that his business affairs were private, and refused the House any explanation of the Melbourne connection: 'Having said this much, he would leave the subject'.94 However, stung by the detailed charges made by Charles and Gray, he felt impelled to offer a personal explanation to the House on 20 January.

89 Sydney Morning Herald, 13 January 1876.
90 ibid., 14 January 1876.
91 ibid., 13 January 1876.
92 ibid., 14 January 1876.
93 ibid.
94 Quoted in ibid.
His statement only fuelled the debate. He disclosed that he had indeed visited Melbourne, but that the ‘primary object of his visit’ had been to visit one of his daughters who had married and settled in Victoria.\(^95\) In fact, Parkes had made two visits to Melbourne. The first, the one he described in his explanation to the House, was in September 1874, while he was Premier, and the second occurred in March 1875,\(^96\) one month after he lost the Premiership to Robertson. Of the second visit he said nothing. Nonetheless, he did reveal that on the first occasion he had talked about his Jamberoo coal lands to three people, ‘all of whom were personal friend of his own’. His claim, however, that he was ‘in intercourse with no broker’ and had not been involved in forming a company to work the Jamberoo property,\(^97\) did not repel the assaults of the Members for Illawarra and Kiama. If anything, when allied to Gray’s claim to hold a letter from a Melbourne broker, it gave substance to Charles’ assertion that Parkes ‘had been hawking this land about the country’\(^98\).

Indeed, Charles claimed that Parkes had even ‘linked the Governor with him in the matter’. According to Gray, the Governor, Sir Hercules Robinson, had, carrying a letter of introduction from Parkes and in company with Sutherland, then Minister for Public Works, gone on a private visit to Kiama where ‘a gentleman’ took him on a tour of the Jamberoo coal seams.\(^99\) Parkes did not deny it; rather, ‘he was at a loss to know . . . whether it was an impropriety for the Governor of the colony to look at these coal mines’.\(^100\) This was an interesting question, but Premier Robertson and other Members rose to points of order, stating that it was most improper to raise even the name of the vice regal representative in a matter of this nature, and that was the end of it. Even so, Parkes added another instance of his eagerness to profit from the Jamberoo property. There were, he said, other ‘gentlemen of the very highest standing in point of wealth and character’ in Sydney, as well as one in England, a

\(^{95}\) ibid., 21 January 1876.
\(^{97}\) Sydney Morning Herald, 21 January 1876.
\(^{98}\) Quoted in ibid.
\(^{99}\) ibid.
\(^{100}\) Quoted in ibid. This scheme seems to have been quite separate from that involving the Governor in a scheme to open a mine in the Wollongong district, at the end of 1874, and described in Chapter 5. Martin, op.cit., p.300, appears to conflate the two.
Member of the House of Commons, to whom he and Sutherland were talking about the opening out of the coal seams.\textsuperscript{101}

By his own admission, Parkes' Jamberoo investment had become central to his desire to obtain freedom from financial care. In February 1875 he had told his friend Charles Moore that he hoped 'very soon to do something with the property . . . This will entirely relieve me but in the meantime I shall be much inconvenience[d]. All I have and more is locked up in this land'.\textsuperscript{102}

Parkes' need for and expectation of a sizeable profit from his interest in the Jamberoo property, taken with his 1874 and 1875 Melbourne visits, seem to provide the key to his about face on the Illawarra Railway. If they did not, then, as Samuel Gray put it, Parkes' conduct was 'otherwise inexplicable'.\textsuperscript{103} He may, it appears, have used his position of public trust as Premier and Leader of the Opposition, to attempt to sabotage the Illawarra Railway scheme for his personal financial advantage.

Nonetheless, this kind of charge and counter charge over the limits of public duty and private interest was the stuff of faction politics in Colonial New South Wales. Parkes' closest colleagues, men like William Piddington, George Lloyd, James Farnell and, of course, John Sutherland, supported him against the charges levelled by Gray, Charles and others. The Members for Illawarra and Kiama had raised suspicions about Parkes' conduct, but had proved nothing to warrant Parkes' expulsion from the House. Indeed, there were those who wished Parkes and Sutherland well if they were able to make money from their public position. Although Ministers received a salary, Ministerial life was notoriously short and backbenchers were paid nothing for the time they devoted to the service of the Colony. Thus, George Dibbs, Member for West Sydney:

\begin{quote}
\textit{did not see why persons who had spent their lives in the public service should be worse off than persons who did not burn the midnight oil in public business.}\textsuperscript{104}
\end{quote}

James Farnell, Minister for Lands in the late Parkes Ministry:

\textsuperscript{101} \textit{Sydney Morning Herald}, 21 January 1876.
\textsuperscript{102} Henry Parkes to Charles Moore, 6 February 1876. Quoted in Martin, \textit{loc.cit.}
\textsuperscript{103} Quoted in \textit{Sydney Morning Herald}, 21 January 1876.
\textsuperscript{104} Quoted in \textit{ibid.}
had yet to learn, because a person became a Minister of the Crown, that he should not be permitted to follow his usual avocations in life. The emoluments of office were not a sufficient repayment for the duties involved.\textsuperscript{105}

Such Members were prepared to take Parkes' word that he had acted in the matter of the Illawarra Railway with perfect probity, or, as the \textit{Sydney Morning Herald} stated:

\begin{quote}
The story that Mr. Parkes was to get £80,000 from Melbourne people for burking the Illawarra Railway, is sufficiently refuted by his distinct assertion that he is not and has not been in negotiation with any persons at Melbourne for the sale of the [Jamberoo] property... In that case there can have been no Melbourne promoters, and no Melbourne company at all, and no Melbourne broker can have had a chance at dealing with the property.\textsuperscript{106}
\end{quote}

In the end, then, the strength of the allegations aimed at Parkes was a matter of individual interpretation. Gray and Charles had set out to damage Parkes' credibility as the mover of the censure motion against the Robertson Ministry and the Illawarra Railway, and their efforts were not without effect. As George Lord, Member for the Bogan, told the House:

\begin{quote}
Although he disapproved of the Illawarra Railway, he should not vote for the amendment. The Opposition did not come into this matter with clean hands.\textsuperscript{107}
\end{quote}

In any event, although Parkes, Sutherland and the Illawarra Railway figured prominently in the debate on Parkes' censure motion, this was not the central issue. As the \textit{Illawarra Mercury} noted: 'the House is dealing more with the vote of censure as it is intended to effect [sic.] the position of the Government, than as regards their policy in detail'.\textsuperscript{108}

Hence, there were Members who, though hostile to the Illawarra Railway, felt that the removal of the Robertson Ministry was too high a price to pay for its demise. Consequently, when Parkes' motion was finally put to the vote on 20 January, it was defeated by 34 votes to 22. Those voting with the Ministry included George Dibbs, a Newcastle businessman\textsuperscript{109} and coal proprietor\textsuperscript{110} and bitter opponent of the Illawarra Railway, as well as two of the Members for the Newcastle-Hunter region: John Burns (Hunter), and Archibald Jacob (The Lower Hunter).

\textsuperscript{105} Quoted in \textit{ibid.}
\textsuperscript{106} \textit{ibid.}, 24 January 1876.
\textsuperscript{107} Quoted in \textit{ibid.}, 13 January 1876.
\textsuperscript{108} \textit{Illawarra Mercury}, 18 January 1876.
\textsuperscript{109} Connolly, \textit{op.cit.}
\textsuperscript{110} \textit{Annual Report of the Department of Mines, New South Wales}, 1876, p.140, and \textit{Illawarra Mercury}, 14 March 1876.
who had told the House that while he disapproved of the Illawarra Railway, he 'considered that it would be a terrible catastrophe to have the hon. member, Mr. Parkes, return to power'.

Given the vote just taken in the Assembly, Jacob and other firm supporters of the Robertson Ministry could rest easy on that score for the time being. Supporters of the Illawarra Railway, on the other hand, had no reason to assume that the survival of the Ministry guaranteed the passage of its Illawarra Railway Estimate. Wollongong's businessmen were aware of the dangers of complacency. The *Illawarra Mercury* cautioned that:

> The real time . . . for a defence of the Illawarra Railway in the House has yet to come . . . the railway policy of the Government as a whole will come before the House for consideration in due order in the course of the session. Then will be the time when the vote will be defended by its advocates and denounced by its opponents singly and alone, and will be lost or carried as the case may be.

Before that moment there was the work of bolstering Parliamentary support for the Illawarra Railway to be done and, as Campbell and Hart had told their fellow businessmen in the *Mercury*’s first issue of 1876:

> We strongly recommend that petitions setting out our claims and requirements for railway transit should be most numerously signed throughout the district and presented to both Houses of Parliament.

The Executive of the Metropolitan and Illawarra Railway Committee acted promptly and by the end of January had drafted a petition for the signatures of the 'Inhabitants, Proprietors, Farm Tenants, Landholders, Miners, Workmen and Labourers' of the Wollongong, Kiama and Shoalhaven districts. Addressed to both Houses of Parliament, it was no different to previous such documents written by Wollongong’s businessmen for the consumption of Ministers and Parliaments in Sydney. There was the same grandiose optimism (that within a short time of the Railway’s completion, the region’s agricultural and mineral production would increase fourfold) and the same identification of local self interest with that of Sydney and, indeed, the entire Colony. Not only would Sydney’s population receive fresher dairy produce and fish, as:

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111 Quoted in *Sydney Morning Herald*, 14 January 1876. Division list on Parkes’ motion is in *ibid.*, 21 January 1876.
112 *Illawarra Mercury*, 18 January 1876.
113 *ibid.*, 4 January 1876.
114 Petition printed in *ibid.*, 28 January 1876.
a railway from the deep waters of Port Jackson through our district to Shoalhaven would open to increased mining enterprise the enormous Illawarra . . . Coal-fields, and enable the metropolis (which is the principal seat of manufactures of the colony) to be supplied with an abundance of the best steam and domestic coal at the lowest cost and price, as well as ensuring quick despatch in loading the largest class of modern steam and sailing vessels, and is generally more calculated to forward the trade and progress of the colony than any other railway that can be constructed, and will make Sydney the great natural mail and ship route termini of the Australian Colonies and commercial emporium of the Southern Hemisphere.  

All this for just £740,000. The question, of course, was whether the Colony’s politicians would authorise the payment.

The campaign to convince them to do so was launched on 1 March 1876, when Samuel Gray presented the Railway Committee’s petition, containing 2270 signatures, to the Legislative Assembly. On the following day, Robert Owen, retired District Court Judge and Wollongong coal owner, presented the same petition to his fellow Legislative Councillors, signed by 1934 inhabitants of the southern districts. While such petitions might be evidence of intense local interest in securing a publicly funded railway, in themselves they carried little weight. Wollongong was not the only district in New South Wales with a railway committee, and the Legislative Assembly was frequently in receipt of petitions similar to those brought from Wollongong.

Any weight that the efforts of Wollongong’s businessmen might have with the Parliament was imparted by those Sydney investors, manufacturers and businessmen who were also keen to see the Sydney-Wollongong railway constructed. This part of the Illawarra Railway coalition did its bit by holding a public meeting in Sydney’s Masonic Hall on 8 March, for the purpose of generating some popular support for the scheme and to outline its benefits for the population of Sydney. Called and chaired by the Mayor of Sydney, Benjamin Palmer, the meeting was attended by well known Sydney supporters of the Illawarra Railway, such as

115 Quoted in ibid.
117 Proposed Railway to Illawarra. (Petition from certain Inhabitants, Proprietors, &c., of the Shoalhaven, Kiama, and Wollongong Districts,) In Journal of the Legislative Council of New South Wales, Session 1875-6, Vol.26, Pr.2.
118 See petitions listed in Weekly Abstract of Petitions Received by the Legislative Assembly, op.cit.
James Manning and Thomas Holt, as well as the Members for Illawarra, Kiama and Shoalhaven, and three representatives of the Railway Committee (John Biggar, Archibald Campbell and Percy Owen). The proceedings were less notable for the arguments put in favour of the Illawarra Railway than for the intervention of Newcastle businessman and Member for West Sydney, George Dibbs.

Following several speeches in support of the motion of John Wilson, former Member for Gold Fields South, that the meeting support the proposed railway, Dibbs left his place in the audience and mounted the platform, where he attempted to move as an amendment that the meeting declare the proposal to be ‘a flagrant, extravagant, and reckless expenditure of the public money’. Considerable disorder and confusion followed Dibbs’ appearance on the stage, and it was some time before Palmer could restore order, whereupon he hastily put Wilson’s motion to the meeting and declared it carried. He then called upon the Reverend Dr. John Lang to make the concluding address. However, ‘the adherents of Mr. Dibbs were determined that no one else should be heard’, and not even the Mayor’s call to end the proceedings with three cheers for the Queen could halt the uproar. Somehow, it was moved, seconded and carried that the meeting be adjourned.

Dibbs’ action received the support of the Sydney Morning Herald, whose editor, Andrew Garran, was chairman of the Newcastle Wallsend Coal Company and whose proprietors were shareholders in the northern mines. The Herald had come out firmly against the Illawarra Railway in January 1876, in the midst of the debate on Parkes’ censure motion, and advocated instead that Newcastle be linked by rail to Sydney Harbour. It argued that Dibbs had acted in the public interest at what was, after all, a public meeting, and that the commotion occasioned by his amendment was a clear sign that the citizens of Sydney ‘do not see that the time for the Wollongong railway has yet arrived’. The proprietors of the Illawarra Mercury, on the other hand, saw no justification for Dibbs’ disruption of a meeting.

119 Quoted in Sydney Morning Herald, 9 March 1876.
120 ibid.
122 Noted by Samuel Charles in the Legislative Assembly, 7 June 1876. The Fairfax family also held shares in the Wollongong mines, but in a much smaller way. See Sydney Morning Herald, 8 June 1876.
123 ibid., 11 January 1876.
124 ibid., 11 March 1876.
called in support of the Illawarra Railway. In any case, they said, Dibbs and his 'few boisterous sympathisers' numbered 20 at most in a crowd of 400-500, and Wilson's motion had been carried 'by fully nine-tenths of those present'. Sydney, stated Archibald Campbell and Joseph Hart, wanted, indeed needed, the Illawarra Railway, and the antics of Dibbs and his 'few but furious supporters' would not halt the progress of the movement.125

Dibbs intended to test that proposition fully. On 14 March he was the main speaker at a 'large and very influential meeting' in Newcastle, called to oppose the Illawarra Railway. His central points were that the Railway would not pay, that the markets for New South Wales coal were adequately supplied by the existing arrangements and that, therefore, the expenditure of £740,000 would only 'involve the colony at large in debt and ruin to this district [Newcastle] particularly'.126 A motion opposing the Illawarra Railway was carried unanimously and a petition adopted for presentation to the Legislative Assembly. A committee was appointed to arrange for further public meetings throughout the district, in support of the object of the resolution and the petition.127

With this mobilisation of the population of the Newcastle district, the Illawarra Railway became the focus of a struggle between rival sets of regional economic interests for dominance in the New South Wales coal trade. In essence, it was the Newcastle coal proprietors, and the farming and commercial interests that lived off the wealth and population generated by the large northern coal trade, versus the farming and commercial interests of the Wollongong and other southern districts. As will be seen, the Wollongong mine proprietors were not desirous of encouraging the additional competition that the Illawarra Railway might bring to the district. Consequently, they joined hands with their northern competitors to block the scheme. Those investor-politicians like John Robertson, Alexander Stuart, George Allen, Thomas Holt and Thomas Mort, who supported the Illawarra Railway, were not concerned with breaking Newcastle's dominance of the coal trade. They simply wanted to be in it and the Illawarra Railway offered them the best chance of doing that; any diminution of Newcastle's market share would be a by product only of achieving that end. The debate on market dominance was

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125 *Illawarra Mercury*, 14 March 1876.
126 Quoted in *Sydney Morning Herald*, 18 March 1876.
127 *ibid.*
of direct concern only to Newcastle interests, which saw the Illawarra Railway as a means of flooding the market with cheap Wollongong coal, and to the businessmen of Wollongong, whose objective since the late 1850s had been the taking from Newcastle of a large slice, if not most, of the intercolonial and overseas trade in New South Wales coal. While this objective remained simply the dream of Wollongong’s businessmen, there was no problem for Newcastle.

However, the boom in the coal trade had created an identity of interest between those businessmen and some of the investor-politicians of Sydney, sufficient to capture a Ministry and get the Illawarra Railway onto the Estimates. It remained only to convince the Parliament of the soundness of the idea, and on this the struggle now turned. The anti Illawarra Railway committee in Newcastle set about getting the co-operation of the region’s mayors for the holding of public meetings and the securing of signatures for petitions.\(^\text{128}\) The \textit{Illawarra Mercury} characterised this activity as ‘clap trap opposition’ to a public work of a ‘genuine national character’; nonetheless, it cautioned, ‘no stone should be left unturned to secure the success of the project by its legion of advocates’.\(^\text{129}\)

Thus, between March and June 1876, when the Illawarra Railway Estimate came before the Legislative Assembly, John Biggar and his Newcastle counterparts each sought to demonstrate to the Parliament that their respective views on the scheme enjoyed the greater public support. Wollongong’s businessman responded to the Newcastle meetings by encouraging local miners to rally publicly to the side of the Illawarra Railway. These were not spontaneous expressions of any identity of interest that existed between the mining workforce and local commercial interests. They were manufactured by John Biggar, to further the interests of Wollongong’s businessmen and those Sydney capitalists anxious to profit from the booming coal trade.

Biggar called on miners to attend two meetings, at Woonona on 23 March and at Wollongong two days later. He seduced them with promises of higher wages and greater employment opportunities, which the Illawarra Railway would deliver because of the increased competition it would bring to the local coal trade. The emphasis, however, was on regional and

\(^{128}\) \textit{ibid.}
\(^{129}\) \textit{Illawarra Mercury}, 21 March 1876.
class solidarity against the ‘few grasping monopolists of Newcastle’ who ‘would close up the
mines in this district if it were within their power to do so’. Neither Biggar nor his associates
were especially keen on unions which, to their liberal minds, were agents of class division and
a means of pushing wages beyond natural market levels. However, for the purpose of gaining
the Illawarra Railway, Biggar was happy to borrow the language of collective action. To the
cries of ‘Down with Monopoly!’ and ‘Advance Illawarra!’, he urged the miners to join with
him to ‘stand up for our rights like men, and defy and hurl back all such attempted oppression
from whatever quarter’.

Both miners’ meetings were chaired by local businessmen. At Woonona, James
Brooker, Mayor of North Illawarra, farmer and owner of coal land, chaired a well attended
meeting of the Bulli Coal Company’s miners. At Wollongong, Thomas Collins, Mayor and a
jeweller and watchmaker of the town, chaired a ‘unanimous and enthusiastic’ meeting of the
miners of Mount Keira and Mount Pleasant. At each meeting the miners were told by the
Mayors of the bright new world that the Illawarra Railway would bring them. Henry Parkes
and George Dibbs were ritually attacked for trying to keep that new world from them, and the
miners were asked to sign the petitions drafted for them and setting out the advantages they
would obtain if the Railway was sanctioned by the Parliament. The Wollongong meeting had
the added advantage of hearing from several Aldermen, and from Archibald Graham of the
Wollongong Flour Mill, who told the miners how his costs had been increased by the high
insurance rates asked of the vessels which brought his wheat from Adelaide to Wollongong
Harbour. Thus agitated, the miners unanimously supported their local business houses and
adopted the petition that was to be presented to the Legislative Assembly by Samuel Gray.
The meetings were a great success for Wollongong’s businessmen, as the miners’ petition,
presented to the Assembly on 7 April, carried 388 signatures—close to every mine employee in
the district.

130 Advertisement in ibid., 21 March 1876.
131 K. McCarthy, The Corrimal Colliery Railway. Light Railways, No.60. Light Railway Research Society
132 Illawarra Mercury, 27 October 1876.
133 ibid., 28 March 1876.
134 Weekly Abstract of Petitions Received by the Legislative Assembly, op.cit. and Illawarra Railway.
(Petition in favour of—Coal Miners and Others.) In Votes and Proceedings of the Legislative
Assembly, Session 1875-6, Vol.4. As of February 1876, there were 205 miners and 160 labourers and
Petitions were judged by both sides of the Illawarra Railway question to be of some importance in the battle to convince the Parliament that it ought to bow to popular opinion. The initiative here lay with the scheme’s supporters. At the Wollongong end there had been the petition presented to the Assembly by Gray (2270 signatures) and to the Council by Owen (1934 signatures) in early March, and the miners’ petition of 7 April (388 signatures). By early June, when the Illawarra Railway Estimate was being debated in the Assembly, its supporters had presented a further six petitions signed by 9249 inhabitants of the southern and inner city suburbs of Sydney and 168 inhabitants of the Parramatta area, west of Sydney.\textsuperscript{135}

Henry Parkes doubted that these petitions were a genuine reflection of public sentiment, either in Sydney or the southern districts. At least one of the Sydney petitions, he told the Assembly, had been:

\begin{quote}
hawked about for weeks; and not only so, but the Government permitted it to be posted up at the railway stations for signature—a thing he never saw before. He was asked to sign it. (Laughter.) An unsophisticated lady in charge of one of the refreshment rooms, who mistook him for a young man from the country (Laughter) asked him to sign this petition, which she said was highly approved of by the hon. member for Illawarra, Mr. Gray. (Laughter.) He did not sign it. (Laughter.)\textsuperscript{136}
\end{quote}

With less humour, he accused those behind the pro Illawarra Railway petitions of using 'paid collectors' to obtain signatures and asserted, not without justification, that the people of Wollongong, Kiama and Shoalhaven had been used by the real promoters of the scheme as 'materials of ornament to make this matter more easily swallowed by a portion of the public'.\textsuperscript{137}

The Railway’s opponents hit back with one petition only, signed by 4268 people in the Newcastle district.\textsuperscript{138} This was presented to the Assembly by George Lloyd, Member for Newcastle, who observed that it was the most numerously signed petition yet tabled in the

\begin{footnotesize}
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  \item boys employed in the three Wollongong mines. This did not include carpenters, blacksmiths, etc. See \textit{Illawarra Mercury}, 8, 11 & 25 February 1876.
  \item Calculated from \textit{Weekly Abstract of Petitions Received by the Legislative Assembly, op.cit.}
  \item Quoted in \textit{Sydney Morning Herald,} 2 June 1876.
  \item Quoted in \textit{ibid.}
  \item \textit{Weekly Abstract of Petitions Received by the Legislative Assembly, op.cit.}, and \textit{Railway from Sydney to Wollongong. (Petition Against—Residents of Newcastle, &c.)}. In \textit{Votes and Proceedings of the Legislative Assembly, Session 1875-6, Vol.4.}
\end{itemize}
\end{footnotesize}
House; ominously for the Illawarra Railway, he did so to loud cheering by Members, while stating that the proposal was ‘utterly indefensible as a matter of public policy’.  

Lobbying of individual Members was intense, on both sides. Henry Parkes said that in more than two decades in the Parliament, ‘he never saw anything like lobbying until this proposal for the Illawarra Railway was made’.  

Angus Cameron, one of the Members for West Sydney and a supporter of the Railway, countered by claiming that the most aggressive lobbying had been done by Parkes, Dibbs and their ilk; lobbying that had involved ‘dragging hon. members out of their beds, and bailing them up, bushranging fashion’.  

The Wollongong mine proprietors were also active in opposition to the Illawarra Railway. In January 1876 James Osborne, of the Osborne Wallsend mine, had travelled to Sydney for the specific purpose of advising Members of the Assembly that the Railway was an unnecessary expenditure of public money.  

In turn, Parkes and Dibbs were attacked by the Illawarra Railway’s promoters, by means of advertisements in the daily press and posters put up around Sydney. From April the Herald carried advertisements that reminded readers of Parkes’ betrayal of the Railway in favour of his Jamberoo-Jervis Bay scheme, and which called on him to vacate his Assembly seat of East Sydney; if he sought to destroy a project that would boost manufacturing and commercial pursuits in the city, and to deprive his constituents of cheap coal and fresh dairy produce, then he had no business representing them in Parliament. George Dibbs was urged to give up his West Sydney seat for the same reasons.  

Similar sentiments, aimed at Parkes, were plastered on walls around Sydney. Parkes believed that the publication of these ‘libels’ had been organised by Thomas Holt, John Robertson, Alexander Stuart ‘and one or two persons of influence in Sydney’.  

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139 Sydney Morning Herald, 31 May 1876.  
140 ibid., 2 June 1876.  
141 Quoted in ibid.  
142 Samuel Charles said that Osborne had sailed with him from Wollongong to Sydney, the latter being quite open about his mission. See ibid. 20 and 21 January 1876 (where Charles identified Osborne in the Assembly), and James Hoskins’ speech on Parkes’ censure motion in ibid., 13 January 1876, and also Illawarra Mercury, 18 January 1876.  
143 Sydney Morning Herald, 11 April 1876.  
144 Quoted in ibid., 2 June 1876.
In a final bid to rally public and Parliamentary opinion behind the Illawarra Railway, its supporters organised a second public meeting, to be addressed by the Reverend Dr. John Dunmore Lang. The choice of Lang as a figurehead for the Illawarra Railway movement was a sound one. At 77 years of age he was nearing the end of a long and distinguished, if at times controversial, career as a leading Presbyterian clergyman, radical politician and newspaper proprietor, who had been prominent in the public affairs of New South Wales for over 50 years. His statesmanlike reputation was un tarnished by any personal interest in the Illawarra Railway. If anything, his ownership of 'Dunmore', about 40 miles north of Newcastle on the Paterson River, a tributary of the Hunter, might have been cause for him to oppose the ambitions of Wollongong's businessmen and farmers. The estate, of several thousand acres, supplied dairy and other produce to the Sydney market. Perhaps his friendship of more than half a century with George Allen, father of the Wollongong coal proprietor and Speaker of the Legislative Assembly who shared the same name, provides the explanation for his acceptance of the offer to spearhead the Illawarra Railway movement's Sydney campaign.

The meeting was held on 12 May in the Masonic Hall, where George Dibbs had so successfully disrupted proceedings almost nine weeks earlier, it passed without incident. Lang's address was a detailed defence of the Illawarra Railway scheme, and the benefits it would bring to Sydney and the Colony. The audience, which included Thomas Holt, John Biggar and several Sydney Aldermen and Members of the Assembly, was delighted with the speech, at the conclusion of which Lang was greeted with 'loud and long continued cheering'. To continue the momentum, Lang's lecture was published as a pamphlet and a committee was appointed to approach the Robertson Ministry and convince it that the best interests of Sydney

145 See D.W.A. Baker, Days of Wrath: A Life of John Dunmore Lang. Melbourne University Press: Carlton, Victoria 1985, pp.68, 91-2 & 309. He had owned 1200 acres of land in the Illawarra region, but had sold this to his brother Andrew in 1835. He did own 'substantial buildings' in Balmain and Pyrmont, possible termini for the Illawarra Railway, but these were places of worship.

146 Ibid., pp.233-4. This 'Dunmore' should not be confused with that just south of Shellharbour, in the Wollongong district, which was named after the birthplace in Ireland of the wife of a local landed proprietor, George Fuller. See J. Derbyshire & D. Allen, Land Between Two Rivers: A Historical and Pictorial Survey of Shellharbour Municipality. Shellharbour Municipal Council 1984, p.112.

147 Baker, op.cit., p.514.
and New South Wales would be served by the early commencement of the Illawarra Railway.\textsuperscript{148}

Not that Premier Robertson or his Treasurer, Alexander Stuart, needed to be convinced of those things. Stuart and the Minister for Public Works, John Lackey, were present when the Reverent Dr. Lang introduced the Illawarra Railway deputation to Robertson on 29 May. If nothing else, it gave the Premier and his two Ministers an opportunity to rehearse their speeches for the debate on the Illawarra Railway Estimate, which would come before the Parliament on 1 June. Robertson and Lackey told the deputation that the Ministry would do its ‘duty’ by placing the Estimate before the Assembly. After that it was a matter for the Members of that House to decide whether to sanction it. Lackey did not exude optimism about this; he ‘hoped’ that the Government could convince the House to accept the proposal.\textsuperscript{149}

That test began on 1 June when the Assembly resolved itself into Committee of Supply, and the Chairman of Committees, Richard Driver, proposed the Ministry’s railway Loan Estimates. From the start the Illawarra Railway was in trouble. The railway Estimates were ‘received with laughter by the Opposition’, and as the Minister for Public Works rose to move the adoption of the first item, the Illawarra Railway, he was challenged by James Hoskins, Member for The Tumut, to ‘go to a vote now’\textsuperscript{150}. Lackey responded defensively to the Opposition’s cockiness: ‘he trusted that whatever opinions might be held by hon. members, the discussion would be conducted in a temperate tone and without any acrimony’.\textsuperscript{151}

Lackey had some right to feel defensive. Although formally a Minister of the Crown and answerable to the Parliament, his true position on this occasion was that of Parliamentary agent for the coalition of interests that needed the Illawarra Railway to enable them to exploit the financial opportunities offered by the booming New South Wales coal trade. Driven by the businessmen of Wollongong and a group of Sydney investors which included Cabinet Ministers and Members of Parliament, that coalition had raised the expectations of the people of the southern districts and of the southern and inner city suburbs of Sydney with tales of great

\begin{itemize}
  \item \textsuperscript{148} ibid., 13 May 1876, and J.D. Lang, \textit{Metropolitan & Illawarra Railway: A Lecture Delivered in the Masonic Hall, Sydney, 12th May, 1876, At the Request of the Sydney & Illawarra Railway Committee}, Gibbs, Shallard, & Co.: Sydney 1876.
  \item \textsuperscript{149} ibid., 30 May 1876.
  \item \textsuperscript{150} Quoted in ibid., 2 June 1876.
  \item \textsuperscript{151} Quoted in ibid.
\end{itemize}
material prosperity and other advantages that they would enjoy if the Illawarra Railway was constructed. The public support generated by these individuals was now to be used by Lackey to justify asking the Parliament to socialise the cost of achieving their private ambitions.

Thus, the Minister began his defence of the Illawarra Railway by referring to the ‘great agitation’ for its construction, by the populations of the Wollongong, Kiama and Shoalhaven districts and of the metropolis. With no hint of irony, he proceeded to tell the House that it was this agitation that had caused the Ministry to lend a careful ear to the deputations that had approached it. He recited names like Thomas Holt, Alexander Stuart, George Allen and Thomas Mort, noting that their ‘application was not one that should be treated lightly’. Lackey himself seems to have had no financial interest in the Illawarra Railway, and his claim that there were no ‘corrupt motives’ on his part in relation to it may be accepted. However, his statement that the Ministry had exercised independent judgement, that it had acted from ‘a pure consideration for the necessity for this work’,152 was scarcely justifiable. How could it be when his Premier and the Treasurer were joint proprietors of the Coalcliff Coal Company?

Nonetheless, Lackey did what he had to do, and mounted a spirited defence of the Estimate. Sydney would have cheap southern coal for its factories and households, fresh dairy produce for healthy nourishment, access to new supplies of timber, and a rural retreat for the refreshment of its factory workers and crowded population. As to the ‘implied understanding or contract’ within the House that the railway policy of the Colony should centre on the completion of the three trunk lines that would link the wool growing interior with Sydney (the Great Southern and Great Western Railways) and Newcastle (the Great Northern Railway), the Minister said that this had been all but honoured, with Goulburn in the south, Bathurst in the west and Murrurundi in the north all having been reached (see Map following). The time had arrived, he said, to look to the development of other parts of New South Wales. Wollongong and the southern districts, he thought, were the obvious candidates—the dairy trade would be increased a hundredfold by the Illawarra Railway and the coal traffic alone would pay its running costs. Indeed, announced Lackey, the Railway would not only return an annual profit of five per cent. or more, but it would increase dramatically the value of the 100,000 acres of

152 Quoted in ibid.
L DISTRICTS AND THE RAILWAYS OF NEW SOUTH WALES, 1876

NOTES


C. The Parramatta.

D. Windsor (in Electorate of the Hawkesbury).

E. West Macquarie & Bathurst (in Electorate of West Macquarie).

F. Goulburn (in Electorate of Argyle).

There were also three Gold Fields Electorates:


QUEENSLAND

NEW SOUTH WALES

Moruya

GREAT NORTHERN RAILWAY

HUNTINGTON

GREAT WESTERN RAILWAY

Bathurst

GREAT SOUTHERN RAILWAY

Goulburn

SYDNEY

Blayney

VICTORIA

100 Miles

Crown land reserved along the route by the Parkes Ministry; once sold, these would add significantly to government revenue.\textsuperscript{153}

Lackey did not believe that the further development of the Wollongong coalfield would damage the interests of Newcastle. On the contrary, he stated that the intercolonial and overseas demand for coal was such that the mines and Harbour of Newcastle would be unable to cope; the great port for that purpose had to be Sydney Harbour, supplied by the mines of Wollongong. This was, the Minister concluded, a proposal that, by stimulating the enterprise of the southern districts and the metropolis, must benefit the entire Colony.\textsuperscript{154}

John McElhone, Member for the Upper Hunter, disagreed. As Lackey resumed his seat, McElhone rose to move the omission of the Illawarra Railway from the Estimates. He believed that the scheme was ‘one of the most monstrous attempts to rob the people [and] to put money in the pockets of wealthy men that was ever made’. This was not an indefensible view of the Illawarra Railway movement. He noted the involvement in it of Ministers of the Crown who, he asserted, ‘were attempting to mislead and blind the House and the people’.\textsuperscript{155}

McElhone had two principal objections to the Railway. First, it would simply flood the market with coal and what, he asked, would be the use of that: ‘People could not eat coal’. Second, that the Illawarra Railway Estimate of £740,000 was nothing like the real cost of the scheme, that figure making no provision for locomotives and other rolling stock.\textsuperscript{156} The second point was valid. The Estimate included only the cost of the forty nine miles of railway from Sydney to Wollongong, at £10,566 a mile (£517,734), and the necessary bridges (£222,233).\textsuperscript{157} Neither did it include the cost of resuming 476 acres of alienated land along the route,\textsuperscript{158} although John Robertson had told the deputation of 29 May that those public spirited capitalists Thomas Holt and John Hargrave would donate their land for the project.\textsuperscript{159}

\textsuperscript{153} ibid.
\textsuperscript{154} ibid.
\textsuperscript{155} Quoted in ibid.
\textsuperscript{156} ibid.
\textsuperscript{157} Votes and Proceedings of the Legislative Assembly, 14 December 1875. In Votes and Proceedings of the Legislative Assembly, Session 1875-6, Vol.1 (Lackey’s answer to a question from Thomas Bawden, Member for The Clarence). See also Votes and Proceedings of the Legislative Assembly, 11 February 1876. In Votes and Proceedings of the Legislative Assembly, Session 1875-6, Vol.1. (Lackey’s answer to a question from George Dibbs, Member for West Sydney).
\textsuperscript{158} ibid., 21 December 1875 (Lackey’s answer to a question from Henry Dangar, Member for West Sydney).
\textsuperscript{159} Sydney Morning Herald, 30 May 1876.
Henry Parkes continued to distance himself from the scheme. He had never, he said, 'given very much encouragement to this railway ... as a public work'. Only the influential nature of the deputations he had met had convinced him to authorise a survey of the line. He was now of the view that it would never pay, and that it was only ever intended to enrich a few men at public expense, namely Thomas Holt, John Robertson, Alexander Stuart and John Hargrave. Parkes turned on those who had accused him of corrupt behaviour in dumping the Illawarra Railway. He now claimed not only to have acted ethically in that matter, but indeed to have been pursuing the best interests of Sydney and the Colony:

The great evil of this country was the overgrown character of its metropolis.
No greater blessing could befall the country as a whole than the opening up of such places as Jervis Bay.160

He had not, however, heard the last of the Jervis Bay matter.

The only other contributor of note in the 1 June debate was Alexander Stuart, Colonial Treasurer and Wollongong coal proprietor. In a courageous piece of effrontery he accused the Illawarra Railway's opponents, Dibbs in particular, of being interested only in protecting their 'pecuniary interests in the district of Newcastle', interests which rested on the 'monstrous monopoly' exercised by that district over the Colony's coal trade. He spoke of 'the duty of the Government' to the people of the southern districts, who suffered from the lack of adequate export facilities for their mineral and dairy produce. As to his ownership of coal lands at Coalcliff, he said that he had never sought to hide the fact. Perhaps so, but Stuart stretched credulity to the limit when he said that he had bought those lands 'years ago, before he had the slightest idea of a railway to Sydney'. Further, other than having been a member of one deputation to former Premier Parkes, he claimed that he had not been involved in the Illawarra Railway movement: 'he had taken no part in the agitation'.161 He did not have to 'agitate'; his Coalcliff partner was the Premier, and as Treasurer since February 1876 his access to the Ministry could scarcely be improved.

Following Stuart, a few Members made known their feelings on the Illawarra Railway, after which Dibbs and Parkes strongly urged that the Assembly make a determination on the Estimate. Robertson, who wished to reply to the 'base falsehoods' brought against him by

160 Quoted in ibid., 2 June 1876.
161 Quoted in ibid.
Parkes, and Samuel Gray and Samuel Charles, who wished to put their case to the House, were opposed to this. Parkes was especially anxious to proceed to a division. He believed that Gray and Charles wanted an adjournment to give them time 'to rake up other evidence to endeavour to prove unfounded charges against him', over the Jervis Bay—Melbourne business. His opponents had their way, and the debate was adjourned to 7 June.

Much of the resumed debate belonged to the Member for Kiama, Samuel Charles. Following some measured remarks on the advantages of the Illawarra Railway, he pounced on Parkes. Quoting from official documents that could only have been obtained from the Minister for Lands, Thomas Garrett (former proprietor of the *Illawarra Mercury*), he accused Parkes of speculation over the acquisition of the Jamberoo coal property; while Premier, Parkes, said Charles, had had:

> no right as a trustee of these lands for the Crown, to take them up at all . . . If this was to be permitted, Ministers of the Crown could pick the eyes out of the country. What the hon. member had done was unlawful.

Parkes, continued Charles, had misused the office of Premier to substitute one set of leases for another, to ensure that he maximised his coal holdings. This was not all. As Parkes had feared, Charles had been doing some digging.

The Member for Kiama told the House that he was now in a position to prove that Parkes had been endeavouring to sell the Jamberoo property to a group of 'Melbourne capitalists'. He claimed to hold 'several letters' which would establish that the former Premier had been 'virtually in treaty with Melbourne people'. He then quoted from a telegram that Parkes had sent to George Lloyd, Member for Newcastle and Treasurer in the Parkes Ministry of 1872-1875, in which the former had said that he hoped to get £45,000 from the sale of the Jamberoo property to Melbourne interests. This, stated Charles, was why Parkes had betrayed the Illawarra Railway movement.

Parkes' response was very brief. He referred to the 'ridiculous documents' held by Charles and to the 'atrocious charge' based upon them. He 'took exception' to the publication of 'private transactions' not concerned with the Sydney-Wollongong railway item that was

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162 Quoted in *ibid*.
163 Quoted in *ibid*., 8 June 1876.
164 *ibid*.
before the House. However, he did not expressly deny any of the charges made by Charles. Parkes resumed his seat and took no further part in the debate.\footnote{ibid.}

If Charles had hoped to save the Illawarra Railway by this final assault on the credibility of its arch opponent, he was mistaken. After contributions from several Members, the House divided at 12.45 a.m. on 8 June, and decisively rejected the Illawarra Railway, by 29 votes to 12. The result was greeted ‘with loud cheers . . . and an exclamation, ‘Six Ministers and six members’.’\footnote{ibid.} This referred to the 12 who had voted for the Estimate: all six members of the Ministry who were Members of the Assembly (John Robertson, Alexander Stuart, John Burns, Thomas Garrett, John Lackey and John Lucas), plus the Members for Illawarra (Samuel Gray), Kiama (Samuel Charles), Shoalhaven (James Warden), and three Sydney metropolitan Members (Angus Cameron—West Sydney; John Davies—East Sydney, and Richard Hill—Canterbury). These were poor pickings on a day when there was, owing to the controversy generated by the Illawarra Railway, ‘an unusually large attendance of Members in the Legislative Assembly Chamber’\footnote{ibid.}. That 41 Members, or 56.9 \textit{per cent.} of the total of 72, voted in the division, made it a very well attended one by the standards of New South Wales politics in the nineteenth century.\footnote{ibid.} As the \textit{Sydney Morning Herald} noted on the day following the vote: ‘It is to be presumed that the division of Wednesday has decided the fate of the Illawarra railway scheme for at least the present session’.\footnote{Sydney Morning Herald, 9 June 1876.}

This was a kind observation. The supporters of the Illawarra Railway had been trounced. Indeed, their support in the House had been slightly exaggerated by the vote of John Burns, Robertson’s Postmaster General. Burns represented the seat of The Hunter, where his business interests were centred;\footnote{Connolly, \textit{op.cit.}} he was an opponent of the Illawarra Railway,\footnote{See Chapter 8.} who kept his silence on the issue and voted to preserve Cabinet solidarity.\footnote{Cabinet solidarity was a matter for the personal judgement of Ministers. Its breach was not a frequent occurrence, and was considered damaging to the Ministry’s standing in the House. See Hawker, \textit{op.cit.}, p.69.}
The Illawarra Railway was, in large part, the victim of a unity of interest between the Members representing seats in the Newcastle-Hunter region and in the squatting districts of the Colony. These Members accounted for 20, or 69 per cent, of the 29 votes cast against the Estimate (see Table following). The Newcastle-Hunter opposition was, of course, aimed at the retention of that region’s dominance of the Colony’s coal trade, while those Members from seats in the interior were anxious to ensure that ‘branch’ lines like the Illawarra Railway did not divert public investment from the further extension of the Great Southern, Western and Northern Railways.

A major problem for the Illawarra Railway movement was its failure to capture a majority of the Sydney metropolitan Members. There were 19 of these, 14 of whom voted in the division of 8 June: seven for and seven against the Estimate. Yet, these were the seats whose electors, according to the Railway’s promoters, were to be the main beneficiaries of the opening up of the Wollongong coalfield. Nonetheless, it needs to be borne in mind that at least four of those Sydney Members who voted against the Railway actually represented interests in other parts of the Colony. George Dibbs (West Sydney) was, of course, one of the leading Newcastle opponents of the scheme. Henry Dangar (West Sydney), as well as owning large pastoral runs in the Newcastle-Hunter region, was a major shareholder in the Newcastle Wallsend Coal Company.173 Henry Parkes (East Sydney) and John Sutherland (Paddington) might perhaps have been thinking more of Jamberoo, Jervis Bay and Melbourne as they cast their votes against the Illawarra Railway. The remainder of the opposition came from one southern districts Member, John Hurley, and one Member from the Colony’s north coast, Robert Smith in the seat of The Hastings, which was itself seeking a rail link with Newcastle via a branch line from the Great Northern Railway.174 Hurley, whose seat of Narellan took in a strip of land just north of the Wollongong district, was, among other things, the owner of pastoral runs totalling 90,000 acres in the Murrumbidgee region in the Colony’s south,175 towards which the Great Southern Railway was inching.

173 Ellis, op.cit., p.52.
174 See Weekly Abstract of Petitions Received by the Legislative Assembly, op.cit.
175 Connolly, op.cit.
**THE NEW SOUTH WALES LEGISLATIVE ASSEMBLY AND THE ILLAWARRA RAILWAY: REGIONAL INTERESTS IN THE DIVISION OF 8 JUNE 1876**

<table>
<thead>
<tr>
<th>REGIONS OF NEW SOUTH WALES</th>
<th>Number of Members</th>
<th>Voted For Illawarra Railway</th>
<th>Voted Against Illawarra Railway</th>
<th>Did Not Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wollongong &amp; Southern Districts</td>
<td>9</td>
<td>4</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Sydney Metropolitan &amp; Suburban</td>
<td>19</td>
<td>7</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Newcastle-Hunter</td>
<td>15</td>
<td>1</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>North Coast</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Pastoral/ 'Squatting'</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. South &amp; South West</td>
<td>10</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>. West</td>
<td>10</td>
<td>0</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>. North &amp; North West</td>
<td>6</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>. Far West</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total New South Wales</td>
<td>72</td>
<td>12</td>
<td>29</td>
<td>31</td>
</tr>
</tbody>
</table>

Electorates Included in Regions

**WOLLONGONG & SOUTHERN DISTRICTS**: Braidwood, Camden (2 Members), Eden, Gold Fields South, Illawarra, Kiama, Narellan, Shoalhaven.

**SYDNEY METROPOLITAN & SUBURBAN**: Canterbury (2 Members), Central Cumberland (2 Members), East Sydney (4 Members), The Glebe, The Nepean, Newtown, Paddington, Parramatta (2 Members), St. Leonards, West Sydney (4 Members).


**NORTH COAST**: The Clarence, The Hastings.

**PASTORAL/ 'SQUATTING'**


. **WEST**: Bathurst, Carcoar, East Macquarie (2 Members), Gold Fields West, Hartley, Mudgee, Orange, Wellington, West Macquarie.


. **FAR WEST**: Balranald.

Parkes' personal influence on the vote cannot be easily assessed. Certainly, the pattern of regional interests reflected in the division of 8 June seems sufficient to explain the defeat suffered by the Illawarra Railway's promoters. Perhaps Parkes' influence lay with those Members who might have been inclined to vote for the Estimate, but who were persuaded to abstain. The proprietors of the *Illawarra Mercury* tended toward this view.176

As the *Sydney Morning Herald* had noted in the midst of the debate on the Illawarra Railway Estimate, the conflict between its supporters and opponents was 'largely a conflict of private interests'. As one observer of colonial politics, it saw nothing untoward in important matters of public policy being dealt with in this way. As long as the private interests of Ministers and Members were not hidden, as long as they were open to public scrutiny, there was no reason why the public interest could not be served. However, claimed the *Herald*, the real import of the Illawarra Railway question was whether government should advance one set of private interests at the expense of another. It asserted that, although the Newcastle mines had received much public assistance in the shape of railway and harbour facilities, this assistance had been given at a time when, for all practical purposes, the northern coal trade was the only one operating in the Colony. The result, continued the *Herald*, had been the investment of a great deal of private capital in the Newcastle coalfield, to the point where the 'means of supply have outstripped the actual demand'.177

Here was the core of the conflict, for now, said the *Herald*, capitalists like Alexander Stuart wanted the government to commit public resources to the opening out of a whole new coalfield:

> it is proposed that the State should step in and employ the immense resources at its command to lay the foundations for private investments of a similar kind in another district [Wollongong], so that the trade may be transferred, and the investments in the north may be depreciated or ruined.178

Of course, the *Herald*'s proprietors and editor were investors in the northern coal trade, and to this extent their editorial advice was self serving. Nonetheless, it did point to the heart of the Illawarra Railway matter. Some of the Colony's most influential capitalists were in conflict

176 *Illawarra Mercury*, 9 June 1876.
177 *Sydney Morning Herald*, 3 June 1876.
178 *ibid.*
over how they should go about the business of making a profit. It was a naked conflict of private interests, and not one that would be resolved by the government acting as arbitrator. The major players were men who formed Governments, and thus it was always going to be a struggle between rival capitalists to see whose self interest would prevail.

Only government could provide these men with the means to realise their objectives—on the one hand, access to the London capital market for the loan funds with which to build the Illawarra Railway and, on the other, the denial of that access. Economic reality was not the issue. No one knew how long the boom conditions would last, or how strong they would continue to be. Rather, at stake were economic interests and expectations—a combination of the rational and the irrational. Hence, there would be no easy resolution of the conflict. Only repeated heavy Parliamentary defeats or an economic downturn would quell the Illawarra Railway movement; otherwise, its promoters would continue to attempt to capture Ministries and win over the Parliament. Despite the rhetoric of divisiveness and the conflict within Colonial capitalism, government in New South Wales served the ends of that capitalism, and if those behind the Illawarra Railway were able to take and hold the government, they would be able to transform their private interests into public policy. Thus, the vote of 8 June 1876 signalled not the death of the Illawarra Railway, but merely the first meeting of the opposing forces on the political battlefield.