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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 10

POCKET THE PROFITS: WINNING THE ILLAWARRA RAILWAY, 1880-1881

Railway policy in New South Wales rested on two principles. First, to provide cheap and reliable transport for the pastoralists of the interior, who produced the Colony's staple product and biggest export earner—wool for the textile mills of England. Second, to ensure that the trade of the Colony centred on the city and port of Sydney—the hub of capitalist New South Wales. By the later 1870s the Colony's capitalists and politicians had decided that it was necessary for these two principles to be more fully integrated.

New South Wales was the largest wool producer of the Australian colonies, and in the boom conditions of the mid/late 1870s it tightened its grip on the industry as production soared. In the period 1870-1874 annual average output was 62,764 pounds weight (31.9 *per cent.* of Australian output). In the second half of the decade, 1875-1879, annual average output more than doubled, to 129,502 pounds (43.2 *per cent.* of the Australian clip).¹ By the 1870s Australia was easily England's major source of raw wool, its cheapness and reliable supply assured by the railways and ports built with English capital.²

The pastoralists of northern New South Wales, however, found it increasingly irksome that their wool could not be shipped direct to England from the port of Newcastle. Although the Great Northern Railway linked the region with the port, wool and other products were railed only as far as Morpeth, some 20 miles from Newcastle, and then shipped down the Hunter River and along the coast for transshipment at Sydney. There were several reasons for this, including a lack of appropriate facilities for the trade at Newcastle and the influence of shipping companies and their Sydney agents.³ Newcastle remained a coal port.

1 A. Barnard, *The Australian Wool Market 1840-1900*. Melbourne University Press: Carlton, Victoria 1958, p.216.

2 *ibid.*, p.218: by the 1860s/1870s, rival suppliers in Germany, Spain, South America and South Africa had been pushed aside. See also *ibid.*, pp.183-4 for the cheapness of rail compared with river and road transport.

3 G.J.R. Linge, *Industrial Awakening: A Geography of Australian Manufacturing 1788 to 1890*. Australian National University Press: Canberra 1979, pp.399-400.

The boom of the 1870s exacerbated the problem and thus pressure began to be placed on the Government to connect the Great Northern Railway with Sydney. In December 1875 a survey of the line had been ordered by John Sutherland.⁴ By late 1878, as already noted, northern interests had been successful in having further surveys completed, with a view to the actual construction of the line. As the Minister for Public Works, John Lackey, recalled later, the farmers, graziers and other interests showered the Ministry with deputations and petitions to push the scheme along.⁵ In reply to a question from John Burns, Member for the Hunter, Lackey told the House on 4 November 1879 that two possible routes had been surveyed, with a third survey yet to be completed. He added that he hoped a route could be settled on quickly and included in the next set of Loan Estimates.⁶

John McElhone, Member for the pastoral seat of the Upper Hunter, could not wait. He moved on 14 November that the Government proceed at once with the construction of the line, from a point on the Great Northern Railway between Newcastle and Muswellbrook. His case rested on the urgent need of northern pastoralists, mineowners and others for the railway, emphasising the fact that over one-third of the wool shipped at Sydney came from the region. In addition, he stated that northern stock owners had virtually lost the Sydney market when the Great Southern Railway reached Wagga Wagga.⁷ The ensuing debate was interesting. Lackey asked McElhone to withdraw the motion. The Government, he said was committed to the scheme and, even if carried, the motion would 'lead to nothing' but inconvenience in the framing of the Ministry's railway policy.⁸ McElhone was warned off by four northern Members who implored him to accept the Minister's advice—John Dillon (Tenterfield), Henry Badgery (East Maitland), John Burns (The Upper Hunter) and Richard Bowker (Newcastle).⁹ The motion was defeated decisively, 29-16.¹⁰

4 R. Lee, *The Greatest Public Work: The New South Wales Railways, 1848 to 1889*. Hale & Iremonger: Sydney 1988, p.77.

5 *New South Wales Parliamentary Debates* (First Series), Session 1880-1, Vol.1, pp.953-4 (16 March 1881).

6 *ibid.*, Session 1879-80, Vol.1, p.66.

7 *ibid.*, pp.201-2.

8 *ibid.*, p.205.

9 *ibid.*, pp.205, 206 and 207.

10 *ibid.*, p.208.

Why had the northern Members not supported McElhone? With the Illawarra Railway having dropped from public view, surely a quick victory for the Newcastle-Sydney line would have killed it. The answer seems to have been that both the Illawarra and Newcastle Railway movements were working together to ensure that both proposals met with success. In February 1880 Samuel Charles told an Agricultural Society dinner at Kiama that there need be no fear of the 'strong agitation' for the Newcastle line. He informed his audience that he had 'assisted the [northern] members and because he had done so they would in their turn assist him.'¹¹ Charles believed that the Illawarra Railway would be sanctioned within 12 months.¹² First, the numbers had to be guaranteed to get the northern line through. McElhone's motion and the manner in which he pursued it threatened this arrangement. The Illawarra Railway, he told the House, 'would lead to a cabbage garden and a handful of people.'¹³

In the last session of the ninth Parliament, before the general election of November-December 1880, Henry Badgery pressed Lackey on the question of the Newcastle Railway. The Minister replied that it would be placed on the next Loan Estimates, depending on whether the surveys were 'sufficiently advanced to admit of the route being determined.'¹⁴ Thus, by the end of 1880 both the Illawarra and Newcastle Railways were certain of the support of the Ministry.

A second factor leading to this point was the Ministry's scheme to tighten Sydney's grip on the Colony's economy. This had become a priority for Sydney's capitalists when the Victorian railway system reached the River Murray at Echuca in the 1860s, and when South Australia constructed facilities at the mouth of the Murray for the transshipment of produce from riverboats to ocean steamers. The loss in trade and revenue to those Colonies was considerable. By the mid 1870s Melbourne was taking wool worth over £2,500,000 away from Sydney, and the Commissioner for Railways, John Rae, told his Minister that the extension of the Great Southern Railway into the south west of New South Wales had to be prosecuted with greater vigour.¹⁵

11 Quoted in *Wollongong Argus*, 12 February 1880.

12 *ibid.*

13 *New South Wales Parliamentary Debates, op.cit.*, p.203.

14 *ibid.*, Vol.3, p.2230 (7 May 1880).

15 *Lee, loc.cit.*

At the same time, Sydney's capitalists were anxious to extend the railway system into the city itself, from the existing terminus at Redfern to Circular Quay. Redfern was close to Darling Harbour, just west of the central business district, but the facilities there were not equal to those at the Quay, the centre of shipping and commerce. Once wool and other produce arrived at Redfern it had to be hauled on drays and wagons through the streets, to be loaded on ships at either Darling Harbour or Circular Quay. The extension of the railway to Circular Quay had been urged by Sydney interests since the 1850s,¹⁶ and a renewed attempt was made by the Government to bring it before Parliament in 1878¹⁷ and again in 1879.¹⁸

The proposal, however, had been consistently defeated by country Members who felt that the great expenditure involved would be better applied to the development of the interior of the Colony.¹⁹ The government had spent considerable sums of money on Circular Quay and Darling Harbour, to ensure that Sydney remained the focus of the wool and general shipping trade of New South Wales. The development of Darling Harbour commenced in 1864 with the allocation of £10,000 for land reclamation. There followed: £35,000 in 1869 for steam cranes and wharves; £15,000 in 1873 for wharfage, and £20,000 for cranes and £20,000 for sheds and rail sidings in 1877.²⁰ The offer of both the Illawarra and Newcastle Railways might well have been a means of securing the support of a sizeable bloc of country Members for the city extension scheme.

Thus, by the end of 1880 the Illawarra Railway no longer had the appearance of an isolated scheme for a branch line to enrich a few coal proprietors and country entrepreneurs. It was always that, but now it formed part of a larger scheme of things being engineered by the capitalist-politicians of the Colony.

16 See comments by John Lackey, Minister for Public Works, in *New South Wales Parliamentary Debates*, *op.cit.*, p.33.

17 *Votes and Proceedings of the Legislative Assembly*, No.1, 10 September 1878. In *Votes and Proceedings of the Legislative Assembly*, Session 1878-9, Vol.1.

18 *New South Wales Parliamentary Debates*, *op.cit.*, p.2.

19 I. Collins, 'The 'country interest' and the eastern suburbs railway, 1875-1932'. In G. Wotherspoon (Ed.) *Sydney's Transport: Studies in Urban History*. Hale & Iremonger: Sydney 1983, p.115. See also Lee, *op.cit.*, pp.95-7.

20 'Statement of Appropriations for Services Authorised to be Provided for by Loans, from the year 1853 to 31 July, 1895, showing the expenditure under each head up to that date, and the balance written off and 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.31-48. *op.cit.*, and Appropriation Act of 1877. 41 Vic. No.8 (Items 461 & 857).

The inclusion of the Illawarra Railway in the big picture was made sure by the failure of efforts to locate a workable coal seam beneath Sydney itself. The relation of the Newcastle and Wollongong coalfields had long been the subject of speculation among geologists. In 1847 the Reverend William Clarke had estimated that the Newcastle and Wollongong measures met some 4,000 feet under the metropolis.²¹ However, until the coal boom of the 1870s took the practical interest of investors, it all remained guesswork. That interest took off in 1878 with the formation of the City of Sydney Coal Mining Company (Limited), which proposed to bore for coal at Newington near Parramatta. The Company was registered in July 1878 with a nominal capital of £20,000 in 400 shares of £50 each; 40 shareholders had already taken up 292 shares.²² John Coghlan, one of the major shareholders, carried on the drilling operations but without success. He tried elsewhere in Sydney but with the same result.²³ In 1879 James Murphy, a mining speculator, imported a diamond drill from the United States for display at the Sydney International Exhibition. Thomas Holt, still anxious to turn a profit from his 12,000 acre Sutherland Estate, was immediately interested and entered into an agreement with Coghlan and Fitzwilliam Wentworth, another City of Sydney Coal Company shareholder, to use the drill on his property. By the end of 1880 Coghlan had drilled as deep as 2000 feet on a variety of sites but no coal was found.²⁴

Thus, the Illawarra Railway had a secure place in the railway policy of the Parkes Ministry, and there was every chance that it would be placed before the Parliament for a third time. First, though, there was a general election to be fought, a circumstance further complicated by the Electoral Act of 1880, which had changed significantly the size and composition of the Legislative Assembly. The number of Members was increased from 73 to 108 and the pastoral/squatting interest was the big winner. In the old Assembly it had held 27, or 37 *per cent.* of the seats, whereas in the new House it would account for 54 seats, or 50 *per*

21 T.W.E. David & E.F. Pittman, 'Notes on the Cremorne bore.' In *Journal and Proceedings of the Royal Society of New South Wales, for 1893*, Vol.27, p.444.

22 *New South Wales Government Gazette*, No.230, 30 July 1878, p.2991. Among other details, this provides a list of shareholders and the number of shares held.

23 David and Pittman, *op.cit.*, pp.450-1.

24 For detailed accounts of these attempts see: *ibid.*; H.E. Holt, *An Energetic Colonist: A Biographical Account of the Activities of the Late Hon. Thomas Holt, MLC*. Hawthorn Press: Melbourne 1972, pp.114-5; F. Cridland, *The Story of Port Hacking Cronulla and Sutherland Shire*. 2nd ed. Angus & Robertson: Sydney 1950, pp.92-7, and 'Report of the Examiner of Coal Fields for the Colony of New South Wales'. In *Annual Report of the Department of Mines, New South Wales, 1878-1880*.

cent. of the total²⁵ (see Map following). As the *Illawarra Mercury* pointed out, the future of the Illawarra Railway looked bright for the moment but the mind of the new Parliament on railway policy could not be predicted.²⁶

Nonetheless, there were signs that the quiet negotiating about the Illawarra Railway was bearing some fruit. In September 1879 the *Echo*, owned by the Fairfax family, who also published the *Sydney Morning Herald*, had declared in favour of the proposal, saying that it was necessary to ensure the future of manufacturing in the metropolis.²⁷ As the *Mercury* noted, this was a decided change in editorial policy.²⁸ Even John McElhone, after an extremely bumpy coach ride to take up an invitation to judge stock at the Shoalhaven Agricultural Show, jested that the Illawarra Railway might not be such a bad thing, adding that the lines to the interior had been extended far enough to make it worthy of consideration.²⁹ Alexander Stuart told his Wollongong constituents in July 1880 that many 'public men' had been convinced to drop their opposition to it.³⁰ Although, just in case it failed again in the new Parliament, Stuart and Robertson had engaged a Victorian rail contractor to give them an estimate of the cost of running a private line from their Coalcliff mine to Port Hacking.³¹ Significantly, though, during the general election, the *Maitland Mercury* reversed its opposition to the Illawarra Railway. The 'day of the Illawarra railway,' it declared, 'must be regarded as having come.' With the sanctioning of the Wallerawang-Mudgee line, a branch of the Great Western Railway, a new phase in railway policy had begun, said the northern paper, and it concluded that, 'we see no use in longer opposing this [Illawarra] railway.'³²

No one in the seat of Illawarra, which had been left largely untouched by the new Electoral Act,³³ saw any point in opposing Alexander Stuart. His election committee was again

25 See Table, 'The New South Wales Legislative Assembly and the Newcastle and Illawarra Railways: Regional Interests in the Divisions of 23 March 1881', following in this Chapter for a detailed analysis of the new Assembly.

26 *Illawarra Mercury*, 12 November 1880.

27 *Echo*, 20 September 1879.

28 *Illawarra Mercury*, 23 September 1879.

29 *ibid.*, 9 March 1880. See also *New South Wales Parliamentary Debates* (First Series), Session 1880-1, Vol.1, p.1120 (23 March 1881). John Roseby, Member for Shoalhaven, said that McElhone had on that occasion pledged to him his full support for the line.

30 *Illawarra Mercury*, 22 July 1880.

31 *ibid.*, 20 August 1880.

32 Quoted in *ibid.*, 30 November 1880.

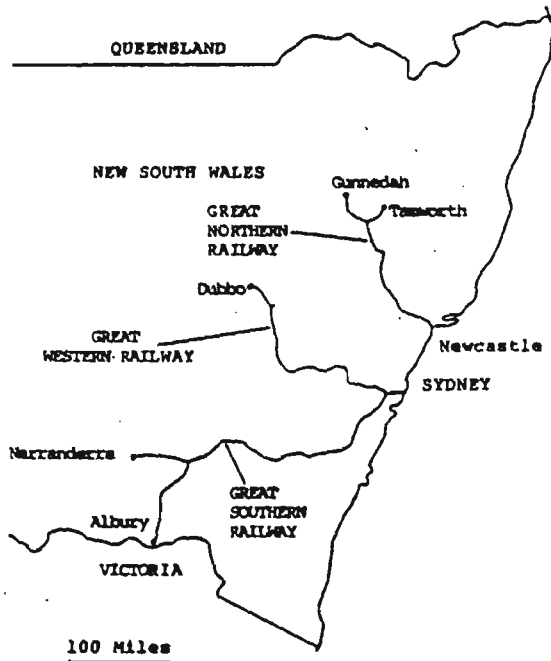
33 It now took in more of the Wollongong district, in the thinly, if at all, populated area north of Coalcliff which had previously been part of the seat of Narellan. See Electoral Act of 1858. 22 Vic. No.20

THE ELECTORAL DISTRICTS AND THE RAILWAYS OF NEW SOUTH WALES, APRIL 1881



NOTES

- A (SYDNEY METROPOLITAN & SUBURBAN): Balmain, Canterbury, Central Cumberland, East Sydney, The Glebe, Newtown, Paddington, Parramatta, Radfern, St. Leonards, South Sydney & West Sydney.
- B (NEWCASTLE): East Hillland, The Runbar, Morpeth, Newcastle, Northumberland & West Hillland.
- C West Macquarie & Bathurst (in Electorate of West Macquarie).
- D Goulburn (in Electorate of Argyle).



headed by John Biggar³⁴ but, as the *Mercury* stated when giving him its endorsement, there had not been even a rumour in the district of an opposition candidate.³⁵ Consequently, Stuart was nominated unopposed.³⁶ His speech of thanks included reference to the growing support for the Illawarra Railway in Sydney where, he stated, no candidate dared speak against it. Nonetheless, he advised his constituents to be on their guard. 'The northern interest', he said, was sure to oppose the Railway when it came before the Assembly.³⁷ In view of what had occurred already in relation to the Illawarra and Newcastle Railways, and in the light of what was to come, this statement was purely for local consumption.

The general election was a triumph for the Parkes-Robertson coalition. In the new Parliament the Ministry had the general support of 63 of the 108 Members.³⁸ The question, though, was the Assembly's specific response to the Government's railway policy. The Governor's Speech of 16 December contained only a very general statement, to the effect that railway construction would be pushed ahead.³⁹ This was too vague for the *Illawarra Mercury* which, while willing to wait and see, urged the southern districts Members to 'harass the Ministry' if the Illawarra Railway was not included in the Loan Estimates.⁴⁰ There seemed little need for that. The Members and Aldermen of Sydney's southern suburbs had already met, with the intention of keeping the Government up to the mark on the Illawarra Railway.⁴¹ In late December a surveyor from the Railways Department engineering section was in the Port Hacking area working on the route.⁴² If there were any misgivings about what might be going on inside the Ministry, particularly in the mind of Premier Parkes, Alexander Stuart put them to rest. At a New Year's night banquet given to Stuart and his wife at Coalcliff, he said in reference to the Illawarra Railway that:

(Schedule A: Electoral Boundaries), Electoral Act of 1880. 43 Vic. No.13 (Schedule A: Electoral Boundaries), and *Illawarra Mercury*, 20 July 1880.

34 *Illawarra Mercury*, 16 November 1880.

35 *ibid.*, 19 November 1880.

36 *ibid.*, 23 November 1880.

37 Quoted in *ibid.*

38 P. Loveday & A.W. Martin, *Parliament Factions and Parties: The First Thirty Years of Responsible Government in New South Wales, 1856-1889*. Melbourne University Press: Carlton, Victoria 1966, p.45.

39 *New South Wales Parliamentary Debates* (First Series), Session 1880-1, Vol.1, p.14.

40 *Illawarra Mercury*, 24 December 1880.

41 *Sydney Morning Herald*, 21 December 1880. This was a report of a meeting at St. Peter's in southern Sydney.

42 *Illawarra Mercury*, 24 December 1880.

Sir John Robertson, who was a member of the Government, had an interest in Coalcliff, and he was sure that they could depend upon that gentleman to assist to turn the scale in favour of Illawarra . . .⁴³

The Illawarra Railway began to have the look of inevitability about it. In April 1879 the government had reserved 18,000 acres of Crown Land at Port Hacking as a National Park.⁴⁴ Eleven Trustees were appointed, at least four of whom were supporters of the Illawarra Railway: John Robertson; Andrew McCulloch, Member for Central Cumberland, who had announced his conversion to the Railway in June 1878;⁴⁵ John Lucas, Member for Canterbury, Minister for Mines in the 1875-1877 Robertson Ministry, and Member of the Legislative Council from 10 December 1880, and Angus Cameron, Member for West Sydney.⁴⁶ In January 1881 the Trustees authorised the publication of a map of the Park, for public sale, showing the route through it of the Illawarra Railway. The map was prepared in the Surveyor General's Office.⁴⁷ On 9 February the Colonial Treasurer mentioned in his Financial Statement that the Loan Estimates were still in course of preparation but that 'the extension of the railway to Illawarra' was being given serious consideration.⁴⁸ In the lengthy debate that followed the Statement, and which concluded on 18 February, not a word was uttered against the Railway. By March the government surveyors were at work in the northern part of the Wollongong district, gaining detailed information on the gradients, curves and tunnels that would be involved in its construction.⁴⁹ Then, in mid March the *Sydney Morning Herald*, which had promoted the Newcastle-Sydney line in 1878 while opposing a similar line from Wollongong, announced its support for the Illawarra Railway.⁵⁰

On 16 March 1881 John Lackey tabled the long awaited Loan Estimates. He asked the House to approve a sum of £2,755,000 for a 95 mile double line of railway from Newcastle to Homebush, between Sydney and Parramatta, where it would join with the Great Western Railway. A further £1,020,000 was sought for a 68 mile line from Sydney to Wollongong and

43 Quoted in *ibid.*, 4 January 1881.

44 *New South Wales Government Gazette*, No.125, 4 April 1879, p.1591.

45 *Illawarra Mercury*, 2 July 1878.

46 Trustees named in *Supplement to the New South Wales Government Gazette*, No.148, 26 April 1879, p.1929.

47 *Illawarra Mercury*, 1 February 1881.

48 *New South Wales Parliamentary Debates*, *op.cit.*, p.329.

49 *Illawarra Mercury*, 1 March 1881.

50 *Sydney Morning Herald*, 17 March 1881.

Kiama.⁵¹ In all, Lackey sought to raise a total of £8,762,500, even more than the 1879 Loan. There was something in it for everyone. The emphasis was on the further extension of the Great Southern Railway into the south and west of the Colony, 'with a view to secure the Riverina trade, a large portion of which has been already diverted from Victoria.'⁵² Thus, of the £8,081,000 devoted to railways, over half, £4,306,000 was for lines between Goulburn and Cooma, Narranderra and Jerilderie, Orange and Forbes, Cootamundra and Gundagai, Murrumburrah and Blayney, Wagga Wagga and Albury, and Albury and the River Murray. A further £500,000 was allocated to stations and sidings for the general railway system.

The northern Members were not omitted. There was £27,000 for a bridge over the Manilla River at Manilla, 300 miles north west of Sydney, and £24,000 for a bridge at Bingara, 350 miles north west of Sydney. Pastoralists in this region had done well in the 1879 Loan Act, which extended the Great Northern Railway from Tamworth to Tenterfield and from Gunnedah to Narrabri at a cost of £1,981,000.⁵³

A total of £130,000 was sought for harbour works: a breakwater for Newcastle (£20,000) and at the Clarence River on the north coast (£30,000), the improvement of Lake Macquarie (£20,000) just south of Newcastle where some coal proprietors were interested in opening mines,⁵⁴ and the completion of the Darling Harbour Wharf and the extension to it of the railway from the nearby Redfern terminus (£60,000).⁵⁵ Darling Harbour was to be developed as the city's second major shipping point, necessary for the Newcastle and Wollongong coal that was to pour into Sydney if the Estimates for the railways from these places were accepted. Following the opposition to his renewed efforts to get a railway from Redfern to Circular Quay, Lackey had dropped the idea⁵⁶ in favour of a tramway to cater for the passenger traffic only.⁵⁷

51 *New South Wales Parliamentary Debates, op.cit.*, pp.953 & 955.

52 *ibid.*, p.957.

53 Loan Act of 1879. 43 Vic. No.11.

54 See K.H. Clouton, *Reid's Mistake: The Story of Lake Macquarie from its Discovery until 1890*. Lake Macquarie Shire Council: npp 1967, Chapters 15 & 16, for an account of mining there.

55 Details of estimates drawn from Lackey's speech on the Loan Estimate, in *New South Wales Parliamentary Debates, op.cit.*, pp.953-61.

56 *ibid.*, p.959. 'The Darling Harbour proposal,' said the Minister, 'will contribute largely to promote the commerce of this city, and . . . will have the effect of doing away with the necessity of constructing a railway from Redfern to Circular Quay.'

57 Lee, *op.cit.*, p.97.

The debate on the Minister's statement did not indicate any depth of opposition to the Government's proposals. Indeed, the Illawarra Railway continued to attract support from the most unlikely quarters. Former Premier James Farnell, who had been as implacable a foe of the scheme as his old friend Henry Parkes, now told the House that Wollongong Harbour was inadequate for the carrying on of the southern coal trade. It could not, he stated, accommodate large ships, and he put the question to his Parliamentary colleagues: 'why should not southern coal fields have an opportunity of competing in the market?'⁵⁸

Finally, on 22 March 1881 the Assembly began to debate the Estimates, item by item. These were carefully ordered, with the Newcastle line in first place, followed by the Illawarra Railway and then the various extensions to the Great Southern Railway; next came the Estimates for harbour works and finally the two bridges. Wollongong's businessmen believed that the fate of their Railway hinged on that of the Newcastle line. The *Wollongong Argus* stated that it was 'generally supposed' that a defeat for the latter would doom the Wollongong proposal, a claim echoed by the *Mercury*.⁵⁹ Right to the end the latter asserted that the Illawarra Railway would meet 'considerable' opposition from the northern Members.⁶⁰ If its proprietors believed this, then they were out of touch with the deals struck by Biggar and Alexander Stuart and the other southern districts Members.

The Newcastle line encountered a little trouble. John Dillon, Member for Tenterfield in the Colony's north, attempted to raise the absence from the Estimates of a line linking the New England pastoral region with the small port at the Clarence River, and moved that the item be reduced by £755,000 to £2,000,000. He believed that a single line was sufficient, on the ground that it was unlikely that the railway could carry coal to Sydney as cheaply as the steamers. The 'principal traffic, said Dillon, 'will be in farm produce and livestock, and . . . a single line will meet that traffic for many years to come.'⁶¹ This argument met with a great deal of support, Dillon's motion being carried by 56 votes to 10.⁶² The 10 votes against the reduction came from four Newcastle-Hunter, five north and north west pastoral districts

58 *New South Wales Parliamentary Debates, op.cit.*, p.967.

59 *Wollongong Argus*, 24 March 1881, and *Illawarra Mercury*, 22 March 1881.

60 *Illawarra Mercury*, 22 March 1881.

61 *New South Wales Parliamentary Debates, op.cit.*, p.1055.

62 *ibid.*, p.1090.

Members and one Sydney Member. On the other hand, 10 northern Members voted with the ayes: three from the north coast, four from the Newcastle-Hunter region and three from the north and north west pastoral districts; 13 Members representing the 'northern interest' did not vote.⁶³ The £2,000,000 remaining in the Estimate for the Newcastle line was then passed by 59 votes to six, with Alexander Stuart (Illawarra), Harman Tarrant (Kiama) and John Roseby (Shoalhaven) voting in favour.⁶⁴

On the following day, 23 March, the House considered the Illawarra Railway. Despite the years of opposition from the northern coal proprietors and pastoralists, its passage could not have been easier. Henry Dangar, Member for East Sydney and northern pastoralist and steamship company director,⁶⁵ led the opposition. He denounced the Railway as 'a purely local affair', but would not oppose it outright. The coal traffic, he said, would never generate sufficient revenue to cover operating costs, let alone the interest on the loan. He approved of the line going only as far as the George's River, to meet the needs of the increasing population of Sydney's southern suburbs. Accordingly, he moved that the Estimate be reduced by £800,000.⁶⁶ This was a less than subtle attempt to court the votes of the Sydney Members. It failed. The motion was defeated 56-18, and the original £1,020,000 Estimate was carried by 55 votes to 17.⁶⁷ The Illawarra Railway had been won.

There was never any real doubt. As Dangar observed when seeking the reduction of the Estimate, the vote on the Illawarra Railway was 'a foregone conclusion.'⁶⁸ Even John McElhone saw the inevitability of it. He still maintained that the line was:

initiated in fraud, that every step taken in connection with it from beginning to end was part of a fraud, and, as I stated then, I state now, that had not the head of the then Government (Sir John Robertson) been implicated in it, we should not have heard of the proposal.⁶⁹

However, recalling his performance of April 1878, he advised his Parliamentary colleagues that on this occasion, 'I have no intention of resorting to physical force to prevent this vote from

63 See Table, 'The New South Wales Legislative Assembly and the Newcastle and Illawarra Railways', following in this Chapter, for seats included in regions.

64 *New South Wales Parliamentary Debates, op.cit.*, pp.1090-1.

65 *ibid.*, p.1056.

66 *ibid.*, pp.1109-12.

67 *ibid.*, p.1121.

68 *ibid.*, p.1111.

69 *ibid.*, p.1102.

being carried.'⁷⁰ As McElhone was to put it while speaking on the item for Lake Macquarie, the Estimates had been prepared, debated and voted upon on the principle of, 'I vote for your railway and you vote for opening my lake.'⁷¹

If so, it worked well. Of the seven remaining railway Estimates, three passed without a division; two survived motions for the reduction of the amounts sought, by 73 votes to four and 49 votes to 22, one then being passed 56-9 and the other without a division; the remaining two comfortably survived divisions, 56-9 and 35-17.⁷² The £500,000 Estimate for stations and sidings was reduced by £200,000 with the Minister's agreement.⁷³ The harbour works and bridges items all passed without drama; only the Newcastle breakwater was taken to a division, which it survived by 60 votes to eight.⁷⁴

A significant feature of the debate on the Estimates was that Members had turned out and voted in great numbers. In the divisions on the Newcastle and Illawarra Railways, 66, 65, 74 and 73 Members had voted, ranging from 61.1 *per cent.* to 68.5 *per cent.* of the total of 108. These were abnormally well attended divisions by nineteenth century standards. Just as extraordinary was the fact that both proposals were passed by absolute majorities, and enjoyed broad support. In the case of the Illawarra Railway the much feared opposition of the Newcastle coal proprietors and of the pastoralists had failed to materialise. Seven of the 13 Newcastle-Hunter Members voted for the Railway, the other six not bothering to vote. Of the 54 pastoral/squatting Members, 26 voted in favour, with only 13 against and 15 not voting (see Table following). Truly, as McElhone lamented: 'The lion and the lamb have certainly come together on this question.'⁷⁵

In part, the Member for the Upper Hunter was correct to say that the Illawarra Railway had triumphed through lobbying and 'log-rolling' for the benefit of John Robertson and Alexander Stuart.⁷⁶ However, it would be a mistake to attribute the victory of Robertson, Stuart and Biggar solely to the misuse of public office for private gain. This view, which has

70 *ibid.*, p.1103.

71 *ibid.*, p.1279.

72 *ibid.*, pp.1136, 1142, 1144, 1154-5, 1162 & 1248.

73 *ibid.*, p.1256.

74 *ibid.*, pp.1262, 1263, 1275 & 1280-1.

75 *ibid.*, p.1102.

76 *ibid.*, pp.1102 & 1103.

THE NEW SOUTH WALES LEGISLATIVE ASSEMBLY AND THE NEWCASTLE AND ILLAWARRA RAILWAYS:
REGIONAL INTERESTS IN THE DIVISIONS OF 23 MARCH 1881

REGIONS OF NEW SOUTH WALES	NUMBER OF MEMBERS	NEWCASTLE RAILWAY						ILLAWARRA RAILWAY					
		Division on Motion to Reduce Estimate by £755,000			Division on Motion to Pass Estimate of £2,000,000			Division on Motion to Reduce Estimate by £800,000			Division on Motion to Pass Estimate of £1,020,000		
		Voted Yes	Voted No	Did Not Vote	Voted Yes	Voted No	Did Not Vote	Voted Yes	Voted No	Did Not Vote	Voted Yes	Voted No	Did Not Vote
Wollongong & Southern Districts	8	7	0	1	6	1	1	0	7	1	7	0	1
Sydney Metropolitan & Suburban	27	12	1	14	12	1	14	3	13	11	13	3	11
Newcastle-Hunter	13	5	4	4	8	1	4	0	7	6	7	0	6
North Coast	6	3	0	3	2	2	2	2	2	2	2	1	3
Pastoral/'Squatting'													
. North & North West	14	3	5	6	6	1	7	6	3	5	3	6	5
. West	17	12	0	5	11	0	6	2	12	3	12	2	3
. South & South West	19	11	0	8	11	0	8	5	10	4	9	5	5
. Far West	4	3	0	1	3	0	1	0	2	2	2	0	2
Total New South Wales	108	56	10	42	59	6	43	18	56	34	55	17	36

Electorates Included in Regions

WOLLONGONG & SOUTHERN DISTRICTS: Braidwood, Camden (2 Members), Eden (2 Members), Illawarra, Kiama & Shoalhaven.

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

NEWCASTLE-HUNTER: Durham, East Maitland, Gloucester, The Hawkesbury, The Hunter, Morpeth, Newcastle (2 Members), Northumberland (2 Members), Patrick's Plains, West Maitland & Wollombi.

NORTH COAST: The Clarence, Grafton, The Hastings & Manning (2 Members), The Macleay & The Richmond.

PASTORAL/'SQUATTING'

- . NORTH & NORTH WEST: The Bogan (2 Members), Glen Innes, Gunnedah, The Gwydir, Inverell, The Namoi, New England (2 Members), Tamworth, Tenterfield & The Upper Hunter (2 Members).
- . WEST: Bathurst, Carcoar (2 Members), East Macquarie (2 Members), Forbes (2 Members), Grenfell, Hartley, Molong, Mudgee (3 Members), Orange (2 Members), Wallington & West Macquarie.
- . SOUTH & SOUTH WEST: Albury, Argyle (2 Members), Boorowa, Goulburn, Gundagai, The Hume (2 Members), The Murray (2 Members), The Murrumbidgee (2 Members), Queanbeyan, The Tumut, Yass Plains & Young (2 Members).
- . FAR WEST: Balranald (2 Members), Bourke & Wentworth.

SOURCES: Compiled from Electoral Act of 1880, 44 Vic. No.13 (Schedule A: Electoral Boundaries); map of Electorates in T.A. Coghlan, The Wealth and Progress of New South Wales 1892. Government Printer: Sydney 1893; New South Wales Parliamentary Debates, Session 1880-81, pp.1090-1 & 1121-2 (Division Lists), and The New South Wales Parliamentary Record, 4th edition. Government Printer: Sydney 1914 (Members & Electorates at time of Divisions).

been offered as an explanation for the Illawarra Railway and indeed the Ministry's entire 1881 railway loans programme,⁷⁷ loses sight of the larger picture.

Behind the 1881 loan proposals, as with earlier and later ones, lay a coherent plan. At the top of the agenda were the interests of English textile manufacturers, who required reliable supplies of cheap wool, and English investors, who sought high and reliable returns on their surplus capital. Next came Sydney's merchants and capitalists who wished to secure their position within the imperial capitalist system against the predations of their counterparts in the neighbouring colonies of Victoria and South Australia. In the latter part of the 1870s it became apparent that the protection of those interests required high and sustained investment in public works, particularly ports and railways. If those interests were left to the mercy of factional politics and the multiplicity of local and regional interests that underlay it, such a programme might not succeed or be seriously delayed. It became necessary, therefore, to enlist that multiplicity of interests to ensure success, and the price was railways like that to Wollongong which had already been rejected twice by the Parliament.

A 'rational' argument for the Illawarra Railway might have been to assure Sydney of coal supplies when the Newcastle miners were locked out or went on strike. This, of course, was an idea which had surfaced from time to time in the minds of senior bureaucrats within the government's Coal Fields Branch. However, it was not put forward by anyone during the 1881 debate on the line. If anything, the further development of the Wollongong coalfield was unjustifiable on strict economic grounds. The capacity of the Colony's coal mines to overproduce was well established and well known. As the Department of Mines' *Annual Report* noted in 1879, the increasing demand for coal could be met without the opening of new mines or the employment of more miners; rather, it could be satisfied 'by simply giving those we have full employment.'⁷⁸ However, in a system devoted to unregulated investment of mining or other capital, this was not an option to be taken seriously. John McElhone

77 See L. Muir, 'Public Spending and Private Property: The Illawarra Line Cabal.' In M. Kelly (Ed.) *Sydney: City of Suburbs*. New South Wales University Press in association with the Sydney History Group: Sydney 1987, pp.31 & 39 ('Lackey managed to satisfy most of the 'log-rolling' syndicates in one action'). For a more considered argument about the political and economic bases of general railway policy in New South Wales see G. Wotherspoon, 'The Determinants of the Pattern and Pace of Railway Development in New South Wales, 1850-1914'. In *Australian Journal of Politics and History*, 25(1), May 1979.

78 *Annual Report of the Department of Mines, New South Wales, 1879*, p.22.

recognised the risks—he had voted against the Newcastle Railway on the ground that railway extension was moving far too quickly, with non paying lines only adding to the burden of public debt, a sure recipe for future financial disaster.⁷⁹ William Forster, Member for Gundagai, also recognised it. Late in 1881, while debating a proposal for the Department of Mines to be allocated £20,000 to purchase diamond drills for the use of mining syndicates, he warned the House that:

they were not sent here to assist private enterprise . . . we were going on at a rate which must lead to serious consequences. The present Government was based upon an enormous material prosperity; but that prosperity would diminish one day . . . The present enormous surplus was intoxicating the colony. We were drunk with our prosperity, and the result in the long run would be fatal.⁸⁰

Jeremiads like this, however, did not express the dominant view. That was best put by Lord Loftus, the Governor and local representative of the interests of imperial capital, when he exulted that the ‘continued prosperity of the colony is a source of happiness to me, and is a just subject for public congratulation.’⁸¹

Thus, at a time when there was sufficient economic growth to sustain investment, profits and interest repayments, few decision makers were asking questions about the viability of it all. This is the key to explaining the easy and overwhelming acceptance by the New South Wales Parliament of the Illawarra Railway. It was but one part of an international exercise in log rolling. Without this context, Wollongong’s businessmen would probably have suffered a third defeat on the Illawarra Railway. However, once again, economic and political forces beyond their control had shaped their destiny.

Even Henry Parkes who had sworn in March 1877 that he would never allow public money to be spent on the Illawarra Railway, was compelled by those forces to act contrary to his personal wishes. In March 1881 he felt that as Premier he owed the House an explanation of his and the Ministry’s support for the Illawarra Railway. The Ministry he disposed of quickly by noting that New South Wales was a ‘young country’ and that the government had a duty to develop it. The real Jesuitry he saved for his own position. He began by stating his true opinion: ‘I am not standing here as an enthusiastic advocate of this railway. It will hardly

⁷⁹ *New South Wales Parliamentary Debates, op.cit.*, p.1103.

⁸⁰ *ibid.*, Session 1881, Vol.2, p.2672 (14 December 1881).

⁸¹ *ibid.*, p.2801.

be expected that I should.' He should have stopped there, but he felt impelled to justify his 'position of great apparent inconsistency' in nonetheless supporting the Illawarra Railway. Logic deserted him as he told the House of 'the different kinds of consistency which obtain.' There was, he said, a difference between changing one's mind on a 'matter of principle' (the suffrage or land policy) and 'the alleged inconsistency pertaining to the time when some public work is to be constructed.' Principles, Parkes declaimed, were immutable while minds could change about public works because of 'growth of population', 'the force and progress of public opinion, [and] the accumulation of greater knowledge.' For the Premier, the southern districts were now productive and well populated and a storehouse of great mineral and agricultural wealth sufficient to make the Illawarra Railway a paying line. In addition, he asserted, public support for the Railway had become impossible to resist. Yet, he found it impossible to deny that the scheme had been forced upon him against his will:

I am not so much in its favour even now; and, if I alone were charged with the responsibility of governing the country, I do not think I should propose it. But the Government is composed of nine persons, most of whom have previously supported the line, and I have given my cordial consent to the proposal.

He had no choice, and concluded his contribution to the debate with the unconvincing claim that there was no inconsistency between his attitude to the Illawarra Railway in 1881 and that in 1876 and 1878. In any case, he stated, 'we have ample resources, to enable us to afford to undertake the liability of the amount submitted.'⁸²

The state of the Premier's political conscience was, however, of no interest to the businessmen of Wollongong. The passage through the Legislative Assembly of the Illawarra Railway Estimate was greeted by them and the local population as though it marked the commencement of the millennium. Certainly, it was, as the proprietors of the *Illawarra Mercury* stated, the most important event in the district's history to that time:

We run little risk of exaggerating when we remark that no other announcement that has appeared in the *Mercury* during the more than quarter of a century of its existence ever gave a tithe of the satisfaction that [*sic.*] does the news in this issue, informing our readers that the Illawarra Railway has been sanctioned by Parliament.⁸³

⁸² Parkes' speech in *ibid.*, Session 1880-1, Vol.1, pp.1112-5.

⁸³ *Illawarra Mercury*, 25 March 1881.

Immediately the news became known in Wollongong, on the morning of 24 March, 'flags were hoisted all over the town,'⁸⁴ and 'knots of men, with eager and beaming countenances . . . could be encountered discussing the joyous intelligence.'⁸⁵ In the evening the Wollongong Brass Band played up and down Crown Street, and when they ran out of steam the Artillery Brass Band immediately took over 'and played through the streets for a considerable time.' By the following day, Friday, the enthusiasm for displaying flags was such that the town's balconies were covered with them.⁸⁶

The focus of local celebrations was to be a public torchlight procession through Wollongong on the evening of 25 March, called by the Mayor, William Poulter.⁸⁷ So fundamental to their interests was the winning of the Illawarra Railway that the businessmen who ran the town were prepared to suspend, briefly, the normal order of things. On the morning of the 25th Poulter telegraphed the Minister of Public Instruction, requesting the day off for the local schools. The Minister, none other than Sir John Robertson, agreed and when confirmation reached the scholars at noon their teachers led them in cheers for the Illawarra Railway, the Queen, the Mayor, the Mayoress and all those who had induced the Legislative Assembly to vote as it had.

As the time for the procession of thanksgiving approached, Wollongong took on a bacchanalian air. The hotels were brightly lit and illuminated lanterns adorned the balconies of the business houses. At George Commens' Crown Street coach factory the public could view an illuminated transparency of a railway train bearing the legend 'Illawarra Railway' and a likeness of John Biggar,⁸⁸ whose 'Herculean services' had made it all possible.⁸⁹ As torches were prepared for the procession, due to move through the town at 7.30 p.m., a huge bonfire of wood and tar was ignited with kerosene at the summit of Smith's Hill, where the march was to end. Delayed by rain, the marchers, numbering over 600, finally set out at 8 p.m. from the intersection of Crown and Keira Streets. Led by the Wollongong and Artillery Brass Bands, they wound down Crown Street, towards Wollongong Harbour, and through the streets at the

84 *ibid.*, 29 March 1881.

85 *Wollongong Argus*, 31 March 1881.

86 *Illawarra Mercury*, 29 March 1881.

87 *ibid.*

88 *ibid.*

89 *ibid.*

northern end of the town until they reached the open space at the top of Smith's Hill, where the bonfire awaited them. Amidst great cheering, the crowd, now swollen to more than 1000,⁹⁰ immersed itself in the festivities. As the bonfire blazed and sparked, the bands played waltzes and the people danced around it. The *Wollongong Argus*' reporter described the scene as resembling an ancient pagan ritual:

The effect was grand and weird in the extreme, and insensibly reminded the onlooker of the 'Old Fiery Cross,' in days long gone by, when the beacons on each hill top, called the warriors to deeds of violence and arms, or the old Druidical days, when the advent of summer was heralded by fiery offerings to Bel.⁹¹

The revellers were fuelled with free ale, which led to considerable numbers of young men becoming so intoxicated that, to the disgust of the *Illawarra Mercury*, they slept the entire night on the hill.⁹² Thus did the people worship the railway that they believed was going to bring a 'commercial millennium' to Wollongong.⁹³ Indeed, no one seemed alive to the symbolism, if not the message, in the attempt to send up a large balloon which, rising only a short distance, was caught by sparks from the bonfire and, engulfed by flame, fell to the earth. The official proceedings ended at 10 p.m. with the National Anthem.⁹⁴

Once the immediate headiness occasioned by the passing of the Estimate had evaporated, Wollongong's businessmen began to take stock of their situation. Their attention was on Wollongong Harbour. Until 1872 the Harbour had been the focus of their aspirations. However, it had failed to deliver the booming coal trade they desired. After 1872 the Railway had become their passion and on various occasions they had thoughts of abandoning the Harbour altogether, of using it in conjunction with the Railway or, in those moments when they had despaired of ever seeing the Railway come to pass, of returning to their original scheme of developing it as the district's coal export centre.

They now had their railway to Sydney, but this still left them with a problem. The official plans for the Illawarra Railway placed Wollongong's railway station on the western side of the town, away from the Harbour. However, the town's businessmen had for over two

90 *ibid.*

91 *Wollongong Argus*, 31 March 1881.

92 *Illawarra Mercury*, 29 March 1881.

93 *Wollongong Argus*, 7 April 1881.

94 *Illawarra Mercury*, 29 March 1881.

decades centred their interests on the Harbour. With the Railway in their keeping they now decided firmly that they wanted both.

The *Mercury* had expressed this view within a week of the passing of the Estimate. Its proprietors believed that the demand for coal would continue to rise and that the Harbour would be needed to supplement the Railway. Indeed, they stated that the Railway would attract such a large population to the district and increase local economic activity to the point where the Harbour would grow, not diminish in importance. Therefore, they said, the Railway would have to pass close to Wollongong Harbour before it continued south to Kiama.⁹⁵ The Mayor was requested to convene a public meeting to take up the matter.⁹⁶

At the meeting, on 12 April, George Hewlett moved that the Minister for Public Works be requested to alter the Illawarra Railway plans to allow it to join with Wollongong Harbour, with the station located as close to the Harbour as possible. He believed that if the station was placed on the western side of the town then it would have been better for them never to have taken up the cause of the Illawarra Railway at all—it would draw Wollongong's commercial activity away from its traditional centre. William Wiseman, coachmaker and wheelwright,⁹⁷ agreed. The existing plan, he said, would cause 'old Wollongong' to be deserted. John Biggar did not oppose these sentiments, but argued for caution. The Government, he said, was aware of the problem and had not yet taken the plans themselves before the Parliament for approval. It might, he thought, be best to wait and see before making the matter a public issue. Hewlett's motion was, however, carried, with only one (unnamed) dissident.⁹⁸

There was no response from the Minister until the Illawarra Railway plans were tabled in the Assembly on 15 November. These confirmed that Wollongong's railway station would be situated on the western side of the town.⁹⁹ The *Mercury* demanded that branch lines be constructed to the Harbour,¹⁰⁰ and the Mayor was again urged to call a public meeting. This

95 *ibid.*, 1 April 1881.

96 *ibid.*, 12 April 1881.

97 M. Organ & A.P. Doyle (Eds), *Illawarra Historical Source Books: Old Pioneer's Reminiscences of Illawarra (1830s-1920s)*. Illawarra Historical Publications: Woonona, New South Wales 1989, pp.21, 22 & 76.

98 *Illawarra Mercury*, 15 April 1881.

99 *New South Wales Parliamentary Debates* (First Series), Session 1881, Vol.6, p.1977. The detailed description of the route may be found in *ibid.*, p.2287.

100 *Illawarra Mercury*, 18 November 1881.

time, Biggar was more aggressive in calling his associates to heel. He said there was no point in pressing the Ministry; the Railway was yet to be built and the Minister had power under the Government Railways Act to order deviations from the official plans, as long as no additional expense was incurred.¹⁰¹ In any case, continued Biggar, commercial activity in Wollongong was increasingly being undertaken away from the Harbour. They had nothing to fear, because people would go where the business was, and where was the problem anyway with a railway station at one end of town and a busy harbour at the other? Biggar estimated that upwards of £150,000 would be spent on constructing the Railway near Wollongong, 'and if the business people here did not profit by that expenditure, it would be their own faults.'¹⁰² This appeal to the spirit of commercial enterprise in a town soon to be awash with money soothed away the fears of the meeting. It agreed unanimously to Biggar's motion that a letter be written to the Minister, expressing complete satisfaction with the plans of the Illawarra Railway.¹⁰³ Biggar had spent almost a decade helping to bring about that Railway, and he had no intention of allowing it or his plans for a prosperous future being delayed any longer, through the parochial shortsightedness of some of his colleagues. On 13 December the plans, having passed the scrutiny of the Assembly were accepted by the Legislative Council,¹⁰⁴ and the *Mercury* was pleased to note that 'all danger to the project is past.'¹⁰⁵

The Illawarra Railway, however, was going to take some time to reach Wollongong. Its builders were going to have to traverse some very difficult country, and even the ebullient Biggar estimated that it would take up to two years for the line to reach the district.¹⁰⁶ With the boom in the coal trade continuing, the Harbour was in the meantime the only means of reaping any immediate financial benefit. Hence, its condition remained important to Wollongong's businessmen. Both the *Mercury* and the *Argus* continued to press for public agitation on the matter, claiming that the money voted by Parliament for the Harbour was not being used to

101 An Act to make more effectual provision for the construction by the Government of Railways in the Colony of New South Wales and for the Regulation of the same. 22 Vic. No.19 [1858]. Section 13.

102 Quoted in *ibid.*, 25 November 1881.

103 *ibid.*

104 The plans were approved 54 votes to 11 by the Assembly on 30 November (see *New South Wales Parliamentary Debates, op.cit.*, pp.2287-300). The plans were tabled in the Council on 6 December (*ibid.*, p.2412) and approved without debate on 13 December (*ibid.*, p.2595).

105 *Illawarra Mercury*, 16 December 1881.

106 *ibid.*, 25 November 1881.

good effect. With rising demand for Wollongong coal, the loading of vessels was being unreasonably delayed¹⁰⁷ and nothing was being done about Black Buoy Rock¹⁰⁸ despite all the promises that had been extracted from Sutherland and Lackey. No public action was taken until August 1881 when the steamer *Kameruka* became stuck on the Rock, damaging one of its twin screws.¹⁰⁹ The *Mercury* recalled Sutherland's promise of three years before to have the Rock removed and claimed that the £10,000 recently voted by Parliament was being used up on minor works. Unless, it stated, the channel leading from the Harbour entrance into Belmore Basin and the water in front of the new jetty, still under construction, were deepened, the Harbour would be no better than before.¹¹⁰

The result was another public meeting, which adopted a memorial to the Minister for Public Works. It pointed him in particular to his predecessor's promise of September 1878 to remove Black Buoy Rock, to deepen the eastern side of the Harbour so as to allow large vessels to load with ease at the new jetty, and to have masonry work done on the breakwater. None of these, said the memorial, had been undertaken. Also, it continued, more money was needed to provide vegetative cover on the nearby sand dunes; southerly and easterly winds were covering the tramways with several feet of sand and delaying the shipping of coal. The main point of the memorial, however, was a fresh demand for a yet further enlargement of the Harbour. As it stood, the port was 'much too small for the largest vessels and this was hampering the expansion of the coal trade. Thus, the memorial requested the Minister to order a new survey of the Harbour with a view to improvements that would allow all Wollongong coal to go directly to its intercolonial and overseas destinations.¹¹¹ The optimism of Wollongong's businessmen had never been higher. They expected the boom to continue and they were determined to have a first class port in addition to their railway to Sydney.

John Biggar may have urged caution on his associates over the site of the town's railway station, but on the Harbour which, apart from coal, was the centre of his import business, he was relentless. He produced a letter from a Melbourne company which had it in

107 *Wollongong Argus*, 26 May 1881.

108 *Illawarra Mercury*, 24 June 1881.

109 *ibid.*, 26 August 1881

110 *ibid.*, 30 August 1881.

111 Memorial quoted in *ibid.*, 6 September 1881.

hand to get from England a steamer capable of carrying 1700 tons of coal, for the Wollongong-Melbourne trade. The company, he stated, had done so on the basis that the government's promised Harbour improvements would be completed; if not, the vessel would go elsewhere,¹¹² presumably to Sydney or Newcastle. George Hewlett reminded his business colleagues that the Harbour was their only present means of cashing in on the boom and that they must not let up in pressing the government to improve it. If they were to make serious money from the district, only coal, he emphasised, could do it for them. Dairying might yet be the staple industry but it generated neither the wealth nor the employment on the backs of which the town's businessmen hoped to ride to prosperity:

the harbour was of more importance to the town than anything else. Nothing improved the business of the town so much as the sale of coal. When the mines were in full work they benefited the town to a greater extent than all the farming and dairying of the district put together.¹¹³

The memorial was adopted and entrusted to the local Member, Alexander Stuart, for presentation to the Minister.¹¹⁴ This time there would be no deputation besieging the Minister in his Sydney office. It was a measure of Stuart's standing with his constituents and of his growing stature in New South Wales politics that he was given carriage of the matter. The Sydney press was touting him as a future Premier, 'a man of such acknowledged ability and . . . influence, politically and commercially, that he can ensure a tolerably strong following whenever he may choose to bid for it.'¹¹⁵

Stuart lost no time in forwarding the memorial to the Minister, and promised that he would seek a personal interview with Lackey.¹¹⁶ On this occasion, however, his influence availed little. The government cared little for Wollongong's businessmen or its Harbour. The Under Secretary of the Department of Public Works wrote to Stuart, denying any knowledge or record of a promise made in 1878 by the then Minister John Sutherland about Black Buoy Rock or any other matter pertaining to Wollongong Harbour. The Under Secretary added that the

112 *ibid.*, 9 September 1881.

113 Quoted in *ibid.*

114 *ibid.*

115 *Sydney Mail*, quoted in *ibid.*, 14 July 1881.

116 *Illawarra Mercury*, 13 September 1881.

removal of the Rock in particular would be a most expensive undertaking and that the Department did not have it in contemplation.¹¹⁷

Consequently, when the Estimates for 1882 were tabled in the Assembly on 4 November, there was no provision for the removal of Black Buoy Rock or for any other improvements to Wollongong Harbour. Just as bad, Wollongong's status as a port of entry, granted in September 1878,¹¹⁸ was removed; the £200 a year Sub-collector of Customs became a £52 a year Acting Customs Officer with his two £108 a year boatmen disappearing altogether. The *Mercury* urged public protest, stating that the third port of the Colony deserved better.¹¹⁹

The town's businessmen met and petitioned the Colonial Treasurer to reinstate Wollongong as a port of entry. It was this decision above all that pierced to the core their economic optimism. It was at odds with their perceptions of Wollongong's present and future. Their request to the Treasurer asserted that the boom was increasing commercial activity in the town and district, and that the Illawarra Railway would expand that activity yet again. Thus, they said, imports through Wollongong Harbour would increase also.¹²⁰ The Government was less certain about this. In December it placed £1000 on the Estimates for work on the sand drift problem.¹²¹ Later in the month, Alexander Stuart drew from the Minister for Public Works a promise that £1000 would be granted to begin work on the removal of Black Buoy Rock. He also waited on the Colonial Treasurer who gave an undertaking to keep an eye on shipping activity at Wollongong and, if justified, would restore it as a port of entry.¹²² These were not generous concessions, but the Government had not been motivated by generosity in considering Wollongong in 1881—the Illawarra Railway had been principally a means to other ends. If Wollongong's businessmen benefitted from it that was fine, but it was not intended as a signal to them that their district and its coal were integral to plans for the further development of the Colony. Wollongong's businessmen were on their own but this time market forces were on their side, and there was every indication that their material paradise was about to spring up around them.

117 Stuart's and Under Secretary's correspondence quoted in *ibid.*, 25 October 1881.

118 *New South Wales Government Gazette*, No.285, 13 September 1878, p.3679.

119 *Illawarra Mercury*, 8 & 15 November 1881.

120 *ibid.*, 25 November 1881.

121 *ibid.*, 16 December 1881.

122 *ibid.*, 20 December 1881.

In September a Mr. Chandler opened a cordial factory in Wollongong, the *Mercury* reporting enthusiastically that the establishment boasted 'steam machinery of an elaborate and costly character', the corking also being done by machine.¹²³ This was but the precursor of bigger things. In May the sub committee formed earlier in the year to push the gas company proposal convened a public meeting at which a detailed report on costs was considered. The report adopted, seven provisional trustees, all local businessmen, were appointed to get the company formed: Percy Owen, solicitor; Archibald Campbell, joint proprietor of the *Illawarra Mercury*; Patrick Lahiff, manager of the Mount Pleasant mine; John Biggar, real estate agent and auctioneer; William Poulter, seller of groceries and furniture and Mayor of Wollongong; George Hewlett, manager of the Wollongong branch of the English, Scottish and Australian Chartered Bank, and Aquila Parsons, timber merchant.¹²⁴ Biggar, the company secretary, moved quickly. On 7 June he published the prospectus of the Wollongong Gas Company, Limited, to have a nominal capital of £3000 in £1 shares, with power to increase the capital to £6000. The aim of the Company was in keeping with the buoyancy that had gripped the town since the passing of the Illawarra Railway Estimate. It was to supply Wollongong with gas, 'this great modern requisite of comfort and civilisation'.¹²⁵

By September Biggar could report that 52 local investors had taken up 1500 shares in the Company,¹²⁶ only half of what was needed to get the scheme underway. Like the Colony of which it was a part, the Wollongong district did not generate sufficient wealth to finance its own development, and it seemed that this gas company, like that promoted by Thomas Garrett in the late 1850s, would expire without issue. However, in 1881 times were good and there were outside investors looking for profitable schemes. Two of these were interested in the Wollongong Gas Company: Warke Brothers, gas engineers of Bathurst, Wagga and Tamworth, and Montague Coward, gas engineer of Sydney. Both wished to take up a sizeable block of shares, on the condition that they also supply the plant. Coward offered the better deal. His offer to take up 3000 shares would get the Company off the ground immediately,

123 *ibid.*, 30 September 1881.

124 Occupations drawn from advertisements in *ibid.*, 31 May 1881 and from Organ & Doyle, *op.cit.*, p.75.

125 Prospectus in *Illawarra Mercury*, 7 June 1881.

126 *ibid.*, 20 September 1881.

while Warke Brothers offer to buy 500 would have left the project still short of its initial capital requirement of £3000.¹²⁷

Coward had only recently arrived in Sydney from England, to establish a gas business. His father's London company had handled the business of the Sydney and Newcastle gas companies for over 20 years, and his proposal to the Wollongong concern included an offer to superintend the building of the gas works there. He planned to import the plant from England, presumably putting a little Colonial business his father's way, and promised to supply Wollongong with gas lighting within 12 months for a total cost of £4735, excluding the cost of land.¹²⁸ His proposal was accepted by the provisional trustees and other shareholders at a meeting on 11 November, which, with 4600 shares subscribed (Coward's 3000 plus 1600 others), took up the option of increasing the Company's capital to £6000 and authorised the trustees to seek an Act of Incorporation from the New South Wales Parliament.¹²⁹

The Illawarra Railway vote promoted increased activity in the local coal trade. George Allen, Speaker of the Legislative Assembly and chairman and major shareholder in the Bulli Coal Company, reached deeper into his pockets. In June, July and December he added 380.4 acres of coal land to his holdings north of Bulli, at a cost of over £7500.¹³⁰ At the other end of the district the Mount Kembla Coal and Oil Company's works were proceeding apace. When completed, the Company's jetty would be 950 feet long with a depth at low water of 24 feet, almost double that of Wollongong Harbour; the bay in which it was situated, to be known as Port Kembla, afforded much better shelter for vessels than that 'enjoyed' by the jetties at Bulli and Coalcliff.¹³¹ This was given point when the Coalcliff Company's jetty was again wrecked by a storm, in early June.¹³²

Nonetheless, the boom overshadowed such disasters, with Wollongong coal enjoying its best prospects ever. Despite the problems with Wollongong Harbour the new steam cranes there began operating in November.¹³³ In the same month the first of the Mount Kembla

127 *ibid.*, 2 August & 15 November 1881.

128 *ibid.*, 4 October & 15 November 1881.

129 *ibid.*, 15 November 1881.

130 *ibid.*, 17 June, 8 July & 23 December 1881.

131 *ibid.*, 6 May 1881

132 *ibid.*, 14 June 1881.

133 *Wollongong Argus*, 24 November 1881.

Company's locomotives was delivered by steamer from Sydney.¹³⁴ All Royal Navy steamers on the Australian Station were now reported to be using only Wollongong coal, supplied by the Bulli Company,¹³⁵ and the Peninsular and Oriental Steam Navigation Company was beginning to have its vessels fitted with furnace bars designed specifically for Wollongong coal.¹³⁶

Probably most significant of all was the announcement in December 1881 that the Mount Kembla Company would be offering only 1000 of its 10,000 £10 shares in New South Wales.¹³⁷ Registered in England under the Imperial Companies Act, about £60,000 of its nominal capital of £100,000 had already been subscribed in England by January 1881,¹³⁸ and the Company's London board had decided that, in all, 90 *per cent.* of its capital would be raised in the mother country. This marked a new phase for the Wollongong coal trade. Until the advent of the Mount Kembla Company, such mining activity as there was had rested upon local (that is, Wollongong and Sydney) capital. From the early 1850s to the early 1860s the trade had been the preserve of little or would be capitalists like James Shoobert at Mount Keira, Thomas Hale at Bellambi, Robert Taylor and Christopher Walker at Woonona, and Patrick Lahiff and Benjamin Fawcett at Mount Pleasant. The only real capitalist during this first phase had been Henry Osborne. However, as demand picked up in the early 1860s, his family was joined in the local trade by big Sydney investors such as George Allen at Bulli and James and William Byrnes at Mount Pleasant. Then, of course, as the boom of the 1870s gathered force and as the Illawarra Railway was pushed as a matter of public policy, other Sydney capitalists developed an interest in the southern coalfield, notably Henry Parkes and John Sutherland at Jamberoo and Alexander Stuart and John Robertson at Coalcliff. Now, however, by the close of 1881, Wollongong coal had attracted the attention of London investors. Wollongong's businessmen could feel that their future was assured, having become linked to the heart of British imperial capital. The district's coal was powering the ships of the world's mightiest navy as well as those of the great Peninsular and Oriental line. Surely other British investment

134 *ibid.*, 1 December 1881.

135 *Illawarra Mercury*, 8 July 1881.

136 *ibid.*

137 *Wollongong Argus*, 15 December 1881.

138 *Report from the Select Committee on the Mount Kembla Coal and Oil Company's Railway Bill; together with the Proceedings of the Committee and Minutes of Evidence*, p.5. (Evidence of Ebenezer Vickery, 28 January 1881). In *Votes and Proceedings of the Legislative Assembly, Session 1880-1*, Vol.1.

must follow and be the means of delivering to Wollongong's businessmen their little commercial utopia at the fringe of the Empire.

Local businessmen were just as certain that other great industries would follow, and there was much excitement in the second half of 1881 over the prospects for the manufacture of iron in Wollongong. In the wake of the Railway vote the Mount Pleasant Company announced that it would erect a small furnace to test the quality of the iron ore on its property.¹³⁹ By late November Patrick Lahiff had smelted a small quantity of pig iron, samples of which were sent to Sydney for examination by the Mount Pleasant proprietors.¹⁴⁰ They were impressed sufficiently to place the samples on display at the Exchange, and to have some of them made into iron bars at one of the Sydney foundries; consequently, rumours flourished in Wollongong that an iron company was about to be formed.¹⁴¹ These were not diminished when Lahiff announced that he had discovered a yet richer bed of iron ore at Mount Pleasant, one that would yield 60 *per cent.* pure iron, as compared to the 35 *per cent.* from the seam he had first tested.¹⁴² The *Mercury's* proprietors were already looking beyond coal to iron as the real engine of economic growth in Wollongong; the iron industry, they said, 'will perhaps exceed all others in importance as regards Illawarra.'¹⁴³

The 1880s, then, looked to be the decade in which local businessmen would at last realise their material aspirations. However, the past continued to cast its shadow. In April 1881, just after the Illawarra Railway vote, the *Mercury* could say in truth that Wollongong was still 'essentially a dairying district.'¹⁴⁴ Nevertheless, as the government surveyors moved south from Sydney to peg out the exact route of the Illawarra Railway,¹⁴⁵ the economic transformation of the district appeared to be at hand.

It did not matter much that the final plans would have the Railway terminate at Macdonaldtown in Sydney, where it would join with the Great Western Railway. This meant only that Wollongong's coal would be shipped from Darling Harbour rather than at Balmain as

139 *Illawarra Mercury*, 12 July 1881.

140 *ibid.*, 29 November 1881.

141 *ibid.*, 13 December 1881.

142 *ibid.*, 29 November 1881.

143 *ibid.*, 2 December 1881.

144 *ibid.*, 12 April 1881.

145 *ibid.*, 29 July, 19 & 30 August, and 21 October.

originally envisaged. The minds and hearts of Wollongong's businessmen were fixed on the New Jerusalem of commerce that they believed was about to descend upon them. Naturally, John Biggar was in the vanguard. In April 1881 he prophesied that it would be 'not long' before the district was turning out 1,500,000 tons of coal a year.¹⁴⁶ By November he was experiencing visions of a huge tourist trade, as the Illawarra Railway flooded the district with Sydneysiders. On 'holiday occasions', he predicted, 2000 to 3000 people would descend on the town, swelling to 'not less' than 30,000 on race days.¹⁴⁷ Given that the 1881 census had shown the total population of the Wollongong district to be 7209,¹⁴⁸ this would represent a formidable challenge as much as a commercial opportunity for the town's providers of food, drink and accommodation.

Biggar had captured perfectly the mood that was sweeping the place, and his colleagues saw him as offering far more than castles in the air. George Hewlett hailed him at a public meeting in November as 'a prophet.'¹⁴⁹ For Biggar, his mind attuned to secular rather than theological concerns, it was the homophonic quality of the description that touched him. Thus, he advised his fellow businessmen:

Don't listen to the prophet, but pocket the profits that will arise from the improved state of business that for a certainty will follow here in the natural order of things after the railway.¹⁵⁰

As Christmas 1881 approached, the proprietors of the *Mercury* were improving even on Biggar's boosterism. They too had had a vision, one in which, on the completion of the Railway, they saw 'this district, teeming with tens, nay hundreds of thousands of people not long hence'.¹⁵¹

With the year of the Illawarra Railway drawing to a close, the *Mercury* offered its readers a short economic history of the district. It traced the development and exhaustion of the cedar industry and the supersession of agriculture by dairying. For a quarter of a century, it said, butter had been the local staple.¹⁵² However, the capacity of butter to deliver prosperity

146 *ibid.*, 15 April 1881.

147 *ibid.*, 25 & 29 November 1881.

148 *Census of New South Wales, 1881. (Summary Tables)*. In *Journal of the Legislative Council of New South Wales*, Session 1882, Vol.33, Pt.2. The figure refers to the electorate of Illawarra.

149 Quoted in *Illawarra Mercury*, 29 November 1881.

150 Quoted in *ibid.*

151 *ibid.*, 23 December 1881.

152 *ibid.*, 2 December 1881.

had in its turn been exhausted. In October the paper had reported the failure of the latest attempt to export butter to Britain, following the opening of a cold storage facility at Dapto and the formation of a co-operative butter company. The idea, stated the *Mercury*, 'appears to have proved an abortion.'¹⁵³ This, however, caused the businessmen of the town little concern, for 'Slowly, but surely . . . the mining industry has been gaining on dairying as regards importance in money value,' a process that would soon see the value of coal exports exceed that of cheese and butter combined.¹⁵⁴ Even though the Railway was expected to give rise to an 'immense milk trade' with Sydney, mining was the future and, if an iron industry were also to be established, then the wealth flowing back to Wollongong's business houses would be unimaginable.¹⁵⁵

Such was the spirit of optimism and goodwill that permeated the place, that old enemies could be forgiven, their sins forgotten and their virtues praised. In their last issue for 1881, Campbell and Hart noted that the Premier, Sir Henry Parkes, was about to leave the Colony for a holiday in the United States of America and England. Vilified for his betrayal of the Illawarra Railway movement until his unenthusiastic re-conversion in March 1881, Parkes was now to the *Mercury* 'a statesman' whose 'well deserved' rest from official duties was thoroughly merited.¹⁵⁶

Nonetheless, there were uncertainties. Wollongong's businessmen had in the past been convinced that their utopia was upon them, only to be robbed of it by market and political forces beyond their control. Would the world and Australian markets continue to be buoyant? Would the government ensure that the Illawarra Railway was built speedily, and would it prove to be the magnet for capital that Wollongong Harbour had failed to be?

153 *ibid.*, 21 October 1881.

154 *ibid.*, 2 December 1881.

155 *ibid.*

156 *ibid.*, 27 December 1881.